

BUDGET DOCUMENT

Fiscal Year 2007



Welcome to the South Florida Water Management District's (District) Fiscal Year 2007 (FY2007) Budget document. The following descriptions will give you a brief preview of the content provided within the document's five sections.

Executive Summary

The **Executive Summary** section of this budget document provides a budget summary; a brief history and overview of the South Florida Water Management District (District), including the agency's organizational structure, governance and management, and personnel; a review of District functions and major responsibilities; and a revenue and expenditure summary.

Operating Budget

The **Operating Budget** section of this document details the District's functions by resource area (organizational division) and program. Descriptions, organization charts and resource allocations accompany the budget information provided for each of the District's four resource areas. District programs are organized by resource area.

Information for each of the District's 11 programs includes an overview of the program, its projects and operations; an explanation of FY2007 funding increases/decreases; a three-year program budget comparison and explanations of significant funding changes; key FY2006 accomplishments; a three-year summary of program performance measures/success indicators; and the program's long-term strategic goals.

Financial Overview

The FY2007 **Financial Overview** section summarizes the District's financial principles, philosophies, processes and structure. Revenue forecasts and trends, and a debt summary are also included in the Financial Overview.

Long-Range Plans

The **Long-Range Plans** section includes highlights from the District's Capital Improvements Program. This section describes the link between the District's programs and agency goals, and how District programs support mission objectives. The Long-Range Plans section also includes a 5-year financial forecast. The District's major capital projects by program and associated five-year budget information is included as part of the Capital Improvements Program in this section of the document.

Appendix

This section contains valuable tax-related background information, including a ten-year tax millage history, the FY2007 District tax base, impact of taxes, a sample tax notice and explanation, and a listing of the Property Appraisers' offices for all 16 counties located within the District's jurisdiction. Additionally, relevant environmental and economic overview information has been included in the Appendix. Reference materials, including a glossary, acronyms and abbreviations, and a list of other related useful documents, are also located within the budget document Appendix.

TABLE OF CONTENTS

Executive Summary

Transmittal Letter	1
Budget Summary	2
District Overview	8
Organization Chart	10
Governing Board	11
Executive Management Team	12
District Personnel Summary	13
District Functions & Major Responsibilities	16
Revenue and Expenditure Summary	21
Budget Presentation Award	26

Operating Budget

Introduction	27
District Structure	28
Water Resources — Resource Area Organization	31
Coastal Watersheds Program	34
District Everglades Program	39
Kissimmee Watershed Program	44
Lake Okeechobee Program	48
Modeling & Scientific Support Program	52
Regulation Program	56
Water Supply Program	60
Operations and Maintenance — Resource Area Organization	65
Operations and Maintenance Program	68
Comprehensive Everglades Restoration Program — Resource Area Organization	73
Comprehensive Everglades Restoration Plan (CERP) Program	76
Land Stewardship Program	81
Corporate Resources — Resource Area Organization	85
Mission Support Program	88

Financial Overview

Financial Principles and Policies	93
Budget Development Milestones & Calendar	102
Budget Philosophy and Process	106
Financial Structure	108
Revenue Forecast Methodology	114
Revenue Assumptions and Trend Analysis	116
Estimated Financial Sources and Uses	129
Changes in Total Fund Balances	132
Debt Summary	133

Long-Range Plans

Program Policies	137
Linking Programs to Agency-wide Goals	138
How District Programs Support Mission Objectives	139
Five-Year Financial Forecast	141
Capital Improvements Program	145
Five-Year Capital Budget Projection	147
Project Plan Linkage to Budget Development	151
Funding Sources for Capital Projects	156
Major Capital Projects by Program	159
Impact of Capital Projects on the Operating Budget	176

Appendix

Ten-Year Tax Millage History	179
FY2007 District Tax Base	180
Impact of Taxes	181
Sample Tax Notice	183
Property Appraisers	184
Economic Outlook	185
How Environmental Factors Affect District Services	190
Glossary	196
Acronyms and Abbreviations	207
A Guide to Other Useful Documents	210



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

3301 Gun Club Road, West Palm Beach, Florida 33406 • (561) 686-8800 • FL WATS 1-800-432-2045 • TDD (561) 697-2574
Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

October 2006

To the Residents of Central and Southern Florida:

The South Florida Water Management District respectfully submits its annual budget for Fiscal Year 2006-2007 as approved by the Governor of the State of Florida in accordance with section 373.636, Florida Statutes.

Thanks to the leadership and vision of our Governing Board and the hard work of our staff, 2006 was a year of extreme action and progress. With the challenge of revitalizing ecosystems, protecting communities from flood and drought, ensuring water supply for today and future generations, and safeguarding water quality for wildlife and people, the South Florida Water Management District truly delivered last year.

With a total approved budget of just under \$1.4 billion, FY2007 will provide even more challenges and opportunities. The programs and projects identified in this document continue to reflect the urgency and commitment of turning plans into reality NOW.

By adhering to our annual business cycle – updating the long-term Strategic Plan; developing an Annual Work Plan; building an Annual Budget to accomplish the work plan; and thorough reviews of quarterly reporting – we continue to keep our goals and responsibilities squarely in focus. As a key part of this process, the Governing Board provides direction-setting guidance and establishes the District's overall strategic priorities:

- Expedite Everglades restoration through completion of Acceler8 projects
- Achieve Everglades water quality standards
- Integrate Kissimmee Watershed management strategies and river restoration
- Restore the health of Lake Okeechobee
- Minimize impacts of the Central & South Florida (C&SF) system on the Caloosahatchee and St. Lucie estuaries
- Refurbish the regional water management system
- Meet the current and future demands of water users and the environment
- Retain and recruit a high-quality, diverse workforce

The on-going water management and ecosystem restoration challenges facing South Florida are truly staggering and, once again, the South Florida Water Management District is ready to take them on! Working with our federal, state and local partners, this budget allows us to continue developing and implementing real solutions now that benefit the people and environment of our 16-county region.

Sincerely,

A handwritten signature in cursive script, reading "Carol Ann Wehle".

Carol Ann Wehle
Executive Director

GOVERNING BOARD

Kevin McCarty, *Chair*
Irela M. Bagué, *Vice-Chair*
Miya Burt-Stewart

Alice J. Carlson
Michael Collins
Nicolás J. Gutiérrez, Jr., Esq.

Lennart E. Lindahl, P.E.
Harkley R. Thornton
Malcolm S. Wade, Jr.

EXECUTIVE OFFICE

Carol Ann Wehle, *Executive Director*

Budget Summary

The South Florida Water Management District (District) budget and work plan is an integral component of the agency's extensive annual strategic planning process and is the result of public meetings, Governing Board and management input, and directives from the State of Florida. The District's approved budget for FY2007 totals \$1.4 billion, an increase of approximately \$300 million over the FY2006 amended budget of \$1.1 billion.

While this year's annual budget is higher than the FY2006 amended budget, the District once again – for the 10th consecutive year – was able to maintain existing millage (tax) rates. In order to help fund additional program needs, the District issued \$546.1 million in Certificates of Participation (COPs), of which \$413.6 million in proceeds are budgeted. The increase in the District's overall budget was directed primarily to the following efforts:

- Accelerating Everglades restoration efforts
- Implementing the Long-Term Plan to further reduce pollutants
- Funding the Alternative Water Supply program in order to meet the region's future water supply needs
- Restoring and maintaining the health of Lake Okeechobee and downstream estuaries
- Refurbishing aging water control structures to ensure the safety of our citizens.

Budget Development Issues and Constraints

Accomplishing the District's mission and implementing the programs and projects identified in the District's budget requires a unified communications effort by the Governing Board, District staff, other state, federal and local agencies, various stakeholders, and the general public.

The Governing Board sets the overall tone and direction of the budget by identifying priorities, commitments, and key program goals and objectives. On-going coordination with the Governor's Office, State Legislature and the Florida Department of Environmental Protection also provide critical guidance on key issues or concerns from the state's perspective, with significant emphasis on fiscal responsibility.

Maintain Millage Rates

From the start of the fiscal year's business planning process, in March 2006, the directive from both the District Governing Board and the Governor was to build a budget based on continuation millage rates. This budget reflects that directive. In fact, the District has maintained its millage rates for the 10th consecutive year.

Maintain Moderate Growth in Administrative and Operational Activities

The District developed revenue driven targets based on a five-year historical expenditure rate. These ad-valorem targets were applied to all non-strategic programs and activities. As a result, a significant amount of the baseline budget was redirected to higher priority projects. The District had to make adjustments for unavoidable cost increases such as fuel, electricity, property insurance, Florida Retirement System retirement costs, and hurricane expenses, but was able to dedicate growth in ad valorem dollars primarily to infrastructure projects.

Direct Ad Valorem Growth to Highest Priorities

Escalating property values have resulted in additional revenue to the District even while maintaining existing millage rates. The District continues to face many challenges in the upcoming year and beyond. Major responsibilities include accelerating implementation of construction projects for Everglades restoration, fast-tracking projects designed to benefit Lake Okeechobee and downstream estuaries, upgrades to the regional water management and meeting the water supply needs of people and the environment. The Governing Board directed that the dollars generated by new ad valorem growth be allocated specifically towards priority initiatives and not for on-going operational support.

Regulatory and Legislative Issues

As a regional governmental agency created by state legislation in 1949, the South Florida Water Management District's roles and responsibilities are defined and greatly impacted by changes in regulatory and legislative actions. Key examples include passage of the *Everglades Forever Act (EFA)* in 1994 which mandated the construction of six stormwater treatment areas to reduce phosphorus levels from stormwater run-off and other sources before it enters the Everglades. In 2003, the Florida Legislature amended the EFA to authorize implementation of the initial phase of the Long-Term Plan, provide funding to continue water quality restoration in the Everglades, and clarified the law to allow funds to be spent on additional water quality improvements. The Long-Term Plan's initial 13-year phase (FY2003–FY2016) includes stormwater treatment area enhancement construction, operation, maintenance, and monitoring of the Everglades Construction Project. The total capital cost of full implementation is estimated at \$513.8 million. Additionally, it is projected that the Long-Term Plan initial 13 year phase will cost \$1 billion. As part of this legislation, the District is also required to continue conducting research and demonstration projects to investigate ways to further reduce phosphorus levels, and to apply that knowledge as it becomes available.

Recent water supply-related bills have placed additional financial requirements on the District, requiring matching funds for the construction and implementation of alternative water supply projects in partnership with local governments.

Ensure Adequacy of Fiscal Resources

Over the years, the South Florida Water Management District's responsibilities have steadily increased in scope and magnitude. Despite increases in ad valorem growth, the District's ability to generate revenue through its primary source (i.e. ad valorem property taxation) is limited by statutory and constitutional millage caps.

While population growth may have slowed temporarily, long-term trends estimate approximately 1,000 people are moving to Florida every day and about 40 percent of these new residents are choosing communities within the South Florida Water Management District.

The reality of achieving the agency's goals becomes more expensive with each passing year, which is why the Governing Board and executive leadership seek to maximize the opportunities available today. In just one year the cost of purchasing former agricultural land increased 50–88 percent. In the past two years, steel costs have increased 40 percent, fuel needed for our pump stations increased 73.5 percent and concrete prices increased 62 percent.

Alternative funding - Certificates of Participation (COPs) Revenue Bonding

In FY2005, the state and District launched the *Acceler8* Program. *Acceler8* is a major initiative for Everglades Restoration that will achieve restoration goals faster by accelerating the pace of funding, design and construction of key restoration projects. Funds needed for the construction of these projects will be significantly leveraged through the issuance of “Certificates of Participation” (COPs). The financing and expediting of these projects will help offset future increases in construction costs. The first issuance of COPs took place in November 2006 (in FY2007). In total, approximately \$1.8 billion in construction is expected to be funded through the issuance of COPs.

Redirect Funds / Contingency Planning for Emergencies

In 2004 and 2005, the District was able to respond to the emergency needs and associated costs brought about by two active hurricane seasons which caused significant damage to infrastructure system-wide. The District successfully redirected budgeted funds from other projects to pay for the costs of repair and recovery efforts associated with the severe storms. Those recovery efforts extended well into the FY2006 budget year.

In order to ensure that planned Capital Improvement Projects can proceed uninterrupted, even when hurricanes and other unforeseen events occur in the future, the District established capital reserves of \$16 million and \$6.9 million in reserves for hurricane and emergency response. This decision also follows the governor’s directive to utilize current ad valorem revenues to establish reserves.

Staffing Level Considerations

After careful review of the District’s existing full-time staffing resources and redeployment of experienced personnel to positions and programs to maximize efficiency for the new fiscal year, the determination was made that additional staff would be required to support mission critical work.

For FY2007, the District added 13 new staff positions, increasing its Full-Time Equivalent (FTE) employee total to 1,784. This 0.7 percent FTE staffing increase is the first such staffing increase for the District since FY2000. The Operations & Maintenance Resource Area will utilize the 13 additional FTEs to support stormwater treatment areas (STAs), reservoirs, pump stations and water control structures as they are constructed and come online.

The District remains committed to augmenting its full-time permanent workforce with contractors on an as-needed basis, outsourcing a wide variety of functions to qualified small businesses and individuals registered to do business with the District.

Management Accountability and Performance

Initiated in 2004, the District continues to work toward greater consistency in linking fiscal year performance and management expectations. Program and department managers are now evaluated on how effectively they budget and expend funds as part of their overall annual performance review. This ensures better allocation of appropriate staffing levels to priority projects; identifies under or overused resources; helps scope resource requests more appropriately; and discourages over-budgeting and other inefficiencies.

Tying management performance to expenditure rates has helped reduce carry-over encumbrances from year to year. As a result of this measure (and related policies) funds carried forward at the end of FY2005 decreased by 25 percent from the FY2004 year-end level.

Strategic Priorities & Funding Allocations

The District's objective is to prepare an annual budget that is policy driven, accountable, and responsive to the governor, state legislature, taxpayers, and ecosystem needs of central and south Florida. This approved budget successfully meets those criteria.

As part of the strategic planning business cycle, the Governing Board identifies the long-term priorities and program goals for the agency. These, in turn, guide the development of the annual work plan and the budget needed to implement the work plan objectives. The District's priorities and funding allocations for FY2007 are:

Expedite Everglades Restoration through Completion of Acceler8 Projects

Deliver restoration benefits sooner through planning, design, construction and operation of the Comprehensive Everglades Restoration Plan (CERP) projects through Acceler8*. The District has committed \$128.6 million of ad valorem property tax funds to the CERP Program in FY2007. A total of \$576.6 million (42 percent of FY2007 funds) is budgeted for the CERP Program. This amount includes \$336.4 million of Certificates of Participation (COPs) proceeds.

** Acceler8 includes the following projects: 1 - C-43 (Caloosahatchee River) West Reservoir; 2 - Everglades Agricultural Area Reservoir A-1 with Bolles Canal Improvements; 3 - Everglades Agricultural Area Stormwater Treatment Area Expansion; 4 - Picayune Strand (Southern Golden Gate Estates) Restoration; 5 - C-44 (St. Lucie Canal) Reservoir/Stormwater Treatment Area; 6- Water Preserve Areas: Acme Basin B Drainage, Site 1 Impoundment, C-11 Impoundment, WCA-3A/3B Seepage Management, C-9 Impoundment; 7 - Biscayne Bay Coastal Wetlands - Phase 1; 8 - C-111 Spreader Canal.*

Achieve Everglades Water Quality Standards

Complete construction of all Everglades Construction Project components and enhancements and implement the Long-Term Plan to ensure that all waters discharging into the Everglades Protection Area are in compliance with state water quality standards. The total District Everglades budget is \$174.1 million (13 percent of the total budget). This amount includes \$77.2 million of COPs proceeds.

Integrate Kissimmee Watershed Management Strategies & River Restoration

Now that the lands necessary for the Kissimmee River Restoration have been successfully acquired, the priority for FY2007 has shifted to a broader, watershed management approach for that area of the District. The Kissimmee River Restoration effort is now in the implementation and monitoring stages. The District has allocated \$28.9 million (2 percent of the FY2007 total budget) to the Kissimmee Watershed Program. This year, there is a shift in priorities for this program from land acquisition, which is substantially completed, to mitigation-oriented projects.

Restore the Health of Lake Okeechobee

As the District continues to build projects designed to reduce phosphorus inputs to Lake Okeechobee, this priority has been expanded to encompass much broader objectives to benefit the health of Lake Okeechobee. To address the major issues facing the lake, the District has budgeted \$81.2 million (6 percent) of its FY2007 budget to the Lake Okeechobee Program.

Minimize Impacts of the Central & South Florida (C&SF) System on the Caloosahatchee and St. Lucie Estuaries

While coastal ecosystem management and protection efforts have been under way for a while, this is the first year that protection of the Caloosahatchee and St. Lucie Estuaries have been specifically identified as a strategic priority for the District. This effort includes implementation of the Lake Okeechobee and Estuary Recovery (LOER) Plan in order to minimize impacts of harmful discharges from Lake Okeechobee to the estuaries. Although funding for the LOER Plan is included within the Lake Okeechobee priority budget, this effort is managed in conjunction with the Coastal Watershed Program. The District has budgeted \$52 million (4 percent) of the FY2007 budget to the Coastal Watershed Program.

Refurbish the Regional Water Management System

The regional water management infrastructure has passed its life expectancy. Significant hurricane impacts in FY2004 and FY2005 both delayed scheduled refurbishments and underscored the need for system updates. For greater efficiency, and in order to maintain progress in the C&SF Project renovation, structural hurricane repairs will be combined with scheduled refurbishment projects, where feasible. Funds will also be kept in reserve to diminish fiscal impacts of emergency events. The District will support and provide technical assistance to the U.S. Army Corps of Engineers' effort to repair the Herbert Hoover Dike, which surrounds Lake Okeechobee. The total Operations & Maintenance (O&M) Program budget, which includes refurbishment of structures, is \$174.5 million (13 percent of the FY2007 budget).

Meet the Current and Future Demands of Water Users and the Environment

The District remains committed to supporting the development of alternative water supply projects in cooperation with water utilities and other water users and suppliers, as mandated by Florida water law. The District has allocated \$75.8 million (6 percent) of its FY2007 budget to advance the design and construction of water-producing projects as recommended in the agency's updated regional water supply plans, as well as water conservation initiatives.

Retain and Recruit a High-Quality, Diverse Workforce

The District will also continue to develop and implement strategies designed to hire and retain a high-performance, team-oriented, diverse workforce that is engaged, motivated and focused on achieving agency goals. (Salaries and benefits for employees are budgeted within the programs they support).

Beginning with FY2007, the District strengthened its commitment to its employees by adding new benefits to the agency's employment compensation package. By increasing its deferred compensation match program and vacation leave accrual, and adding a health insurance premium discount program for retirees based on years of service with the agency, the District seeks to attract and retain world class employees. The District's revised benefits package is designed to reward long-term career-oriented employees.

FY2007 Budget – In Summary

In general, the District's strategic and funding priorities have not changed significantly for FY2007. Many of these priorities continue to be tied to the environmental impacts that Florida's tremendous growth have had on the ecosystem and most are the result of statutory requirements and intergovernmental partnership agreements. These priorities underscore the challenges we face in our on-going commitment to implement environmental restoration projects faster and achieve results sooner for our major South Florida watersheds – the Kissimmee River, Lake Okeechobee and Everglades systems – as well as working to improve the water quality of the East and West coast estuaries; provide water for the environment and a continually increasing population; and ensure adequate flood control through refurbishment of an aging water management system.

Although increases in property values throughout the region generated a temporary increase in ad valorem property tax revenue, this additional funding is not sufficient to support all of the projects the District is currently undertaking.

In his letter to the District Governing Board Chairman, Kevin McCarty, dated September 19, 2006, Florida's governor conveyed approval of the District's FY2007 annual budget and called for the District to exercise constraint:

“During times of tremendous growth in ad valorem revenue, it is imperative that policymakers don't grow government beyond the people's ability to pay for it when revenues stabilize.”

The governor also cited spending tax growth on one-time capital projects and setting aside the surplus revenue in reserves as 'prudent' uses of this additional funding, and he urged the District 'to continue to build on sound financial policies.'

This adopted budget addresses those issues and concerns. The District continues to pursue innovative financing solutions to supplement tax revenues and to better leverage taxpayer money with sound financial planning. Allocating ad valorem growth to capital projects, maintaining millage rates, setting aside additional ad valorem revenues in reserves, accelerating and financing non-recurring capital projects with bond revenue, and maximizing staffing and financial resources all serve the best interests of South Florida Water Management District citizens and businesses – and make fiscal and environmental sense.

District Overview

History



In 1948, organized water management efforts in South Florida began with adoption of legislation passed by the U.S. Congress creating the *Central and Southern Florida Flood Control Project (C&SF)*. The federal legislation, prompted by efforts to populate South Florida—the new frontier—attempted to address the effects of subtropical weather extremes, such as hurricanes, floods and droughts occurring throughout the state. Although Florida is nicknamed *The Sunshine State*, its average annual rainfall is second only to the State of Louisiana.

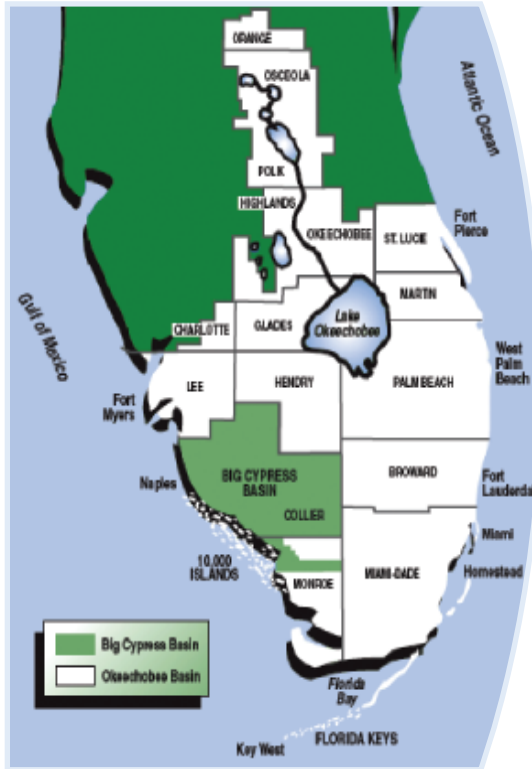
The C&SF's primary goals were to serve the needs of growing agricultural and urban populations, and to protect and manage water resources. To address the C&SF's goals, the U.S. Army Corps of Engineers built a vast network of water control structures, levees, canals and other improved waterways, designed to help the region cope with its unpredictable weather extremes.

In 1949, the *Central and Southern Florida Flood Control District (FCD)* was created by Florida's legislature to act as the local sponsor for the C&SF. The FCD, funded by property taxes, operated and maintained the water control network for the state. Upon passage of the *Water Resources Act of 1972 (Chapter 373, Florida Statutes)*, significant changes to the state's approach to natural resource management included the creation of five regional water management districts. And, in 1976, the FCD was renamed the South Florida Water Management District (District).

Since 1949, the District has grown into a multi-faceted agency. The primary water resource related issues addressed by the District now include: flood and water supply protection, water quality enhancement for urban and rural use, restoration and management of the region's natural ecosystems. And, as of 2006, over 7 million full-time residents live within the District's boundaries.

Boundaries

The South Florida Water Management District's boundaries encompass all or part* of 16 counties, spanning 17,930 square miles, from Orlando to Key West (see inset map).



Counties located within the District

Counties within the District

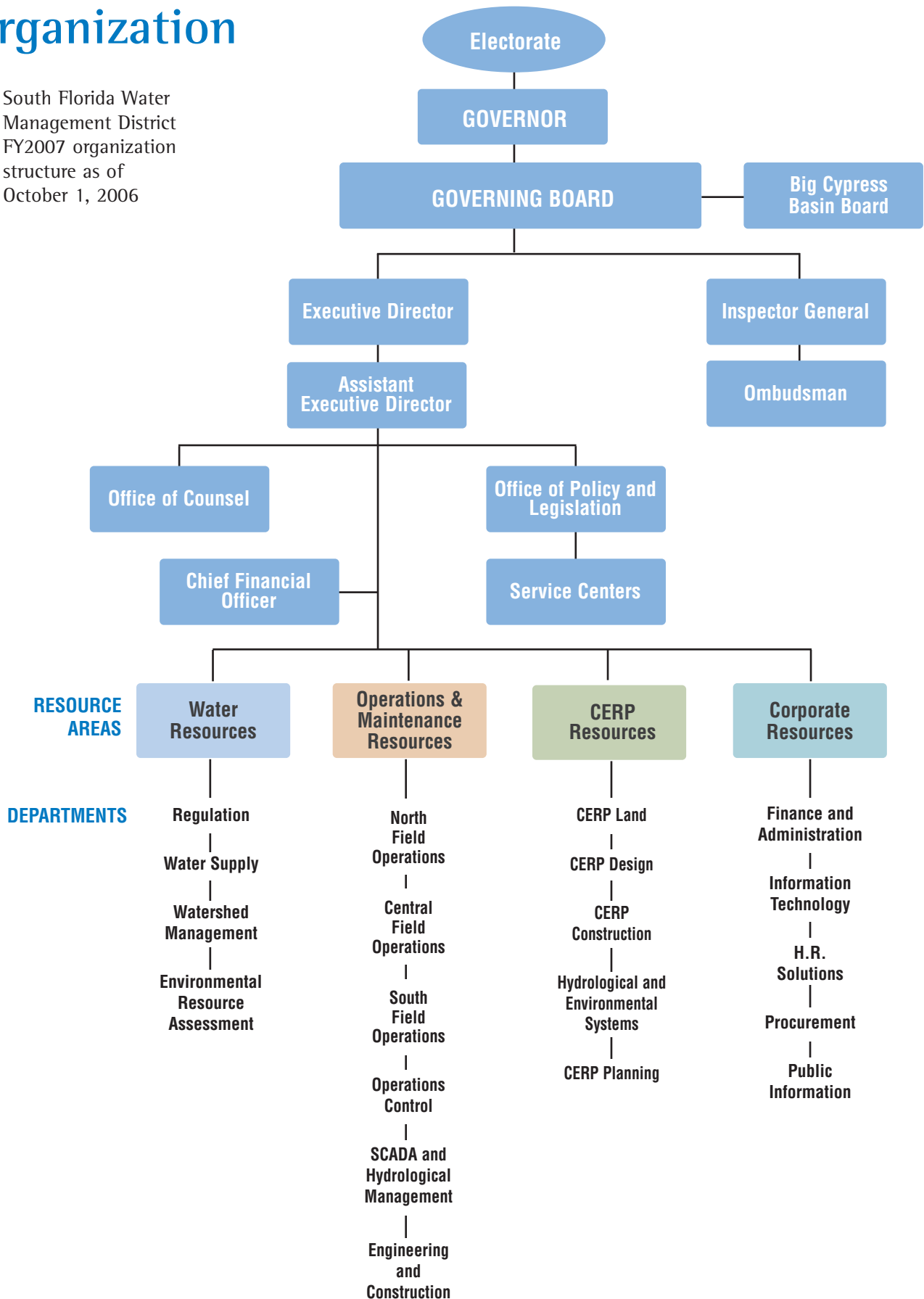
Broward	*Charlotte
Collier	Glades
Hendry	*Highlands
Lee	Martin
Miami-Dade	Monroe
*Okeechobee	*Orange
*Osceola	Palm Beach
*Polk	St. Lucie

Florida's water management districts' boundaries are based on natural hydrologic basins, rather than political or county borders, to allow for effective and efficient water planning and management. There are two primary basins contained within the District's boundaries—the Okeechobee Basin and the Big Cypress Basin. The Okeechobee Basin is based on the sprawling Kissimmee-Okeechobee-Everglades ecosystem, which extends from central Florida's Kissimmee Chain of Lakes to Lake Okeechobee, and south to the Florida Keys. The Okeechobee Basin

encompasses 700,000 acres in the Everglades Agricultural Area, the heavily developed southeast coast of Florida and Everglades National Park. The Big Cypress Basin includes all of Collier and part of Monroe counties, the Big Cypress National Preserve and Florida's 10,000 Islands.

Organization

South Florida Water
Management District
FY2007 organization
structure as of
October 1, 2006



Governing Board

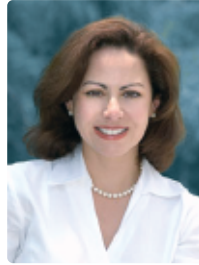
The Governing Board sets policy and direction for the District, Big Cypress Basin and Okeechobee Basin. Board members typically serve for a four-year term, without salary, representing the interests of specific geographic areas within the District's jurisdiction.

The Board is comprised of nine individuals, each appointed by Florida's Governor and confirmed by the state senate. Appointments are made as vacancies occur. Officers, including Chairman and Vice Chair, are elected by the members of the Board.



Kevin McCarty
Chairman

County Served:
Palm Beach
Current Term:
March 2003–March 2007



Irella Bagué
Vice Chair

County Served:
Miami-Dade
Current Term:
March 2003–March 2007



Miya Burt-Stewart

County Served:
Broward
Current Term:
March 2006–March 2010



Alice J. Carlson
*Ex-officio Board Chair,
Big Cypress Basin*

Counties Served:
Collier, Lee, Hendry, Charlotte
Current Term:
March 2005–March 2007



Michael Collins
Member at-large

Counties Served:
*St. Lucie, Martin, Palm Beach, Broward,
Miami-Dade and Monroe*
Current Term:
March 2006–March 2010



Nicolás J. Gutiérrez, Jr., Esq.

County Served:
Miami-Dade
Current Term:
March 2004–February 2008



Lennart E. Lindahl, P.E.
Member at-large

Counties Served:
*St. Lucie, Martin, Palm Beach, Broward,
Miami-Dade and Monroe*
Current Term:
March 2005–March 2009



Harkley R. Thornton

Counties Served:
*Glades, Highlands, Okeechobee, Orange,
Osceola and Polk*
Current Term:
March 2004–February 2008



Malcolm S. Wade, Jr.

Counties Served:
*Collier, Lee, Charlotte, Hendry, Glades,
Osceola, Okeechobee*
Current Term:
March 2005–March 2009

Executive Management

The District's Governing Board is responsible for appointing the Executive Director and Inspector General. The Florida senate confirms the Executive Director's appointment.



Carol Ann Wehle
Executive Director

Carol Ann Wehle was appointed Executive Director effective June 2005. As head of the state's largest regional water management agency, she oversees a staff of 1,784 and a budget of \$1.4 billion. Prior to this appointment, Ms. Wehle served as the District's Assistant Executive Director for two years. A civil engineer with extensive public and private sector water resource knowledge, Ms. Wehle is a frequent keynote speaker and panelist.



Thomas W. Olliff
*Assistant
Executive Director*

Tom Olliff was named Assistant Executive Director effective June 2005. In this key position, Mr. Olliff serves as the agency's chief operating officer and is responsible for decision making in the Executive Director's absence. Additionally, he chairs the District Leadership Team which addresses the overarching management issues and strategies of the organization. Formerly, as the Deputy Executive Director for Corporate Resources, Mr. Olliff managed the District's internal business functions.

Deputy Executive Directors

The District Deputy Executive Directors (DEDs) work closely with Executive Management to develop the agency's Annual Work Plan. The DEDs coordinate implementation of strategic initiatives and policy directives within and across District Resource Areas. Integral to ongoing strategic plan development, each DED supports the action plans and performance measurement for designated Programs within their Resource Area.



Chip Merriam
Water Resources



George L. Horne
*Operations & Maintenance
Resources*



Kenneth G. Ammon
*Comprehensive Everglades
Restoration Plan Resources*



Sandra Close Turnquest
Corporate Resources

District Personnel

Committed and talented people tackling great challenges need clear direction, milestones, touchstones and inspiration. The South Florida Water Management District (District) strives to attract and retain employees dedicated to the agency's stated vision, mission and values:

Vision

To be the world's premier water resource agency.

Mission

To manage and protect water resources of the region by balancing and improving water quality, flood control, natural systems and water supply.

Values

Excellence

Our knowledge, experience and passion set us apart as world-renowned water managers

Team

We are committed to the success of all as individuals, as a team and as an organization

Communication

We value and expect open, honest and timely communication

Honesty

Honesty is never compromised

Service

We meet our customer's (internal and external) needs with professionalism and integrity

Integrity

Teamwork and sound science are the foundation of our excellence

Diversity

Our diversity is the cornerstone of our strength

Focus

We are steadfast in our belief and commitment to the District's mission

Adaptability

We embrace change by taking informed risks and capitalizing on new opportunities and challenges

Enthusiasm

We do the coolest work on the planet!



Total District Staffing

Beginning with Fiscal Year 2007 (FY2007), The South Florida Water Management District strengthened its commitment to its employees by adding new benefits to the agency's employment compensation package. By increasing its deferred compensation match program and vacation leave accrual, and adding a health insurance premium discount program for retirees based on years of service with the agency, the District seeks to attract and retain world class employees. The District's revised benefits package is designed to reward long-term career-oriented employees.

For FY2007, the District added 13 new staff positions, increasing its Full-Time Equivalent (FTE) employee total to 1,784. This 0.7 percent FTE staffing increase is the first such increase for the District since FY2000. The Operations & Maintenance (O&M) Program will utilize the 13 additional staff primarily for construction, General Engineering Services, and maintenance supporting the Capital Projects planned for FY2007.

The following graph depicts changes in total District staffing levels over a 10-year period:

South Florida Water Management District Staffing Levels FY1998–FY2007



* Note: "Lease" positions represent leasing-agency employees who perform project-specific tasks of limited duration.

Personnel by Program

The following table displays staff positions allocated to each District program as budgeted for FY2005–FY2007. It is important to note that employees may be reassigned between programs, at the District's discretion, to accommodate Work Plan project reprioritizations and related scheduling adjustments occurring during the course of the fiscal year.

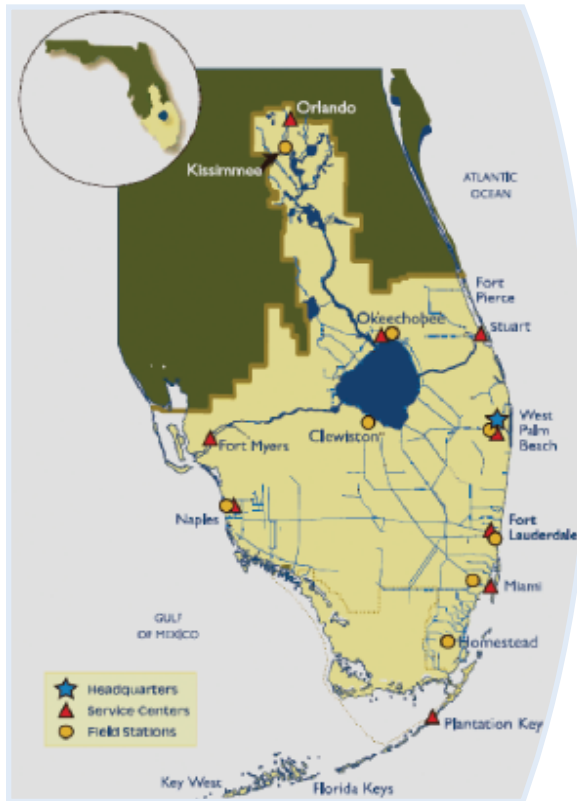
South Florida Water Management District Staffing by Program Fiscal Years 2005–2007

Program	FY2005 Positions		FY2006 Positions	FY2007 Positions
	FTE	Lease*	FTE	FTE
WATER RESOURCES				
Coastal Watersheds	38	1	41	41
District Everglades	180	5	148	148
Lake Okeechobee	55	5	36	41
Kissimmee Watershed	45	1	39	38
Modeling and Scientific Support	0	0	99	98
Regulation	186	0	181	182
Water Supply	70	1	68	69
OPERATIONS & MAINTENANCE RESOURCES				
Operations & Maintenance	569	0	570	587
CERP RESOURCES				
Comprehensive Everglades Restoration Plan	158	5	122	116
Land Stewardship	52	0	51	51
CORPORATE RESOURCES				
Mission Support	418	0	416	413
Total	1,771	18	1,771	1,784

* Note: "Lease" positions represent leasing-agency employees who perform project-specific tasks of limited duration. This column represents only leasing-agency employees and not other contractors who perform work for the district.

District Functions & Major Responsibilities

The South Florida Water Management District (District) operates and maintains the *Central and Southern Florida Flood Control Project (C&SF Project)*, develops and implements water supply plans, provides ecosystem research and monitoring, regulates water use, purchases land for preservation, and implements ecosystem restoration plans. The agency's staff conducts environmental monitoring and assessments, produces public outreach materials, and oversees financial, legal, and contractual services. In recent years, the District has become responsible for integrating, managing, and implementing the *Everglades Construction Project (ECP)* and the *Comprehensive Everglades Restoration Plan (CERP)*.



The District's Service Locations

To meet its responsibilities, the District's Fiscal Year 2007 (FY2007) staffing level totals 1,784 regular full-time equivalent (FTE) positions. Personnel are deployed to facilities across the District's 16-county jurisdiction. These facilities include eight field stations located in Kissimmee, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples; and service centers located in Fort Lauderdale, the Florida Keys, Fort Myers, Stuart, Miami-Dade, Okeechobee, Orlando, and Naples. The District is headquartered in West Palm Beach.

The following is an overview of The District's major responsibilities:

Operations & Maintenance (O&M) Program

The District's Operations & Maintenance (O&M) Program consists of activities to effectively and efficiently manage the primary canals and associated structures throughout South Florida. Operations & Maintenance Program activities include responsibilities related to the *C&SF Project*, as well as the Big Cypress Basin, as authorized by Chapter 373, Florida Statutes (F.S.) and the

United States Army Corps of Engineers. The program directs the operation and maintenance of 501 water control structures; manages 50 pump stations which send water south, eastward and westward through waterways to both coasts; and oversees 1,969 miles of canals and levees.

Regulatory Responsibilities

Florida's water management districts together with the Florida Department of Environmental Protection (FDEP) have developed uniform wetland delineation, mitigation banking, and environmental resource permitting criteria. In accordance with Florida law, land alteration activities or works affecting water resources are regulated under one type of permit—the Environmental Resource Permit. The District is also responsible for regulating consumptive uses of water.

The District has a number of regulatory programs designed to protect the region's water resources. Types of activities regulated by the District include:

- Projects with impacts on wetlands or other surface waters (dredge and fill)
- Surface Water Improvement and Management (SWIM) for Works of the District
- Use of District lands, canals or levee rights-of-way
- Taking water from lakes, canals, streams or aquifers
- Drainage system construction or operation
- Well construction

Water Resource System

The District is responsible for the following surface water systems:

The **Kissimmee River and Kissimmee Chain of Lakes** are the northernmost components of the greater Everglades system. The 56-mile channelized (C-38) Kissimmee River connects Lake Kissimmee and Lake Okeechobee.

Lake Okeechobee, spanning 730 square miles, is the second largest freshwater lake located wholly within the United States.

The 67-mile **Caloosahatchee River** is located between western Lake Okeechobee and the Gulf of Mexico (at Fort Myers).

The **St. Lucie Canal** is Lake Okeechobee's eastern outlet, extending 25.5 miles from Port Mayaca to the south fork of the St. Lucie River.

Three **Water Conservation Areas (WCA)** and the **Everglades National Park** preserve about 50 percent of the original Everglades. These WCAs are located in the western portions of Palm Beach, Broward and Miami-Dade counties and encompass 1,337 square miles. (Florida Bay and the Florida Keys are the southern most components of the Greater Everglades system).

Much of the interior land in the **Big Cypress Basin (BCB)** remains undeveloped, even as the southwest coast of Florida is currently experiencing rapid growth. The Corkscrew Swamp and Sanctuary, the Big Cypress National Preserve, the Florida Panther National Wildlife Refuge, the Fakahatchee Strand, the Corkscrew Regional Ecosystem Watershed (CREW), and the 10,000 Islands are all located within this natural land area.

Comprehensive Everglades Restoration Plan (CERP) Program

The *Comprehensive Everglades Restoration Plan (CERP)* provides a framework and guide to restore, protect, and preserve the South Florida Ecosystem while providing for other water-related needs of the region, including water supply and flood protection. It covers sixteen counties over an 18,000-square mile area and centers on an update of the C&SF Project.

Improvements and/or modifications to the *C&SF Project* will restore the south Florida ecosystem and provide for other water resource needs. The CERP was designed to capture, store and redistribute fresh water previously lost to tide and to regulate the quality, quantity, timing and distribution of water flows. As authorized in 2000, under Title VI, Section 601 of the *Water Resources Development Act*, the CERP will vastly increase storage and water supply for the natural system, as well as for urban and agricultural needs, while maintaining current *C&SF Project* flood control efforts.

The CERP includes 68 components (features) which are in varying stages of implementation. In total, this historic undertaking is estimated to cost \$8.2 billion and will take more than 30 years to construct. Its cost will be shared equally between the federal government and local sponsors.

The CERP also includes the Restoration Coordination and Verification (RECOVER) program, designed to ensure that high quality science is continuously available during implementation of the plan. RECOVER encourages the participation of diverse agencies and stakeholders in adaptive management and ongoing plan refinement.

District Everglades Program

The *Everglades Construction Project (ECP)* is the first major step in Everglades Restoration and part of the *Everglades Forever Act (EFA)*, passed by the Florida Legislature in 1994. Originally estimated to cost approximately \$845.2 million over 20 years, the ECP is one of the largest environmental restoration public works projects in the nation. The total cost associated with implementing the 1994 ECP is shared among the District, state and federal governments. The major funding sources identified in the *EFA* were ad valorem property taxes, agricultural privilege taxes, state land funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds.

The *EFA* directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area (EPA). The STAs, which consist of six large constructed wetlands totaling over 47,000 acres, are the cornerstone of the ECP. Recently, the District initiated construction to expand the STAs to 60,000 acres as part of the *Acceler8* program (see *Acceler8* below). The *EFA* also required the District to conduct research on supplemental or Advanced Treatment Technologies to achieve final water quality standards.

In 2003, there were two significant events relating to the restoration, cleanup and water quality improvements of the Everglades: (1) Amendments made to the 1994 *EFA* and (2) Approval of a numeric water quality standard “phosphorus criterion” by the state Environmental Regulation Commission (ERC).

The amended *EFA* authorizes implementation of the initial 13-year phase (2003-2016) of the *Long-Term Plan*, provides funding to continue water quality restoration in the Everglades, and clarifies the law to allow funds to be used for additional water quality improvements. In addition, the District is mandated to continue conducting research and demonstration projects identified in the Long-Term Plan to investigate ways to further reduce phosphorus levels, and to apply that knowledge as it becomes available.

In 2003, the ERC approved a final water quality standard for phosphorus in the Everglades that included a numeric criterion of 10 parts per billion and moderating provisions. After additional rulemaking and revisions were submitted to the U.S. Environmental Protection Agency (USEPA), the resulting revised rule was approved by the USEPA in July 2005.

Acceler8 – An Overview

In the fall of 2004, Governor Jeb Bush and the South Florida Water Management District Governing Board introduced the *Acceler8* program. Acceler8 represents a major boost for Everglades restoration. It is an expedited course of action which reaffirms the commitment of the federal/state/local partnership to revitalize the ecosystem by stepping up the pace on 8 key restoration projects. Accelerating the funding, design and construction of these projects will bring positive benefits to the Everglades sooner, as well as economic benefits to the region. In addition to the environmental improvements, these projects will also provide additional flood control and water supply options, along with the potential for recreational opportunities. The District is financing related project construction with “Certificates of Participation” (COPs) revenue bonding.

Acceler8 Projects

C-43 (Caloosahatchee River) West Reservoir

Everglades Agricultural Area Reservoir A-1 with Bolles Canal Improvements

Everglades Agricultural Area Stormwater Treatment Area Expansion

Picayune Strand (Southern Golden Gate Estates) Restoration

C-44 (St. Lucie Canal) Reservoir/Stormwater Treatment Area

Water Preserve Areas

- Acme Basin B Drainage
- Site 1 Impoundment
- C-11 Impoundment
- WCA-3A/3B Seepage Management
- C-9 Impoundment

Biscayne Bay Coastal Wetlands - Phase 1

C-111 Spreader Canal

Other District Programs

The District's responsibilities extend beyond its regulatory programs, Everglades restoration, water supply plan implementation, and flood control operations.

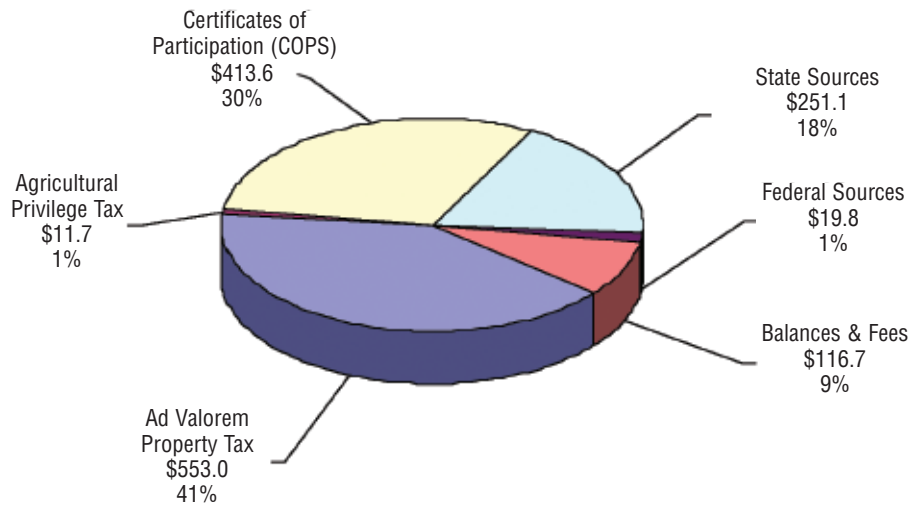
The District acquires, manages, and restores lands through Florida's *Save Our Everglades* land acquisition programs. *Florida Forever* clean-up efforts continue for Lake Okeechobee, Biscayne Bay, and the Indian River Lagoon through the *Lake Okeechobee Protection Plan* and coastal stormwater retrofits. Restoration of the Kissimmee River is another major District initiative.

Partnerships and coordination with other levels of government and other agencies help support water resource development projects, development of alternative water supplies, water conservation, reuse, and stormwater management goals.

Research, data collection and analysis help ensure District projects and programs are effective and efficient. Emergency operations and management is a cornerstone of District operations, especially during the hurricane season or in times of drought. Additionally, the District is also a leader in invasive plant control.

Where the Money Comes From

(\$ Millions)



The pie chart above depicts the South Florida Water Management District's Fiscal Year 2007 revenue sources and percentage of total revenues each source represents. Estimated revenue sources for FY2007 total \$1.4 billion.

Tax revenues are the District's largest source of funds. \$553.0 million from Ad Valorem property taxes and \$11.7 from Agricultural Privilege taxes combine to represent 42 percent of the District's funds this year. Ad Valorem property taxes are determined by applying the District's Governing Board-approved millage rates to taxable value estimates provided by county property appraisers. Agricultural Privilege taxes are assessed on actively farmed agricultural acreage in the Everglades Agricultural Area (EAA) and the C-139 Basin, as mandated by the *Everglades Forever Act*.

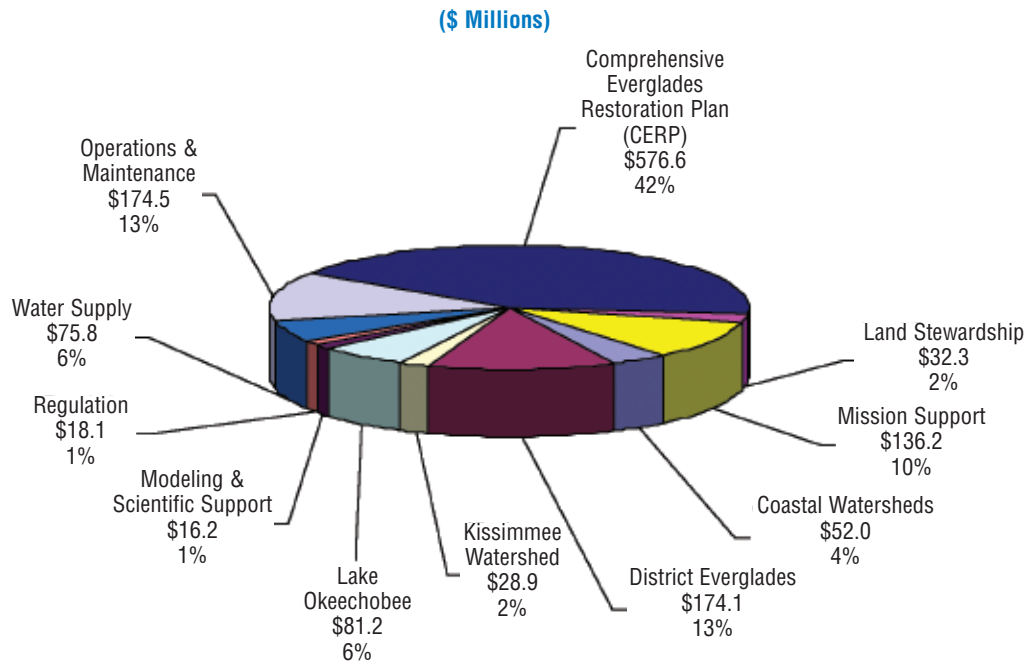
\$413.6 million (30 percent) of District revenue is generated from Certificates of Participation (COPs). Florida Statutes define COPs as a type of revenue bond that a water management district may issue "to finance the undertaking of any capital or other project for the purposes permitted by the State Constitution." COPs are statutorily-authorized tax exempt certificates showing participation through ownership of a "share" of lease payments for a capital facility of a government agency. Counties, county school boards and municipalities have been using this type of financing for many years.

Federal and state government funds represent \$270.9 million (19 percent) of the District's funding sources. The majority of federal funds come from the Federal Emergency Management Agency (FEMA) and the U.S. Department of Agriculture (USDA) Wetlands Reserve Program. Principal state funds come from the Save Our Everglades Trust Fund (SOETF), Lake Okeechobee Trust Fund (LOTF), Water Management Lands Trust Fund (WMLTF), general appropriations and designated balances.

The remaining \$116.7 million (9 percent) of revenue is from a combination of available fund balances from FY2006; licenses, permits and fees; and investment income. The licenses, permits and fees revenue includes income from the sale of vehicle license plates, regulatory and right-of-way permits or fees. Fund balances and investment earnings are a result of the prudent finance policies and the investment of funds not immediately needed for current operations.

Please see the *Financial Overview* section of this document for more detailed information concerning the District's revenue budget.

Where the Money Goes



The pie chart above shows the District's budgeted expenditures by program. Anticipated Fiscal Year 2007 expenditures of \$1.4 billion will fund eleven South Florida Water Management District programs. The primary FY2007 objectives for each program are summarized below, in Key Program Highlights.

Key Program Highlights

The following overview of District program budget allocations and key objectives includes information published in the South Florida Water Management District's *FY2006–07 Budget in Brief* and *2007 Work Plan* documents.

Coastal Watersheds

Funding of \$52.0 million, 4 percent of the annual budget, is allocated for the Coastal Watersheds Program. FY2007 Work Plan objectives include:

- Complete restoration plans for the Loxahatchee River.
- Perform analysis for Minimum Flows & Levels (MFLs) for Loxahatchee tributaries, Cypress Creek, Hobe Grove Ditch and Kitching Creek.
- Develop technical criteria for initial water reservations and MFLs in the Loxahatchee River, Biscayne Bay and Florida Bay.
- Complete initial baseline assessment for Ten Mile Creek Water Protection Area in Southern Indian River Lagoon.
- Complete Naples Bay and Charlotte Harbor *Surface Water Improvement and Management (SWIM)* Plans.
- Implement legislative and District-funded local government partnership projects.

District Everglades

Funding of \$174.1 million, 13 percent of the annual budget, is allocated for the District Everglades Program. FY2007 Work Plan objectives include:

- Continue *Everglades Forever Act* accelerated (*Acceler8*) projects.
- Complete construction of the *Everglades Construction Project (ECP)*.
- Implement *Long-Term Plan (LTP)* projects.
- Continue Stormwater Treatment Area (STA) enhancements, including completion of STA-1W levee construction and STA-3/4 vegetation conversion.
- Continue adaptive implementation for monitoring and research.
- Achieve phosphorus load reduction targets.
- Produce annual *Everglades Status Report*.

Kissimmee Watershed

Funding of \$28.9 million, 2 percent of the annual budget, is allocated for the Kissimmee Watershed Program. FY2007 Work Plan objectives include:

- Complete acquisition of lands needed for Kissimmee River Restoration.
- Complete construction/mitigation in lieu of land acquisition.
- Execute cooperative agreements with the City of St. Cloud and Orange County to develop and complete local water resource partnership projects.
- Complete *Kissimmee Chain of Lakes Long-Term Management Plan (KCOL-LTMP)*.
- Perform model calibration and verification associated with the *Kissimmee Basin Modeling and Operations Study (KB MOS)*.

Lake Okeechobee

Funding of \$81.2 million, 6 percent of the annual budget, is allocated for the Lake Okeechobee Program. FY2007 Work Plan objectives include:

- Work with interagency partners to complete *Kissimmee Chain of Lakes Long-Term Management Plan (KCOL-LTMP)* components.
- Complete Phase IVA backfilling and Packingham Slough pump and culvert construction.
- Implement water resource partnership projects with local governmental agencies.
- Complete non-structural revisions to Lake Okeechobee Regulation Schedule.
- Reduce phosphorus inputs to the lake.
- Maintain lake stage in favorable range for littoral zone and submerged aquatic plants.
- Restore wetlands in the Lake Okeechobee watershed.

Modeling & Scientific Support

Funding of \$16.2 million, 1 percent of the annual budget, is allocated for the Modeling & Scientific Support Program. FY2007 Work Plan objectives include:

- Produce and deploy a web-accessible Library of Models version.
- Upgrade and migrate Regional Simulation Model (RSM).
- Implement RSM, including Tier-2 Capability Maturity Model (CMM) standard.
- Investigate feasibility of real-time water quality monitoring and remote analysis in St. Lucie Estuary, Indian River Lagoon, and Lake Okeechobee Watershed.
- Complete watershed nutrient loading analysis for Naples Bay.
- Develop and implement consistent standards, processes and procedures for enterprise-wide data stewardship.
- Submit annual *South Florida Environmental Report* by March 1st, 2007.
- Comply with all legally mandated monitoring requirements.

Regulation

Funding of \$18.1 million, 1 percent of the annual budget, is allocated for the Regulation Program. FY2007 Work Plan objectives include:

- Implement Water Use basin renewals for Miami-Dade/Monroe, Palm Beach County and Lake Okeechobee.
- Complete Water Use and *Works of the District* ePermitting modules.
- Complete review of 2,300 Environmental Resource Permit applications and 1,900 Water Use Permit applications by year end.
- Conduct 8,500 post-permit compliance inspections identifying environmental and construction permits in compliance by year-end.
- Improve service to the community with enhanced regulatory functions available at the District's service centers.

Water Supply

Funding of \$75.8 million, 6 percent of the annual budget, is allocated for the Water Supply Department. FY2007 Work Plan objectives include:

- Oversee implementation of more than \$40 million in Alternative Water Supply projects with local partners.
- Increase the amount of water made available through water resource and water supply development efforts.
- Continue the *Water Savings Incentive Program (WaterSIP)* and the Mobile Irrigation Labs (MIL) water conservation program.
- Establish MFLs for 3 water bodies and initial water reservations for 2 water bodies.
- Conduct interagency water supply planning for Central Florida with the St. Johns River Water Management District and the Southwest Florida Water Management District.

Operations & Maintenance

Funding of \$174.5 million, 13 percent of the annual budget, is allocated for the Operations & Maintenance Program. FY2007 Work Plan objectives include:

- Design and construct/refurbish capital projects.
- Complete pump station and gate structure overhauls.
- Maintain levee and canal banks to prevent flooding or enhance water supply.
- Treat aquatic and exotic vegetation district-wide to improve natural systems.

Comprehensive Everglades Restoration Plan (CERP)

Funding of \$576.6 million, 42 percent of the annual budget, is allocated for the CERP Program. FY2007 Work Plan objectives include:

- Acquire lands necessary for *Acceler8* Projects.
- Continue construction projects, and complete engineering and project design for *Acceler8* Projects.
- Complete construction of Critical Restoration Projects.
- Complete Project Implementation Reports for Biscayne Bay Coastal Wetlands and Broward County Water Preserve Areas.
- Begin operation and maintenance of Ten Mile Creek and Lake Okeechobee Critical Projects.
- Complete year-two of the CERP Job Training and Workforce Development Program.

Land Stewardship

Funding of \$32.3 million, 2 percent of the annual budget, is allocated for the Land Stewardship. FY2007 Work Plan objectives include:

- Improve land stewardship by increasing exotic treatment and fire management activities.
- Develop stewardship management plan for Kissimmee River Pools C and D.
- Complete improvements to designated District lands to enhance public recreational access.

Mission Support

Funding of \$136.2 million, 10 percent of the annual budget, is allocated for the Mission Support Program. FY2007 Work Plan objectives include:

- Implement retention, recruitment, diversity and career development strategies.
- Increase employee proficiency in specific job skill areas.
- Expand outreach efforts to the public.
- Perform financial operations in accordance with Florida Statutes, *Generally Accepted Accounting Principles (GAAP)*, and Governing Board approved District policies.
- Improve information technology effectiveness and efficiency.
- Complete common Geographic Information Systems (GIS) for water resources information.
- Complete implementation of SAP Human Resources business system software module.

Please see the Operating Budget section of this document for detailed information about each District program.

DISTINGUISHED BUDGET PRESENTATION AWARD



The Government Finance Officers Association presents the District with the Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the South Florida Water Management District for its annual budget for the fiscal year that began October 1, 2005. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, financial plan, communications device and an operations guide.

This award is valid for one year. We believe our current budget continues to conform to program requirements, and we are submitting our FY2007 budget to the GFOA to determine its eligibility for another award.



OPERATING BUDGET

Introduction

All South Florida Water Management District (District) projects, work activities, funding and personnel allocations are derived from an extensive, dynamic organization-wide planning process. The information contained herein is based on the District's 10-year Strategic Plan, 2007 Work Plan and FY2007 budget. Driven by the District's strategic direction and identified priorities, the highly integrated work plan and budget development processes require full agency participation and commitment. It is necessary to ensure that all objectives are clearly defined, management and personnel teams are well-aligned, progress is closely monitored, and performance is measured.



How to Use This Section

The Operating Budget provides an overview for each District resource area and program. Program information is categorized by resource area. Each resource area contains the following information:

Resource Area

Details major functions and activities, and shows budget variances from the prior year. Both a resource area organizational chart and program matrix table are included to show the relationship between the resource area, its departments and programs. *It is important to note that resource area budget totals do not equal the sum of the resource area's program budget totals because the District is organized as a matrix organization and allocates department resources across programs and resource areas* (see the 'Working Within the South Florida Water Management District's Matrix Organization' box on the next page).

Program Description

Provides an overview of the program, projects and operations.

Explanation of FY2007 Funding Increases/Decreases

Offers a 3-year program budget comparison and explanations of significant funding changes.

Key FY2006 Accomplishments

Highlights the major accomplishments achieved on the program level. A link to the program's FY2007 Work Plan objectives is also provided.

Three-Year Summary of Program Performance Measures/Success Indicators

Presents stated Strategic Plan success indicators with key qualitative and quantitative performance, and future performance requirements.

Long-Term Strategic Goal

Presents program goals as stated in the 10-year Strategic Plan.

(Please refer to the Financial Overview section of this document for detailed information about the budget development process).

District Structure

The South Florida Water Management District

is organized by departments which are grouped into **4 main Resource Areas** (or Divisions):

1. **Water Resources** is primarily responsible for ecosystem restoration, Everglades restoration and water management planning.
2. The **Operations & Maintenance (O&M)** resource area maintains the many canals and water control structures within the District's boundaries.
3. The **Comprehensive Everglades Restoration Plan (CERP)** resource area centralizes all projects and resources associated with the District's CERP and Land Stewardship programs.
4. **Corporate Resources** Corporate Resources implements policy direction as set by the District's Governing Board; and, provides the administrative, management and technology support needed to carry out the District's mission.

As depicted on the Organizational Chart, each resource area includes the functional units necessary to support the District's 11 programs for FY2007
(see the Program Chart inset on the opposite page).

Working Within the South Florida Water Management District's Matrix Organization

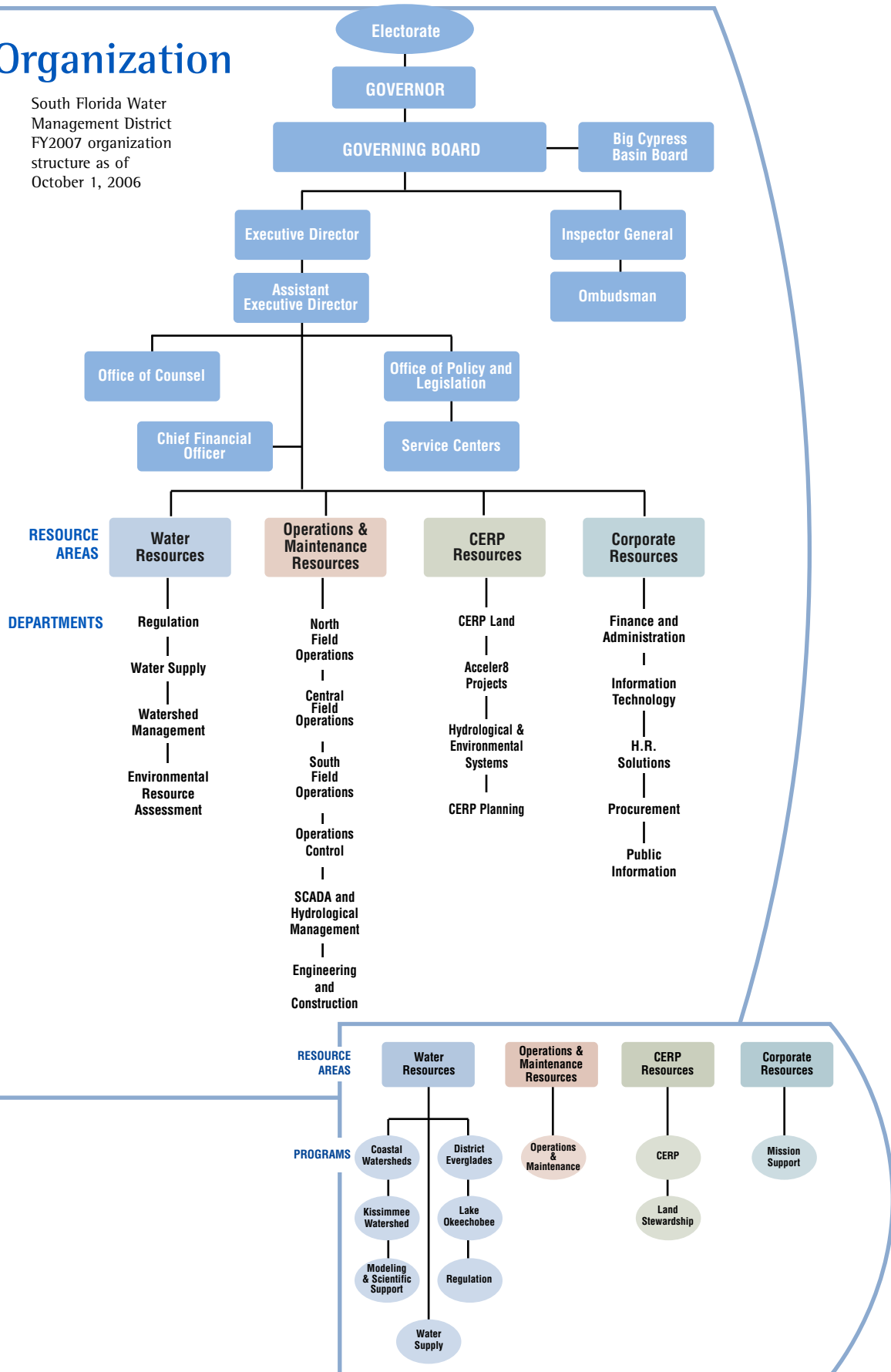
The following is an example of how the District's matrix organization structure works:

During the fiscal year, an environmental scientist's time (and associated cost) is typically allocated to multiple projects. He or she may spend hours working on the development of new criteria for the establishment of environmental regulation, contribute time and expertise for a Hydrologic & Environmental Systems Modeling project, as well as other projects which may reside in different programs. The District counts this individual as 1 Full-Time Equivalent (FTE) staff employed by the Water Supply Department in Water Resources. However, this same individual is represented in several programs. This is why FTE and budget totals will differ at the program and resource area levels.

The District is managed as a matrix organization, which combines the functional service areas and programs within the agency. This organizational structure allows for the sharing of personnel across task boundaries, enabling the District to achieve time and cost savings. A matrix structure also facilitates information sharing among program teams comprised of staff from different departments. This management structure is common within project-driven organizations.

Organization

South Florida Water
Management District
FY2007 organization
structure as of
October 1, 2006



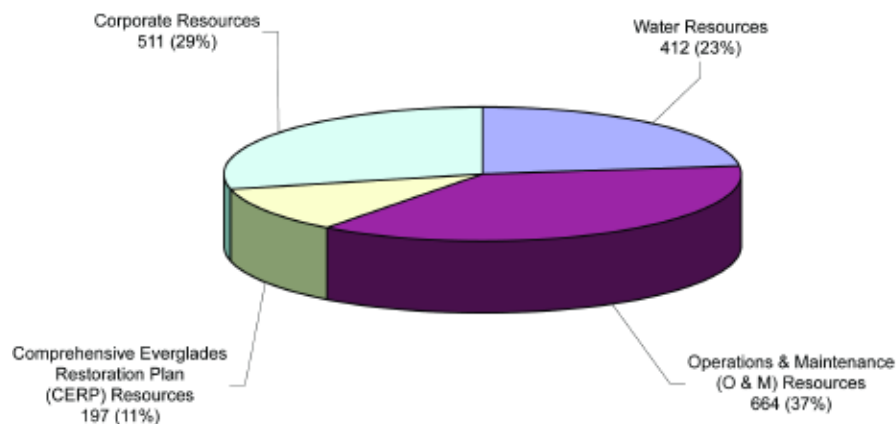
District Budget Overview by Resource Area

The following table provides a summary level overview of the annual budget by resource area.

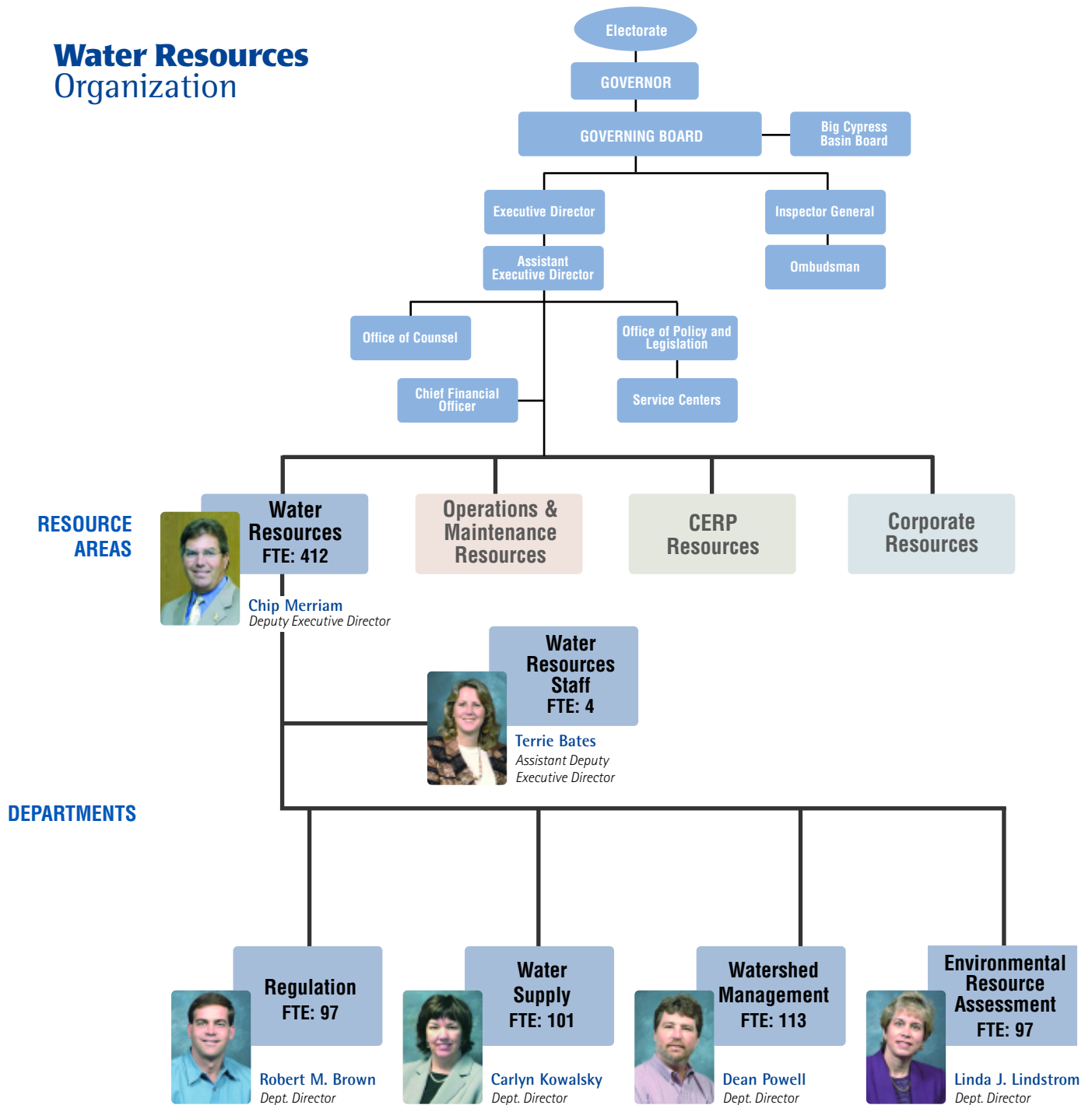
By Resource Area	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Water Resources	\$73,301,643	\$194,711,396	\$247,566,868	\$52,855,472	27.1%
O&M Resources	\$164,901,826	\$159,648,258	\$197,182,848	\$37,534,590	23.5%
CERP Resources	\$308,809,947	\$596,895,959	\$706,788,159	\$109,892,200	18.4%
Corporate Resources	\$156,676,482	\$175,760,769	\$214,324,712	\$38,563,943	21.9%
Total	\$703,689,898	\$1,127,016,382	\$1,365,862,587	\$238,846,205	21.2%

The following pie chart depicts the District's personnel allocation by Resource Area. Additionally, each resource area (on the following pages), includes an organizational chart. The resource area level organizational charts provide an overview of the total Full-Time Equivalent (FTE) staffing for the resource area as well as FTE totals for each department/functional unit within the resource area.

Personnel by Resource Area



Water Resources Organization



Water Resources provides primary support for seven of the South Florida Water Management District's (District) programs:

- Coastal Watersheds
- District Everglades
- Kissimmee Watershed
- Lake Okeechobee
- Modeling & Scientific Support
- Regulation
- Water Supply

Water Resources Organization/Program Budget Matrix

		Water Resources Programs						
District Departments		Coastal Watersheds	District Everglades	Lake Okeechobee	Kissimmee Watershed	Modeling & Scientific Support	Regulation	Water Supply
Water Resources	Regulation		X	X	X		X	
	Water Supply	X	X	X		X	X	X
	Watershed Management	X	X	X	X			
	Environmental Resource Assessment	X	X	X		X		X
Operations & Maintenance	North Field Operations		X		X			
	Central Field Operations		X					
	South Field Operations		X					
	Operations Control		X	X				
	SCADA & Hydrological Management	X	X	X	X	X	X	X
	Engineering & Construction		X	X	X			
CERP	CERP Land	X	X	X	X			X
	CERP Design		X	X				X
	CERP Construction		X	X				X
	Hydrological & Environmental Systems	X	X	X	X	X		X
	CERP Planning		X					
Corporate Resources	Finance & Administration		X					
	Information Technology		X			X	X	
	Human Resources							
	Procurement							
	Public Information		X					
	Executive Offices*	X	X	X	X		X	X

Each 'x' indicates a budget allocation from a District Department to a Water Resources Program.

See previous discussion under District Structure, at the beginning of the Operating Budget section, for an explanation of the District's matrix organizational structure..

*Executive Offices includes Ombudsman's Office, Inspector General's Office, Office of Counsel, and Service Centers.

Explanation of FY2007 Funding Increases

The total FY2007 adopted budget for the Water Resources Resource Area is \$247.6 million. As reflected in the following resource area variance table, the FY2007 total is approximately \$52.9 million higher than the FY2006 amended budget. This 27.1 percent increase in budgeted funds is primarily due to increases in funding for Alternative Water Supply projects, restoration of coastal watersheds and Everglades Long-Term Plan projects.

The **Water Resources** Resource Area is charged with some of the most complex and difficult issues managed by the District, including phosphorus removal, stormwater treatment area (STA) construction, establishing water reservations and minimum flows and levels (MFL) for water bodies, permitting and more. Functional units within each program implement specific initiatives such as ecosystem restoration; environmental monitoring, assessment and regulation; regional water supply planning; and establishment of water quality targets.

FY2006 to FY2007 Resource Area Variance

	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$32,307,586	\$35,458,439	\$37,335,302	\$1,876,863	5.3%
Operating/Self Insurance	3,188,427	3,525,223	4,201,104	675,881	19.2%
Contracts	36,715,794	117,639,357	150,665,019	33,025,662	28.1%
Capital	1,089,837	38,088,377	55,365,443	17,277,066	45.4%
Total	\$73,301,643	\$194,711,396	\$247,566,868	\$52,855,472	27.1%
By Fund					
District (DIST)	\$28,012,001	\$41,825,620	\$61,459,077	\$19,633,457	46.9%
Okeechobee Basin (OKEE)	7,427,308	12,209,707	12,976,472	766,765	6.3%
Big Cypress Basin (BIGC)	189,953	542,000	338,950	(203,050)	-37.5%
Save Our Rivers (SORO)	3,447,385	3,470,047	4,732,588	1,262,541	36.4%
State Appropriations Non-Land	3,480,047	53,672,245	56,499,918	2,827,673	5.3%
Hurricane	98,710	0	0	0	N/A
Wetlands Mitigation	107,350	0	0	0	N/A
Snook Tag Revenue	207,972	0	200,000	200,000	N/A
External Grant	57,720	90,000	450,000	360,000	400.0%
Alternative Water Supply	1,050,000	0	0	0	N/A
STA O&M	44,274	1,951,635	2,429,678	478,043	24.5%
Everglades License Tag	377,104	312,366	444,852	132,486	42.4%
Lake Okeechobee Trust	3,271,198	42,382,301	49,657,011	7,274,710	17.2%
Florida Forever (CAPS)	1,074,345	0	0	0	N/A
Everglades Trust	15,893,891	27,676,109	46,413,586	18,737,477	67.7%
FEMA	224,287	957,258	502,000	(455,258)	-47.6%
Florida Bay	1,714,527	2,237,987	2,090,323	(147,664)	-6.6%
CERP - Ad Valorem	6,623,571	7,384,121	9,372,413	1,988,292	26.9%
Total	\$73,301,643	\$194,711,396	\$247,566,868	\$52,855,472	27.1%

NOTE: Since program budgets and FTEs cross resource areas, it is important to note that their totals will not equal resource area totals. See previous discussion under District Structure for an explanation of the District's matrix organizational structure.



Estero Bay water monitoring station.

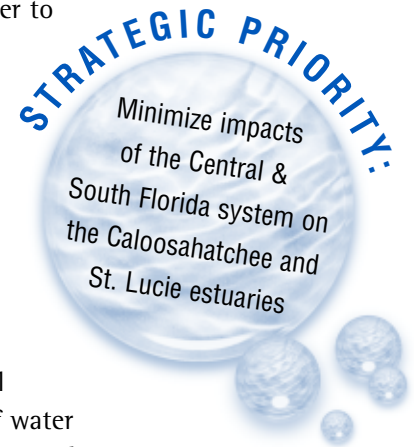
Program Budget: \$52 Million

Full-Time Equivalents: 41

Program Description

The Coastal Watersheds Program develops scientific and technical information for the protection and restoration of coastal water bodies. This work provides the foundation for developing and implementing projects and flood management planning activities that improve the quality, quantity, timing and distribution of flows to coastal water bodies from their tributary watersheds.

Local initiatives such as flood management planning and stormwater improvement projects are implemented through this program in conjunction with the South Florida Water Management District's (District) Service Centers. The program includes efforts to understand the effects of changing flows of fresh water to estuaries from both a water quantity and a water quality perspective, and to identify existing sources of water that protect and benefit fish and wildlife. This scientific information is focused largely on salinity, seagrass, and other biological indicators, and contributes directly to operational decisions related to the release of water from Lake Okeechobee. This program also implements numerous projects in partnership with initiatives for the St. Lucie, Loxahatchee, and Caloosahatchee rivers; Biscayne, Estero and Naples bays; Indian River and Lake Worth lagoons; Charlotte Harbor; and the Florida Keys.



Watersheds are lands over which water flows until it meets and drains into a stream, river, lake, bay or an ocean.

Explanation of FY2007 Funding Increases/Decreases

Total Budget

The total FY2007 adopted budget for the Coastal Watersheds Program (combined discretionary and restricted funds) is \$52 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$8.4 million higher than the FY2006 amended budget. This is a 19.2 percent increase in budgeted funds.

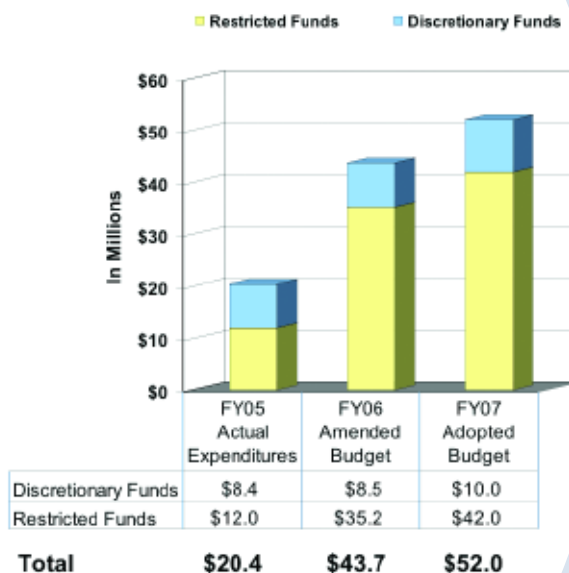
Discretionary Funds*

Coastal Watersheds' discretionary funds total \$10 million, which is \$1.5 million higher than the FY2006 amended budget total. This portion of the FY2007 program budget reflects an increase in legislative initiative cost-match requirements and an increase in the District's commitment of ad valorem funding towards Coastal Watershed projects, such as implementation of the *Northwest Fork of the Loxahatchee River Restoration Plan* related projects; and, construction of the Four-County Corners Storm Water Improvement project for Charlotte, Glades, Hendry and Lee counties. Discretionary funds increased 17.7 percent.

Restricted Funds**

The Coastal Watersheds Program's FY2007 restricted funds total \$42 million, which is \$6.9 million higher than the FY2006 amended budget amount. This increase includes an additional increase of \$6.1 million in restoration, water quality, and stormwater management improvements funded by the Big Cypress Basin fund; \$1.5 million in grant funds from the Florida Inland Navigation District for the Miami-River Dredging project; and, decreased legislative appropriations funding. Restricted funds increased 19.5 percent.

Three-Year Program Budget Comparison



* DISCRETIONARY FUNDS

are revenues available for expenditures that are not statutorily or otherwise committed to a specific project. These funds are primarily ad valorem revenue which is generated from real and personal property taxes assessed by county property appraisers.

** RESTRICTED FUNDS

are revenues committed to a project or program, or that are restricted in purpose by law. Examples of restricted funds include state appropriations for stormwater projects and Federal Emergency Management Agency (FEMA) capital funds.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>Southern Indian River Lagoon</u>					
Discretionary Funds	\$762,430	\$142,130	\$654,948	\$512,818	360.8%
Restricted Funds	\$1,882,386	\$7,181,364	\$11,813,314	\$4,631,950	64.5%
Subtotal All Sources	\$2,644,816	\$7,323,494	\$12,468,262	\$5,144,768	70.3%
<u>Loxahatchee River/Estuary</u>					
Discretionary Funds	\$981,698	\$178,454	\$1,104,212	\$925,758	518.8%
Restricted Funds	\$669,183	\$3,940,658	\$6,049,075	\$2,108,417	53.5%
Subtotal All Sources	\$1,650,881	\$4,119,112	\$7,153,287	\$3,034,175	73.7%
<u>Lake Worth Lagoon</u>					
Discretionary Funds	\$13,603	\$0	\$175,833	\$175,833	N/A
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$13,603	\$0	\$175,833	\$175,833	N/A
<u>Biscayne Bay</u>					
Discretionary Funds	\$429,418	\$0	\$791,920	\$791,920	N/A
Restricted Funds	\$2,106,979	\$3,702,480	\$4,806,750	\$1,104,270	29.8%
Subtotal All Sources	\$2,536,397	\$3,702,480	\$5,598,670	\$1,896,190	51.2%
<u>Florida Bay & Florida Keys</u>					
Discretionary Funds	\$2,012,112	\$1,169,724	\$559,264	(\$610,460)	-52.2%
Restricted Funds	\$1,108,196	\$2,540,918	\$1,380,414	(\$1,160,504)	-45.7%
Subtotal All Sources	\$3,120,308	\$3,710,642	\$1,939,678	(\$1,770,964)	-47.7%
<u>Estero Bay</u>					
Discretionary Funds	\$923,552	\$1,865	\$335,006	\$333,141	17862.8%
Restricted Funds	\$884,480	\$1,232,735	\$1,162,142	(\$70,593)	-5.7%
Subtotal All Sources	\$1,808,032	\$1,234,600	\$1,497,148	\$262,549	21.3%
<u>Naples Bay</u>					
Discretionary Funds	\$0	\$0	\$101,528	\$101,528	N/A
Restricted Funds	\$0	\$3,250,796	\$9,693,305	\$6,442,509	198.2%
Subtotal All Sources	\$0	\$3,250,796	\$9,794,833	\$6,544,037	201.3%
<u>Charlotte Harbor</u>					
Discretionary Funds	\$1,627	\$0	\$69,771	\$69,771	N/A
Restricted Funds	\$166,450	\$1,057,636	\$407,000	(\$650,636)	-61.5%
Subtotal All Sources	\$168,077	\$1,057,636	\$476,771	(\$580,865)	-54.9%
<u>Caloosahatchee River/Estuary</u>					
Discretionary Funds	\$487,353	\$3,458	\$910,081	\$906,623	26218.1%
Restricted Funds	\$2,541,856	\$3,529,317	\$2,514,759	(\$1,014,558)	-28.7%
Subtotal All Sources	\$3,029,209	\$3,532,775	\$3,424,840	(\$107,935)	-3.1%
<u>Flood Management Planning</u>					
Discretionary Funds	\$1,755,997	\$4,706,428	\$2,490,879	(\$2,215,549)	-47.1%
Restricted Funds	\$2,574,382	\$8,679,768	\$4,132,000	(\$4,547,768)	-52.4%
Subtotal All Sources	\$4,330,379	\$13,386,196	\$6,622,879	(\$6,763,317)	-50.5%
<u>Program Support</u>					
Discretionary Funds	\$1,015,219	\$2,306,820	\$2,823,069	\$516,249	22.4%
Restricted Funds	\$49,670	\$41,013	\$67,102	\$26,089	63.6%
Subtotal All Sources	\$1,064,889	\$2,347,833	\$2,890,171	\$542,338	23.1%
<u>TOTAL</u>					
Discretionary Funds	\$8,383,008	\$8,508,879	\$10,016,511	\$1,507,632	17.7%
Restricted Funds	\$11,983,581	\$35,156,686	\$42,025,861	\$6,869,175	19.5%
Total	\$20,366,589	\$43,665,565	\$52,042,372	\$8,376,807	19.2%

Coastal Watersheds Program Key FY2006 Accomplishments

- ✓ Completed and published *Restoration Plan for the Northwest Fork of the Loxahatchee River*, which was accepted by the Governing Board in April 2006.
- ✓ Received approval for flood mapping business plan from the Federal Emergency Management Agency (FEMA).
- ✓ Completed nutrient loading study for Estero Bay Watershed and completed nutrient loading model for Estero Bay and Caloosahatchee Watersheds.
- ✓ Calibrated and verified hydrodynamic model of Estero Bay Estuary in February 2006.
- ✓ Completed Surface Water Improvement Management Plans (SWIM) and Plan Reconnaissance Reports, and prepared SWIM Plans draft.
- ✓ Completed six stormwater improvement projects in Miami-Dade County: Biscayne Park, Florida City, Miami Lakes, North Miami Beach, South Miami, and Sunny Isles Beach.

FY2007 Annual Work Plan Objectives and Success Indicators

The South Florida Water Management District follows a comprehensive budget and annual planning process. Several related publications are produced and distributed throughout the agency and posted to the District's website.

The material presented in this budget document highlights some of the material which is detailed in the **2007 Work Plan** (SFWMD 2006) and the updated **2006–2016 Strategic Plan** (SFWMD 2006).

 [Pages 2-13 of the 2007 Work Plan](#) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

For additional information, please refer to the Budget and Strategic Plan section of the South Florida Water Management District's website at: www.sfwmd.gov/site/index.php?id=62

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Percentage of <i>Water Protection & Sustainability Trust Fund</i> money committed to executed agreements with local governments.	Not applicable. (Fund not established.)	Not applicable.	95.8%	100%
Number of local agreements executed.	94, (98.1%)	66, 100%	59, 89.3%	Not applicable - (not a measure for FY2007).
Number of local agreements completed.	49 local agreements were completed.	28	13, 46.4%	Not applicable - (not a measure for FY2007).
Percentage of scientific appropriations committed to executed agreements with local initiatives.	98.1%	Not applicable.	90.3%	100%
Percentage of scheduled minimum flows and levels (MFL) or initial water reservations (IWR) technical criteria documents completed.	1 completed/ 1 scheduled (100%) (FL Bay MFL).	Complete 2 IWR documents.	2 completed/ 2 scheduled (100%) (NW Fork of Loxahatchee River & Caloosahatchee River/Estuary IWR documents were completed.)	Complete: 1 MFL document (South Central Biscayne Bay) 1 IWR document (Florida Bay)
Scientific basis for a hydrodynamic model for Florida Bay completed by 2006 and a water quality model by 2007.	Completed 90% Scientific basis for hydrodynamic model for Florida Bay.	Complete 100% Scientific basis for hydrodynamic model for Florida Bay.	Completed 100% Scientific basis for hydrodynamic model for Florida Bay.	Complete 100% Scientific basis for water quality model.





Structure construction for a stormwater treatment area (STA) expansion project.

Program Budget: \$174.1 Million

Full-Time Equivalents: 148

Program Description

The District Everglades Program is focused on the South Florida Water Management District's responsibilities outlined in the 1994 *Everglades Forever Act (EFA)* and the 1991 *Federal Settlement Agreement*. The *Everglades Construction Project (ECP)* is the first major step in Everglades restoration and part of the EFA. In addition to acquiring land, this act directs the District to design, permit, construct and operate a series of stormwater treatment areas (STAs), in order to reduce Phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The EFA also requires that the District implement basin-specific solutions to achieve compliance with long-term water quality standards by controlling phosphorus at the source.

During the State of Florida's 2003 legislative session, the 1994 *Everglades Forever Act* was amended to include the *Conceptual Plan for Achieving Long-Term Water Quality Goals* as an appropriate strategy for the Everglades Protection Area. And, in 2004, the state directed that Everglades restoration be expedited through the *Acceler8* initiative. This action consists of eight projects (some with multiple components) that, when completed, will provide immediate water quality, flood control and water supply benefits. This program is partially funded through the EFA.



Florida's Everglades is often referred to as the "River of Grass."

Explanation of FY2007 Funding Increases/Decreases

Total Budget

The total FY2007 adopted budget for the District Everglades Program is \$174.1 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$57.4 million higher than the FY2006 amended budget. This 49.3 percent increase in budgeted funds is described in further detail within the accompanying Restricted Funds explanation below.

Discretionary Funds

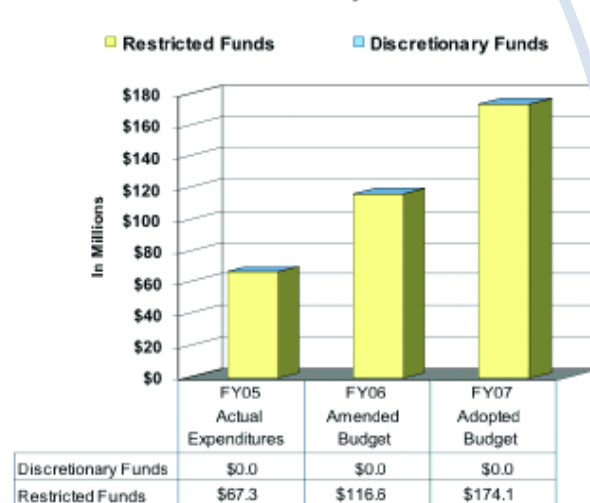
No discretionary funds are available for this program.

Restricted Funds

FY2007 restricted funds are equivalent to the total of \$174.1 million allocated for the District Everglades Program. The *Everglades Forever Act (EFA)* accelerated (*Acceler8*) projects are included in this FY2007 budget.

And, although funding for the *Everglades Construction Project (ECP)* original Phase 1 decreased, in accordance with scheduled completion in FY2007, funding requirements for the *Long-Term Plan Stormwater Treatment Area (STA) Enhancement* projects increased.

Three-Year Program Budget Comparison



Total \$67.3 \$116.6 \$174.1

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>Acceler8 EPA LTP Projects</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$4,639,924	\$65,536,339	\$97,178,673	\$31,642,334	48.3%
Subtotal All Sources	\$4,639,924	\$65,536,339	\$97,178,673	\$31,642,334	48.3%
<u>Everglades Construction Project</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$21,195,213	\$814,090	\$1,258,325	\$444,235	54.6%
Subtotal All Sources	\$21,195,213	\$814,090	\$1,258,325	\$444,235	54.6%
<u>LTP Operations & Maintenance</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$1,125,702	\$12,437,872	\$21,607,163	\$9,169,291	73.7%
Subtotal All Sources	\$1,125,702	\$12,437,872	\$21,607,163	\$9,169,291	73.7%
<u>LTP STA Enhancements</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$10,137,577	\$14,072,026	\$25,178,228	\$11,106,202	78.9%
Subtotal All Sources	\$10,137,577	\$14,072,026	\$25,178,228	\$11,106,202	78.9%
<u>LTP WQ Source Controls & BMPs</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$777,092	\$1,481,034	\$525,730	(\$955,304)	-64.5%
Subtotal All Sources	\$777,092	\$1,481,034	\$525,730	(\$955,304)	-64.5%
<u>LTP STA Optimization & Performance</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$6,855,049	\$5,117,708	\$4,727,801	(\$389,907)	-7.6%
Subtotal All Sources	\$6,855,049	\$5,117,708	\$4,727,801	(\$389,907)	-7.6%
<u>LTP Recovery of Impacted Areas - EPA</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$0	\$2,043,834	\$1,448,312	(\$595,522)	-29.1%
Subtotal All Sources	\$0	\$2,043,834	\$1,448,312	(\$595,522)	-29.1%
<u>LTP Post - 2006 Strategies</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$223,386	\$0	\$1,735,000	\$1,735,000	N/A
Subtotal All Sources	\$223,386	\$0	\$1,735,000	\$1,735,000	N/A
<u>LTP Program Management</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$305,702	\$1,133,583	\$3,938,929	\$2,805,346	247.5%
Subtotal All Sources	\$305,702	\$1,133,583	\$3,938,929	\$2,805,346	247.5%
<u>Everglades Monitoring & Assessment</u>					
Discretionary Funds	\$7,553	\$0	\$0	\$0	N/A
Restricted Funds	\$2,298,437	\$0	\$0	\$0	N/A
Subtotal All Sources	\$2,305,990	\$0	\$0	\$0	N/A
<u>Everglades Research & Evaluation</u>					
Discretionary Funds	\$62	\$0	\$0	\$0	N/A
Restricted Funds	\$17,394,181	\$8,178,820	\$8,603,268	\$424,448	5.2%
Subtotal All Sources	\$17,394,243	\$8,178,820	\$8,603,268	\$424,448	5.2%
<u>EFA Source Control Programs</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$0	\$0	\$3,340,420	\$3,340,420	N/A
Subtotal All Sources	\$0	\$0	\$3,340,420	\$3,340,420	N/A

FY2006 to FY2007 Program Variance continued

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Program Support					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$2,366,594	\$5,816,449	\$4,538,874	(\$1,277,575)	-22.0%
Subtotal All Sources	\$2,366,594	\$5,816,449	\$4,538,874	(\$1,277,575)	-22.0%
TOTAL					
Discretionary Funds	\$7,614	\$0	\$0	\$0	N/A
Restricted Funds	\$67,318,855	\$116,631,755	\$174,080,723	\$57,448,968	49.3%
Total	\$67,326,469	\$116,631,755	\$174,080,723	\$57,448,968	49.3%

District Everglades Program Key FY2006 Accomplishments

- ✓ Completed Everglades Agricultural Area Regional Feasibility Study in October 2005 (first quarter FY2006).
- ✓ Treated 3,100 acres of aquatic vegetation and over 5,000 acres of emergent vegetation in stormwater treatment areas.

Stormwater Treatment Area (STA) Enhancements Projects:

- ✓ Completed conversion to Submerged Aquatic Vegetation (SAV) in STA-1E, Cells 2, 4N, 4S and 6; STA-3/4; and STA-5, Cell 2B.
- ✓ Completed construction of STA-3/4, Cell 3 levee and STA-5, Cell 2B levee.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 44-52 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.



Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Complete <i>Acceler8</i> Stormwater Treatment Area (STA) Expansion projects by December 2006:				
- STA-6 Section 2	60 % Design complete.	Complete 100% design.	100% Design complete.	Complete 100% construction.
- STA-2 Cell 4	90 % Design complete.	Complete 100% design.	100% Design complete.	Complete 100% construction.
- STA-5 Flow-way 3	90 % Design complete.	Complete 100% design.	100% Design complete.	Complete 100% construction.
Implement Long-Term Plan:				
- Complete 5 Phosphorus Source Control projects for the Everglades Stormwater Program by December 2006.	Completed 100% Additional Study of Impacts; 80% Alternatives Study.	Complete 100% Alternatives Study; 75% Best Management Practices (BMP) Implementation.	Completed 100% Alternatives Study; 75% BMP Implementation.	Complete 100% BMP Implementation.
	Completed 100% Flood Impact Analysis.	Flood Impact Analysis not applicable in FY2006.	Flood Impact Analysis not applicable.	Not applicable.
	Completed 100% Best Management Practices Program (BMP) development assistance for FY2005.	Complete 75% BMP Program development assistance for FY2006.	Completed 75% BMP Program development assistance for FY2006.	Complete 100% BMP Program development assistance for FY2007.
	Completed 10% Additional Study of Impoundment.	Complete 100% Additional Study of Impoundment.	Completed 100% Additional Study of Impoundment	
	Completed 100% FY2005 BMP Grant Program.	Complete 100% FY2006 BMP Grant Program.	Completed 100% FY2006 BMP Grant Program.	Complete 100% FY2007 BMP Grant Program.
	Completed 25% BMP Program Development.	Information not available.	Completed 70% BMP Program Development.	Complete 100% BMP Program Development.
- Complete STA-1 West enhancements by December 2007.	52% Construction completed.	Complete 62% construction.	70% Construction completed.	Complete 100% construction.
- Complete 22 projects designed to optimize the performance of the STAs.	3 of 22 projects were completed (18 projects under way).	Complete 6 projects (9 of 22 cumulative total) and 15 projects under way.	6 projects were completed and 16 projects under way.	Complete 6 projects and 15 projects under way.
Complete STA-5 enhancements by December 2006.	29% Construction completed.	Complete 100% construction.	95% Construction completed.	Complete 100% construction.
Submit annual Everglades status reports for publication in the <i>South Florida Environmental Report</i> (SFER).	Status report was published in SFER.	Publish status report in SFER.	Status report was published in SFER.	Publish status report in SFER.



Restored Oxbox Section of Kissimmee River
(Phase IVA)

Program Budget: \$28.9 Million

Full-Time Equivalents: 38

Program Description

The South Florida Water Management District (District) is working with federal and state agencies, local governments, and other stakeholders to develop coordinated agency action plans to enhance water quality, flood protection, habitat and aquatic vegetation management, and recreational use of the Kissimmee Chain of Lakes. These efforts are part of the *Kissimmee Chain of Lakes Long Term Management Plan*.

In 2005, due to rapid urban development in the Upper Kissimmee Basin, the U.S. Army Corps of Engineers and the District—with the participation of local governments, state and federal agencies, and other stakeholders—also began development of an operational model of the Kissimmee Watershed. When the model is completed, in 2007, it will become an important tool for integrating decisions related to Kissimmee Watershed management and Kissimmee River restoration.

Through the South Florida Water Management District's Orlando Service Center, the District has established partnerships with local governments to leverage District and local funds for water resource projects consistent with Kissimmee Watershed Program priorities.



The Kissimmee Watershed is the headwaters of the Kissimmee-Okeechobee-Everglades system. It is the largest source of surface water draining into Lake Okeechobee.

Explanation of FY2007 Funding Increases/Decreases

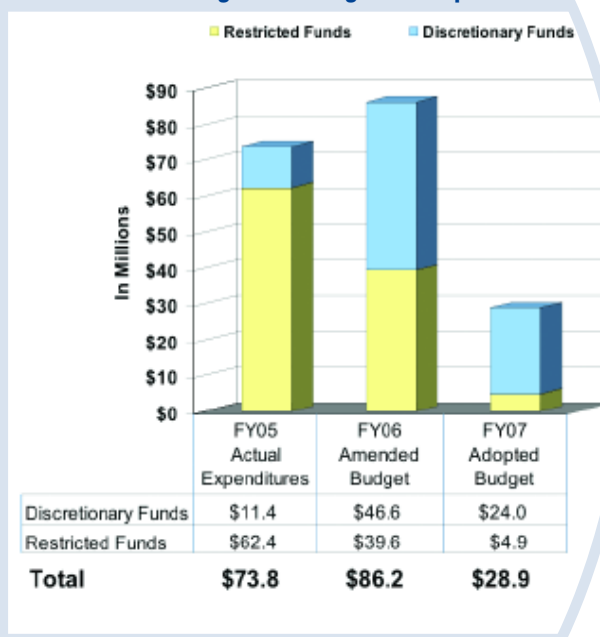
Total Budget

The total FY2007 adopted budget for the Kissimmee Watershed Program is \$28.9 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$57.4 million lower than the FY2006 amended budget. This 66.5 percent decrease in budgeted funds is described in more detail below.

Discretionary Funds

The Kissimmee Watershed Program's FY2007 discretionary funds total \$24 million, which is \$22.7 million lower than the FY2006 amended budget amount. This decrease is primarily due to completion of the major land acquisition requirements associated with the Kissimmee Land Restoration. The FY2007 budget includes the remaining funding requirements for pending condemnation, acquisitions and associated engineering costs. Discretionary funds decreased 48.6 percent.

Three-Year Program Budget Comparison



Restricted Funds

FY2007 restricted funds for this program total \$4.9 million. The decrease of \$34.7 million in funding is also related to completion of the major land acquisition requirements associated with the Kissimmee Land Restoration. Required funding for pending condemnation, acquisitions and associated engineering costs are also included in this portion of the program budget. Restricted funds decreased 87.6 percent.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>River Restoration Projects</u>					
Discretionary Funds	\$11,030,387	\$42,568,112	\$19,064,026	(\$23,504,086)	-55.2%
Restricted Funds	\$62,436,390	\$39,085,000	\$3,494,000	(\$35,591,000)	-91.1%
Subtotal All Sources	\$73,466,777	\$81,653,112	\$22,558,026	(\$59,095,086)	-72.4%
<u>Chain of Lakes Projects</u>					
Discretionary Funds	\$0	\$128,066	\$366,264	\$238,198	186.0%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$0	\$128,066	\$366,264	\$238,198	186.0%
<u>KUB Restoration</u>					
Discretionary Funds	\$0	\$3,943,319	\$4,000,000	\$56,681	1.4%
Restricted Funds	\$0	\$500,000	\$1,400,000	\$900,000	180.0%
Subtotal All Sources	\$0	\$4,443,319	\$5,400,000	\$956,681	21.5%
<u>Program Support</u>					
Discretionary Funds	\$368,379	\$21,011	\$539,690	\$518,679	2468.6%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$368,379	\$21,011	\$539,690	\$518,679	2468.6%
<u>TOTAL</u>					
Discretionary Funds	\$11,398,766	\$46,660,508	\$23,969,980	(\$22,690,528)	-48.6%
Restricted Funds	\$62,436,390	\$39,585,000	\$4,894,000	(\$34,691,000)	-87.6%
Total	\$73,835,156	\$86,245,508	\$28,863,980	(\$57,381,528)	-66.5%

Kissimmee Watershed Program Key FY2006 Accomplishments

- ✓ Completed land acquisition of over 100,000 acres for Kissimmee River Restoration.
- ✓ Completed design for Florida Power Corporation Flood Protection Project.
- ✓ Completed draft of hydrologic performance measures for Kissimmee River.
- ✓ Completed draft of hydrologic performance measures for the Kissimmee Chain of Lakes (KCOL), associated with the *Kissimmee Hydrologic Assessment Modeling and Operations Study*.
- ✓ Completed 3 public workshops presenting performance measures and plan formulation associated with the *Kissimmee Hydrologic Assessment Modeling and Operations Study*.
- ✓ Completed construction of the St. Cloud Stormwater Grid Phase 2 and Holden Heights Stormwater Improvements Phase 3. The Baseline Study and Report for the West Orange Basin Model was also completed.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 53-59 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Complete land acquisition by December 2005 (except Chandler Slough).	Completed 98% of Kissimmee River Restoration land acquisition as of Sept 30, 2005.	Complete 100% of land acquisition.	Completed 100% of land acquisition.*	Not applicable – complete.
Select preferred alternative modeling criteria for the Kissimmee Basin Modeling and Operations Study by August 2007.	Basin assessment completed.	Information not available.	Final Evaluation Performance Measures draft completed and distributed for comments.	Results of the Alternative Plan Selection process drafted by September 2007.
Complete Kissimmee Basin Modeling and Operations Study by December 2007.	Modeling Plan/Strategy completed; Data management activities initiated.	Complete model and performance measure development.	Design and initial model development completed and delivered.	Preferred alternative and associated documentation will be under consideration by end of FY2007 and forwarded to the U.S. Army Corps of Engineers by Jan. 2008.
Complete land certification by December 2007.	Not applicable. Ongoing.	Not applicable.	Not applicable. Ongoing.	Complete land certification.
Complete implementation of cost-to-cure in lieu of acquisition projects by December 2007.	Ongoing.	Not applicable.	Ongoing.	Complete implementation of cost-to-cure in lieu of acquisition projects by Dec 2007.
Complete Kissimmee Chain of Lakes Long-Term Management Plan (KCOL-LTMP) by September 2006.	Initiated development of assessment performance measures for KCOL-LTMP.	Complete performance measure development, system assessment and data collection and monitoring plans.	Completed draft assessment performance measures. Completed 50% of monitoring plan development. Initiated System Assessment and Agency Action Plan development.	Complete the KCOL-LTMP document by July 2007.
Complete Local Water Resource Partnership Projects annually.	Completed local water resource partnership projects.	Complete Local Water Resource Partnership Projects.	Completed local water resource partnership projects.	Complete 4 Local Water Resource Partnership Projects.

* Chandler Slough acquisition in question (awaiting decision from the U.S. Army Corps of Engineers).

LONG-TERM STRATEGIC GOAL
Restore ecological integrity to the Kissimmee River and its floodplain ecosystem and improve water quality, water supply, natural resources, and flood control level of service in the Kissimmee Watershed.

Program Budget: \$81.2 Million

Full-Time Equivalents: 41

Program Description



The S-193 structure lock opening, Lake Okeechobee.

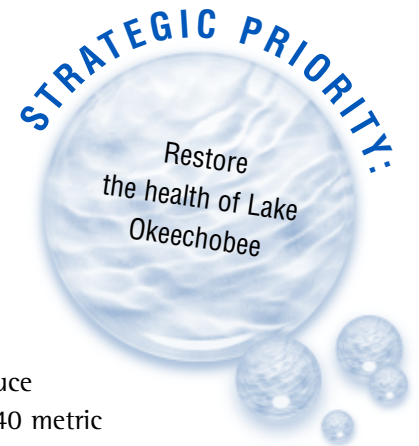
Lake Okeechobee, the liquid heart of South Florida's interconnected aquatic ecosystem, provides immeasurable benefits to the state's population and environment, including: water supply; flood protection; a sport and commercial fishery; and wildlife habitat. The Lake Okeechobee Program is working to solve three major problems facing the lake and its watershed: (1) excessive nutrient loading; (2) extreme high and low water level fluctuations in the lake; and (3) exotic species.

The Lake Okeechobee and Estuary Recovery (LOER) Plan was developed to help restore the ecological health of Lake Okeechobee and the St.

Lucie and Caloosahatchee estuaries, in response to water resource needs, legislative directives, and the demands of Florida citizens. The South Florida Water Management District (District) is also following *The Lake Okeechobee Protection Plan (LOPP)*, which contains an implementation schedule to reduce the lake's phosphorus load to 140 metric tons by 2015; as well as elements of exotic species control, research and monitoring.

Initial funding has been provided for a series of "fast-track" capital projects to improve water quality. In addition to construction, several innovative components—some not requiring large capital outlays—can also improve the condition of Lake Okeechobee and the estuaries.

These include options for surface and below-ground water storage, revisions to permit criteria, and revisions to the *Lake Okeechobee Regulation Schedule*.



Explanation of FY2007 Funding Increases/Decreases

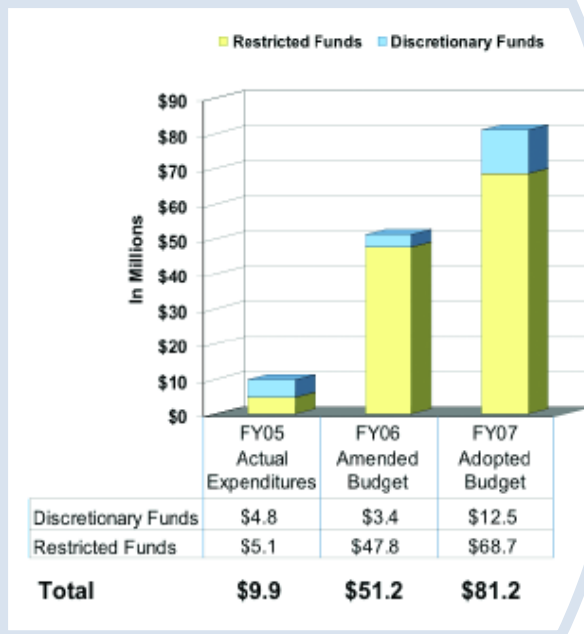
Total Budget

The total FY2007 adopted budget for the Lake Okeechobee Program is \$81.2 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$30 million higher than the FY2006 amended budget. This is a 58.5 percent increase in budgeted funds.

Discretionary Funds

The Lake Okeechobee Program's FY2007 discretionary funds total \$12.5 million, which is \$9.1 million higher than the FY2006 amended budget amount. This funding increase reflects the District Governing Board's strategic priority to reduce phosphorus inputs to Lake Okeechobee through the implementation of local government projects, alternative water supply storage, and continuation of projects in the *Lake Okeechobee Protection Plan*.

Three-Year Program Budget Comparison



Restricted Funds

FY2007 restricted funds for this program total \$68.7 million. The increase of \$20.8 million in funding accommodates the appropriation of state funds for the design and construction of the *Lake Okeechobee Fast Track* projects, which include the construction of a large reservoir, two stormwater treatment areas (STAs), and the rerouting of water flows to accelerate phosphorus reduction and increase water storage in the Lake Okeechobee Watershed. Restricted funds increased 43.6 percent.

LONG-TERM STRATEGIC GOAL

To improve the health of the Lake Okeechobee ecosystem by improving water quality, reducing or eliminating exotic species and better managing water levels.

Lake Okeechobee & its watershed are key components of south Florida's ecosystem. Spanning 736 square miles, Lake Okeechobee is the second largest freshwater lake located wholly within the U.S.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>LOFT Acceler8</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$0	\$0	\$8,816,442	\$8,816,442	N/A
Subtotal All Sources	\$0	\$0	\$8,816,442	\$8,816,442	N/A
<u>Lake Restoration Assessment</u>					
Discretionary Funds	\$1,143,552	\$2,162,577	\$4,223,299	\$2,060,722	95.3%
Restricted Funds	\$827,222	\$425,050	\$11,314,628	\$10,889,578	2562.0%
Subtotal All Sources	\$1,970,774	\$2,587,627	\$15,537,927	\$12,950,300	500.5%
<u>Watershed Management</u>					
Discretionary Funds	\$2,477,861	\$791,628	\$3,698,197	\$2,906,569	367.2%
Restricted Funds	\$2,957,438	\$4,503,546	\$2,427,471	(\$2,076,075)	-46.1%
Subtotal All Sources	\$5,435,299	\$5,295,174	\$6,125,668	\$830,494	15.7%
<u>Exotics Control</u>					
Discretionary Funds	\$259,989	\$60,463	\$64,266	\$3,803	6.3%
Restricted Funds	\$371,956	\$1,206,750	\$756,750	(\$450,000)	-37.3%
Subtotal All Sources	\$631,945	\$1,267,213	\$821,016	(\$446,197)	-35.2%
<u>Restoration Construction Projects</u>					
Discretionary Funds	\$128,225	\$0	\$3,193,098	\$3,193,098	N/A
Restricted Funds	\$939,891	\$41,495,267	\$45,387,808	\$3,892,541	9.4%
Subtotal All Sources	\$1,068,116	\$41,495,267	\$48,580,906	\$7,085,639	17.1%
<u>Program Support</u>					
Discretionary Funds	\$776,767	\$344,400	\$1,312,756	\$968,356	281.2%
Restricted Funds	\$30,000	\$223,120	\$0	(\$223,120)	N/A
Subtotal All Sources	\$806,767	\$567,520	\$1,312,756	\$745,236	131.3%
<u>TOTAL</u>					
Discretionary Funds	\$4,786,394	\$3,359,068	\$12,491,616	\$9,132,548	271.9%
Restricted Funds	\$5,126,507	\$47,853,733	\$68,703,099	\$20,849,366	43.6%
Total	\$9,912,901	\$51,212,801	\$81,194,715	\$29,981,914	58.5%

Lake Okeechobee Program Key FY2006 Accomplishments

- ✓ Completed initial design activities and initiated Basis of Design Reports (BODR) for Taylor Creek, the Lakeside Ranch STA, and rerouting runoff from S-133 and S-154; initiated detailed design for the Taylor Creek Reservoir Test Cell Program; and completed the final design for Nubbin Slough STA expansion.
- ✓ Initiated spring recession and sediment removal projects, and planted 630 Pond Apple and 55 Cypress trees on Rita Island.
- ✓ Completed construction of pilot storage/treatment facility on 4 private properties (West Waterhole Pasture, Basinger Grove, Alderman Ranch, and Indiantown Citrus Growers Association). Designs completed and agreements executed for: 1 public property (Avon Park Airforce Range) and 2 additional private properties (Buck Island Ranch and Williamson Ranch).
- ✓ Completed conceptual design and executed contract for design of 450 acre reservoir.

FY2007 Annual Work Plan Objectives and Success Indicators

 Pages 60-69 of the 2007 Work Plan (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Percentage reduction phosphorus inputs to Lake Okeechobee. <i>(This is a cumulative performance measure which represents the annual achievable goal needed to meet a Year 2015 objective.)</i>	Phosphorus (P) load reduction to Lake Okeechobee was 0; but a 28 ton (2%) reduction was estimated within the watershed.*	Phosphorus load reduction to Lake Okeechobee will be 8.7% (68 metric tons) less than the FY2005 P load.	Phosphorus load reduction to Lake Okeechobee was 47% (374 metric tons) less than FY2005 P Load.	Phosphorus load reduction to Lake Okeechobee will be 8.3% (34 metric tons) less than FY2006 P load.
Number of acres of exotic and nuisance species treated.	Treated 3,125 acres of Cattail.	Treat 2,000 acres torpedo grass and 500 acres Melaleuca (as mandated by Lake Okeechobee Protection Plan).	Treated 3,000 acres Cattail, 5,000 acres Torpedo grass, and 150 acres Melaleuca in the Lake Okeechobee littoral zone.	Control expansion of Cattail into key fisheries; Treat minimum of 2,000 acres of Torpedo grass; Treat 500 acres of Melaleuca.
Percentage of time lake stage is in favorable range for littoral zone and submerged aquatic plants.**	0%	95%	Approximately 50%.	Maintain lake between 12.5' and 15.5' at National Geodetic Vertical Datum (NGVD), 100% of the time.
Number of acres of restored wetlands in watershed.	Restored 410 acres (Kirtan Ranch); and 460,200 acres (Ritta Island).	Not available.	Restored 50 acres for Lamb Island Phase II, 70 acres for Lemkin Creek, and 20 acres for Nubbin Slough Area A.	Restore 92 acres for Eckerd Youth Center.
Complete non-structural revisions to Lake Okeechobee Regulation Schedule by 2006.	Not available. Due in 2006.	Not available.	Tentative plan was accepted; Supplementary Environmental Impact Statement reviewed.	Revised U.S. Army Corps of Engineers tentatively selected plan with final schedule expected July 2007.

* Load reductions as measured at Lake Okeechobee were delayed due to residual phosphorus in the soils. Actual load reduction to Lake Okeechobee is highly uncertain due to hydrology (hurricanes, other storm events, etc.), BMPs implementation within watershed, and residual phosphorus in the soils.

** Dependent on climatology, water management activities, and adoption of new regulation schedule.



Modeling using the District's Regional Simulation Model (RSM).

Program Budget: \$16.2 Million

Full-Time Equivalents: 98

Program Description

The South Florida Water Management District's (District) programs depend on scientific support and computer modeling for aspects of water management. This program centralizes these major functions.

The Modeling & Scientific Support Program includes the development, implementation and migration of the next-generation *Regional Simulation Model (RSM)* to replace current regional models; the implementation of the *Capability Maturity Model (CMM)* for all model development and implementation; and modeling oversight, peer review, scope review, model library and data set creation.

This program also includes water quality monitoring and assessment operations. Water quality monitoring systems track ecosystem status and the performance of District projects, including information needed to meet legal and regulatory requirements. Activities included are regional-scale water quality monitoring, laboratory operations, quality assurance/quality control, data stewardship, and associated support services. An Environmental Monitoring Coordination Team has been established to manage and oversee all District monitoring activities. The Modeling & Scientific Support Program is also responsible for the annual production of the *South Florida Environmental Report (SFER)* – which provides scientific and engineering status and findings.

Models help scientists and planners measure the possible effects of a variety of impacts on various complex systems. Water quality monitoring programs provide data for legal mandates, such as the Everglades Forever Act, and memoranda of agreement with other agencies and public groups.

Explanation of FY2007 Funding Increases/Decreases

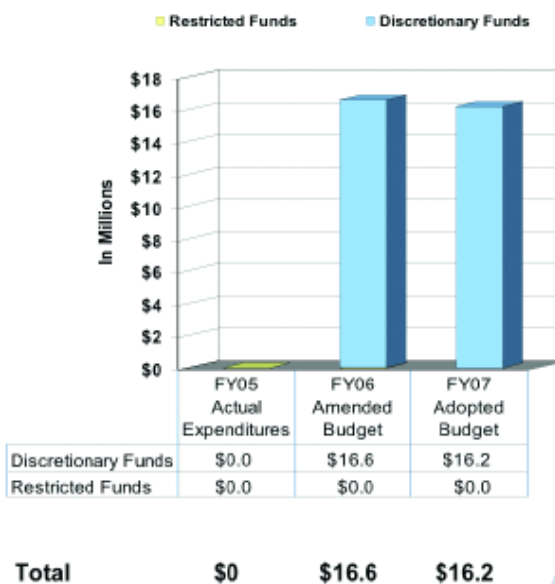
Total Budget

The total FY2007 adopted budget for the Modeling & Scientific Support Program is \$16.2 million. As reflected in the program variance table on the next page, the FY2007 total is approximately \$0.5 million lower than the FY2006 amended budget. This is a 2.7 percent decrease in budgeted funds.

Discretionary Funds

The program's FY2007 discretionary funds total the entire \$16.2 million budgeted for Modeling & Scientific Support, which is \$0.5 million lower than the FY2006 amended budget amount due to the requested scaling back of the *Regional Simulation Model (RSM)* and *Capability Maturity Model (CMM)* projects, in order to fund higher priority projects. \$5.2 million is budgeted for Modeling and \$11.0 million is budgeted for Water Quality Monitoring.

Three-Year Program Budget Comparison



Restricted Funds

No restricted funds are budgeted for this program.



FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Regional Modeling					
Discretionary Funds	\$0	\$5,209,416	\$5,152,127	(\$57,289)	-1.1%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$0	\$5,209,416	\$5,152,127	(\$57,289)	-1.1%
Water Quality Monitoring & Assessment					
Discretionary Funds	\$0	\$11,159,172	\$11,011,428	(\$147,744)	-1.3%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$0	\$11,159,172	\$11,011,428	(\$147,744)	-1.3%
Program Support					
Discretionary Funds	\$0	\$250,389	\$300	(\$250,089)	-99.9%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$0	\$250,389	\$300	(\$250,089)	-99.9%
TOTAL					
Discretionary Funds	\$0	\$16,618,977	\$16,163,855	(\$455,122)	-2.7%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Total	\$0	\$16,618,977	\$16,163,855	(\$455,122)	-2.7%

Modeling & Scientific Support Program Key FY2006 Accomplishments

- ✓ Completed and peer-reviewed *Consideration of Long-Term Climatic Variation in SFWMD Planning and Operations* white paper.
- ✓ Completed Library of Models requirements document, function and system design.
- ✓ Developed Water Quality Monitoring evaluation statistical tool.
- ✓ Completed site/station naming and registration standard operating procedures.
- ✓ Completed and implemented Phase 2 of Environmental Monitoring Analysis and Planning System (EMAPS), a mobile-based Geographic Information System/Global Positioning System (GIS/GPS) location verification tool.
- ✓ Installed, proficiency-tested and Florida Health and Rehabilitative Services (HRS)-certified the Fish Tissue Mercury Analyzer.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 74-83 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Implementation of Regional Simulation Model (RSM), including Level-2 Capability Maturity Model (CMM) standard, and peer review.	Completed RSM code verification report; Graphical User Interface (GUI) Phase 1 tools and manual. Updated Hydrolic Simulation Engine (HSE) user manual and RSM Theory manual. Completed 85% Natural System Model (initial version).	Complete peer review and RSM 2005 calibration documentation by Sept 2006.	Completed RSM 2005 calibration documentation by Sept 2006. Completed 80% calibration & verification of South Florida Regional Simulation Model by Sept 2006.	Continue application of subregional RSM and NSRSM to expedite <i>Acceler8</i> project process. Complete peer review of NSRSM. Complete management capabilities Management Simulation Engine (MSE), allowing simulation on regional scale. Enhance Water Quality features to calibrate for initial modeling for <i>Acceler8</i> . Complete CMM Level 2 implementation & peer review.
Migration of RSM to replace 2x2 model by 2007.	Not applicable – activity not started.	Not applicable.	Developed initial Graphical User Interface (GUI) and provided initial RSM internal training.	Complete Graphical User Interface (GUI) with initial performance measures. Provide additional RSM training.
Use of standardized datasets for modeling by 2007.	Not applicable – activity not started.	Not applicable.	Created geodatabase for model datasets.	Achieve 100% enforcement of standardized model datasets usage.
Submit Annual <i>South Florida Environmental Report</i> (SFER) by March 1st.	SFER published Feb 2005.	Publish SFER by March 1, 2006.	SFER published March 1, 2006.	Publish SFER by March 1, 2007.
Laboratory Information Management System (LIMS) replacement.	Contract initiated & software installed Oct 2005.	Configuration, training & testing Oct 2005-Jan 2006.	Completed LIMS project.	Not applicable – project completed in 2006.
Compliance with all legally mandated monitoring requirements.	100% compliant as of Sept 2005.	Maintain 100% compliance through Sept 2006.	100% compliant as of Sept 2006.	Maintain 100% compliance through Sept 2007.
Development and implementation of new scientific technologies and process improvements.	Completed real time phosphorus monitoring at G-310. Developed capabilities for algal bloom characterization nutrients in saline water. Completed Water Quality Monitoring (WQM) sitemap reengineering Phase 1.	Complete WQM Network Optimization Report. Complete & implement (EMAPs) Phases 1 & 2.	Completed: Comprehensive WQM Network Optimization documentation and EMAPs Phases 1 & 2.	Implement WQM Network Optimization recommendations by Dec 2006. Complete auto-sampler optimization documentation (EMAPs) Phase 3; DBHYDRO Integration by Sept 2007. Evaluate real-time data & remote technology for WQM Network Monitoring.

REGULATION



Wetlands mitigation as required for permitting

Program Budget: \$18.1 Million

Full-Time Equivalents: 182

Program Description

The Regulation Program involves implementing the South Florida Water Management District's (District) permitting authority under Chapter 373 of the Florida Statutes.

The District's Regulation Program issues Environmental Resource Permits (ERPs), which regulate the management and storage of surface waters. ERPs ensure that proposed surface water management systems, including wetland dredging or filling, do not cause adverse water quality, water quantity or environmental impacts. Water Use Permits are also issued by the District. Water Use Permits regulate the consumptive use of water to ensure that proposed uses are reasonable-beneficial, will not interfere with any presently existing legal users, and are consistent with the public interest. Regulation is also responsible for Water Well Construction Permits, which regulate the construction, repair and abandonment of wells, to ensure that groundwater resources are protected from contamination as a result of well construction activities.

Land alteration activities or works affecting water resources are regulated under permits.

Explanation of FY2007 Funding Increases/Decreases

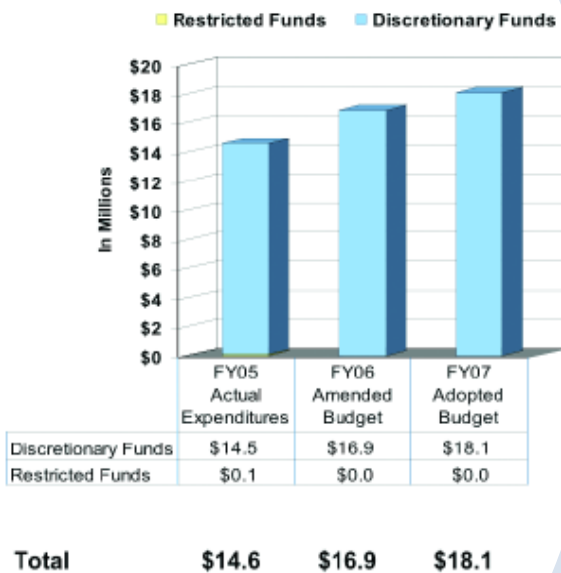
Total Budget

The total FY2007 adopted budget for the Regulation Program is \$18.1 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$1.3 million higher than the FY2006 amended budget. This is a 7.5 percent increase in budgeted funds.

Discretionary Funds

The program's FY2007 discretionary funds total is \$1.2 million higher than the FY2006 amended budget and it represents almost all of the \$18.2 million budgeted for the Regulation Program. This increase is primarily due to the higher costs of personal services and funding for contract positions which support e-permitting, scanning and the microfiche conversion efforts. The computer programming services for e-permitting are also included in this program for FY2007. Overall, discretionary funds have increased 7.2 percent.

Three-Year Program Budget Comparison



Restricted Funds

FY2007 restricted funds for this program total \$37,489. These funds consist of a small percent of the Big Cypress Basin's budgeted operating costs earmarked for Regulation Program support. There were no restricted funds budgeted for this program in FY2006.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Environmental Resource Permitting					
Discretionary Funds	\$9,109,552	\$5,008,188	\$11,775,445	\$6,767,257	135.1%
Restricted Funds	\$107,350	\$0	\$4,740	\$4,740	N/A
Subtotal All Sources	\$9,216,902	\$5,008,188	\$11,780,185	\$6,771,997	135.2%
Water Use Permitting					
Discretionary Funds	\$4,236,368	\$11,271,059	\$5,545,843	(\$5,725,216)	-50.8%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$4,236,368	\$11,271,059	\$5,545,843	(\$5,725,216)	-50.8%
Program Support					
Discretionary Funds	\$1,201,643	\$612,501	\$794,711	\$182,210	29.7%
Restricted Funds	\$0	\$0	\$32,749	\$32,749	N/A
Subtotal All Sources	\$1,201,643	\$612,501	\$827,460	\$214,959	35.1%
TOTAL					
Discretionary Funds	\$14,547,563	\$16,891,748	\$18,115,999	\$1,224,251	7.2%
Restricted Funds	\$107,350	\$0	\$37,489	\$37,489	N/A
Total	\$14,654,913	\$16,891,748	\$18,153,488	\$1,261,740	7.5%

Regulation Program Key FY2006 Accomplishments

- ✓ Completed 100% of the e-Permitting designs.
- ✓ The District's Environmental Resource Permit (ERP) and Water Use Permit systems went online, providing users with electronic access via the Internet, as of October 2006.
- ✓ Continued delegation and rulemaking process to implement partial ERP delegation to Miami-Dade and Collier counties.



FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 95-100 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Timely evaluation and review of permit applications consistent with adopted rules and criteria.	100%	100%	100%	100%
Basin renewals implemented on schedule.	950 (100%) scheduled Basin Renewal Packets (BRPs) sent out.	Send out 320 (100%) scheduled BRPs.	323 (100%) scheduled BRPs sent out.	Send out 656 (100%) scheduled BRPs.
Construction certifications kept current.	642 Current and 798 Backlog certificates processed.	Process 610 Current and 821 Backlog certificates.	1,327 Current and 819 Backlog certificates processed.	Process 1,327 Current and 821 Backlog certificates.
Environmental Resource Permit (ERP) applications reviewed annually (minimum 2,300).	2,690 ERP applications reviewed.	Review 2,690 ERP applications.	2,706 ERP applications reviewed.	Review 2,706 ERP applications.
Water Use Permit (WUP) applications reviewed annually (minimum 1,900).	2,541 WUP applications reviewed.	Review 2,375 WUP applications.	2,503 WUP applications reviewed.	Review 2,503 WUP applications.
Identify - Total acres reviewed pursuant to ERP.	16,142	Not published.	14,122	14,122
Post-permit compliance inspections conducted annually (minimum 8,500), identifying both environmental & construction inspections, and percentage in compliance:	Conducted 9,563 total inspections (see below):	Conduct 8,500 inspections.	Conducted 10,487 total inspections (see below):	Conduct minimum 8,500 inspections (revised target is 10,487 inspections).
Environmental	2,792		2,798	2,798
Applications Inspected	956		1,200	1,200
Percent Compliance	57%		63%	63%
Construction	6,771		7,064	7,064
Applications Inspected	2,010		2,922	2,922
Percent Compliance	88%		82%	82%
Total Compliance %	78%		76%	76%
Total Inspections*	9,563	8,500	10,487	10,487

*Total inspections conducted include reinspections (which are not enumerated in the summary table).



Typical Reverse Osmosis (R.O.) Treatment System

Program Budget: \$75.8 Million

Full-Time Equivalents: 69

Program Description

The Water Supply Program is responsible for the South Florida Water Management District's (District) evaluation of long-term water supply needs, and the planning and development of Water Resource projects.

One of the Water Supply Program's primary functions is the coordination of local government comprehensive planning efforts to create a linkage between land use and water supply planning. This program develops, updates and implements four regional water supply plans to meet the existing and projected future water use demands of area residents, businesses, agriculture and natural systems, pursuant to the requirements of the Florida *Water Resources Act*.

Development of Alternative Water Supply sources and water conservation are encouraged through a combination of strategies, including regulatory and financial incentives. The *Water Savings Incentive Program (WaterSIP)* and the *Alternative Water Supply Funding Program* are two grant programs available for these efforts.

Additionally, minimum flows and levels (MFLs) and initial water reservations (IWRs) for natural systems help ensure the sustainability of water resources. If minimum targets cannot be met, recovery plans are developed. Initial water reservations prevent the allocation of water needed to protect fish and wildlife. Water Use Permitting (managed by the District's Regulation Program) is used with implementation of Water Supply Plans, MFLs and initial water reservations.

The Water Supply Program also supports the District's Lake Okeechobee Program, providing revisions to the lake's regulation schedule and implementation of the *Lake Okeechobee and Estuary Recovery (LOER) Plan*.



Explanation of FY2007 Funding Increases/Decreases

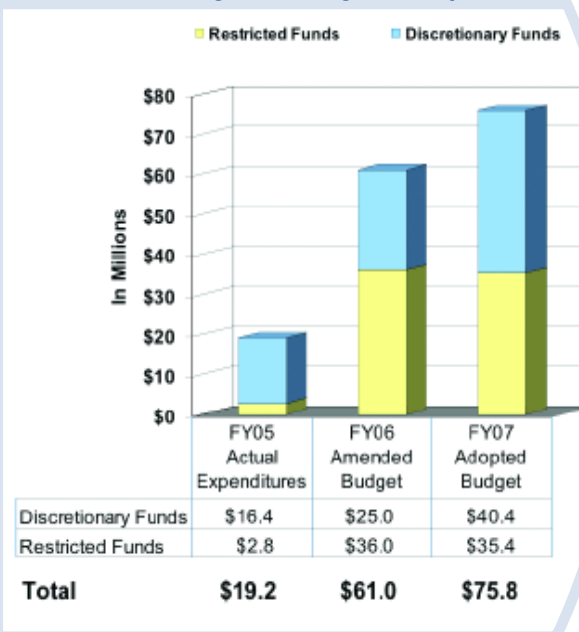
Total Budget

The total FY2007 adopted budget for the Water Supply Program is \$75.8 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$14.8 million higher than the FY2006 amended budget. This is a 24.3 percent increase in budgeted funds.

Discretionary Funds

The Water Supply Program's FY2007 discretionary funds total \$40.4 million, which is \$15.4 million higher than the FY2006 amended budget amount. This funding increase is primarily due to the District Governing Board's decision to allocate more funds to specific agency priorities, which include local Water Resource Development projects and increased Alternative Water Supply Development funding. Discretionary funds increased 61.6 percent over the prior year.

Three-Year Program Budget Comparison



Restricted Funds

FY2007 restricted funds for this program total \$35.4 million. The decrease of \$0.6 million in funding reflects the net reduction in state funded projects for this fiscal year. Overall, restricted funds decreased 1.6 percent.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Planning					
Discretionary Funds	\$5,967,277	\$4,732,517	\$5,248,070	\$515,553	10.9%
Restricted Funds	\$62,990	\$0	\$0	\$0	N/A
Subtotal All Sources	\$6,030,267	\$4,732,517	\$5,248,070	\$515,553	10.9%
Implementation Projects					
Discretionary Funds	\$4,115,917	\$7,256,785	\$5,824,600	(\$1,432,185)	-19.7%
Restricted Funds	\$1,840,470	\$0	\$7,885,235	\$7,885,235	N/A
Subtotal All Sources	\$5,956,387	\$7,256,785	\$13,709,835	\$6,453,050	88.9%
Minimum Flows & Levels					
Discretionary Funds	\$343,813	\$647,983	\$989,988	\$342,005	52.8%
Restricted Funds	\$544	\$0	\$0	\$0	N/A
Subtotal All Sources	\$344,357	\$647,983	\$989,988	\$342,005	52.8%
Water Conservation					
Discretionary Funds	\$1,643,108	\$2,214,070	\$1,955,618	(\$258,452)	-11.7%
Restricted Funds	\$25,466	\$67,721	\$80,276	\$12,555	18.5%
Subtotal All Sources	\$1,668,574	\$2,281,792	\$2,035,894	(\$245,897)	-10.8%
Alternative Water Supply Projects					
Discretionary Funds	\$2,161,566	\$9,816,020	\$24,505,297	\$14,689,277	149.6%
Restricted Funds	\$815,282	\$35,925,102	\$27,460,281	(\$8,464,821)	-23.6%
Subtotal All Sources	\$2,976,848	\$45,741,123	\$51,965,578	\$6,224,456	13.6%
Program Support					
Discretionary Funds	\$2,162,694	\$306,208	\$1,838,165	\$1,531,957	500.3%
Restricted Funds	\$11,364	\$20,547	\$0	(\$20,547)	N/A
Subtotal All Sources	\$2,174,058	\$326,755	\$1,838,165	\$1,511,410	462.6%
TOTAL					
Discretionary Funds	\$16,394,375	\$24,973,584	\$40,361,738	\$15,388,154	61.6%
Restricted Funds	\$2,756,116	\$36,013,371	\$35,425,792	(\$587,579)	-1.6%
Total	\$19,150,491	\$60,986,955	\$75,787,530	\$14,800,575	24.3%

Water Supply Program

Key FY2006 Accomplishments

- ✓ Coordinated water supply planning process with local government comprehensive planning to accommodate new growth management legislation. Assisted local governments on how to meet requirements of new legislation through individual consultations, updating the District Internet web site, expanding material contained in the regional water supply plans, and working with state agencies to present workshops to local governments.
- ✓ Coordinated planning and regulatory activities with the St. Johns River Water Management District and the Southwest Florida Water Management District.
- ✓ Developed technical supporting documentation for the Florida Bay MFL. Conducted scientific peer review of the technical supporting documents, developed rule language and held public rule-development workshops.
- ✓ Completed 6 elements of the Northern Palm Beach County Plan, including G-161 Northlake Culvert construction, design of PC-15 Culvert, replacement of 2 culverts to enhance the hydroperiod of the Loxahatchee Slough, G-161 Operations protocol, and preparation of a hydrologic monitoring plan to support a condition of the Florida Department of Environmental Protection's (FDEP) permit for G-161.
- ✓ Completed groundwater/surface water modeling to establish Initial Water Reservations for the Loxahatchee River and its tributaries.
- ✓ Evaluated water supply capabilities of the Palm Beach Aggregates Reservoir using the Lower East Coast Subregional Model.
- ✓ Developed and documented models for 3 of the District's 4 planning regions. Peer reviewed the Lower East Coast Subregional model.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 101-116 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.



Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Completion of Alternative Water Supply projects.	Completed 11 of 28 projects.*	Complete 80 of 80 projects.	71 of 80 projects completed.	Complete 52 of 62 projects.
Regional water supply plan updates for all four planning areas completed in 2006.	Not applicable – none scheduled for completion.	Complete 4 regional water supply plans.	Completed 2 of 4 regional water supply plans.	Complete remaining 2 regional water supply plans.
Initial water reservations (IWR) adopted on schedule.	No IWRs scheduled.	1 IWR.	1 IWR scheduled. None adopted.	1 IWR – NW Fork of the Loxahatchee River.
Local government comprehensive(comp) plans, Evaluation and Appraisal Reports (EARs), and 10-Year Water Supply Facility Work Plans (10-year Work Plans) reviewed.	Reviewed 156 of 156 comp plans, EARs and 10-Year Work Plans.	Review 160 of 160 comp plans, EARs and 10-Year Work Plans.	Reviewed 165** comp plans, EARs and 10-Year Work Plans.	Review 180 of 180 comp plans, EARs and 10-Year Work Plans.
Rules adopted to protect water resources and maximize efficient use of water supplies.	None.	Establish MFL Rules for Lake Istokpoga, Florida Bay, and tributaries to NW Fork of the Loxahatchee River.	The Lake Istokpoga and Florida Bay MFLs were adopted.	Adopt rules for Regional Water Availability, Lake Okeechobee Water Shortage Management, and Water Conservation; and a MFL for tributaries to NW Fork of the Loxahatchee River.
Amount of water made available through water resource development and water supply development (million gallons of water per day – MGD***):				
Lower East Coast	39.2 MGD	60 MGD	38.9 MGD	43.8 MGD
Upper East Coast	5.0 MGD	24 MGD	22.6 MGD	2.3 MGD
Kissimmee Basin	10.7 MGD	23 MGD	6.6 MGD	3.2 MGD
Lower West Coast	11.2 MGD	66 MGD	64.6 MGD	13.8 MGD
Total (MGD)	66.1 MGD	173 MGD	132.7 MGD	63.1 MGD
Number of MFLs by water body type established annually and cumulatively.	1 MFL in 2005, 8 MFLs cumulatively.	Establish 2 MFLs in FY2006, (10 MFLs cumulatively).	2 MFLs were established in FY2006, (10 MFLs cumulatively).	Establish 1 MFL in FY2007, (11 MFLs cumulatively).
Percentage of MFLs established in accordance with the previous year's schedule.	50%	100%	66%	100%
Percentage of domestic water reuse District-wide.	28%	29%	29% (estimate) ****	30%

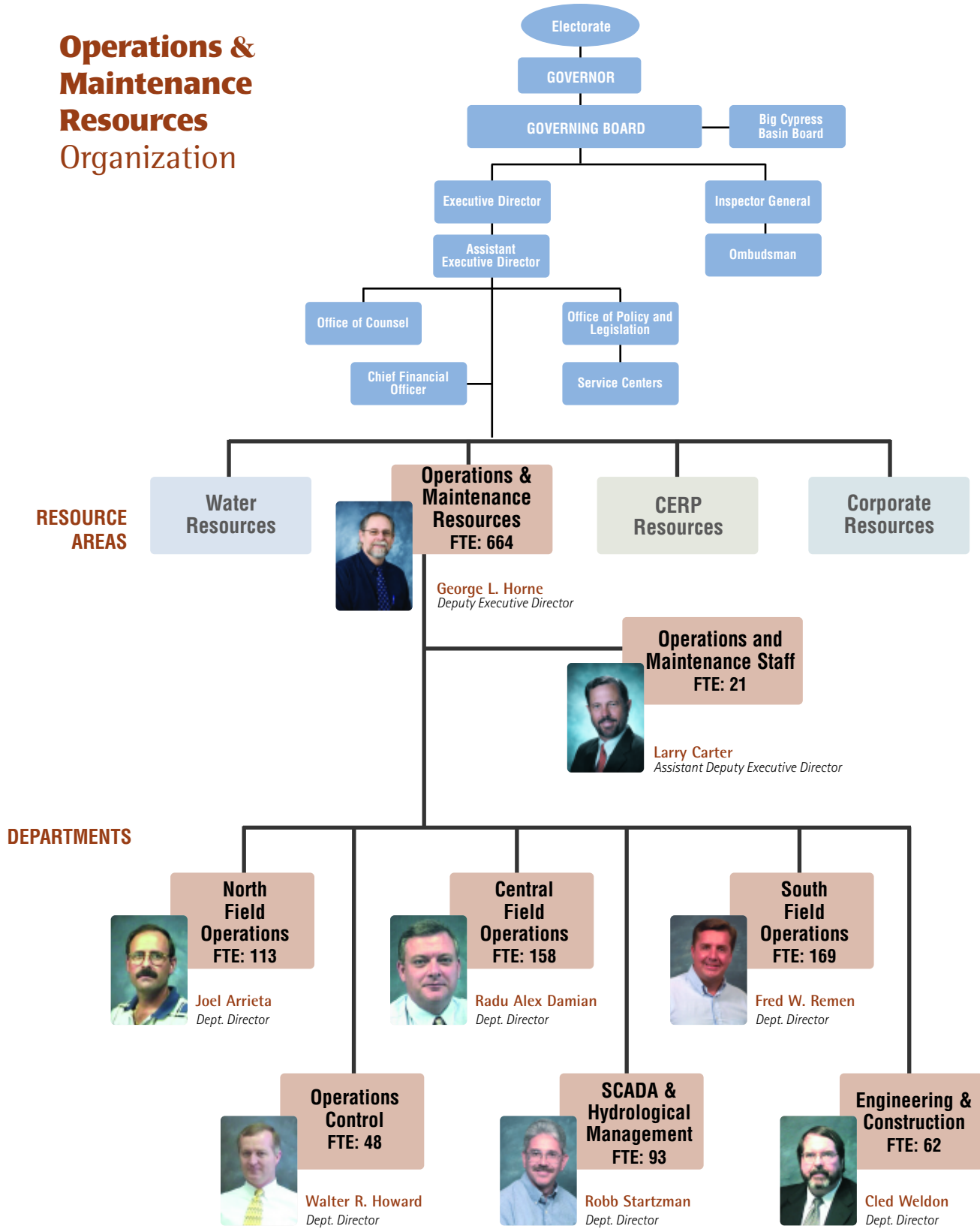
* 15 of the remaining 17 projects are multi-year projects scheduled to be completed no later than FY2008; 2 of the 17 projects were cancelled.

** Additional plans were submitted, increasing the total number of plans reviewed from 160 to 165.

*** Quantities reported by local project partners and have not yet been verified by the District.

****Actual data comes from the Florida Department of Environmental Protection (FDEP) 2006 Annual Report, which is expected to become available during the summer of 2007.

Operations & Maintenance Resources Organization



Operations & Maintenance Resource Area

Organization/Program Budget Matrix

		Operations & Maintenance (O&M) Resource Area Program(s)					
District Departments		O&M					
Water Resources	Regulation						
	Water Supply						
	Watershed Management	x					
	Environmental Resource Assessment	x					
Operations & Maintenance	North Field Operations	x					
	Central Field Operations	x					
	South Field Operations	x					
	Operations Control	x					
	SCADA & Hydrological Management	x					
	Engineering & Construction	x					
CERP	CERP Land	x					
	CERP Design	x					
	CERP Construction	x					
	Hydrological & Environmental Systems	x					
	CERP Planning						
Corporate Resources	Finance & Administration						
	Information Technology						
	Human Resources						
	Procurement						
	Public Information						
	Executive Offices*	x					

Each 'x' indicates a budget allocation from a District Department to a Water Resources Program.

See previous discussion under District Structure, at the beginning of the Operating Budget section, for an explanation of the District's matrix organizational structure..

*Executive Offices includes Ombudsman's Office, Inspector General's Office, Office of Counsel, and Service Centers..

Explanation of FY2007 Funding Increases

The total FY2007 adopted budget for the Operations & Maintenance (O&M) Resource Area is \$197.2 million. As reflected in the following resource area variance table, the FY2007 total is approximately \$37.5 million higher than the FY2006 amended budget. Establishment of a reserve for capital projects and planning for probable refurbishment of structure damage during hurricane season are factors resulting in a 23.5 percent increase in budgeted funds.

The **Operations and Maintenance (O&M)** Resource Area is responsible for the routine and emergency operational functions required to support the South Florida Water Management District's (District) programs.

O&M Resources provides ongoing support to the Central and Southern Florida Flood Control Project—one of the world's largest public works projects.

Functions performed at the staff level within O&M Resources, include: providing technical and engineering expertise to assure continued operations of existing infrastructure; identifying and conducting preliminary assessment of future capital projects; and, plant management for hazardous, exotic and aquatic plants.

FY2006 to FY2007 Resource Area Variance

	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$42,983,449	\$46,198,426	\$50,097,632	\$3,899,206	8.4%
Operating/Self Insurance	29,240,673	20,824,151	24,848,361	4,024,210	19.3%
Contracts	32,940,634	37,200,500	44,732,122	7,531,622	20.2%
Capital	59,737,070	55,425,181	77,504,733	22,079,552	39.8%
Total	\$164,901,826	\$159,648,258	\$197,182,848	\$37,534,590	23.5%
By Fund					
District (DIST)	\$11,797,093	\$13,060,365	\$14,508,818	\$1,448,453	11.1%
Okeechobee Basin (OKEE)	58,860,062	66,928,688	76,695,088	9,766,400	14.6%
Big Cypress Basin (BIGC)	351,236	1,091,309	3,618,857	2,527,548	231.6%
Save Our Rivers (SORO)	2,916,752	3,344,165	3,657,520	313,355	9.4%
State Appropriations Non-Land	1,941,182	0	0	0	N/A
Invasive Plant Control	9,761,142	3,007,986	4,960,792	1,952,806	64.9%
Melaleuca Management	1,728,500	2,000,000	2,000,000	0	N/A
Hurricane	5,318,736	0	0	0	N/A
Wetlands Mitigation	101,226	42,000	0	(42,000)	-100.0%
External Grant	199,762	200,000	200,000	0	N/A
STA O&M	10,719,334	13,948,815	13,974,554	25,739	0.2%
Lake Okeechobee Trust	86,100	101,750	0	(101,750)	-100.0%
Okeechobee Basin (CAPO)	24,102,740	33,281,000	51,711,055	18,430,055	55.4%
Florida Forever (CAPS)	17,197	0	0	0	N/A
Everglades Trust	33,798,291	16,862,881	15,894,373	(968,508)	-5.7%
FEMA	570,452	4,096,695	8,070,000	3,973,305	97.0%
Florida Bay	227	0	0	0	N/A
Save Our Everglades Trust (HB221)	192,164	0	0	0	N/A
CERP - Ad Valorem	1,988,343	1,120,104	1,439,791	319,687	28.5%
CERP - Federal	451,287	562,500	423,000	(139,500)	-24.8%
Self Insurance	0	0	29,000	29,000	N/A
Total	\$164,901,826	\$159,648,258	\$197,182,848	\$37,534,590	23.5%

NOTE: Since program budgets and FTEs cross resource areas, it is important to note that their totals will not equal resource area totals. See the discussion in Overview under the District Structure at the beginning of this section, for an explanation of the District's matrix organizational structure.

Program Budget: \$174.5 Million

Full-Time Equivalents: 587

Program Description

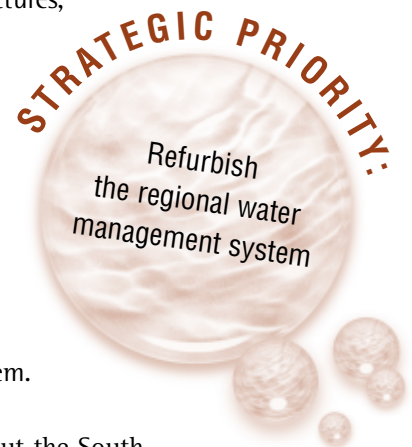
The Operations and Maintenance (O&M) Program consists of activities designed to effectively and efficiently manage the primary canals and associated water control structures in South Florida, as authorized by Chapter 373 of the Florida Statutes and the U.S. Army Corps of Engineers. Major components of this program are operations and maintenance of water management infrastructure, flood mitigation, water supply, and environmental enhancement.



Bank hardening work at District structure S-65E.

The O&M Program's primary activities include the operation and maintenance of more than 500 water control structures, more than 50 pump stations,

the installation and maintenance of over 2,000 automated remote terminal units, and over 25 weather stations. Additional efforts range from vegetation management to heavy equipment operation related to serving the entire canal and levee system.



The O&M Program functions throughout the South Florida Water Management District's (District) 16-county area. This program is responsible for hydrological data collection, flow determination, Supervisory Control and Data Acquisition (SCADA) remote operated infrastructure and hydrological basin management, as well as operations and maintenance for the stormwater treatment areas (STAs). The Engineering and Construction component of the program manages the design, construction, maintenance and refurbishment of the surface water management infrastructure. Employees from the eight field stations located across the District, and from headquarters in West Palm Beach, implement recovery activities following hurricanes or other natural disasters.

Explanation of FY2007 Funding Increases/Decreases

Total Budget

The total FY2007 adopted budget for the Operations and Maintenance (O&M) Program is \$174.5 million. As indicated in the program variance table on the following page, the FY2007 total is approximately \$42.3 million higher than the FY2006 amended budget. This is a 32 percent increase in budgeted funds.

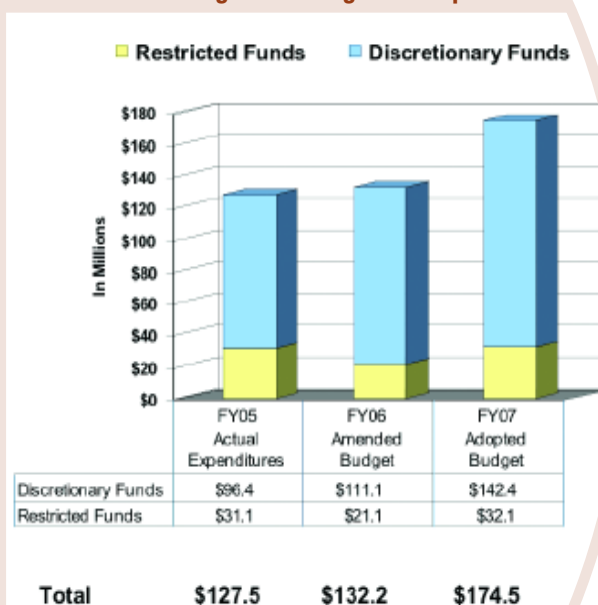
Discretionary Funds

The O&M Program's FY2007 discretionary funds total \$142.4 million, which is \$31.3 million higher than the FY2006 amended budget amount. Funding increases were necessitated by the addition of managerial reserves for hurricane events; future capital projects; increases in capital construction; and, higher fuel, electricity and personal services prices. More funding was also required to accommodate increases related to legal fees and services, emergency management services and interagency agreements. Discretionary funds increased 28.2 percent over the prior year.

Restricted Funds

FY2007 restricted funds for this program total \$32.1 million. The increase of \$11.0 million in funding includes the Big Cypress Basin Field Station and related capital construction projects incorporated into this program. Additional funding increases are related to interagency agreements, water control structure Golden Gate weir #2, spraying services, and fleet. Restricted funds increased 52 percent.

Three-Year Program Budget Comparison



South Florida's primary 1,969-mile canal system is made up of the Central and Southern Florida Project and the Big Cypress Basin.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Capital Projects					
Discretionary Funds	\$29,006,608	\$51,856,926	\$41,882,515	(\$9,974,411)	-19.2%
Restricted Funds	\$12,167,963	\$12,242,031	\$19,924,821	\$7,682,790	62.8%
Subtotal All Sources	\$41,174,571	\$64,098,957	\$61,807,336	(\$2,291,621)	-3.6%
Contamination Assessment & Remediation					
Discretionary Funds	\$51,716	\$188,317	\$192,071	\$3,754	2.0%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$51,716	\$188,317	\$192,071	\$3,754	2.0%
Structure Operations					
Discretionary Funds	\$11,323,783	\$6,630,360	\$13,161,385	\$6,531,025	98.5%
Restricted Funds	\$94,814	\$266,578	\$68,273	(\$198,305)	-74.4%
Subtotal All Sources	\$11,418,597	\$6,896,938	\$13,229,658	\$6,332,720	91.8%
Structure & Pump Station Maintenance					
Discretionary Funds	\$13,830,957	\$7,754,550	\$15,999,027	\$8,244,477	106.3%
Restricted Funds	\$99,086	\$127,323	\$256,799	\$129,476	101.7%
Subtotal All Sources	\$13,930,043	\$7,881,873	\$16,255,826	\$8,373,953	106.2%
Canal/Levee Maintenance					
Discretionary Funds	\$12,445,719	\$10,781,352	\$13,743,997	\$2,962,645	27.5%
Restricted Funds	\$5,299,660	\$716,109	\$1,220,735	\$504,626	70.5%
Subtotal All Sources	\$17,745,378	\$11,497,461	\$14,964,732	\$3,467,271	30.2%
Equipment Maintenance					
Discretionary Funds	\$2,552,982	\$1,962,669	\$2,572,966	\$610,297	31.1%
Restricted Funds	\$105,160	\$24,788	\$60,320	\$35,532	143.3%
Subtotal All Sources	\$2,658,142	\$1,987,457	\$2,633,286	\$645,829	32.5%
Electronics / Communications Controls					
Discretionary Funds	\$9,589,511	\$8,913,709	\$13,200,862	\$4,287,153	48.1%
Restricted Funds	\$407,380	\$204,149	\$218,240	\$14,091	6.9%
Subtotal All Sources	\$9,996,891	\$9,117,858	\$13,419,102	\$4,301,244	47.2%
Exotic/Aquatic Plant Control					
Discretionary Funds	\$7,404,285	\$15,712,279	\$7,189,900	(\$8,522,379)	-54.2%
Restricted Funds	\$12,695,167	\$7,335,014	\$9,608,134	\$2,273,120	31.0%
Subtotal All Sources	\$20,099,452	\$23,047,293	\$16,798,034	(\$6,249,259)	-27.1%
Right-of-Way Management					
Discretionary Funds	\$1,662,795	\$213,331	\$1,661,742	\$1,448,411	679.0%
Restricted Funds	\$93,710	\$54,485	\$138,141	\$83,656	153.5%
Subtotal All Sources	\$1,756,505	\$267,816	\$1,799,883	\$1,532,067	572.1%
General Maintenance					
Discretionary Funds	\$2,327,474	\$1,987,414	\$2,203,738	\$216,324	10.9%
Restricted Funds	\$66,631	\$82,327	\$107,719	\$25,392	30.8%
Subtotal All Sources	\$2,394,105	\$2,069,741	\$2,311,457	\$241,716	11.7%
Water Management System					
Discretionary Funds	\$805,828	\$2,263,627	\$2,564,273	\$300,646	13.3%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$805,828	\$2,263,627	\$2,564,273	\$300,646	13.3%
Program Support					
Discretionary Funds	\$5,387,707	\$2,791,941	\$28,033,267	\$25,241,326	904.1%
Restricted Funds	\$96,337	\$75,111	\$515,804	\$440,693	586.7%
Subtotal All Sources	\$5,484,044	\$2,867,052	\$28,549,071	\$25,682,019	895.8%

FY2006 to FY2007 Program Variance *cont.*

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
TOTAL					
Discretionary Funds	\$96,389,364	\$111,056,475	\$142,405,743	\$31,349,268	28.2%
Restricted Funds	\$31,125,908	\$21,127,914	\$32,118,986	\$10,991,072	52.0%
Total	\$127,515,272	\$132,184,389	\$174,524,729	\$42,340,340	32.0%

Operations & Maintenance Program

Key FY2006 Accomplishments

- ✓ Completed all 23 of the construction and repair projects related to the 2004 Hurricane Season.
- ✓ Installed electronic communication (382 sensors) for approximately 123 environmental monitoring sites and maintained a total of 1,244 sites.
- ✓ Completed Lake Okeechobee Rim Canal Survey.
- ✓ Completed Erosion Control canal projects on C-41, C-24, C-25.
- ✓ Completed Canal Conveyance Study.
- ✓ Initiated District-wide Energy Conservation Program.
- ✓ Completed the Structure Inspection Program.

FY2007 Annual

Work Plan Objectives and Success Indicators

 [Pages 84-94 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 *Indicates hyperlink to related electronic documents.*

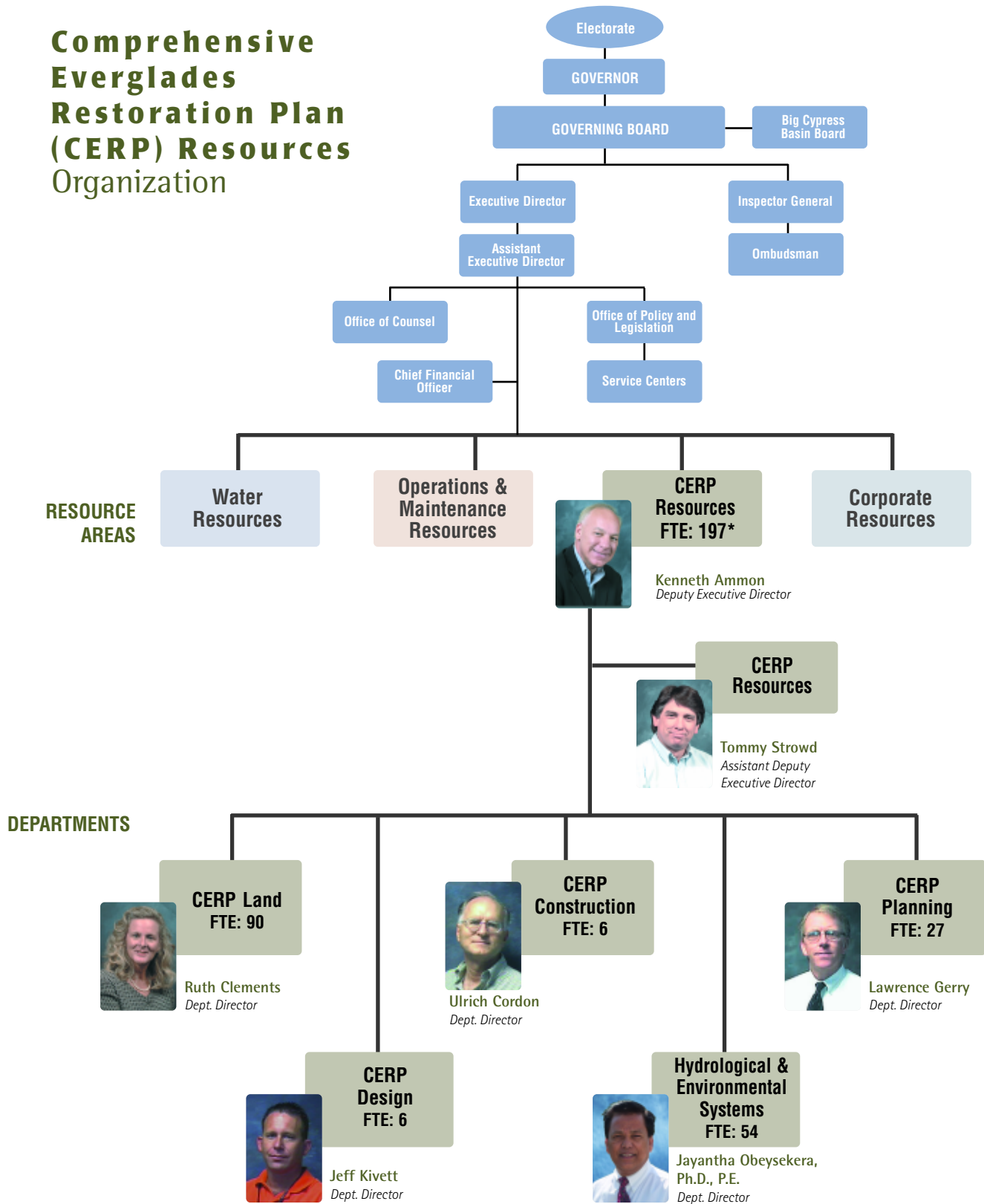
Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Number of capital projects completed.	Completed 31 of 42 capital projects.	Complete 40 of 42 projects.	Completed 36 of 42 projects.	Complete 46 of 46 projects.
Acre-feet of water moved.	46.27 million acre-feet.	55 million acre-feet.	29.05 million acre-feet	30 million acre-feet.
Number of pump station engines and gate structure overhauls completed.	26	27	32	24
Acres of levee and canal banks maintained; cycles (# of times per year) completed.	55,346 acres were maintained and 4 cycles were completed.	Maintain 51,422 acres; Complete 4 cycles.	57,286 acres were maintained and 4 cycles were completed.	Maintain 58,349 acres; Complete 4 cycles.
Acres of vegetation treated annually.	82,102	82,102	69,185	60,000
Number of scheduled telemetry installations completed and sites maintained.	123 installations; 1,021 sites maintained.	Install 146 sites; Maintain 1,244 sites.	146 installations; 1,244 sites maintained.	Install 104 sites; Maintain 1,367 sites.
Right-of-Way Permits reviewed, processed and issued per calendar year.	311	350	335	321
Percentage of District works maintained on schedule.	80%	95%	84%	100%
Reduce acres of invasive non-native aquatic plants in inventoried waters.	15,319 acres*	N/A.	20,010 acres*	22,000 acres*
Right-of-Way Permit inspected for compliance and finalized per calendar year.	446	300	255	300

* Although the goal is to reduce the number of acres containing invasive plants, occurrences of higher levels of infestation cause the total acres requiring treatment to increase. Therefore, FY2006 and FY2007 numbers are higher than FY2005.



Comprehensive Everglades Restoration Plan (CERP) Resources Organization



*CERP FTE total includes CERP Staff FTE=16

CERP Resource Area

Organization/Program Budget Matrix

District Departments		CERP Resource Area Programs						
		CERP	Land Stewardship					
Water Resources	Regulation							
	Water Supply	x						
	Watershed Management	x	x					
	Environmental Resource Assessment	x						
Operations & Maintenance	North Field Operations	x	x					
	Central Field Operations							
	South Field Operations		x					
	Operations Control	x						
	SCADA & Hydrological Management	x						
	Engineering & Construction	x	x					
CERP	CERP Land	x	x					
	CERP Design	x						
	CERP Construction	x						
	Hydrological & Environmental Systems	x						
	CERP Planning	x						
Corporate Resources	Finance & Administration							
	Information Technology		x					
	Human Resources							
	Procurement	x	x					
	Public Information	x						
	Executive Offices*	x	x					

Each 'x' indicates a budget allocation from a District Department to a Water Resources Program.

See previous discussion under District Structure, at the beginning of the Operating Budget section, for an explanation of the District's matrix organizational structure..

*Executive Offices includes Ombudsman's Office, Inspector General's Office, Office of Counsel, and Service Centers..

Explanation of FY2007 Funding Increases

The total FY2007 adopted budget for the Comprehensive Everglades Restoration Plan (CERP) Resource Area is \$706.8 million. As reflected in the following resource area variance table, the FY2007 total is approximately \$109.9 million higher than the FY2006 amended budget. This 18.4 percent increase in budgeted funds represents increases related to design costs and construction of Everglades restoration projects, including the C-43, C-44 and EAA reservoirs, and Water Preserve/Conservation Areas C-9, C-11, 3A/3B.

The **Comprehensive Everglades Restoration Plan** (CERP) provides the framework for the restoration, preservation and protection of the region's naturally occurring water resources which originate in the Everglades. This 30-year, multi-billion dollar initiative will improve regional water quality and supply by enhancing the ecological functioning of more than 2.4 million acres of the South Florida ecosystem.

FY2006 to FY2007 Resource Area Variance

	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	
By Expense Type					
Personnel Services	\$17,693,461	\$18,597,047	\$19,273,448	\$676,401	3.6%
Operating/Self Insurance	6,507,122	7,471,800	9,627,523	2,155,723	28.9%
Contracts	60,853,170	90,545,241	121,820,289	31,275,048	34.5%
Capital	223,756,194	480,281,871	556,066,899	75,785,028	15.8%
Total	\$308,809,947	\$596,895,959	\$706,788,159	\$109,892,200	18.4%
By Fund					
District (DIST)	\$2,041,921	\$6,360,129	\$6,096,377	(\$263,752)	-4.1%
Okeechobee Basin (OKEE)	5,336,195	4,393,488	3,545,425	(848,063)	-19.3%
Big Cypress Basin (BIGC)	76,041	799,295	159,178	(640,117)	-80.1%
Save Our Rivers (SORO)	9,318,459	8,746,577	9,054,006	307,429	3.5%
State Appropriations Non-Land	316,749	450,000	950,000	500,000	111.1%
Wetlands Mitigation	4,608,923	4,739,123	5,212,316	473,193	10.0%
External Grant	187,061	1,360,000	1,295,000	(65,000)	-4.8%
Lake Belt Mitigation	6,205	3,400,000	7,570,514	4,170,514	122.7%
Lake Okeechobee Trust	0	0	8,916,442	8,916,442	N/A
District (CAPD)	20,000,000	0	0	0	N/A
Okeechobee Basin (CAPO)	6,236	44,627,193	16,123,000	(28,504,193)	-63.9%
Florida Forever (CAPS)	77,734,581	40,205,454	3,140,000	(37,065,454)	-92.2%
Everglades Trust	5,720,236	26,698,212	31,492,780	4,794,568	18.0%
Florida Bay	66,390	195,767	1,311,057	1,115,290	569.7%
CERP - Ad Valorem	71,111,375	99,537,707	144,923,433	45,385,726	45.6%
Federal Land Acquisition	0	0	3,464,000	3,464,000	N/A
Save Our Everglades Trust (HB221)	104,342,498	190,177,082	46,051,125	(144,125,957)	-75.8%
CERP - Federal	739,284	1,447,500	5,491,250	4,043,750	279.4%
CERP - Other Creditable Funds	7,140,853	53,758,432	14,700,913	(39,057,519)	-72.7%
Acceler8 - ECP	0	40,000,000	61,718,438	21,718,438	54.3%
Acceler8 - CERP	0	70,000,000	335,572,905	265,572,905	758.8%
Total	\$308,809,947	\$596,895,959	\$706,788,159	\$109,892,200	18.4%

NOTE: Since program budgets and FTEs cross resource areas, it is important to note that their totals will not equal resource area totals. See the discussion in Overview under District Structure at the beginning of this section, for an explanation of the District's matrix organizational structure.

Program Budget: \$576.6 Million

Full-Time Equivalents: 116

Program Description

In 2000, the United States Congress approved the plan to restore America's Everglades with the *Water Resources Development Act (WRDA)*. Passage of the WRDA authorized the Comprehensive Everglades Restoration Plan's (CERP) initial pilot and full-scale projects.



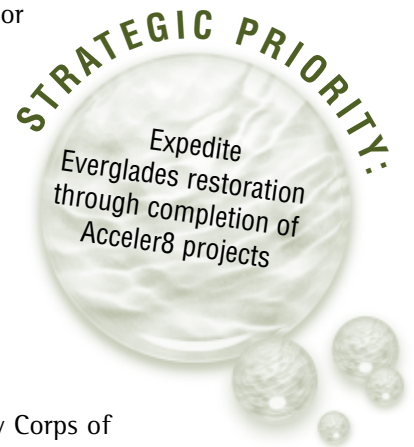
Constructing the C-43 Basin Storage Reservoir.

In 2004, an ambitious plan was launched to accelerate the restoration of the Everglades. As part of its state-federal partnership to implement the CERP, the South Florida Water Management District (District) is expediting funding, design and construction to complete 8 major

multi-component Everglades restoration projects over 7 years at substantial savings to taxpayers. These *Acceler8* projects include construction of nearly 20,000 acres of treatment marshes and above-ground reservoirs that will offer 418,000 acre-feet of water storage.

As the plan's major local sponsor, the District has partnered with the U.S. Army Corps of Engineers to implement the CERP, as well as related feasibility studies for Southwest Florida, Florida Bay and the Florida Keys, and seven Critical Restoration Projects.

The plan to restore the *River of Grass* focuses on increasing water storage and improving the timing, quality and distribution of water deliveries to the Everglades ecosystem through a series of projects in various stages of implementation spanning 3 decades. The CERP's major components include planning, design, real estate acquisition and construction. Operation, maintenance and monitoring efforts will follow. The success of this monumental initiative is continuously evaluated through *Restoration Coordination and Verification (RECOVER)*.



Explanation of FY2007 Funding Increases/Decreases

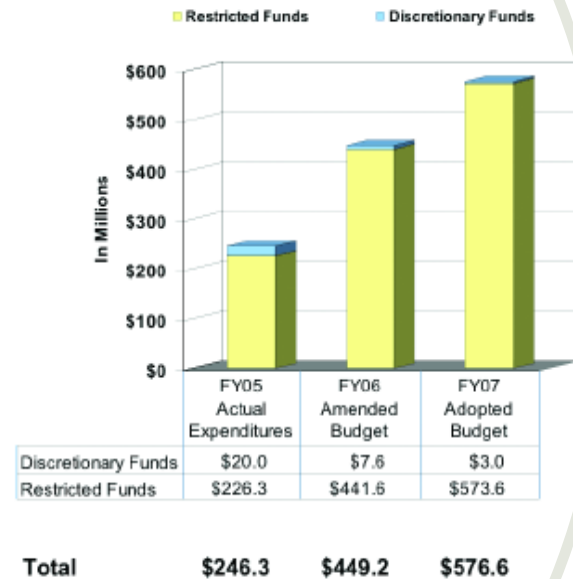
Total Budget

The total FY2007 adopted budget for the Comprehensive Everglades Restoration Plan (CERP) Program is \$576.6 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$127.4 million higher than the FY2006 amended budget. This is a 28.4 percent increase in budgeted funds.

Discretionary Funds

The CERP Program's FY2007 discretionary funds total \$3 million, which is \$4.6 million lower than the FY2006 amended budget amount. This decrease represents the difference in land acquisition costs associated with specific FY2006 and FY2007 projects. Land acquisition for the Southern Crew Project (FY2006) required more funding than the C-111 Project scheduled for FY2007. Discretionary funds decreased 60.7 percent.

Three-Year Program Budget Comparison



Restricted Funds

FY2007 restricted funds for this program total \$573.6 million. The increase of \$132 million in funding is related to the additional funding requirements for *Acceler8* construction projects. Restricted funds increased 29.9 percent.

The Comprehensive Everglades Restoration Plan (CERP), spanning 3 decades, is the largest ecosystem restoration project in the world.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>CERP Projects</u>					
Discretionary Funds	\$20,000,636	\$0	\$0	\$0	N/A
Restricted Funds	\$126,160,438	\$287,055,026	\$90,707,491	(\$196,347,535)	-68.4%
Subtotal All Sources	\$146,161,074	\$287,055,026	\$90,707,491	(\$196,347,535)	-68.4%
<u>CERP Program Elements</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$19,462,672	\$11,940,110	\$15,121,485	\$3,181,375	26.6%
Subtotal All Sources	\$19,462,672	\$11,940,110	\$15,121,485	\$3,181,375	26.6%
<u>Acceler8 CERP Projects</u>					
Discretionary Funds	\$171	\$0	\$0	\$0	N/A
Restricted Funds	\$35,336,037	\$130,118,599	\$436,404,930	\$306,286,331	235.4%
Subtotal All Sources	\$35,336,208	\$130,118,599	\$436,404,930	\$306,286,331	235.4%
<u>Feasibility Studies</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$1,223,384	\$988,690	\$2,841,012	\$1,852,322	187.4%
Subtotal All Sources	\$1,223,384	\$988,690	\$2,841,012	\$1,852,322	187.4%
<u>Critical Restoration Projects</u>					
Discretionary Funds	\$0	\$7,627,193	\$0	(\$7,627,193)	N/A
Restricted Funds	\$24,784,597	\$1,588,330	\$12,047,475	\$10,459,145	658.5%
Subtotal All Sources	\$24,784,597	\$9,215,523	\$12,047,475	\$2,831,952	30.7%
<u>Other (Program Indirect & Reserves)</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	\$7,310,910	\$8,514,027	\$11,151,826	\$2,637,799	31.0%
Subtotal All Sources	\$7,310,910	\$8,514,027	\$11,151,826	\$2,637,799	31.0%
<u>C-111/MWD/CSOP</u>					
Discretionary Funds	\$0	\$0	\$3,000,000	\$3,000,000	N/A
Restricted Funds	\$12,068,788	\$1,343,311	\$5,322,295	\$3,978,984	296.2%
Subtotal All Sources	\$12,068,788	\$1,343,311	\$8,322,295	\$6,978,984	519.5%
<u>TOTAL</u>					
Discretionary Funds	\$20,000,807	\$7,627,193	\$3,000,000	(\$4,627,193)	-60.7%
Restricted Funds	\$226,346,826	\$441,548,094	\$573,596,514	\$132,048,420	29.9%
Total	\$246,347,633	\$449,175,287	\$576,596,514	\$127,421,227	28.4%

Comprehensive Everglades Restoration Plan (CERP) Program Key FY2006 Accomplishments

- ✓ Completed capital construction of the Ten Mile Creek project, which is located at the headwaters of the North Fork of the St. Lucie River Aquatic Preserve.
- ✓ Completed the Lake Trafford containment facility and base bid dredging as part of the earthwork for the Lake Trafford Restoration Critical Project to improve water quality. Approximately 3.5 million cubic yards of muck were dredged.
- ✓ Completed construction at the Nubbin Slough Stormwater Treatment Area on the former New Palm / Newcomer Dairy site and the 190-acre Stormwater Treatment Area on Grassy Land Ranch on Taylor Creek.
- ✓ Completed test cell construction for the C-43 and Everglades Agricultural Area (EAA) reservoirs.
- ✓ Seven culverts were installed under the Western Tamiami Trail in Collier County, as part of the Critical Restoration construction effort. Project construction was completed on time and within budget.
- ✓ The Final Basis of Design Report for the pump stations for the Picayune Strand Restoration Project was issued in June 2006, and demolition and construction activities are underway at 160 properties within the Picayune Strand.
- ✓ The District started construction of the C-44 Reservoir and STA in March 2006. By July, the test cells were complete and holding 92 acre-feet (32 million gallons) of water.
- ✓ Acquired final tract of privately-held land needed for the C-111 Spreader Canal Project.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 14-43 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Acquire all lands necessary for <i>Acceler8</i> projects by Dec 2007.	Not applicable.	Not applicable.	97% acquired.	Complete 100% of land acquisition.
Project schedules met.	73% of major CERP projects and 52% of <i>Acceler8</i> projects were completed within target timeframe (90 days of quarterly due date).	Complete 100% of major CERP projects and 100% of <i>Acceler8</i> projects within target timeframe (60 days of quarterly due date).	Completed 47% of major CERP projects and 50% of <i>Acceler8</i> projects within target timeframe (60 days of quarterly due date).	Complete 100% of major CERP projects and 100% of <i>Acceler8</i> projects within target timeframe (30 days of quarterly due date).
Project scopes satisfied:				
The CERP and <i>Acceler8</i> construction projects completed:	0	4	0	2 (CERP), 1 (<i>Acceler8</i>)
Project Implementation Reports (PIRs) completed:	0	3	4	2
Project Management Plans (PMPs) completed:	1	1	1	None planned.
Project budgets not exceeded.	55 of 56 projects completed within budget.	Complete 42 of 42 projects within budget.	37 of 42 projects completed within budget.	Complete 42 of 42 projects within budget.
Lands needed to implement CERP projects acquired.	Acquired 4,765 acres.	Not available.	Acquired 18,084 acres.	Acquire 10,000 acres.



Program Budget: \$32.3 Million

Full-Time Equivalents: 51

Program Description

The Land Stewardship Program manages property and associated water areas owned or controlled by the South Florida Water Management District (District).



DuPuis Fishing Pier – recently constructed parking and picnic areas.

Since passage of the State of Florida's *Water Management Lands Trust Fund*, in 1981, the District and its acquisition partners have purchased 378,382 acres of environmentally sensitive lands. Prior to 1981, 800,000 acres of land were acquired to create 3 Water Conservation Areas.

The Land Stewardship Program has direct management responsibility for 186,544 acres for 11 projects; and

agreements or leases in place with other agencies, local governments and private contractors, for oversight of the 191,838 acres of non-District managed lands. 206,109 acres, mainly consisting of impacted agricultural lands associated with Water Resource Development projects and the *Comprehensive Everglades Restoration Plan (CERP)*, are also within the Land Stewardship Program's purview.

Program activities include restoring lands to their natural state and condition, managing land in an environmentally acceptable manner, and providing public recreational opportunities compatible with protecting natural resources. The Land Stewardship Program also manages properties acquired by the District until the land is needed for construction and future use as part of the CERP and other projects.

Additional program functions include developing and implementing land management plans, controlling invasive exotic plants, restoring natural fire regimes, restoring native communities, employing multiple-use practices, managing interim agricultural uses through reservations, lease agreements or similar agreements, and opening lands for appropriate public use.

Explanation of FY2007 Funding Increases/Decreases

Total Budget

The total FY2007 adopted budget for the Land Stewardship Program is \$32.3 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$3.3 million higher than the FY2006 amended budget. This is an 11.3 percent increase in budgeted funds.

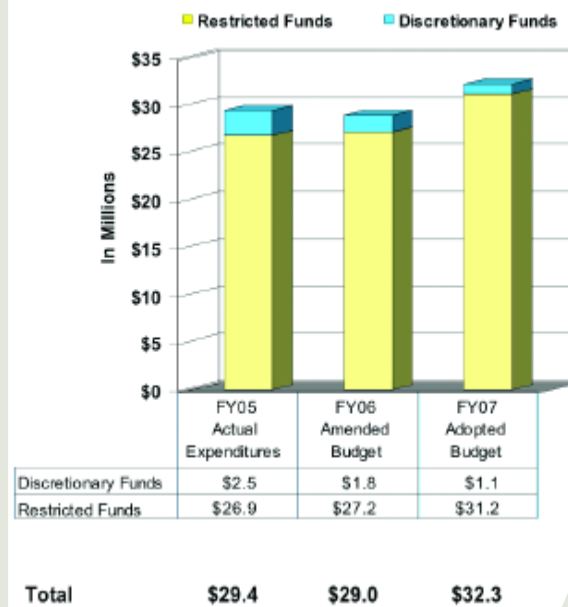
Discretionary Funds

The Land Stewardship Program's FY2007 discretionary funds total \$1.0 million, which is \$0.8 million lower than the FY2006 amended budget amount. This decrease is primarily due to two factors: the shifting of expenditures from the management of interim lands as projects enter the construction phase, and the nonrecurring expense of a Geographic Information Systems/Right-of-Way (GIS/ROW) mapping project. Overall, discretionary funds decreased 41.7 percent.

Restricted Funds

FY2007 restricted funds for this program total \$31.2 million. The increase of \$4.0 million in funding represents the planned land acquisition and associated costs for wetlands mitigation projects. Restricted funds increased 14.9 percent.

Three-Year Program Budget Comparison



Lands are protected, enhanced, restored and preserved for the use and enjoyment of existing and future generations.

FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
Stewardship					
Discretionary Funds	\$131,872	\$17,292	\$168,471	\$151,179	874.3%
Restricted Funds	\$12,904,749	\$6,458,012	\$6,967,066	\$509,054	7.9%
Subtotal All Sources	\$13,036,621	\$6,475,304	\$7,135,537	\$660,233	10.2%
Mitigation					
Discretionary Funds	\$4,650	\$0	\$0	\$0	N/A
Restricted Funds	\$3,263,866	\$3,519,073	\$9,159,993	\$5,640,920	160.3%
Subtotal All Sources	\$3,268,516	\$3,519,073	\$9,159,993	\$5,640,920	160.3%
Interim Management					
Discretionary Funds	\$0	\$0	\$39,531	\$39,531	N/A
Restricted Funds	\$0	\$2,163,249	\$722,883	(\$1,440,366)	-66.6%
Subtotal All Sources	\$0	\$2,163,249	\$762,414	(\$1,400,835)	-64.8%
Program Support					
Discretionary Funds	\$2,377,991	\$1,801,302	\$851,507	(\$949,795)	-52.7%
Restricted Funds	\$10,775,737	\$15,027,096	\$14,353,717	(\$673,379)	-4.5%
Subtotal All Sources	\$13,153,728	\$16,828,398	\$15,205,224	(\$1,623,174)	-9.6%
TOTAL					
Discretionary Funds	\$2,514,513	\$1,818,594	\$1,059,509	(\$759,085)	-41.7%
Restricted Funds	\$26,944,353	\$27,167,430	\$31,203,659	\$4,036,229	14.9%
Total	\$29,458,866	\$28,986,024	\$32,263,168	\$3,277,144	11.3%

Land Stewardship Program Key FY2006 Accomplishments

- ✓ Completed management plans for the Kissimmee River Pool and Corkscrew Regional Ecosystem Watershed (CREW).
- ✓ The Public Access and Recreation Rule for all District lands, including stormwater treatment areas, was approved by the District's Governing Board and sent to the Florida Department of State for formal adoption.
- ✓ Completed the Bird Rookery boardwalk, implementation of 5 public access points with parking areas and kiosks, and commemorated the Shingle Creek boardwalk grand opening.
- ✓ Treated over 31,000 acres of exotic vegetation and completed over 16,000 acres of prescribed burns.
- ✓ Acquired the \$500,000 Ruba tract in Shingle Creek.

FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 70-73 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

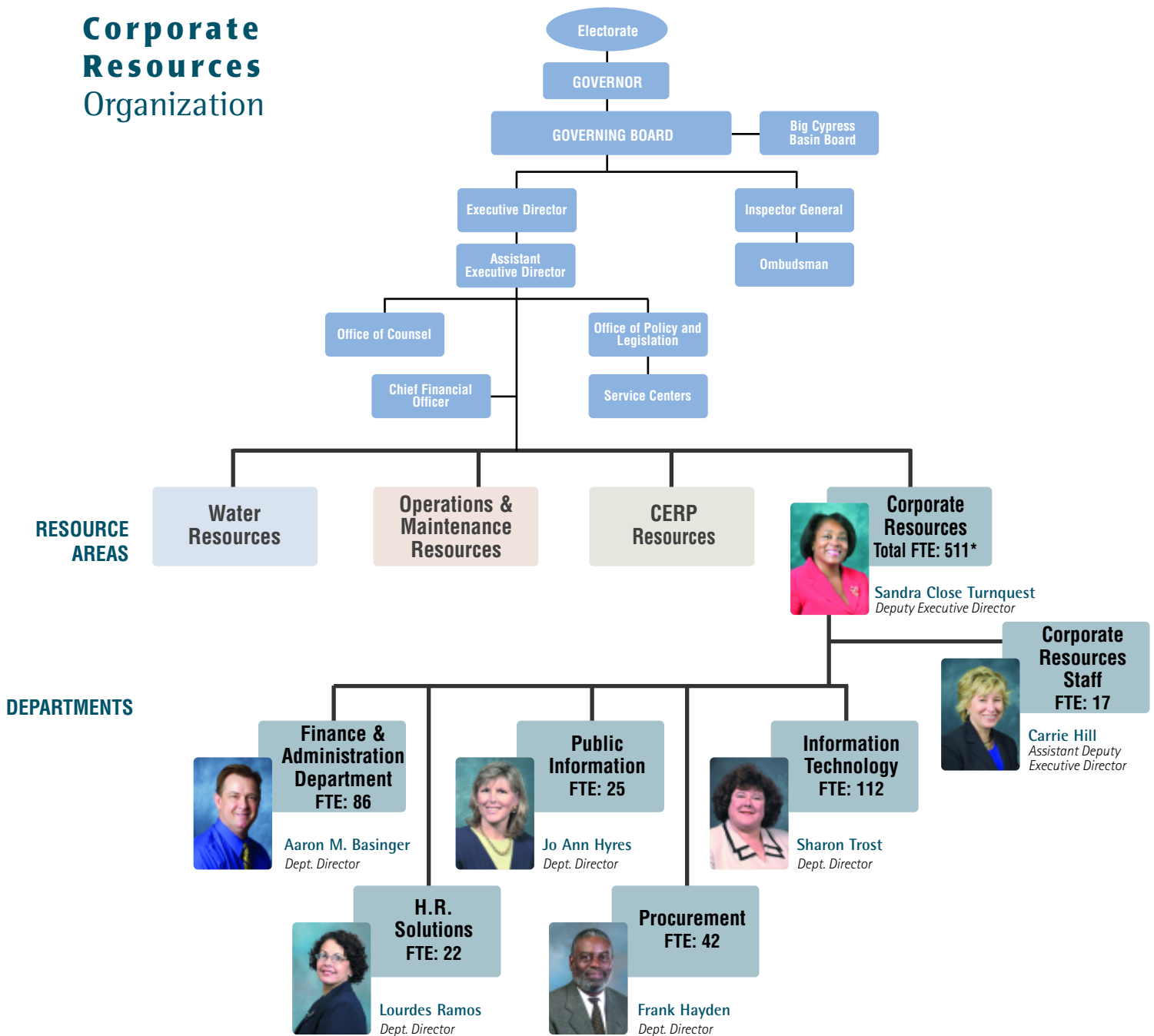
Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Active recreation programs on all lands with legal practicable access and compatible resource conditions.	100%	100%	100%	100%
Low exotic infestation levels on all lands within 3 years of purchase.	80%	80%	80%	80%
All fire-dependent communities burned at least once within 5 years of purchase.	80%	80%	80%	80%
On-site hydrologic restoration completed within 5 to 10 years of purchase.	50%	50%	0%	50%
Working partnerships with private land managers for interim lands.	75	75	100	85
Acres in managed conservation areas acquired by the District.	Acquired 378,382 acres.	Not available.	Acquired 392,895 acres	Not applicable – acquisition complete.
For District-owned lands - Number of management plans required:	5	3	3	3
Percentage of mgt plans completed on schedule:	100%	100%	100%	100%
Acres of land acquired through less-than-fee ownership on an annual and cumulative basis.	1,241 acres acquired in FY2005; (Cumulative total: 16,193 acres).	Not available.	11,341 acres acquired; (Cumulative total: 27,534 acres).	Acquire 2,320 acres; (Cumulative total: 29,854 acres).
Number of acres identified for acquisition to minimize damage from flooding and percentage of those acres acquired.	385,592 acres identified; 193,574 acres 50% acquired.	20,839 acres; Acquire 54%.	388,329 acres identified; 212,189 acres (55%) acquired.	Identify 388,329 acres; Acquire 222,189 acres (57%).

LONG-TERM STRATEGIC GOAL

To provide natural resource protection, effective land management and reasonable opportunities for appropriate agricultural use while allowing compatible recreational uses on designated public lands.

Corporate Resources Organization



*Corporate Resources FTE total also includes: Executive Offices-23, Ombudsman's Office-2, Inspector General's Office-5, Office of Counsel-47, and Service Centers Staff-130.

Corporate Resources

Organization/Program Budget Matrix

		Corporate Resources Program(s)						
District Departments		Mission Support						
Water Resources	Regulation							
	Water Supply	x						
	Watershed Management							
	Environmental Resource Assessment							
Operations & Maintenance	North Field Operations	x						
	Central Field Operations							
	South Field Operations							
	Operations Control							
	SCADA & Hydrological Management							
CERP	Engineering & Construction	x						
	CERP Land							
	CERP Design	x						
	CERP Construction	x						
	Hydrological & Environmental Systems	x						
Corporate Resources	CERP Planning							
	Finance & Administration	x						
	Information Technology	x						
	Human Resources	x						
	Procurement	x						
	Public Information	x						
	Executive Offices*	x						

Each 'x' indicates a budget allocation from a District Department to a Water Resources Program.

See previous discussion under District Structure, at the beginning of the Operating Budget section, for an explanation of the District's matrix organizational structure..

*Executive Offices includes Ombudsman's Office, Inspector General's Office, Office of Counsel, and Service Centers.

Total Budget and Explanation of FY2007 Funding Increases

The total FY2007 adopted budget for the Corporate Resources Resource Area is \$214.3 million. As reflected in the following resource area variance table, the FY2007 total is approximately \$38.6 million higher than the FY2006 amended budget. A significant part of this 21.9 percent increase is for contractual services needed to support the implementation of a new financial and human resources software system. Additional funding is also required to ensure the District's information technology infrastructure can efficiently support its priority projects.

Corporate Resources enables the South Florida Water Management District to run each of its programs more efficiently by tending to the agency's day-to-day business operations. This resource area provides the full complement of administrative services required to support the District's activities, including: Emergency management and security, project management, records maintenance, information technology, human resources, outreach, procurement and general services. Finance & Administration, also within Corporate Resources, is responsible for development of the agency's fiscal policies, Strategic Plan, Work Plan, budget and comprehensive financial planning.

FY2006 to FY2007 Resource Area Variance

	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$44,211,499	\$49,746,226	\$50,601,135	\$854,909	1.7%
Operating/Self Insurance	22,640,675	21,142,089	29,125,456	7,983,367	37.8%
Contracts	64,921,753	68,258,515	92,481,744	24,223,229	35.5%
Capital	19,059,126	21,831,223	22,696,222	864,999	4.0%
Debt Service - Land Acq. Bonds	5,843,429	6,944,128	6,963,402	19,274	0.3%
Reserves	0	7,838,588	12,456,753	4,618,165	58.9%
Total	\$156,676,482	\$175,760,769	\$214,324,712	\$38,563,943	21.9%
By Fund					
District (DIST)	\$72,522,005	\$86,977,693	\$114,158,955	\$27,181,262	31.3%
Okeechobee Basin (OKEE)	20,787,279	24,813,407	34,655,375	9,841,968	39.7%
Big Cypress Basin (BIGC)	7,466,438	12,187,344	13,218,680	1,031,336	8.5%
Save Our Rivers (SORO)	8,209,140	8,013,836	7,125,824	(888,012)	-11.1%
State Appropriations Non-Land	16,742,460	8,152,731	9,575,254	1,422,523	17.4%
Hurricane	281,798	0	0	0	N/A
Wetlands Mitigation	0	0	260,000	260,000	N/A
Snook Tag Revenue	0	200,000	0	(200,000)	-100.0%
External Grant	558,000	1,004,250	3,974,750	2,970,500	295.8%
Alternative Water Supply	900,000	0	0	0	N/A
STA O&M	0	5,774	0	(5,774)	-100.0%
Lake Okeechobee Trust	0	398,120	4,737,808	4,339,688	1090.0%
District (CAPD)	11,713,356	22,451,329	3,914,155	(18,537,174)	-82.6%
Okeechobee Basin (CAPO)	0	0	425,000	425,000	N/A
Big Cypress Basin (CAPB)	10,196,466	5,350,000	11,650,000	6,300,000	117.8%
Florida Forever (CAPS)	1,262,168	0	0	0	N/A
Everglades Trust	512,608	543,904	1,468,055	924,151	169.9%
FEMA	0	0	0	0	N/A
Florida Bay	0	0	313,178	313,178	N/A
CERP - Ad Valorem	539,836	1,729,631	2,789,248	1,059,617	61.3%
CERP - Other Creditable Funds	1,291,006	0	0	0	N/A
Acceler8 - CERP	0	0	0	0	N/A
Self Insurance	3,693,922	3,932,750	6,058,430	2,125,680	54.1%
Total	\$156,676,482	\$175,760,769	\$214,324,712	\$38,563,943	21.9%

NOTE: Since program budgets and FTEs cross resource areas, it is important to note that their totals will not equal resource area totals. See the discussion in Overview under the District Structure at the beginning of this section, for an explanation of the District's matrix organizational structure.



Job Fair at the District

Program Budget: \$136.2

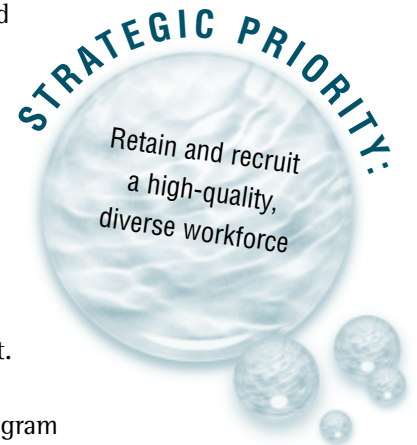
Full-Time Equivalents: 413

Program Description

The Mission Support Program delivers critical business support services which enable the South Florida Water Management District (District) and its employees to meet the organization's objectives. Mission Support's centralized management operations facilitate cost-effective and efficient resource allocation across the agency.

Executive and financial management, human resources, legal, information technology, procurement, facilities management, flight operations, strategic planning, enterprise project management, as well as the coordination of internal and external communications all reside within the Mission Support Program. Additionally, the legislative affairs, risk assessment, emergency and security management, internal audit and ombudsman functions are provided through Mission Support.

The District's Mission Support Program serves and coordinates the interests of a multitude of diverse entities and individuals. The District's stakeholders include federal, state and local government agencies, area businesses and residents, contractors and employees.



Explanation of FY2007 Funding Increases/Decreases

Total Budget

The total FY2007 adopted budget for the Mission Support Program is \$136.2 million. As reflected in the program variance table on the following page, the FY2007 total is approximately \$11.8 million higher than the FY2006 amended budget. This is a 9.5 percent increase in budgeted funds.

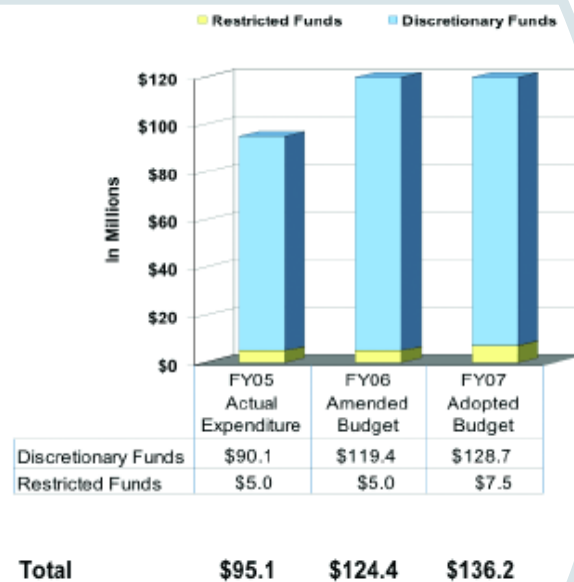
Discretionary Funds

The Mission Support Program's FY2007 discretionary funds total \$128.7 million, which is \$9.3 million higher than the FY2006 amended budget amount. This increase reflects costs associated with information technology (IT), facilities maintenance and contractual services supporting day-to-day operations. Funding for continued implementation of the SAP Human Resources module, Business Warehouse and Enterprise Portal; the ARC Hydro Enterprise Project; and, the computer hardware leased to support these project initiatives are all IT-related. Other IT funding requirements include data processing services and computer software maintenance agreements. The District's Small Business Enterprise (SBE) initiative, public information efforts and disaster recovery services costs are also included here. Discretionary funds increased 7.8 percent.

Restricted Funds

FY2007 restricted funds for this program total \$7.5 million. The increase of \$2.5 million in funding reflects an \$1.9 million increase for the District's property insurance premium and the lease/rental space for the Big Cypress Basin offices. Restricted funds increased 50 percent.

Three-Year Program Budget Comparison



FY2006 to FY2007 Program Variance

Program Element	FY2005 Actual Expenditures	FY2006 Amended Budget	FY2007 Adopted Budget	Variance \$	Variance %
<u>Business/Administration</u>					
Discretionary Funds	\$83,016,610	\$112,080,669	\$112,646,035	\$565,366	0.5%
Restricted Funds	\$4,987,817	\$5,003,780	\$7,507,667	\$2,503,887	50.0%
Subtotal All Sources	\$88,004,427	\$117,084,449	\$120,153,702	\$3,069,253	2.6%
<u>Mission Support Major Projects</u>					
Discretionary Funds	\$7,117,182	\$7,332,924	\$16,037,811	\$8,704,887	118.7%
Restricted Funds	\$0	\$0	\$0	\$0	N/A
Subtotal All Sources	\$7,117,182	\$7,332,924	\$16,037,811	\$8,704,887	118.7%
<u>TOTAL</u>					
Discretionary Funds	\$90,133,792	\$119,413,593	\$128,683,846	\$9,270,253	7.8%
Restricted Funds	\$4,987,817	\$5,003,780	\$7,507,667	\$2,503,887	50.0%
Total	\$95,121,609	\$124,417,373	\$136,191,513	\$11,774,140	9.5%

Mission Support Program Key FY2006 Accomplishments

- ✓ Completed first series of debt issuance for Acceler8.
- ✓ Completed and implemented job profiles for Finance, HR, Risk and Flight Operations; received approval for Engineering/Science/Project Management, Business Professional, Land Resources job profiles.
- ✓ Instituted new employer matching Deferred Compensation Program for all employees.
- ✓ Delivered scheduled employee education and recognition-oriented events District-wide.
- ✓ Completed initial deployment of eQuest (SAP) enterprise software.
- ✓ Completed enterprise implementation of Enhanced Arc Hydro Pilot Project.
- ✓ Completed Phase II upgrades to the District's Intranet portal.
- ✓ Completed external website upgrade.
- ✓ Implemented Oracle Real Application Clusters (RAC) option for transparent deployment of a single database across hardware servers and to ensure systems reliability (backup/security).



FY2007 Annual Work Plan Objectives and Success Indicators

 [Pages 117-130 of the 2007 Work Plan](#) (SFWMD 2006) provide the entire program work plan detail, including: objectives by Strategic Plan category; deliverables and milestones; associated projects and timeframes; and, annual budget figures.

 Indicates hyperlink to related electronic documents.

Three-Year Summary of Program Performance Measures/Success Indicators

Performance Measure Criteria	FY2005 Performance	FY2006 Target Performance	FY2006 Actual Performance	FY2007 Target Performance
Number of strategies implemented to improve the District's work environment.	12	14	14	14
Number of Project Managers trained through required curriculum.	Training completed for 29 Tier II project managers.	Adopt Project Management Principles for all Tier III projects.	New Tier III project managers trained through 85% of required classes.	Implement training for 11 Program Managers; Complete training for Tier III project managers.
Number of employees trained on SAP software.	60	Not available.	797	500
Financial audits successfully completed and recommendations incorporated into financial practices.	Completed March 2006. (1 comment being resolved with SAP implementation).	Complete 100% of FY2005 financial audits by March 2006.	Completed 100% of FY2006 financial audits by March 2007.	Complete 100% of FY2006 financial audits by March 2007.
Obtain unqualified (positive) opinion in annual financial audit.	Achieved.	Not applicable.	Audit in progress.	Complete audit in next fiscal year.
Improved public awareness of District accomplishments: # community outreach events; # intergov't contacts.	Held 541 events; Established 2,903 contacts.	Not available.	Held 706 events; Established 4,304 contacts.	Hold 709 events; Establish 4,969 contacts.
Number and value-added benefit of operational and technology improvement initiatives:				
Security Outsourcing	100%	Not applicable - complete.	Not applicable - complete.	Initiate 3-Year Renewal Process.
Backup Capacity Enhancement	Not started.	Not applicable.	90% complete.	Complete 100%.
Server Upgrades	30%	90%	100%.	Not applicable - complete.
Software Compliance	95%	100%	100%	Complete compliance verification for LANDesk.
Oracle 10g Upgrade	20%	75%	85%	100%
Storage Area Network	40%	90%	100%	Not applicable - complete.
Disaster Recovery Planning: Establish network connectivity; move selected servers; implement data replication test; implement maintenance plan	5%	60%	40%	90%
Data Center Enhancement	20%	70%	70%	90% Complete: Upgrade 2 remaining Data Center rows

This page left blank intentionally.

Financial Principles and Policies

Financial planning and management are vital for effective operations. Beginning in 2004, the South Florida Water Management District (District) embarked on a goal of building a world class financial organization. To achieve this objective, the agency continues to implement well-controlled business practices in five business-critical areas:

- Strategic planning and business risk assessment
- Budgetary planning and reporting
- Efficient business processes
- Financial organization and leadership training for business staff
- Leveraging technology's potential

To realize the organization's overall mission and objectives, high level performance, financial professionalism and accountability must be embraced by each District division and department. The District relies upon its financial managers and program analysts to provide executive management with the timely, accurate information needed to make well-informed business decisions.

The District budget is designed to function as a primary planning instrument and its preparation is a well-coordinated collaborative effort. Cross-functional teams are utilized to build the goals and budgets of each specific District program.

This year the District continues its efforts to improve the agency's budget development process to ensure it is built on priorities and outcomes as established by the Governing Board, rather than annual incremental growth alone. This shift reflects a fundamental change in the way state and local officials are structuring revenue and approaching expenses. Benefits of this approach include the ability to take into account the trade-offs limited funds require, and acknowledgement of performance data as central to the process. Budgeting for outcomes enables the organization to match available monies to its highest priorities, eliminates non-priorities, and measures progress to ensure results.

The District's 10-Year Strategic Plan, a design for long-term planning, was introduced into the business cycle in Fiscal Year 2005 and updated last year. It drives annual Work Plan and budget development, encourages District fiscal responsibility and accountability, and strengthens internal decision making by allowing the agency to track strategic performance through one-year work plans. In FY2007, the District will continue to address major challenges by focusing resources on strategic priorities.

Financial Planning Policies

As a large public agency, the District has a responsibility to taxpayers to properly account for its use of all public funds. To ensure fiscal responsibility when making decisions and recommendations, the District developed the *Principles of Sound Financial Management* in addition to other financial policies. The following sixteen principles and policies guide the methods by which the District conducts business:

1. Strategic Financial Planning

- *The District shall incorporate strategic planning into its financial strategies.*
- *The District shall measure actual results of its strategic financial plans against scheduled activities and indicators, as these measurements improve forecasting and provide a means of revising goals and objectives.*

FY2007 Status

In 2006, the District continued its strategic commitment to accelerate the completion of restoration projects. The agency issued Certificates of Participation (COPs) revenue bonding to reduce the impact of skyrocketing material and labor costs. The usage of COPs for environmental restoration works is the first of its kind (nationwide).

2. Capital Projects Plan

- *The District shall adopt a five-year capital projects plan on an annual basis.*

FY2007 Status

The 5-Year Capital Improvements Plan is updated each year. (A summary of the FY2007 plan is included in the Long-Range Plans section of this document).

3. Fiscal Plan

- *The District shall adopt an annual operating budget.*
- *Key performance measurements and productivity indicators for the budget year shall be included in the plan.*

FY2007 Status

A financial plan has been prepared that includes projected revenues and expenditures for District programs over the next five years. (A summary of this plan is included in the *Long-Range Plans* section of this document). Work Plans were also developed which include projects, objectives and success indicators tied to the FY2007 budget. These plans are updated annually.

4. Balanced Budget

- *The District shall annually adopt a balanced budget in which operating revenues are equal to or exceed operating expenditures.*
- *Any increase in expenses, decrease in revenues or combination of the two that would result in a budget imbalance would require budget revision, rather than spending unappropriated surpluses or designated reserves to support ongoing operations.*

FY2007 Status

The FY2007 budget is balanced with available revenues.

5. Asset Inventory

- *Current and accurate fixed asset physical inventory records shall be maintained by conducting annual physical inventories.*

FY2007 Status

Information regarding asset condition, scheduled maintenance, useful life and repair costs was used by management to make informed repair or replacement decisions, to prepare the Capital Improvement Plan budget, and to generate reasonable estimates of repair and maintenance costs for the current operating budget.

Revenue Policies

6. Revenues

- *The District shall maintain a diversified and stable revenue base. Existing and potential revenue sources shall be reviewed annually for stability, equity, efficiency and capacity to finance future operations.*
- *Revenues shall be estimated by an objective, analytical process that recognizes the sensitivity of each revenue source to different factors.*
- *Ad valorem tax levies shall not exceed statutory millage rates.*
- *Whenever authorized and appropriate, user fees and charges shall be established to recover the full costs of all or a portion of programs and services, and lessen the burden of taxation.*
- *The District shall pursue intergovernmental financial assistance for programs and activities that address a recognized need, and are consistent with the District's mission and long-range objectives.*

FY2007 Status

Projected FY2007 ad valorem property tax revenue represents 41 percent of the total budget. State and federal revenues, permit fees, the Everglades Agricultural Area (EAA)-related Agricultural Privilege tax, grants and other sources, including Certificates of Participation (COPs), make up the remaining 59 percent. The District has successfully held tax rates steady for ten consecutive years. Additionally, the agency's staff has diligently explored other revenue sources to decrease reliance on property taxes.

7. Cash Management and Investment

- *The District shall maximize its cash position.*
- *The District shall accelerate collections and control disbursements to optimize cash availability.*
- *The District shall meet its financial obligations on a timely basis in order to maintain public trust and productive relations with employees, suppliers and contractors.*
- *The District shall develop monthly cash flow projections, which help formulate investment strategies for the most effective use of District resources.*
- *Funds shall be managed in a prudent and diligent manner, meeting the following prioritized set of criteria: legality, safety, liquidity, and yield.*

FY2007 Status

Cash flow projections are created monthly to time revenues with expenditures and match investment activity with expected liquidity needs. All available cash is invested to ensure the highest returns available. Reports on investments and cash flow are distributed to management every month and to the District's Governing Board every quarter. Presentations on investment activity, rate of return and overall performance are made to the Governing Board twice annually.

Expenditure Policies

8. Internal Control

- *The District shall maintain an effective system of internal controls.*
- *The District shall establish and maintain a financial structure, with defined classifications of expenditures, consistent with Sections 373.536 and 200.065, Florida Statutes (F.S.) and Generally Accepted Accounting Principles (GAAP).*
- *The District shall control, adopt and report expenditures by fund, resource area, and functional area (program).*

FY2007 Status

The Budgetary and Financial Control Policy was last revised in October 2005. The District adopts, controls, and reports expenditures by fund, resource area and program.

9. Disbursements

- *Disbursement of District funds must be for a legitimate purpose and within budgetary limits.*
- *District checks shall bear the signatures of the treasurer and the Governing Board Chair or Vice Chair.*
- *Payment for District contracts and purchase orders are contingent on evidence of the receipt or acceptance of the specific deliverables.*

FY2007 Status

No irregularities were reported by external auditors during the annual financial audit.

10. Debt Management

The Governing Board of the District adopted a debt management policy in May 1993, which was updated in April 2005. The policy directs the District to do the following:

- *Exhibit purposeful restraint in incurring debt;*
- *Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness;*
- *Refrain from issuing short-term debt that requires repeated annual appropriation;*
- *Long-term debt shall not exceed the estimated life of the capital assets financed and shall not be used to finance current operations or normal maintenance;*
- *The District shall project debt requirements on a 5-year basis to facilitate better short-term decisions in light of other priorities that may arise, and to examine the longer-range implications and effects of debt issuance.*

Although the amount of debt that may be issued by the District is not restricted by law, the District shall generally target its debt burden at the following self-imposed boundary benchmark levels:

- *The net debt per capita shall not exceed \$250;*
- *Debt service shall not exceed 20 percent of the available ad-valorem revenues, related interest income thereon and permit fee revenue;*
- *The debt-to-assessed value shall not exceed 30 percent of the assessed value of property within the District.*

FY2007 Status

The last revision to the District's debt policy was adopted in April 2005. The policy and related guidelines enable the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process. (For more information about debt, refer to *Debt Summary* at the end of this section).

11. Reserves

- *The District shall maintain reserves to provide the ability to address emergencies without short-term borrowing. The economic stabilization reserve should be at least 5 percent of the previous fiscal year's actual revenues from all sources of ad valorem tax-supported funds. Budgeted contingency appropriation is not to exceed 1 percent of the budgeted revenues for each ad valorem tax-supported fund.*
- *The District shall also maintain reserves required by the Generally Accepted Accounting Principles (GAAP), such as for debt services and encumbrances.*

FY2007 Status

For FY2007, the economic stabilization reserve is \$17.3 million, the reserve for encumbrances is \$143 million and the contingency reserve budget is \$6.7 million.

Other Financial Principles

12. Procurement and Contracting

- *The District shall promote maximum value for products and services acquired through an open, competitive and accountable process.*
- *The District shall maintain procedures for centralized procurement and contracting to guard against fraud, waste and favoritism.*
- *The District shall prescribe standards, specifications, coordination and operating procedures for fair and open competition. This is essential to securing public confidence that procurement and contracting are awarded equitably, economically and efficiently.*

13. Accounting and Financial Reporting

- *The District shall provide consistently useful, timely and accurate financial information for reporting, analysis and decision-making.*
- *The District shall report accounting and financial information that is in accordance with the Generally Accepted Accounting Principles (GAAP) and is consistent with regulatory requirements.*
- *In the spirit of full disclosure, the District shall prepare a Comprehensive Annual Financial Report (CAFR), pursuant to the principles and guidelines established by the Government Finance Officers Association.*



Achievement Award presented for the District's FY2005 Comprehensive Annual Financial Report, which was submitted to the Government Finance Officer's Association in FY2006.

14. Independent Audit

- *The District shall provide for an annual independent audit of its financial statements. This provides evidence of the District's financial accountability to the public and other interested parties.*

15. Internal Audit

- *The District shall maintain an internal audit function. This function provides an independent appraisal of the operations and controls within the District to determine whether risks are identified and reduced, policies and procedures are followed, established standards are met, and resources are used efficiently and economically.*

16. Business Ethics

- *The District shall conduct all business affairs in accordance with the highest levels of legal and ethical standards. A commitment to ethics is among the most valuable assets the District can possess, as it protects the agency's strengths of credibility and trust.*

Basis of Accounting & Budgeting

The South Florida Water Management District uses the modified accrual basis of accounting for both accounting and budgeting purposes. It should be noted that compensated absences are treated differently in the budget than they are in the *Comprehensive Annual Financial Report*. Revenue is recognized when it is susceptible to accrual (i.e., it is both measurable and available). “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are ad valorem property taxes, interest on investments and intergovernmental revenue.

Property taxes are recorded as revenues in the fiscal year for which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest income is recognized when earned. Intergovernmental revenues, which are reimbursements for specific purposes or projects, are recognized in the period in which the expenditures are recorded.

Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. All annual appropriations lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered. Expenditures may not legally exceed appropriations at the agency level in any of the governmental fund types.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. The liability for all accrued and vested vacation and sick pay benefits, plus sick leave benefits expected to become vested, however, is recorded in the General Long-Term Liabilities Account Group for employees paid from governmental funds.

Annual Budget Statutory Requirements

The South Florida Water Management District's (District) annual budget is prepared and submitted in accordance with *Sections 200.065 and 373.536, Florida Statutes (F.S.)*. The District's fiscal year, created under the provisions of *Section 373.536, F.S.*, extends from October 1 of one year through September 30 of the following year.

The millage rate is levied pursuant to *Section 200.065, (F.S.)*. Ad valorem tax levels do not exceed the constitutional millage rate of 1 mill. Within 35 days of taxable-values certification, the District advises the property appraiser of its proposed millage rate, its rolled-back rate and the date, time and place at which a public hearing will be held. The Governing Board conducts this meeting, which takes place no earlier than 65 days and no later than 80 days after the certification of taxable value, to discuss the tentative budget and millage rate.

On or before July 15 of each year, the District budget officer submits a tentative budget to the Governing Board. The budget covers proposed operations and funding requirements for the ensuing fiscal year. Within 15 days after the meeting at which the tentative budget is adopted, the District advertises its intent to adopt a final millage rate and budget. The resolution states the percent, if any, by which the millage rate to be levied exceeds the rolled-back rate.

The final adopted budget for the District is the operating and fiscal guide for the ensuing year. Transfers of funds, however, may be made within the budget by the Governing Board at a public meeting.

An ***ad valorem tax*** is imposed on real and personal property at values certified by the property appraiser in each county.

One ***mill*** equals \$1 of tax for each \$1,000 of taxable value.

The ***rolled-back rate*** is a millage rate that generates the same tax revenue as last year, exclusive of construction.

Budget Development Milestones

The South Florida Water Management District's key Fiscal Year 2007 budget development milestones included the following:

February 2006

- Strategic Planning retreat held to discuss revisions to strategic priorities.
- Program coordinators began developing annual program work plans and met with project coordinators to discuss expected outcomes.

March 2006

- The internal budget development process began with an Annual Budget Kickoff Meeting which provided guidance and timelines.
- There was a Governing Board workshop to discuss 10-year strategic priorities, the Work Plan and major projects, such as the Everglades Construction Project and the Comprehensive Everglades Restoration Plan.
- Program coordinators developed resource allocations for the proposed budget.

April 2006

- The *2006-2016 Strategic Plan* draft was presented to the Governing Board.
- Management discussed the Strategic Plan and Work Plan with program coordinators, budget analysts and other staff.
- Executive management discussed program trade-offs and approved the Work Plan and program targets.
- Program coordinators and staff entered funding requests for Work Plan projects into the budget software system.
- Budget submissions were due for review by budget analysts on April 21.
- Budget analysts conducted a technical review of the proposed budget.

May 2006

- The Governing Board adopted the *2006-2016 Strategic Plan*.
- Public forums were held to solicit input from the public on the preliminary budget.
- Management reviewed the proposed programmatic budget.

June 2006

- Property appraisers for the 16 counties in the District provided taxable value estimates.
- The draft FY2007 Work Plan and budget were presented to the Governing Board.

July 2006

- Property appraisers, for the 16 counties located within the District, provided certification of taxable values.
- The Governing Board adopted proposed millage rates that are in compliance with Truth in Millage (TRIM) requirements.

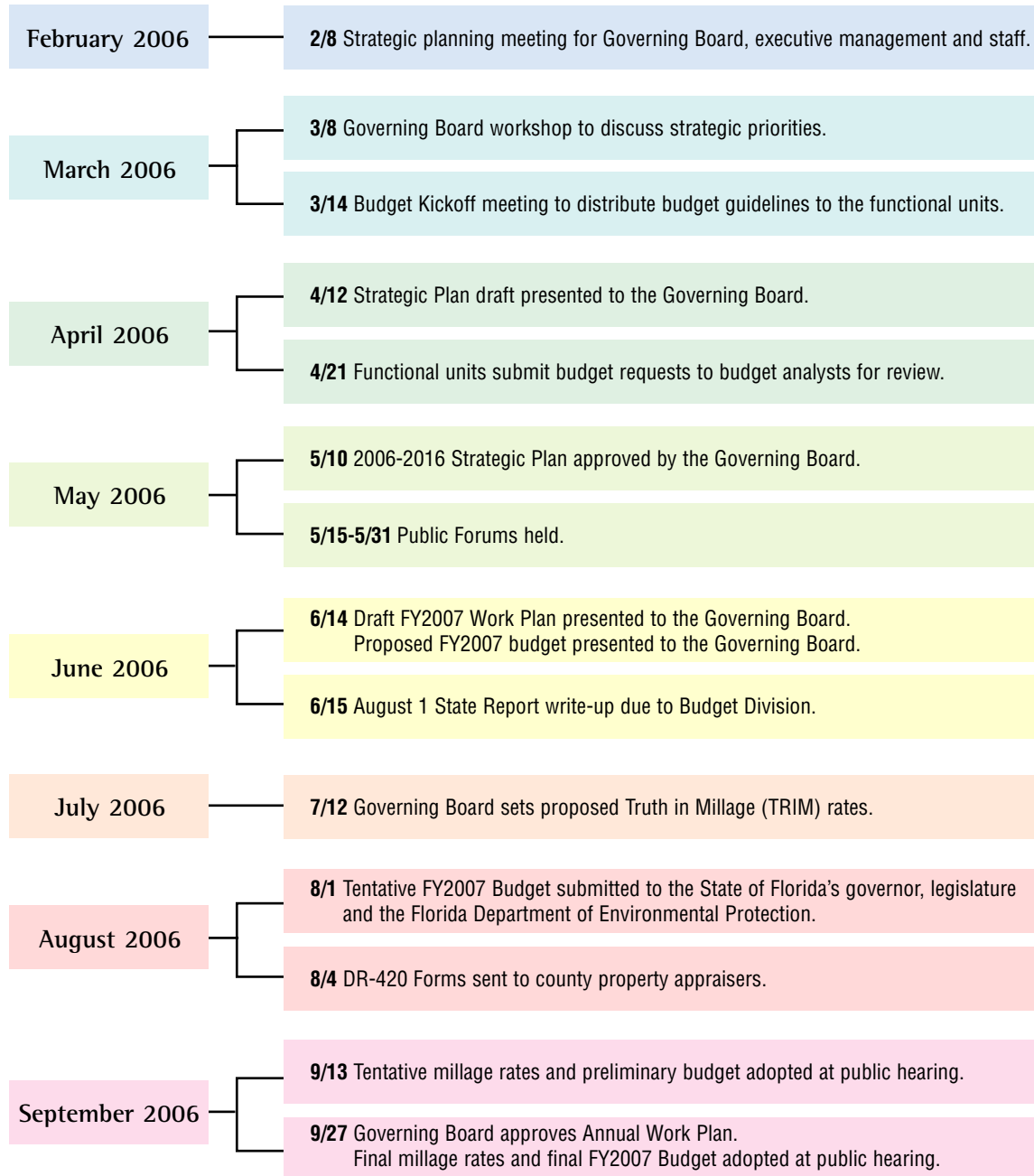
August 2006

- The District submitted its *Tentative FY2007 Budget* to the Florida Department of Environmental Protection (FDEP), the state legislature, and the governor's office for review and approval.
- District management and staff briefed the governor's office on the Strategic Plan, Work Plan and proposed budget.
- TRIM forms were mailed to property appraisers in the 16 counties in the District.
- The District verified the TRIM notices sent out by the property appraisers.

September 2006

- The Governing Board adopted tentative millage rates and the preliminary budget at a public hearing on September 13.
- The governor's office approved the District's budget with no changes.
- Final millage rates and the final FY2007 Budget were adopted at a public hearing on September 27.

FY2007 Budget Development Calendar



Summary of Budget Development Guidelines

The South Florida Water Management District adhered to the following general budget parameters and guidelines during the development of its Fiscal Year 2007 budget:

- District millage rates were not increased.
- Growth in ad valorem property taxes and other additional revenues were targeted to fund Governing Board strategic priorities and state required mandates.
- Non-ad valorem revenue was targeted to fund items wherever possible. Grant opportunities were reviewed to ensure consistency with program goals and objectives.
- Program outreach to support outreach plan objectives was budgeted.
- Existing staff was examined and redirected as needed, based on strategic priorities. Full-time permanent staffing levels increased from 1,771 to 1,784 Full-Time Equivalent (FTE) positions. Thirteen FTEs were added to the District's Operations & Maintenance Resource Area. The budget also includes a 4 percent incremental merit increase.
- No leased positions – contractors were used on an as-needed basis for specific projects or tasks for a specific time period.
- Table of Organization staffing analysis was performed to align/realign the appropriate resources in order to accomplish the priorities established for the new fiscal year.
- Program coordinators completed 10-year Strategic Plan templates that included goal statements, program descriptions, strategies, success indicators and projected deliverables or milestones.
- Program coordinators gathered input from project managers, functional unit directors and business operations analysts to develop their annual program work plans. These work plans were based on the Strategic Plan and the funding target for each program.
- Budget requests and allocations were linked to program objectives and success indicators in the annual Work Plan, as previously approved by the Governing Board.
- Operating costs were inflated by 3.5 percent, based on the consumer price index.
- New fleet requests were justified and all comparable vehicles were shown to be fully utilized.
- All computer hardware and software budget requests were developed under the guidelines of the Information Technology (IT) Department and the IT Steering Committee before being entered into the budget system.

Modifications to the Adopted Budget

Required changes to the budget may be made by budget amendments or budget transfers. These two processes are discussed below.

Budget Amendments

A budget amendment is defined as any action that increases or decreases total appropriated fund amounts (e.g., spending authorizations) in the District's adopted budget. Possible causes for budget amendments could include:

- The discovery of more accurate information after the budget was adopted;
- Modified operating requirements (e.g., transfer of budget authority between funds);
- Year-end accounting adjustments (e.g., aligning projected budget authority with actual revenues received and expenses incurred).

Budget amendments must follow strict statutory guidelines. The intent to amend the budget must be published in the notice of the Governing Board meeting at which the amendment will be considered for approval.

Budget Transfers

Budget transfers are defined as any action that changes the budget amount(s) associated with a Resource Area, as adopted by the Governing Board. Budget transfers change budget amounts from one resource area to another. (In this context, a resource area is defined as a combination of fund, resource area and program). Budget transfers reallocate program and project budget amounts from one resource area to another. It is important to note that budget transfers, unlike budget amendments, do not change total overall budget appropriation levels.

The movement of any funds, regardless of amount, between resource areas will require prior Governing Board approval. The movement of any funds, regardless of amount, between programs will require prior Governing Board approval. Movement of funds between expense types (excluding personnel services) does not require Governing Board approval. Requests for budget transfers are presented to the Audit and Finance Committee before approval by the Governing Board.

Budgetary Philosophy and Process

Program Budget Approach

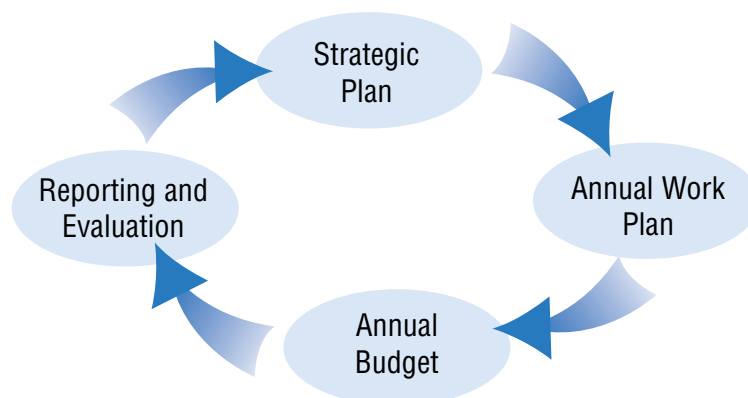
The South Florida Water Management District's (District) broad mission and mandates were organized into 11 programs for which long- and short-term goals, and success indicators were established. The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. This budgeting method is based on program performance, and emphasizes the link between strategic plans, program goals and objectives, outcomes, and annual funding allocations. The process requires close communication between program managers and functional units; awareness of agency strategic goals, objectives and outcomes; identification of strategies to achieve these outcomes; and the development of performance measures.

This methodology allows for a more thorough review and understanding of major District functions and programs. It also enables better programmatic comparisons and choices regarding the allocation of limited resources.

The Business Cycle

The District's Governing Board sets the agency's overall direction and establishes the priorities that form its Strategic Plan. The 10-Year Strategic Plan provides a foundation for development of the annual Work Plan and the budget, which together map the path to achieving the District's goals and mission. Development of these planning tools requires a coordinated effort between the District's Governing Board, executive management, program coordinators, staff and stakeholders; numerous state officials; agencies; and the public.

The District's annual business cycle process links the priorities identified in the Strategic Plan, through the Work Plan, to the budget. After Governing Board approval of the Strategic Plan, work plans and budgets are developed for each of the 11 District programs. After initial implementation, program achievements are evaluated quarterly and the results are incorporated into the Strategic Plan when updated the following year.





Step 1: The Strategic Plan

The Governing Board endorsed an update of the long-range funding plan for the strategic priorities that were the backbone of the Strategic Plan. The funding plan includes a 5-year financial forecast estimating revenue growth from key sources and identifying strategic uses of that revenue. The Strategic Plan recognizes the increasing pace of growth in the region and reflects the District's commitment to accelerate the implementation of vital public projects.

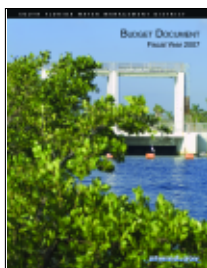


Step 2: The Annual Work Plan

The annual Work Plan “drills down” from the high level of the Strategic Plan to the detail of major project accomplishments planned for the fiscal year. Priorities from the Strategic Plan were used to develop the Work Plan and inter-relationships between the 11 programs. Program resource requests were evaluated not only on their achievability but also on their ties to projects included in the annual Work Plan. Major projects and their expected success indicators are detailed in the final Work Plan, along with staffing and funds for the projects.

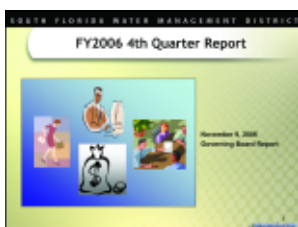
The *Capital Improvements Plan* is a companion document that was developed simultaneously with the budget. The plan includes a 5-year capital project forecast and a detailed description of planned capital activities that support the Governing Board's strategic priorities for the fiscal year.

See the Capital Improvements Plan portion of the Long-Range Plans section for more information about capital projects.



Step 3: The Annual Budget

The completed Work Plan guided development of the annual budget, which was approved by the Governing Board in September 2006. The budget supports all the major projects and strategic priorities outlined in the annual *Work Plan*. This process ensures the connection between the high-level Strategic Plan, the Work Plan and the budget, and provides the means to verify that financial and human resources are focused on the District's most important goals and objectives.



Step 4: Evaluation and Reporting

The District's annual planning cycle also involves the evaluation of the Work Plan implementation and reporting of results. Staff members present quarterly progress reports and key financial measurements to senior management and the Governing Board. The Evaluation and Reporting phase of the budget cycle provides senior leadership with an internal management tool to guide resource allocation decisions over time and serves as a catalyst for the next annual cycle. After its quarterly review of staff reports, the District's management team provides status reports, which include major projects completed, to the Governing Board.

Financial Structure

The primary authority for operation of the South Florida Water Management District (District) programs comes from Chapter 373 of the Florida Statutes. The agency works in concert with the State of Florida to accomplish the region's water management objectives. Accordingly, the District's budget includes all operations for which the District is financially accountable. The Okeechobee Basin and Big Cypress Basin, which are within the District's jurisdiction, are also included in the annual budget. Additionally, because the District and basin entities are financially interdependent, the Governing Board must approve each budget.

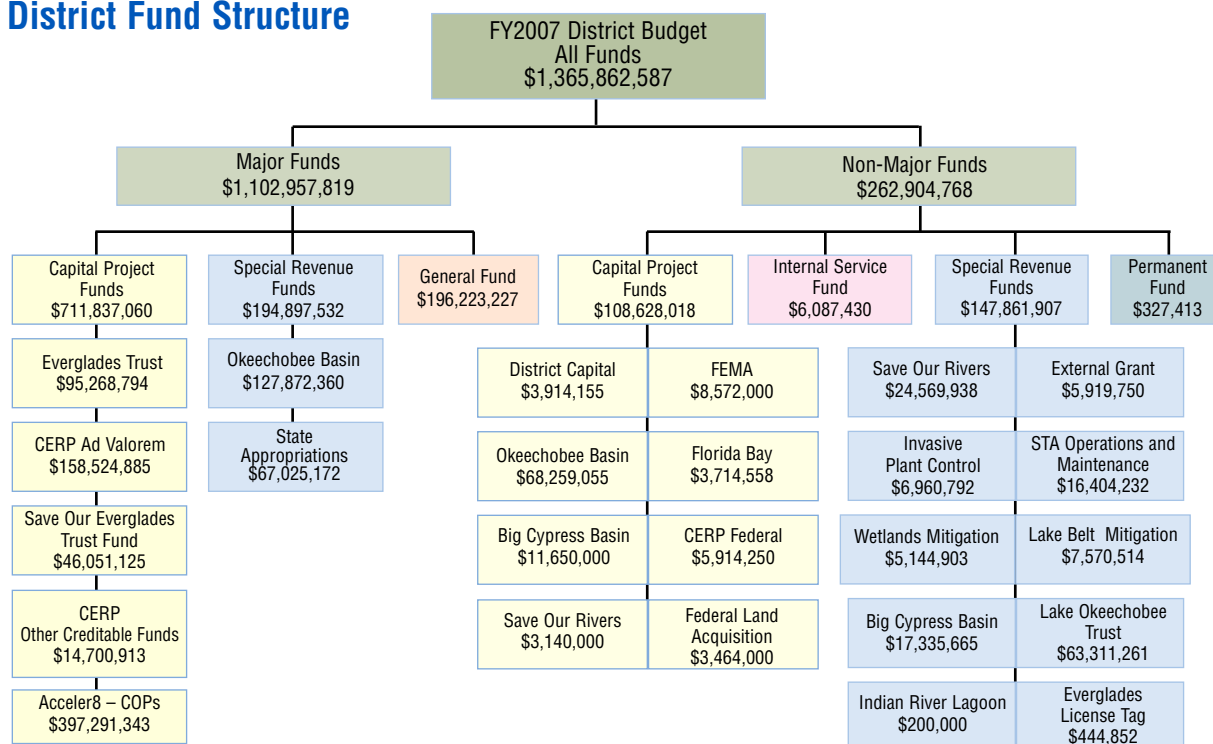
There are no additional component units required for inclusion in the budget. The District does not invest or participate in any joint ventures.

The use of funds and the budgeting, accounting and auditing associated with this fund structure are governed by the State of Florida and *Generally Accepted Accounting Principles (GAAP)*, as determined by the Governmental Accounting Standards Board.

Fund Structure and Purpose

The financial operations of the District are organized by funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and aids management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds necessary to meet legal and managerial requirements is maintained. The use of account groups is a reporting device that accounts for certain assets and liabilities of governmental funds not recorded directly in those funds.

District Fund Structure



All funds shown in the chart above are appropriated, except for the Permanent Fund. The amount shown for the Permanent Fund represents interest revenue transferred from the Permanent Fund to the Wetlands Mitigation Fund to support land management expenditures. The financial statements include the same funds as shown above.

Major Funds

The South Florida Water Management District's funds are organized into two main categories: Major Funds and Non-Major Funds. The District uses three different types of major funds to control its financial activities: General, Special Revenue and Capital Project.

General Fund

The District's General Fund is its primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem property taxes, permit fees and interest earnings.

Special Revenue Funds

Special Revenue Funds account for legally restricted revenue sources with expenditures intended exclusively for specific purposes. The District's Special Revenue Funds are described below:

Okeechobee Basin Fund

This fund accounts for the normal operating expenditures for the Okeechobee Basin. The region covers all or part of 15 counties extending from the Kissimmee Chain of Lakes in Orange County, through Lake Okeechobee, the Everglades, and Florida Bay. Funding is provided by a .3130 mill property tax levy, intergovernmental revenues, permit fees, interest earnings and other revenue sources.

State Appropriations Fund

The agency's State Appropriations Fund accounts for expenditures made for various projects utilizing revenue originating from state sources. The *Surface Water Improvement and Management (SWIM)* Fund and several state agencies are among the funding sources for this fund.

Capital Project Funds

The financial resources included in the District's Capital Project Funds are utilized for the acquisition of properties or construction of major capital facilities. Each individual Capital Project Fund is described as follows:

Everglades Trust Fund

This trust fund accounts for capital expenditures used to construct 6 Stormwater Treatment Areas which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided through a .100 mill tax levy, non-ad valorem tax assessments to property owners in the EAA, state and federal contributions, and interest earnings.

Comprehensive Everglades Restoration Plan (CERP) – Ad Valorem Fund

The CERP Ad Valorem Fund accounts for revenues and expenditures associated with projects included in the *Central and Southern Florida (C&SF) Comprehensive Review Study*. Implementation of these projects was expedited under the authority of Section 528 (e) in the *Water Resources Development Act of 1996*, for which Project Cooperation Agreements were signed in January 2000. Funding is provided with operating transfers from the General Fund and the Okeechobee Basin Fund.

Save Our Everglades Trust Fund (SOETF)

The Save Our Everglades Trust Fund (SOETF) accounts for revenues received from, and expenditures funded through, the State of Florida's fund by the same name. Monies are used for the design, construction and associated land costs for the CERP projects.

CERP – Other Creditable Fund

The CERP – Other Creditable Fund accounts for revenues received from, and expenditures funded through, sources related to the Comprehensive Everglades Restoration Plan (CERP). It excludes revenues and expenditures from federal sources, District ad valorem sources and the Save Our Everglades Trust Fund.

Acceler8 - COPs

This fund accounts for revenues from debt issued to support the accelerated construction of projects in the Everglades Program / Long-Term Plan implementation and the Comprehensive Everglades Restoration Plan (CERP) projects.

Non-Major Funds

The District uses four different types of non-major funds to control its financial activities: Special Revenue, Capital Project, Internal Service and Permanent.

Special Revenue Funds

Big Cypress Basin Fund

This fund accounts for the normal expenditures associated with the Big Cypress Basin, which encompasses all of Collier County and the northwestern part of Monroe County. Funding is provided by a .2425 mill property tax levy and interest earnings.

Save Our Rivers (SOR) Fund

The SOR fund accounts for expenditures utilized to manage and restore sensitive lands bordering water resources within the District. Funding is generated by regulatory fines, interest earnings, and a portion of the documentary stamp-tax revenues appropriated and allocated in the District's name and deposited in the state-administered Florida Water Management Lands Trust Fund.

Invasive Plant Control Fund

This fund accounts for invasive plant control related expenditures (including the District's Melaleuca Management Program) in the Kissimmee River and the Upper Chain of Lakes. Funding is provided by the Aquatic Plant Trust Fund, which is passed through to the District from the Florida Department of Environmental Protection (FDEP).

Wetlands Mitigation Fund

Expenditures from the Wetlands Mitigation Fund are earmarked for the creation of new wetlands or the improvement of existing wetlands damaged or destroyed by new land development. Funding is provided by permit fees paid by developers, private and other governmental contributions.

Indian River Lagoon (IRL) Restoration Fund

The IRL Restoration Fund accounts for expenditures to enhance the environmental and scenic value of surface waters in the Indian River Lagoon. Funding is provided through the sale of a vehicle license specialty tag which promotes the role of the Indian River Lagoon in Florida's ecosystem.

External Grant Fund

This fund accounts for revenue and expenditures related to grants received primarily for research purposes. This separate fund allows for detailed tracking of expenditures and/or cost-share contributions.

STA Operations and Maintenance Fund

The STA Operations and Maintenance Fund accounts for expenditures associated with the operation and maintenance of the Stormwater Treatment Areas (STA), as required by the *Everglades Forever Act (EFA)*. Funding is provided by operating transfers from the Everglades Trust Fund and expenditures are consistent with the provisions of the *EFA*.

Lake Belt Mitigation Fund

Revenues and expenditures accounted for by this fund are utilized to mitigate the effects of rock mining in the Lake Belt area of Miami-Dade County.

Everglades License Plate Fund

This fund accounts for expenditures related to conservation, protection of natural resources, and abatement of water pollution efforts in the Everglades. Proceeds from sales of the Everglades specialty vehicle license tag fund this account.

Lake Okeechobee Trust Fund

This trust fund accounts for expenditures associated with restoration projects for Lake Okeechobee. Funding is provided by the Florida Department of Environmental Protection (FDEP).

Capital Project Funds

District Fund

The agency's District Fund accounts for capital expenditures associated with District-wide capital projects. Funding is provided by transfers from the General Fund.

Okeechobee Fund

This fund accounts for capital expenditures on projects benefiting the Okeechobee Basin. Funding is provided by operating transfers from the Okeechobee Basin Fund.

Big Cypress Fund

The Big Cypress Fund accounts for capital expenditures on projects benefiting the Big Cypress Basin. Funding is provided by operating transfers from the Big Cypress Basin Special Revenue Fund.

Save Our Rivers Fund (SOR)

The SOR Fund accounts for capital expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Preservation 2000 Trust fund, regulatory fines, interest earnings, and documentary stamp-tax revenues appropriated and allocated in the District's name and deposited in the state-administered Florida Water Management Lands Trust Fund.

Federal Emergency Management Agency (FEMA) Fund

The FEMA Fund accounts for revenues and expenditures associated with District recovery efforts following severe natural disasters, such as hurricanes and floods. Revenue is received from FEMA and is disbursed to the District on a reimbursable basis. This fund also accounts for federal funding used to mitigate future disaster damage.

Florida Bay Fund

The Florida Bay Fund accounts for capital expenditures associated with restoring natural quantity, distribution and timing of water flows to Florida Bay. Funds for these projects are derived from excess Alligator Alley toll revenue, as mandated in the 1994 *Everglades Forever Act (EFA)*.

CERP – Federal Fund

The CERP – Federal Fund accounts for revenues received from, and expenditures funded through, the federal government for the Comprehensive Everglades Restoration Plan (CERP).

Federal Land Acquisition Fund

This fund accounts for expenditures relating to land purchases that are reimbursed by the federal government.

Internal Service Fund

The Internal Service Fund accounts for the District's self-insured risks related to general, automobile and workers' compensation liabilities. Funding is provided through charges to various District Funds.

Permanent Fund

This district fund is used to report legally restricted resources. Only earnings, not principal, may be used for purposes that support the District's management of lands acquired for wetland mitigation.

The following table illustrates the relationship between functional units, programs and the fund structure:

Program to Fund Matrix

Program By Resource Area	FUND TYPE									
	Major Funds								Non-Major Funds	All Funds
	General	Okeechobee Basin	State Appropriations	Everglades Trust	CERP Ad Valorem	Acceler8 COPs	CERP Other Creditable	Save Our Everglades Trust	Other Gvt. Funds	Total
Water Resources										
District Everglades Program			\$244,407	\$95,268,794		\$61,718,438			\$16,849,084	\$174,080,723
Water Supply	37,016,055	3,345,683	32,851,145						2,574,647	\$75,787,530
Kissimmee River Restoration	388,181	10,458,799	1,400,000						16,617,000	\$28,863,980
Regulation	18,115,999								37,489	\$18,153,488
Lake Okeechobee	59,234	12,432,382							68,703,099	\$81,194,715
Coastal Watersheds	3,490,708	6,525,803	29,679,620						12,346,241	\$52,042,372
Modeling & Scientific Support	16,163,855									\$16,163,855
Operation & Maintenance Resources										
Operations & Maintenance	13,024,171	77,245,517	900,000						83,355,041	\$174,524,729
CERP Resources										
Land Stewardship	245,033	814,476							31,203,659	\$32,263,168
Comprehensive Everglades Restoration Plan			1,950,000		158,524,885	335,572,905	14,700,913	46,051,125	19,796,686	\$576,596,514
Corporate Resources										
Mission Support	107,719,991	17,049,700							11,421,822	\$136,191,513
Total	\$196,223,227	\$127,872,360	\$67,025,172	\$95,268,794	\$158,524,885	\$397,291,343	\$14,700,913	\$46,051,125	\$262,904,768	\$1,365,862,587

Revenue Forecast Methodology

The District's annual budget development process begins with the Strategic Plan. Annual revenue forecasts are based on resulting project funding requirements and an analysis of individual funding source factors, including: legal or mandated stipulations; tax roll data; available revenue from other government agencies; and, functional-unit staff estimates.

Legal or Mandated Requirements

Some revenue sources are defined by specific legal requirements or restrictions. For example, the District's ability to generate revenue through ad valorem property taxes is limited by statutory and constitutional millage caps of 0.8 and 1 mill, respectively. To increase the combined District and Okeechobee Basin millage rates to the constitutional cap of 1 mill would require legislative action. The maximum legal millage rate limit for the Big Cypress Basin is .4800 mills. In addition, the District allocates one-tenth of a mill (.1000) of the Okeechobee Basin millage to the Everglades Construction Project (ECP) and the Long-Term Plan (LTP), as stated in the amended 2003 *Everglades Forever Act (EFA)*.

Under the EFA, revenue sources earmarked for the Everglades Trust Fund can only be applied to qualifying Everglades Restoration-related expenditures. The District's Comprehensive Everglades Restoration Plan (CERP) has requirements for dedicated annual revenue funding. Other sources subject to legal or mandated requirements include state trust funds for which funding must be used for specific purposes, such as the CERP, land acquisition or land management.

Taxes

The ad valorem property tax revenue projections were based on the assumption that millage rates would stay at existing levels. Any increases in ad valorem revenues, therefore, would have to be the result of tax base increases. These increases were calculated for counties located within the District's jurisdiction, per the August 2005 Ad Valorem Estimating Conference forecast for FY2007. The District's Budget Division is responsible for property tax revenue projections.

Everglades Agriculture Privilege taxes are assessed on acreage within the Everglades Agricultural Area (EAA) and C-139 Basin. The tax applies to land used for agricultural business or trade, as stated in the *Everglades Forever Act*. The revenue is based on tax roll information received from property appraisers in Palm Beach and Hendry Counties during the annual tax certification process that occurs from June 1 through August 31. For FY2007, the assessed tax-per-acre for the EAA and C-139 Basin was \$24.89 and \$4.30, respectively. The Budget Division is responsible for calculating and projecting the estimated tax.

The Agriculture Privilege tax is one of the dedicated revenues for the ECP/LTP and is calculated into the mix of funding sources to offset anticipated expenditures. Tax revenues vary each year based on the number of agricultural acres noted on the tax rolls.

Intergovernmental

This revenue category is defined by federal, state or local government entities. The category includes appropriations based on annual state legislative budget allocations and grants or cooperative agreements from executed contracts with governmental agencies.

Investment Earnings

Interest is calculated by individual fund, based on its projected share of pooled cash, investment of funds and economic market conditions. Throughout the budget development process, the Budget Division communicates with the District's Treasurer to review budget requirements and determine interest revenue estimates.

Licenses, Permits and Fees

This category is comprised of revenues received from the sale of license tags and fees for the issuance of regulatory and right-of-way permits. Lake Belt and Wetland Mitigation revenue is also included in this category. Revenue estimates and proper documentation are provided to the Budget division by the District's functional units.

Other Financing Sources

Certificates of Participation (COPs), capital leases and bank loan proceeds are classified as Other Financing Sources. As capital funding needs arise, the District Accounting staff and Treasurer provide revenue estimates which are incorporated into the budget. Transactions related to issuance of land acquisition bond refunding are not part of the District's budgeted revenue sources.

Other – Miscellaneous

Various revenue sources such as self-insurance premiums, leases and sale of District property are included within this category. Currently, the District does not budget for cash discounts earned, refund of prior-year expenditures or other miscellaneous income items. District functional units generate revenue projections for this category.

Functional Unit Staff Estimates

Throughout the budget development process, the Budget Division relies heavily on the knowledge and experience of the District's directors, project managers and staff to forecast expected revenues from various non-ad valorem sources. The District receives non-ad valorem revenue in the form of grants, licenses, permits, fees, investment earnings, leases and sale of District property. As part of the annual budget process, each functional unit submits its non-ad valorem revenue estimates to the Budget Division, along with supporting documentation and an explanation of how revenue estimates were calculated.

Revenue Assumptions & Trend Analysis

The District developed a series of revenue assumptions, based on current and projected economic indicators, and historical trends. The Florida Department of Revenue and the Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a 5-year period, which were analyzed by the budget staff. Revenue-collection history for the last 4 years and information supplied by various departments within the agency were used to determine all remaining ad valorem revenue sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances and from agreements with federal, state and local governments.

In FY2006, the District continued its performance management cycle, which includes development of a Strategic Plan and an annual Work Plan, implementation of an annual budget process, and reporting and evaluation. As part of the strategic-priority-setting process, the District updated its 5-year financial forecast, based on the established revenue assumptions. This forecast projects anticipated revenues for both ad valorem (discretionary) and dedicated (restricted) funds from FY2007 through FY2016. Additionally, funding strategies were developed and the District's Governing Board directed the use of the discretionary funds. This long-range forecast was one of the building blocks for the District's Strategic Plan, and played a key role in setting strategic priorities based on projected funding.

The revenue assumptions in the financial forecast provided a framework for development of the District budget, by program and fund. FY2007 programmatic budget targets were established based on projected funding source availability. Each program prepared an annual work plan that reflected District strategic priorities and delivered a balanced budget. The overall District budget was then finalized by ensuring that proposed budget expenditures were balanced with projected revenue estimates.

FY2007 revenue projections include a variety of fund sources. The District groups its revenue sources into seven standard accounting categories, as detailed in the Revenue Forecast Methodology in this section.

The adopted FY2007 estimated revenue totaled \$1,365.9 million. When compared to the FY2006 amended budget of \$1,127.1 million, revenues is expected to increase overall by \$238.8 million. This net amount is based on numerous project initiatives, projected changes, including additional revenue from existing and new sources, and reductions to prior-year revenue levels.

The following pages contain detailed explanations of the FY2007 revenue projections by category, with comparisons to the FY2006 amended budget. Also included are the assumptions used when making funding decisions and the reasons for any increases or decreases over the previous fiscal year's level.

Comparative Summary of Sources and Uses of Funds

FY2006 Amended / FY2007 Adopted Budgets	FY2006 Amended Budget	FY2007 Adopted Budget	FY2007 Over or (Under) FY2006	Percent Change
SOURCES:				
Ad Valorem Property Taxes	\$444,075,931	\$553,009,838	\$108,933,907	24.5%
Agricultural Privilege Taxes	11,692,000	11,658,125	(33,875)	-0.3%
Intergovernmental	383,996,339	208,552,955	(175,443,384)	-45.7%
Investment Earnings	9,831,295	7,886,953	(1,944,342)	-19.8%
Licenses, Permits & Fees	9,558,400	8,365,157	(1,193,243)	-12.5%
Other - Miscellaneous	13,683,591	15,647,410	1,963,819	14.4%
Other Financing Sources	110,950,000	414,674,744	303,724,744	273.7%
Fund Balance - Designated	143,228,826	146,067,405	2,838,579	2.0%
TOTAL APPROPRIATED SOURCES OF FUNDS	\$1,127,016,382	\$1,365,862,587	\$238,846,205	21.2%
USES:				
Land Stewardship	\$28,986,024	\$32,263,168	\$3,277,144	11.3%
District Everglades	116,631,755	174,080,723	57,448,968	49.3%
Operations & Maintenance	132,184,389	174,524,729	42,340,340	32.0%
Water Supply	60,986,955	75,787,530	14,800,575	24.3%
Kissimmee Watershed	86,245,508	28,863,980	(57,381,528)	-66.5%
Regulation	16,891,748	18,153,488	1,261,740	7.5%
Lake Okeechobee	51,212,801	81,194,715	29,981,914	58.5%
Coastal Watersheds	43,665,565	52,042,372	8,376,807	19.2%
Mission Support	124,417,373	136,191,513	11,774,140	9.5%
Comprehensive Everglades Restoration Plan	449,175,287	576,596,514	127,421,227	28.4%
Modeling and Scientific Support	16,618,977	16,163,855	(455,122)	-2.7%
TOTAL APPROPRIATED USES OF FUNDS	\$1,127,016,382	\$1,365,862,587	\$238,846,205	21.2%

Taxes: \$564.7 Million

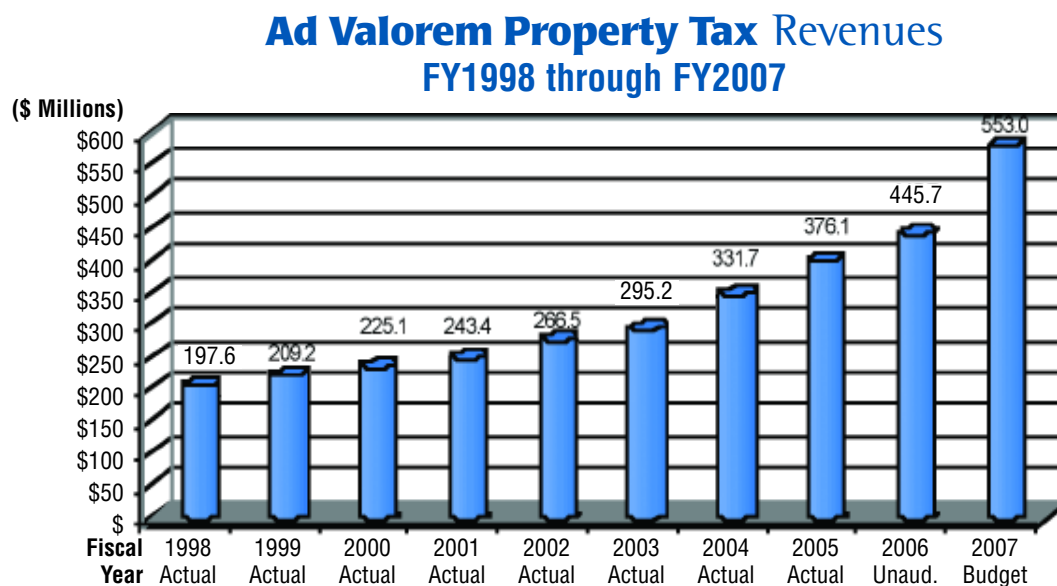
Ad Valorem Property Taxes: \$553 Million

Ad valorem property taxes continue to be the District's primary source of revenue. For FY2007, property taxes are anticipated to yield approximately \$553 million, which is \$108.9 million or 24.5 percent more than the FY2006 amended budget of \$444.1 million. The basis for this increase is the tax growth rate:

Increase	FY2006	FY2007	Percent
Ad valorem property taxes (millions)	\$444.1	\$553.0	24.5%
Assessed property value (billions)	\$678.6	\$845.2	24.5%

FY2007 property tax revenue projections are based on the assumption that millage rates will be set at existing levels. It is also assumed there will be estimated tax-base increases throughout the District's 16-county boundary. The Okeechobee millage rate has remained constant since FY1998, but property tax revenues have increased annually due to higher assessed values for new and existing properties throughout the District. In FY2005 and FY2006, taxable property values within the District increased by 14.1 percent and 19.1 percent, respectively.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY1998 through FY2007:



For FY2006, 96 percent (96.5 percent for the Big Cypress Basin) of the amount levied was used to project actual amounts. This rate is developed from historical collection rates and is applied as a percent of anticipated revenue. During the last ten fiscal years (FY1997 through FY2006), the District has collected the majority of the total tax amount levied to pay for its services.

The District's high collection rate is primarily attributed to the discount provided to property owners as an incentive to pay their current year taxes before March 31 of the following year. If tax payments are made by November 30, December 31, January 31 or February 28, a discount applies of 4 percent, 3 percent, 2 percent or 1 percent, respectively. Property taxes are payable through March 31, after which time they become delinquent. Delinquent property tax certificates are sold to the public beginning June 1, at which time property liens are attached. By the end of the fiscal year, virtually all property taxes are collected, either directly or through the sale of tax certificates. Ad valorem property tax revenues are recorded by the District, based on the amount of receipts reported by the county tax collectors. The following table shows the District's percent of ad valorem property tax levy collected between FY1997 and FY2006:

Ad Valorem Property Tax Collections

Percent of Levy Collected FY1997 through FY2006				
Fiscal Year	District	Okeechobee Basin	Big Cypress Basin	Everglades Trust Fund
1997	96.22%	96.23%	96.80%	96.33%
1998	96.66%	96.60%	96.78%	96.70%
1999	96.24%	96.19%	96.72%	96.23%
2000	96.58%	96.56%	96.84%	96.53%
2001	96.82%	96.82%	96.78%	96.81%
2002	96.36%	96.31%	96.66%	96.02%
2003	95.99%	95.95%	96.66%	96.18%
2004	96.01%	95.97%	96.45%	95.77%
2005	96.78%	96.83%	96.64%	96.67%
2006	96.39%	96.35%	96.59%	96.36%

Percentages are based on the total tax base (representing final taxable values), multiplied by the assessed millage rate, then divided by the actual ad valorem property tax revenue collected.

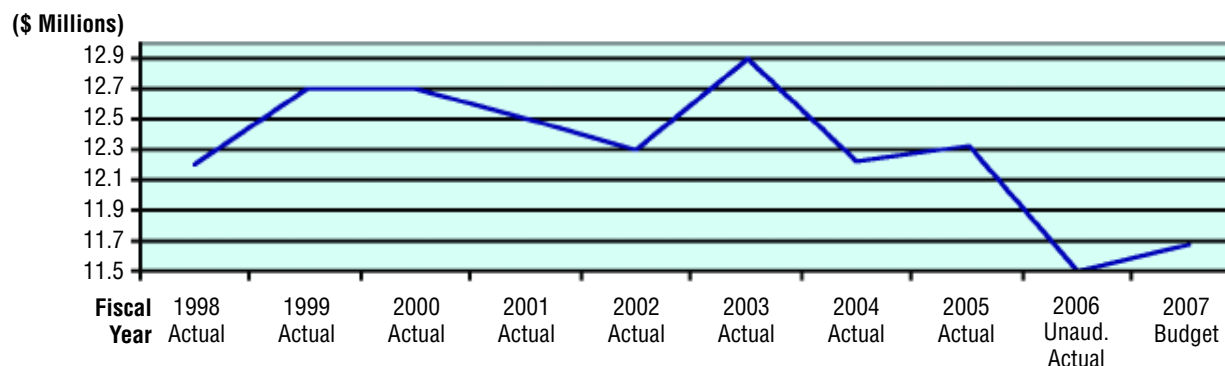
Agricultural Privilege Taxes: \$11.7 Million

The Agricultural Privilege Tax was levied for the first time in FY1995. This tax is a component of the 1994 *Everglades Forever Act (EFA)* and is used to fund the Everglades Construction Project (ECP). The *EFA* authorized the District to impose an annual tax for the privilege of conducting agricultural trade or business on property located within the Everglades Agricultural Area (EAA) and the C-139 Basin in Palm Beach and Hendry counties. In 2003, the *EFA* was amended to allocate some of the agricultural privilege tax revenue to the Long-Term Plan.

Agricultural Privilege Taxes continue to be a steady source of revenue for the Everglades Trust Fund. The revenue is based on tax roll information received from property appraisers in Palm Beach and Hendry counties during the annual tax certification process that occurs from June 1 through August 31. For FY2007, the assessed tax-per-acre for the EAA and C-139 was \$24.89 and \$4.30, respectively. Once the tax assessment is calculated, the District Governing Board certifies the tax rolls through the adoption of resolutions at the District's Annual Tentative Budget Adoption Public Hearing, held each September. By law, the District must deliver the final certified EAA and C-139 Basin tax rolls to the tax collectors' offices in both Hendry and Palm Beach counties prior to September 15 of each year.

In FY2007, projected agricultural privilege tax revenues are expected to generate approximately \$11.7 million, which is the same as the FY2006 amended budget. Changes in the funding level are usually directly related to a change in acres in the EAA and C-139 basin from the previous year's tax rolls. Acres are sometimes taken off the tax rolls due to construction and change in property status to non-agricultural use tax classification.

Agriculture Privilege Tax Revenues FY1998 through FY2007



Intergovernmental: \$208.5 Million

The overall net decrease of \$175.5 million in intergovernmental funding for FY2007, from the FY2006 amended budget amount of \$384 million, is primarily due to decreases in state appropriations; and, changes in existing and new grants, and cooperative agreements. Additionally, the District's adopted budget was amended in FY2006 to include a portion of the State's FY2007 Florida Forever and Save Our Everglades Trust Fund (SOETF) appropriated funds. (The District's fiscal year begins in October whereas the State's starts in July). As a result, the adopted FY2007 budget includes less Florida Forever and SOETF balances than the prior year.

Appropriations: \$175.4 Million

In FY2007, the District anticipates receiving a total of \$175.4 million from the trust funds and state appropriations listed below:

Florida Forever Program Funds: \$3.1 Million

In 1999, the *Florida Forever Act (FFA)* was enacted by the state legislature and signed into law by the governor. According to *Section 259.105, Florida Statutes, (F.S.)*, the *FFA* provides \$3 billion to various state agencies over a 10-year period. These monies are for acquisition of environmentally sensitive lands for conservation, recreation, water resource protection and wildlife habitat preservation, and for management of public access to those lands.

A total of \$3.1 million is expected from Florida Department of Environmental Protection (FDEP) state bond proceeds and trust fund balances. This revenue is to be used for the purchase of environmentally sensitive lands under the *Florida Forever Program* and for local projects outlined in the *Florida Forever Work Plan*. This amount is a \$60.8 million decrease from the FY2006 amended budget of \$63.9 million. The prior year trust fund balance, used in FY2006, was \$28.8 million higher, and the current year's fund allocation was \$32 million higher, because the budget was amended to include the majority of the state's FY2007 funds.

Save Our Everglades Trust Fund (SOETF): \$45.5 Million

The Save Our Everglades Trust Fund (SOETF) was created by the Florida legislature in 2000 to fund the state's share of the Comprehensive Everglades Restoration Plan (CERP). The legislation called for the SOETF to receive \$100 million annually in state funding through the program's first ten-year period. In FY2006, \$188.8 million was budgeted and included trust fund balances and a portion of the FY2007 allocation. The remaining \$45.5 is included in the District's FY2007 budget.

The District expects to receive approximately \$45.5 million from the State of Florida's (SOETF) in FY2007. This funding remains earmarked for design, construction and land acquisition for the CERP Program. This revenue assumption is based on continuation of the state's annual commitment of \$100 million and the availability of prior-year SOETF funds.

Special Legislative Appropriations: \$105.5 Million

This revenue estimate of \$105.5 million represents state appropriations for new or ongoing projects. New state appropriations will fund restoration projects, local water resource projects, Alternative Water Supply and Lake Okeechobee Estuary Recovery (LOER) projects.

The District expects to receive \$18 million from the Florida Department of Environmental Protection (FDEP) as funding for development of Alternative Water Supply projects as prescribed by the *Water Protection and Sustainability Program*, created by the State of Florida's 2005 legislation. In addition, the Florida legislature allocated funding from General Appropriations as follows: \$25 million for *Lake Okeechobee Fast Track* projects (\$17.5 million of prior year appropriations were also budgeted), \$12.1 million for *Indian River Issues Team* projects, \$3.5 million for *Surface Water Improvement and Management (SWIM)* implementation, and \$29.4 million for various water restoration projects.

This group of revenues increased approximately \$25 million for FY2007, from the FY2006 budget, because it includes \$17.5 million (Lake Okeechobee projects) and \$3 million (Alternative Water Supply projects) of prior year appropriations, and higher amounts allocated to water resource projects, such as the Lake Region Water Treatment Plant and Indian River Lagoon projects.

Water Management Lands Trust Fund (WMLTF): \$21.3 Million

The Water Management Lands Trust Fund (WMLTF), was established by *Section 373.59, Florida Statutes, (F.S.)*, to provide Florida's five water management districts with funding for the management of environmentally sensitive lands, local water resource projects, exotic and aquatic plant control, priority water-body projects, and debt service from documentary stamp-tax revenues. The South Florida Water Management District receives 30 percent of all funds allocated to the state's five water management districts from the trust fund. In compliance with state law, funds from the WMLTF cannot be used for land acquisition purposes after July 1, 2001.

The FY2007 revenue projection of \$21.3 million assumes the District will receive \$17.4 million in new revenue and \$3.9 million in prior-year trust fund balances. The basis for an increase in budgeted revenue of \$2.8 million was attributed to a higher available trust fund balance than last year. The projected revenue assumption for the FY2007 budget was based on continuation of state funding at current levels and availability of remaining WMLTF balances.

Grants and Cooperative Agreements: \$33.1 Million

The District anticipates receiving a total of \$33.1 million in funding from several federal, state and local grant and cooperative agreement sources. This FY2007 projection represents a \$15.2 million decrease from the FY2006 amended budget of \$48.3 million. Despite increases in Florida Inland Navigation District (FIND) funds for dredging projects and federal funds for wetland reserve and mitigation projects, decreases in invasive plant management grants from the state and local revenue agreements with Martin County for land acquisition, result in an overall net decrease for this FY2007 revenue category.

Federal: \$19.8 Million

Approximately \$19.8 million in funding is expected from federal government agencies. This FY2007 budget projection is \$9.3 million higher than the \$10.5 million FY2006 amended budget total. This projection assumes the use of remaining prior-year allotted balances as well as new revenue received from existing grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): \$8.6 Million

A total of \$8.6 million Federal Emergency Management Agency (FEMA) revenue is included in the FY2007 budget. This projection is based on estimates of the work which can reasonable be accomplished in the next fiscal year and represents an overall increase of \$3.5 million from the FY2006 amended budget of \$5.1 million.

The District has the authority to perform work, provide services and acquire materials during emergency events. Following these events, the District can request reimbursement from FEMA. The FEMA funds will be used primarily for mitigation and mapping projects in Palm Beach, Broward and Miami-Dade counties.

U.S. Army Corps of Engineers (USACE): \$1.1 Million

The District anticipates receiving \$1.1 million from the U.S. Army Corps of Engineers (USACE) as reimbursement for the operation and maintenance of USACE-owned structures in Miami-Dade County and the Water Conservation Areas. This projection assumes the USACE will reimburse the District for 60 percent of the actual expenditures incurred to provide services rendered. This amount is approximately \$0.6 million more than the FY2006 amended budget of \$0.5 million and is based upon District staff estimates for operation and maintenance costs for the 2007 fiscal year.

U.S. Department of Agriculture (USDA): \$10 Million

Funding from the U.S. Department of Agriculture (USDA) is anticipated at approximately \$10 million for FY2007, an increase of \$5.5 million from the FY2006 amended budget total of \$4.5 million. Budget projections are based on current agreements between the District and the USDA, and the estimated workload for the fiscal year.

The FY2007 budget reflects approximately \$9.8 million in the USDA National Resources Conservation Service (USDA-NRCS) funds. This funding, which is through the USDA-NRCS *Wetlands Reserve Program*, is for restoration activities on portions of Allapattah Ranch in

Martin County, Buttermilk Slough, Gardner-Cobb Marsh, and the Kissimmee Chain of Lakes. An annual grant of \$0.2 million for area-wide melaleuca management evaluation from the USDA is also included in this budget projection.

The USDA-NRCS *Wetlands Reserve Program* funding will be matched by the Comprehensive Everglades Restoration Plan (CERP) funding to conduct restoration activities on portions of the Allapattah property. This program cost is shared (75 percent/25 percent) between the District and the USDA-NRCS for property related to restoration work.

Other Federal Grants and Cooperative Agreements: \$0.1 Million

Grants totaling \$0.1 million are expected from the U.S. Department of the Interior (DOI) for water quality monitoring and for the Loxahatchee National Wildlife Refuge lab analysis and testing. This revenue estimate represents a \$0.2 million decrease from the FY2006 amended budget.

State: \$10.2 Million

A total of \$10.2 million in revenue is projected from state government agencies for FY2007, a \$0.6 million increase compared with the FY2006 amended budget of \$9.6 million. This projection assumes the use of remaining prior-year balances and that new revenue will be obtained from grants or cooperative agreements.

Invasive Plant Management Grants: \$7.2 Million

Grant revenues of \$7.2 million to be used for exotic and aquatic plant management from the Florida Department of Environmental Protection (FDEP) are projected for FY2007. Funding for this program is passed through to the District from the FDEP and based on a variety of revenue sources. The FDEP's funding sources include the state gas tax, a percentage of which is allocated from boat fuel sales; recreational and commercial boat taxes; the U.S. Army Corps of Engineers; and special mid-year re-appropriations from the FDEP. This projection assumes that the FDEP funding will be approximately \$2 million higher than the FY2006 amended budget of \$5.2 million, and is based on current agreements with the FDEP.

Florida Department of Transportation (FDOT): \$2.0 Million

This revenue projection of \$2.0 million assumes receiving funds from the Florida Department of Transportation (FDOT) for *Everglades Forever Act (EFA)*-mandated restoration projects. The \$2.0 million is an annual revenue assumption which is based on an agreement between the District and the FDOT. This agreement stipulates that excess funds from Alligator Alley toll receipts are to be used for Everglades and Florida Bay restoration projects.

Other State Grants and Cooperative Agreements: \$1.0 Million

Each year, the District applies for, and receives, grants from a variety of different state sources. In the FY2007 budget, state grants totaling approximately \$1.0 million are expected from the Florida Department of Agricultural and Consumer Services (FDACS) and the Florida Fish and Wildlife Conservation Commission (FFWCC).

\$0.6 million from the FDACS will be used for a hydromenia expansion project in Lake Okeechobee and to enhance the quality and storage of water in the Indian Town Citrus Grove area. \$0.4 million from the FFWCC will fund the Three Lakes Wildlife Wetlands restoration project.

Local: \$3.1 Million

Estimated revenues from local sources total approximately \$3.1 million for FY2007, which is \$25.8 million lower than the FY2006 amended budget amount of \$28.9 million. This decrease relates primarily to amounts received from Martin County last year for a land acquisition agreement. This revenue projection assumes the District will receive revenues based on grants or cooperative agreements from counties and local agencies.

Florida Inland Navigation District (FIND): \$2.7 Million

The District expects to receive \$2.7 million from the Florida Inland Navigation District (FIND) as reimbursement for the Miami River-Dredging Grant.

Miami-Dade County: \$400,000

Revenue of \$400,000 is expected for continuation of a Special Area Management Plan in Miami-Dade County.

Palm Beach County: \$50,000

Funds totaling \$50,000 are expected from Palm Beach County for removal of exotic animals, vegetation or both? from Riverbend Park and the C-18 Canal.

Investment Earnings: \$7.9 Million

Investment earnings revenue for FY2007 is estimated at \$7.9 million. This figure is based upon the assumed average cash balance in the District's investment portfolio and the weighted average rate of return on the District's individual investments held throughout the fiscal year. The District's treasurer monitors cash needs on a monthly basis and attempts to match investment maturities with known cash expenditures. Actual investment earnings are continuously reviewed and reported to management on an on-going basis. This projection is \$1.9 million lower for FY2007 than the FY2006 amended budget amount of \$9.8 million due to the above-mentioned factors.

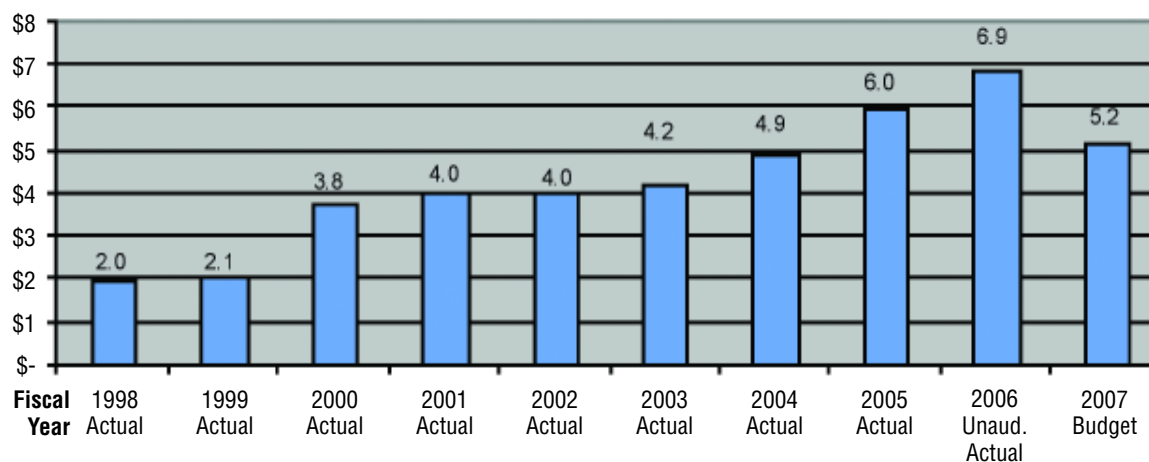
Licenses, Permits & Fees: \$8.4 Million

Anticipated revenues from this category total \$8.4 million for FY2007, \$1.2 million lower than the FY2006 amended budget amount of \$9.6 million. This revenue assumption is based on historical data, collection rate, ongoing agreements and information provided by the District staff. Lake Belt mitigation permit fees represent approximately \$2.7 million, or 32 percent, of the category's total estimated revenues. Staff calculations estimate surface water management, water use, and right-of-way permit fees totaling \$5.2 million. These fees are received for the release of District canal, mineral and right-of-way reservations.

The remaining \$0.4 million of revenue is anticipated to be generated from the sale of the Everglades and Indian River Lagoon vehicle license plates (tags). The \$0.2 million of revenue generated from the Everglades license tag must be used for Everglades Restoration and related research projects. Likewise, the \$0.2 million of revenue derived from the Indian River Lagoon license tag will be used for restoration and environmental education projects within the Indian River Lagoon Watershed. This revenue projection remains at the same level as the FY2006 amended budget and is directly related to sales volume.

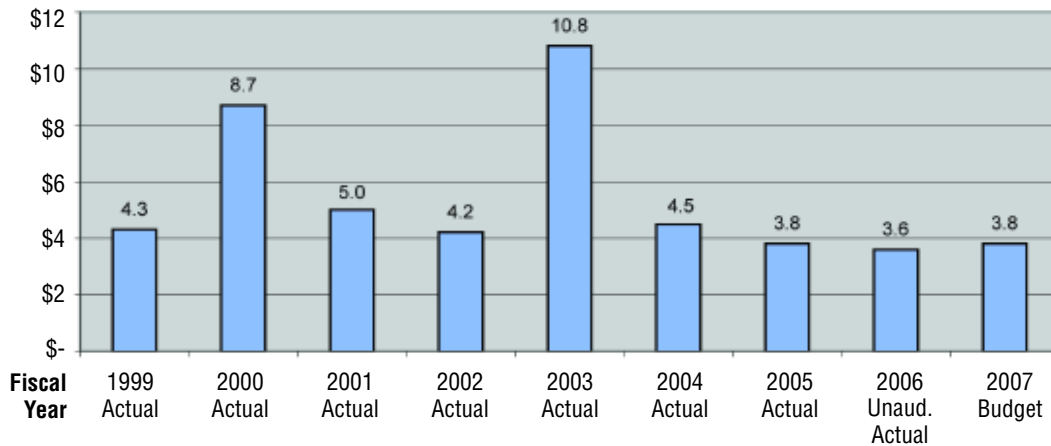
Permit Revenues FY1998 through FY2007

(\$ Millions)



Mitigation Revenues FY1999 through FY2007

(\$ Millions)



Other Miscellaneous Revenue: \$15.6 Million

This category includes four main revenue types: self-insurance premiums, leases, sale of property owned by the District, and indirect cost reimbursement for the Comprehensive Everglades Restoration Plan (CERP) Program (which is cost-shared with the U.S. Army Corps of Engineers). The projected total revenue from these sources is approximately \$15.6 million for FY2007. This represents an increase of \$1.9 million from the previous fiscal year total of \$13.7 million.

Increases in self insurance premiums of \$1.1 million and indirect cost reimbursement of \$1.1 million, netted against reductions of \$0.3 million and \$0.1 million in leases and sale of real property, respectively, are the basis for the overall net increase in this revenue category. The projected self-insurance premium cost of \$5.1 million is based on cost allocation formulas that distribute insurance and administrative expenses to user departments within the District.

Lease revenues of \$3.4 million, which decreased from the amended FY2006 budget of \$3.7 million, are primarily due to anticipated changes in Wetland Mitigation leases on lands owned by the District. Changes in projections are based on historical trends relating to long-term cattle grazing and current agricultural leases on lands owned by the District. Included in the lease revenue projection is \$75,000 generated by a daycare center lease. (The District offers on-site daycare to its employees at its headquarters office in West Palm Beach). This amount is based on a contract between the current daycare operator and the District.

The sale of surplus tangible property, which is projected at \$0.3 million, is also included within this revenue category. The revenue estimate is based on historical data for surplus equipment as well as anticipated vehicle sales.

The CERP indirect cost reimbursement of \$6.8 million is based on applying an indirect rate of 80 percent to the CERP-budgeted direct salaries.

Other Financing Sources: \$414.7 Million

This revenue category includes capital leasing and Certificates of Participation (COPs) Issuance. Florida Statutes define (COPs) as a type of revenue bond that a water management district may issue “to finance the undertaking of any capital or other project for the purposes permitted by the State Constitution.” COPs are statutorily-authorized tax-exempt certificates showing participation through ownership of a “share” of lease payments for a capital facility of a government agency.

For FY2007, the revenue projection of approximately \$414.7 million assumes that the District will utilize COPs (revenue bonding) in the amount of \$413.6 million towards the *Acceler8* project construction for the Everglades Restoration project. This projection also assumes \$1.1 million will be received as part of the District’s financing program for purchasing field equipment through a capital leasing arrangement. However, the increase of \$303.7 million in other financing sources from the FY2006 amended budget of \$111 million is primarily due to scheduled COPs issuance in FY2007.

Fund Balance: \$146.1 Million

The last revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. The revenue projection of \$146.1 million assumes this amount will be available from fund balances as a designated financing source for the FY2007 budget. This projected amount is \$2.9 million higher than the FY2006 amended budget of \$143.2 million. Several factors determine the amount of fund balance available to re-budget each fiscal year. Such factors include delays in project schedules and/or the shifting of priorities, and changes in estimates for certain types of expenditures.

Summary of Estimated Financial Sources and Uses

Actual FY2005 through Projected FY2007

SOURCES	Major Funds								
	General Fund			Okeechobee Basin			State Appropriations		
	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected
Ad Valorem Property Taxes	\$156,633,686	\$185,771,000	\$230,442,781	\$157,171,627	\$186,106,739	\$230,765,411	\$0	\$0	\$0
Agriculture Privilege Taxes	0	0	0	0	0	0	0	0	0
Intergovernmental Revenue	97,498	981,155	101,697	2,333,505	3,213,822	1,142,793	41,124,908	27,265,653	56,060,249
Investment Earnings	2,224,542	3,996,110	2,900,360	2,377,008	4,845,868	3,142,058	20,055	(60,270)	0
Licenses, Permits and Fees	5,356,460	5,535,333	5,100,550	134,280	198,870	83,000	0	0	0
Other	7,811,639	7,019,662	7,259,980	411,604	2,548,230	0	0	10,362	0
Other Financing Sources	0	0	0	0	0	0	0	0	0
Bond Proceeds/Escrow Payments	0	0	0	0	0	0	0	0	0
Bond Premium	0	0	0	0	0	0	0	0	0
Capital Leases	0	0	0	939,583	0	1,076,500	0	0	0
Loan Proceeds	0	0	0	0	0	0	0	0	0
Total Sources	\$172,123,825	\$203,303,259	\$245,805,368	\$163,367,607	\$196,913,528	\$236,209,762	\$41,144,963	\$27,215,745	\$56,060,249
Fund Balance Designated	\$9,699,938	\$4,389,086	\$3,740,620	\$12,968,123	\$21,034,897	\$801,613	\$0	\$23,857,487	\$14,035,200
Total Sources and Balances	\$181,823,763	\$207,692,345	\$249,545,988	\$176,335,730	\$217,948,425	\$237,011,375	\$41,144,963	\$51,073,232	\$70,095,449
Operating Transfers (Net)	(\$56,141,276)	(\$53,101,230)	(\$53,322,761)	(\$64,211,082)	(\$77,275,637)	(\$109,139,015)	\$0	(\$332,511)	(\$3,070,277)
GRAND TOTAL SOURCES	\$125,682,487	\$154,591,115	\$196,223,227	\$112,124,648	\$140,672,788	\$127,872,360	\$41,144,963	\$50,740,721	\$67,025,172

USES	General Fund			Okeechobee Basin			State Appropriations		
District Programs:									
Land Stewardship	\$231,880	\$71,376	\$245,033	\$2,276,398	\$2,955,236	\$814,476	\$0	\$0	\$0
District Everglades	7,644	(13,378)	0	(30)	49,851	0	9,639	386,194	244,407
Operations and Maintenance	10,945,614	10,780,839	13,024,171	61,341,010	69,227,023	77,245,517	5,593,712	174,000	900,000
Water Supply	14,166,348	16,191,167	37,016,055	278,027	4,848,647	3,345,683	668,235	26,460,387	32,851,145
Kissimmee Watershed	1,212,572	274,940	388,181	10,186,193	8,608,900	10,458,799	1,295,746	375,000	1,400,000
Regulation	14,529,495	15,020,148	18,115,999	18,068	14,249	0	0	0	0
Lake Okeechobee	1,424,352	402,057	59,234	3,362,041	3,576,192	12,432,382	405,629	161,200	0
Coastal Watersheds	3,550,991	4,046,484	3,490,708	4,832,017	4,811,801	6,525,803	5,406,207	19,941,871	29,679,620
Mission Support	66,445,502	77,985,634	107,719,991	10,116,260	10,424,502	17,049,700	0	0	0
Comprehensive Everglades Restoration Plan	807	5,401	0	0	(16,840)	0	9,101,268	3,410,691	1,950,000
Modeling and Scientific Support	1,857,813	14,725,700	16,163,855	860	220	0	0	0	0
GRAND TOTAL USES	\$114,373,019	\$139,490,367	\$196,223,227	\$92,410,844	\$104,499,781	\$127,872,360	\$22,480,437	\$50,909,342	\$67,025,172
SOURCES OVER USES	\$11,309,468	\$15,100,748	\$0	\$19,713,804	\$36,173,007	\$0	\$18,664,526	(\$168,622)	\$0

Summary of Estimated Financial Sources and Uses *Continued*

Actual FY2005 through Projected FY2007

SOURCES	Major Funds								
	Everglades Fund			CERP - Ad Valorem			Acceler8 - COPs		
Revenue Type	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected
Ad Valorem Property Taxes	\$50,227,965	\$59,467,515	\$73,726,969	0	0	0	0	0	0
Agriculture Privilege Taxes	12,349,728	11,512,807	11,658,125	0	0	0	0	0	0
Intergovernmental Revenue	2,041,392	2,229,773	2,000,000	152,698	109,697	0	0	0	0
Investment Earnings	1,134,272	2,287,618	343,961	568,231	1,131,787	300,000	0	1,042,444	0
Licenses, Permits and Fees	0	0	0	0	0	0	0	0	0
Other *	94,706	265,507	0	323,499	15,329,498	0	0	0	0
Other Financing Sources	0	0	0	0	0	0	0	0	0
Bond Proceeds/Escrow Payments	0	0	0	0	0	0	0	82,000,000	413,598,244
Bond Premium	0	0	0	0	0	0	0	0	0
Capital Leases	0	0	0	0	0	0	0	0	0
Loan Proceeds	0	0	0	0	0	0	0	0	0
Total Sources	\$65,848,063	\$75,763,220	\$87,729,055	\$1,044,428	\$16,570,983	\$300,000	\$0	\$83,042,444	\$413,598,244
Fund Balance Designated	\$3,101,981	\$14,298,680	\$9,241,875	\$0	\$47,771,563	\$21,360,175	\$0	\$0	\$0
Total Sources and Balances	\$68,950,044	\$90,061,900	\$96,970,930	\$1,044,428	\$64,342,546	\$21,660,175	\$0	\$83,042,444	\$413,598,244
Operating Transfers (Net)	(\$11,057,183)	(\$15,049,608)	(\$1,702,136)	\$90,177,654	\$61,200,000	\$136,864,710	\$0	\$0	(\$16,306,901)
TOTAL SOURCES	\$57,892,861	\$75,012,292	\$95,268,794	\$91,222,082	\$125,542,546	\$158,524,885	\$0	\$83,042,444	\$397,291,343

USES	Everglades Fund			CERP - Ad Valorem			Acceler8 - COPs		
District Programs:									
Land Stewardship	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Everglades	55,924,758	51,499,336	95,268,794	0	0	0	0	25,321,134	61,718,438
Operations and Maintenance	0	18,345	0	0	392	0	0	0	0
Water Supply	0	0	0	0	0	0	0	0	0
Kissimmee Restoration	0	0	0	0	0	0	0	0	0
Regulation	0	0	0	0	0	0	0	0	0
Lake Okeechobee	0	806	0	0	1,879	0	0	0	0
Coastal Watersheds	0	1,284	0	0	0	0	0	0	0
Mission Support	0	0	0	0	0	0	0	0	0
Comprehensive Everglades Restoration Plan	269	1,846,006	0	80,263,125	87,452,058	158,524,885	0	37,299,252	335,572,905
Modeling and Scientific Support	0	0	0	0	1,417	0	0	0	0
TOTAL USES	\$55,925,027	\$53,365,776	\$95,268,794	\$80,263,125	\$87,455,746	\$158,524,885	\$0	\$62,620,386	\$397,291,343
SOURCES OVER USES	\$1,967,834	\$21,646,516	\$0	\$10,958,957	\$38,086,800	\$0	\$0	\$20,422,058	\$0

Note: Other revenue in CERP includes gain from sale of surplus property.

Major Funds						Non-Major Funds					
CERP - Other Creditable			Save Our Everglades Trust			Other Governmental Funds			ALL FUNDS		
FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected	FY05 Actual	FY06 Unaudited Actual	FY07 Projected
\$0	\$0	\$0	\$0	\$0	\$0	\$12,020,086	\$14,404,649	\$18,074,677	\$376,053,364	\$445,749,903	\$553,009,838
0	0	0	0	0	0	0	0	0	12,349,728	11,512,807	11,658,125
13,648,862	62,431,770	0	103,473,444	240,551,322	45,508,225	135,265,472	94,622,807	103,739,991	298,137,779	431,406,000	208,552,955
0	137,772	0	4,598	1,433,875	0	1,647,375	3,962,131	1,200,574	7,976,081	18,777,336	7,886,953
0	0	0	0	0	0	3,810,103	4,781,089	440,309	9,300,843	10,515,292	5,623,859
0	18,448,303	0	147,430	2,450	0	26,528,601	12,559,586	11,128,728	35,317,479	56,183,598	18,388,708
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	82,000,000	413,598,244
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	939,583	0	1,076,500
0	0	0	0	0	0	8,000,000	0	0	8,000,000	0	0
\$13,648,862	\$81,017,845	\$0	\$103,625,472	\$241,987,647	\$45,508,225	\$187,271,637	\$130,330,265	\$134,584,279	\$748,074,857	\$1,056,144,935	\$1,219,795,182
\$0	\$0	8,673,338	(\$6,750,585)	\$0	37,693,475	\$21,693,608	\$31,877,113	\$50,521,109	\$40,713,065	\$143,228,826	\$146,067,405
\$13,648,862	\$81,017,845	\$8,673,338	\$96,874,887	\$241,987,647	\$83,201,700	\$208,965,245	\$162,207,378	\$185,105,388	\$788,787,922	\$1,199,373,761	\$1,365,862,587
\$0	\$0	6,027,575	\$0	\$0	(\$37,150,575)	\$41,231,887	\$84,558,986	\$77,799,380	\$0	\$0	\$0
\$13,648,862	\$81,017,845	\$14,700,913	\$96,874,887	\$241,987,647	\$46,051,125	\$250,197,132	\$246,766,364	\$262,904,768	\$788,787,922	\$1,199,373,761	\$1,365,862,587

CERP - Other Creditable			Save Our Everglades Trust			Other Governmental Funds			ALL FUNDS		
\$0	\$0	\$0	\$0	\$0	\$0	\$26,950,589	\$24,104,861	\$31,203,659	\$29,458,866	\$27,131,473	\$32,263,168
0	0	0	0	0	0	11,384,458	13,229,779	16,849,084	\$67,326,470	\$90,472,916	\$174,080,723
0	0	0	0	0	0	49,634,936	53,740,175	83,355,041	\$127,515,272	\$133,940,774	\$174,524,729
0	0	0	0	0	0	4,037,882	7,719,361	2,574,647	\$19,150,491	\$55,219,561	\$75,787,530
0	0	0	0	0	0	61,140,644	55,500,987	16,617,000	\$73,835,156	\$64,759,827	\$28,863,980
0	0	0	0	0	0	107,350	107,350	37,489	\$14,654,913	\$15,141,747	\$18,153,488
0	0	0	0	0	0	4,720,878	11,247,795	68,703,099	\$9,912,901	\$15,389,929	\$81,194,715
0	0	0	0	0	0	6,577,374	4,750,372	12,346,241	\$20,366,589	\$33,551,811	\$52,042,372
0	0	0	0	0	0	16,701,174	25,260,758	11,421,822	\$93,262,936	\$113,670,895	\$136,191,513
8,431,859	55,989,340	14,700,913	104,534,663	197,734,158	46,051,125	44,015,642	23,969,718	19,796,686	\$246,347,633	\$407,689,786	\$576,596,514
0	0	0	0	0	0	0	(3,746)	0	\$1,858,673	\$14,723,591	\$16,163,855
\$8,431,859	\$55,989,340	\$14,700,913	\$104,534,663	\$197,734,158	\$46,051,125	\$225,270,926	\$219,627,411	\$262,904,768	\$703,689,899	\$971,692,308	\$1,365,862,587
\$5,217,003	\$25,028,505	\$0	(\$7,659,776)	\$44,253,489	\$0	\$24,926,206	\$27,138,953	\$0	\$85,098,023	\$227,681,452	\$0

Changes in Fund Balances

Actual Unaudited FY2006 through Projected FY2007					
CHANGES IN FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund	CERP Ad Valorem
FY2006					
Actual Beginning Fund Balance 10/01/05	\$38,808,889	\$42,079,235	\$48,634,348	\$29,586,621	\$68,435,003
Total Revenues	203,303,259	196,913,528	27,215,745	75,763,220	16,570,983
Total Expenditures	(139,490,367)	(104,499,781)	(50,909,342)	(53,365,776)	(87,455,746)
Total Other Financing Sources (Uses)	(53,101,230)	(77,275,637)	(332,511)	(15,049,608)	61,200,000
Actual Unaudited Ending Fund Balance 9/30/06	\$49,520,551	\$57,217,345	\$24,608,240	\$36,934,457	\$58,750,240
FY2007					
Projected Beginning Fund Balance 10/01/06	\$49,520,551	\$57,217,345	\$24,608,240	\$36,934,457	\$58,750,240
Total Revenues	245,805,368	235,133,262	56,060,249	87,729,055	300,000
Total Expenditures	(196,223,227)	(127,872,360)	(67,025,172)	(95,268,794)	(158,524,885)
Total Other Financing Sources (Uses)	(53,322,761)	(108,062,515)	(3,070,277)	(1,702,136)	136,864,710
Projected Ending Fund Balance 9/30/07	\$45,779,931	\$56,415,732	\$10,573,040	\$27,692,582	\$37,390,065
Projected Dollar Change in Fund Balance	(3,740,620)	(801,613)	(14,035,200)	(9,241,875)	(21,360,175)
PROJECTED PERCENTAGE CHANGE IN FUND BALANCE	-7.6%	-1.4%	-57.0%	-25.0%	-36.4%

CHANGES IN TOTAL FUND BALANCES	Acceler8 COPs	CERP Other-Creditable	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2006					
Actual Beginning Fund Balance 10/01/05	\$0	\$4,130,991	(\$1,344,114)	\$117,138,164	\$347,469,137
Total Revenues	1,042,443	81,017,845	241,987,647	130,330,265	974,144,935
Total Expenditures	(62,620,386)	(55,989,340)	(197,734,158)	(219,627,411)	(971,692,308)
Total Other Financing Sources (Uses)	82,000,000	0	0	84,558,986	82,000,000
Actual Unaudited Ending Fund Balance 9/30/06	\$20,422,057	\$29,159,496	\$42,909,375	\$112,400,004	\$431,921,764
FY2007					
Projected Beginning Fund Balance 10/01/06	\$20,422,057	\$29,159,496	\$42,909,375	\$112,400,004	\$431,921,764
Total Revenues	0	0	45,508,225	134,584,279	805,120,438
Total Expenditures	(397,291,343)	(14,700,913)	(46,051,125)	(262,904,768)	(1,365,862,587)
Total Other Financing Sources (Uses)	397,291,343	6,027,575	(37,150,575)	77,799,380	414,674,744
Projected Ending Fund Balance 9/30/07	\$20,422,057	\$20,486,158	\$5,215,900	\$61,878,895	\$285,854,359
Projected Dollar Change in Fund Balance	0	(8,673,338)	(37,693,475)	(50,521,109)	(146,067,405)
PROJECTED PERCENTAGE CHANGE IN FUND BALANCE	0.0%	-29.7%	-87.8%	-44.9%	-33.8%

State Appropriations

The projected fund balance is estimated to decrease by 57 percent or \$14 million by the end of FY2007. This amount consists of prior year state funds dedicated to specific projects which continue into the next fiscal year. Use of this balance is primarily for Coastal Watersheds projects such as the Southern Indian River Lagoon, Biscayne Bay, Naples Bay, Charlotte Harbour and Caloosahatchee River.

Everglades Trust Fund

The projected fund balance is estimated to decrease by 25 percent or \$9.2 million by the end of FY2007. Fund balance will be used primarily to support Everglades Agricultural Area Conveyance and Regional Treatment project in the District Everglades Program.

Comprehensive Everglades Restoration Plan (CERP)

There is an anticipated fund balance decrease by 36.4 percent or \$21.4 million by the end of FY2007. This balance will be used to acquire land needed for construction projects, and also the planning and management of the major projects in the CERP Program.

CERP – Other Creditable Funds

The projected fund balance is estimated to decrease by 29.7 percent or \$8.7 million by the end of FY2007. Prior year balances are being used to purchase land for the Comprehensive Everglades Restoration Plan Program.

Save Our Everglades

The projected fund balance is estimated to decrease by 87.8 percent or \$37.7 million by the end of FY2007. Prior year balances are being used to purchase land for the Comprehensive Everglades Restoration Plan Program.

Other Governmental Funds

The estimated decrease of \$50.5 million or 44.9 percent in these other funds is due to increased expenditures attributable to wetland mitigation activities, Big Cypress Basin capital projects and Lake Okeechobee projects.

Debt Summary

The combined outstanding bond and bank loans debt of the District as of Fiscal Year 2007 is \$699,769,076.

This amount consists of:

- \$825,000 - Special Obligation Land Acquisition Refunding Bonds, Series 1995
- \$21,225,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2002
- \$33,720,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2003
- \$97,879,076 - Commercial Bank Debt
- \$546,120,000 - Certificates of Participation (COPs)

The District finances the acquisition of environmentally sensitive lands with funding from the Special Obligation Land Acquisition Bonds. In FY2002 and FY2003 the District refunded outstanding series 1996 and 1993 Special Obligation Land Acquisition Bonds. The District's Special Obligation Bonds are highly rated by bond rating companies. A bond rating is a

statement to investors of the investment quality of bonds. It is based on economic, financial and managerial condition of an agency.

The District's outstanding bonds are rated AAA/A+ by Standard & Poor's, AAA/A- by Fitch and Aaa/A1 by Moodys. The COPs are rated AA by all three major rating agencies and have AAA insurance commitments from multiple bond insurers.



The District's Chief Financial Officer, Paul Dumars (third from left), outside the New York Stock Exchange for the initial Certificates of Participation bond issuance in November 2006.

The District shall strive to maintain this superior bond rating for its obligation, which facilitates favorable borrowing costs.

Two bank loans for \$10 million each and one for \$9 million funded the construction of capital projects. An emergency operations center, a field operations center and a service center in Fort Myers were all acquired with the first bank loan in 1998. The second and third loans funded the construction of an office building at the West Palm Beach headquarters during FY2000-2002. In FY2003, the District borrowed \$4,827,374 to fund a telemetry system analog to digital conversion project. And, in FY2005, the District borrowed \$8,000,000 to fund implementation of the agency's new financial system.

During Fiscal Year 2006, short term bank loans totaling \$82 million were secured to fund the initial construction of specific *Acceler8* projects, in anticipation of the first COPs issuance. Immediately upon issuance, in November 2006, proceeds from the first COPs issue were used to pay off the short term loan in its entirety. In the future, the District plans to make use of similar "bridge financing" methods, utilizing short term loans to fund initial construction for other *Acceler8* projects, paying the short term loans with proceeds from subsequent COPs issuances.

The District's current debt and its impact on the FY2007 operating budget is shown in the following table:

Impact on Current Operating Budget

Existing Debt	Original Issue	Outstanding FY2007	Fiscal Year Maturity	Principal FY2007	Interest FY2007	Total FY2007 Requirement
Major Fund - COPs						
COPs	\$546,120,000	\$546,120,000	2036	\$7,675,000	\$23,448,610	\$31,123,610
Bank Loan	82,000,000	82,000,000	2007	82,000,000	2,510,067	84,510,067
Sub-Total	\$628,120,000	\$628,120,000		\$89,675,000	\$25,958,677	\$115,633,677
Major Fund - Okeechobee Basin						
Bank Loans	\$4,827,374	\$3,448,125	2006-2011	\$689,625	\$116,142	\$805,767
Non-Major Funds						
1995 Refunding	\$17,975,000	\$825,000	2006-2007	\$825,000	\$20,625	\$845,625
2002 Refunding	23,810,000	21,225,000	2006-2016	1,840,000	711,519	2,551,519
2003 Refunding	34,550,000	33,720,000	2006-2016	1,995,000	1,571,257	3,566,257
Bank Loans	37,000,000	12,430,951	2006-2013	4,157,819	463,934	4,621,753
Sub-Total	113,335,000	68,200,951		8,817,819	2,767,335	11,585,154
Total	\$746,282,374	\$699,769,076		\$99,182,444	\$28,842,154	\$128,024,598

Future Debt and Implications for the Budget

Substantial capital requirements are anticipated for the construction of the accelerated Comprehensive Everglades Restoration Plan (CERP) and Everglades Forever Act (EFA) Projects ("Acceler8"). The District is in the process of planning the issuance of debt to support these efforts. The debt will be in the form of Certificates of Participation ("COPs"), which the District is statutorily authorized to use as a financing mechanism (Section 373.584, Florida Statutes). The first issuance of this debt took place in November 2006.

The District's Governing Board ratified a Memorandum of Agreement (MOA) on October 14, 2004 with the Executive Office of the Governor which provides specific guidelines for the issuance and management of this debt. The guidelines include:

1. The acceleration of the CERP and EFA projects shall not result in an increase in state funding or in the millage rates levied by the District.
2. Each accelerated project shall be subject to the review and approval of the Executive Office of the Governor.
3. The borrowing shall be consistent with the District's debt management policies.
4. The District's debt management policies shall be amended to limit the debt service associated with the District's long-term debt to no more than 20 percent of the available ad valorem, related interest thereon, and permit fee revenues.

The District's existing debt management policy has been modified to comply with Guideline 4, above.

In addition to the Certificates of Participation already issued, it is anticipated that three more COPs will be issued over a three-year period to fund the construction of the remaining *Acceler8* projects. Design efforts for these CERP and EFA projects, as well as other non-accelerated projects, will be paid from current revenues and accumulated reserves. Land acquisition will continue to be funded primarily by the state's Save Our Everglades Trust Fund. Debt service for the COPs is anticipated to be paid annually from ad valorem property tax revenues committed to the CERP, currently \$128 million, and the one-tenth mill that is levied to implement the provisions of the EFA.

Scheduled debt payments on existing bonds and bank loans for future budget years are presented in the following table:

Future Debt Service Requirements on Existing Debt

	Fiscal Year	Principal	Interest	Total Requirements
<u>Bonds:</u>				
	2008	\$4,785,000	\$2,143,086	\$6,928,086
	2009	4,975,000	1,940,171	6,915,171
	2010	5,190,000	1,722,396	6,912,396
	2011	5,415,000	1,489,721	6,904,721
	2012-2015	24,040,000	3,544,334	27,584,334
	2016	6,705,000	160,538	6,865,538
Total		\$51,110,000	\$11,000,246	\$62,110,246
<u>Bank Loans:</u>				
	2008	\$3,248,472	\$394,899	\$3,643,371
	2009	1,832,482	282,438	2,114,920
	2010	1,832,482	208,215	2,040,697
	2011	1,832,482	133,991	1,966,473
	2012	1,142,857	72,633	1,215,490
	2013	1,142,857	24,211	1,167,068
Total		\$11,031,632	\$1,116,387	\$12,148,019
Certificates of Participation (COPs):	2008-2036	\$538,445,000	\$489,906,820	\$1,028,351,820
Total All Debt		\$600,586,632	\$502,023,453	\$1,102,610,085

Debt Limits

The District is not legally restricted as to the amount of debt that can be issued. Guidelines on debt limit are included in the District's debt policy.

This page left blank intentionally.

Budgeting and Long-Term Goals

The District's budgeting process and capital project selection process are guided by, and support, the agency's long-term goals and mission.

Program Policies

The Florida Department of Environmental Protection and water management districts are directed by Florida statute to take into account the cumulative factors that affect water resources and manage them in a manner that ensures their sustainability. The Florida legislature further directs those agencies to apply the following policies:

- Provide for the management of water and related land resources
- Promote the conservation, replenishment, recapture, enhancement, development and proper use of surface and ground water
- Develop and regulate dams, impoundments, reservoirs and other works, and provide water storage for beneficial purposes
- Promote the availability of sufficient water for natural systems, and for all reasonable and beneficial uses
- Prevent damage from floods, soil erosion and excessive drainage
- Minimize degradation of water resources caused by the discharge of stormwater
- Preserve natural resources, fish and wildlife
- Promote recreational development, protect public lands, and assist in maintaining the navigability of rivers and harbors
- Promote the health, safety and general welfare of the people of Florida

Guiding Principles

Accomplishing the District's mission and implementing the programs and projects identified in the District's budget requires a unified effort by the members of the Governing Board, District staff, other agencies and groups, and the public. Such unity can be achieved only when each group understands the guiding principles that reflect the culture of the agency. The following principles reflect these core beliefs:

- The District will balance the needs of natural resource systems, flood protection and water supply, all within the context of a regional ecosystem.
- The District will maintain accountability and the prudent use of financial resources. The District has adopted 16 principles of financial management that govern the following practices:
 - Purchase of goods and services
 - Preparation of financial reports
 - Management of cash, debt and reserve funds
 - Preparation of operating and capital budgets
 - Maintenance of sound internal controls and audit functions
- The District recognizes the value of cooperative relationships with the public and private sectors and other members of the community, and the need to communicate strategic decisions to these audiences.
- The District will achieve the budget implementation through effective communication of priorities, multi-disciplinary teamwork and inter-departmental coordination.
- The District values the diversity of its workforce for the varied perspectives its members bring in accomplishing our mission.

By following these guiding principles, the District will maintain its reputation and position as a recognized steward of water resources.

Linking Programs to Agency Goals

For FY2007, the District has established 11 programs which support the agency's mission and long-term goals. Regional programs cover the Kissimmee-Okeechobee-Everglades system, as well as surrounding coastal areas.

Each of the District's 11 programs has a goal expressed in the Strategic Plan, and these goals are related directly to the District's long-range goals and policies described at the beginning of this section. Regional programs encompass the agency's goals for their respective regions in all four of the District's Areas of Responsibility: water quality, flood control, natural systems and water supply. Regional restoration and protection are the central functions of these programs.

The region-based programs include:

- Coastal Watersheds
- Comprehensive Everglades Restoration Plan (CERP)
- District Everglades
- Kissimmee River Restoration
- Lake Okeechobee

The following District programs provide essential support to each of the region-based programs and each of the District's Areas of Responsibility:

Land Stewardship

Obtains and manages necessary lands required for District programs

Modeling and Scientific Support

Centralizes the agency's computer modeling, water quality monitoring and assessment support functions

Operations and Maintenance

Manages the District's water control capabilities

Regulation and Water Supply

Protects functions of the District's Areas of Responsibility and facilitates human use

Mission Support

Enables the agency to function as a business operation

The programs and priorities identified in the District's Strategic Plan are designed to carry out the agency's multi-faceted mission. The four Areas of Responsibility (water quality, flood control, natural systems and water supply) are highly interrelated and interdependent. Likewise, the activities and projects within each of the District's 11 programs are typically designed and implemented to benefit more than one mission component. These complex interactions are carefully considered in developing activities for the success of each program, as well as to maximize synergy between programs. This interconnectedness is captured in the following chart:

How District Programs Support Mission Objectives

PROGRAM	MISSION ELEMENTS			
	Water Quality	Flood Control	Natural Systems	Water Supply
Coastal Watersheds	Improve water quality in various water bodies through the development of water quality targets	Increase flood protection capability through stormwater projects and partnerships with FEMA	Improve environmental systems through developing and implementing restoration plans	Protect water supply sources through developing technical criteria for MFLs and initial water reservations
District Everglades	Improve water quality delivered to the Everglades through construction and operation of STAs and implementing the Long-Term Plan	Operate Stormwater Treatment Areas (STAs) as part of the District's flood control infrastructure	Restore the ecology of the Everglades	Restore more natural flows and levels within the Everglades
Kissimmee Watershed	Improve downstream water quality through the Upper Kissimmee Basin Restoration Initiative	Maintain flood protection capacity through flood mitigation construction	Improve Kissimmee River natural function through restoration of Kissimmee Watershed	Protect water supply sources through developing technical criteria for MFLs and initial water reservations
Lake Okeechobee	Improve quality of water entering Lake Okeechobee through development and implementation of regional projects	Ensure flood protection levels are maintained in evaluating Lake Okeechobee regulation schedule modifications	Improve ecosystem health through water quality improvements, restoration of isolated wetlands, hydrology management, and by controlling exotic species	Maintain current water supplies to southern Florida by making water deliveries to the C&SF Project from Lake Okeechobee
Modeling & Scientific Support	Collect and analyze data in order to document changes in water quality, and make information available through electronic and published reports	Develop effective flood management strategies by providing computer simulations of flooding events	Document water quality changes as a means to assess performance of ecosystem restoration efforts, and make information available through electronic and published reports	Develop water supply strategies by simulating water supply needs and sources through computer modeling
Regulation	Protect water quality through Environmental Resource Permitting and Water Use Permitting processes	Provide flood protection level of service through the Environmental Resource Permitting process	Protect and enhance natural systems through the Environmental Resource Permitting and Water Use Permitting processes	Provide available water supplies for reasonable-beneficial uses and protect water supply sources through the Water Use Permitting process
Water Supply	Protect water resources through the development and implementation of water supply plans	Ancillary benefits, but not a central focus of this program	Protect and enhance natural systems by restoring more natural flows and through establishment of MFLs and initial water reservations	Ensure adequate water supplies through the development and implementation of water supply plans
Operations & Maintenance (O&M)	Ancillary benefits, but not a central focus of this program	Provide regional flood protection through appropriate management of the C&SF Project	Protect and enhance natural systems through water deliveries via the C&SF Project and by controlling exotic species	Enhance water supplies to southern Florida by making appropriate water deliveries via the C&SF Project
Comprehensive Everglades Restoration Plan (CERP)	Protect and improve the quality of water delivered to the greater Everglades system through CERP implementation	Maintain levels of flood protection	Restore the greater Everglades natural function, including Lake Okeechobee and estuarine systems, through CERP restoration projects	Increase the available quantity of water and enable restoration of the timing and distribution of water to the greater Everglades ecosystem
Land Stewardship	Provides a land base to improve water quality	Provides a land base to restore natural hydrologic conditions	Increase functionality of natural systems through habitat restoration, exotic species control, prescribed burning, multiple use practices, and making recreational lands available	Ancillary benefits, but not a central focus of this program
Mission Support	Supports all other programs by providing business, human resource, technical, policy, outreach and safety services			

C&SF - Central and Southern Florida
MFLs - Minimum Flows and Levels

CERP - Comprehensive Everglades Restoration Plan
STAs - Stormwater Treatment Areas

FEMA - Federal Emergency Management Agency

The following table illustrates the alignment of the District's program budget to the long-term goals set forth in the agency's 10-Year Strategic Plan:

Program Name	Long-Term Program Goal	FY2007 Full-Time Employees	FY2007 Budget (In Millions)
Coastal Watersheds	To restore coastal watersheds and receiving water bodies through local partnerships and applied scientific research; to decrease flood damages District-wide through flood management planning	41	\$52.0
District Everglades	To restore, preserve and protect South Florida's ecosystem while providing for other water-related needs of the region, including water supply and flood protection	148	\$174.1
Kissimmee Watershed	Restore Everglades water quality, hydrology and ecology	38	\$28.9
Lake Okeechobee	Restore ecological integrity to the Kissimmee River and its floodplain ecosystem and improve water quality, water supply, natural resources, and flood control level of service in the Kissimmee Watershed	41	\$81.2
Modeling and Scientific Support	To improve the health of the Lake Okeechobee ecosystem by improving water quality, reducing or eliminating exotic species and better managing water levels	98	\$16.2
Regulation	To provide natural resource protection, effective land management and reasonable opportunities for appropriate agricultural use while allowing compatible recreational uses on designated public lands	182	\$18.1
Water Supply	To provide technically sound modeling and scientific service in support of District water resource programs	69	\$75.8
Operations & Maintenance	To minimize damage from flooding, provide adequate regional water supply, and protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system	587	\$174.5
Comprehensive Everglades Restoration Plan	To provide fair, consistent and timely review of permit applications in accordance with the adopted rules and criteria of the District, ensure compliance with issued permits and take enforcement action where necessary	116	\$576.6
Land Stewardship	Ensure an adequate supply of water to protect natural systems and to meet all existing and projected reasonable-beneficial uses, while sustaining water resources for future generations	51	\$32
Mission Support	To ensure business and data integrity in compliance with Florida Statutes and Governing Board policy by providing timely and accurate business, human resource, information technology, policy, outreach, and safety expertise within consistent, reliable, streamlined processes	413	\$136.2
TOTAL		1,784	\$1.4 Billion

Please see the Operating Budget section for details about how each program contributes to the District's goals and the measures used to determine whether these goals are achieved.

Five-Year Financial Forecast

Each year, the South Florida Water Management District prepares a financial forecast which serves as the framework from which to develop the following year's budget. This year, the District has prepared a five-year financial forecast (Fiscal Year 2008 through Fiscal Year 2012) which will be used to guide the agency through the preparation of its Fiscal Year 2008 budget. This vital planning tool will assist management in prioritizing resource allocations among competing programs over a longer time frame. It is firmly believed that the best informed, most effective financial plans are those that are made with their longer term implications in mind.

As in prior years, the five-year forecast centers around revenue sources over which the District can exercise spending discretion. This represents mostly ad valorem revenues, but also includes other revenue sources, such as investment earnings, permit fees, lease fees, etc. The goal was to forecast these revenues and project associated expenditures over a five-year period.

District Revenues

Since the intended uses of District revenues are dependent on their sources, revenues were grouped into three major categories:

1 - Discretionary Funds

These are funds which the District has the authority to spend for any valid purpose that is consistent with the agency's mission, without being restricted to a particular program or activity. Included in this category are District-wide and Okeechobee Basin ad valorem revenues, interest accrued on cash balances of these funds, permit fees, sale of surplus items and lease fees.

2 - Discretionary Funds with Restrictions

These are funds which the District has leeway in spending, as long as they are used within a given range of mandated activities or programs. Included in this category are funds from the Water Management Lands Trust Fund, which derives revenue from the statewide documentary stamp tax on real estate transactions; the Florida Forever program, which is a 10-year program of state-issued debt from which the state's five water management districts receive funding; and Big Cypress Basin ad valorem revenues.

3 - Restricted or Dedicated Funds

These are funds which are received for a specific purpose or program and not available for at-large District activities. This includes funds derived from such sources as the U.S. Department of Interior, District mitigation programs and the Save Our Everglades Trust Fund. Also included in this group is the 0.100 mill Okeechobee Basin ad valorem levy, which is dedicated for the Everglades Construction Project (ECP); the annual District ad valorem commitment to the Comprehensive Everglades Restoration Plan (CERP); and Everglades Agricultural Area and C-139 Basin Agricultural Privilege taxes.

The FY2008-FY2012 financial forecast focused on discretionary, or category 1 revenues as described on the previous page. The objective was to see how a forecast of these revenues would compare against a projection of expenditures supported by those revenues over a five-year period.

Projections of discretionary ad valorem revenue were based on the assumption that millage rates would remain constant over the forecast period. Any increases in ad valorem revenues, therefore, would have to be the result of tax base increases. These increases were calculated for counties falling within the District's jurisdiction, according to the October 2006 Ad Valorem Estimating Conference forecast for FY2008 through FY2012 (State of Florida Office of Economic and Demographic Research). Other discretionary revenues, such as investment earnings, permit fees, and lease fees were also considered in the projection of discretionary revenues.

Expenditure Projections

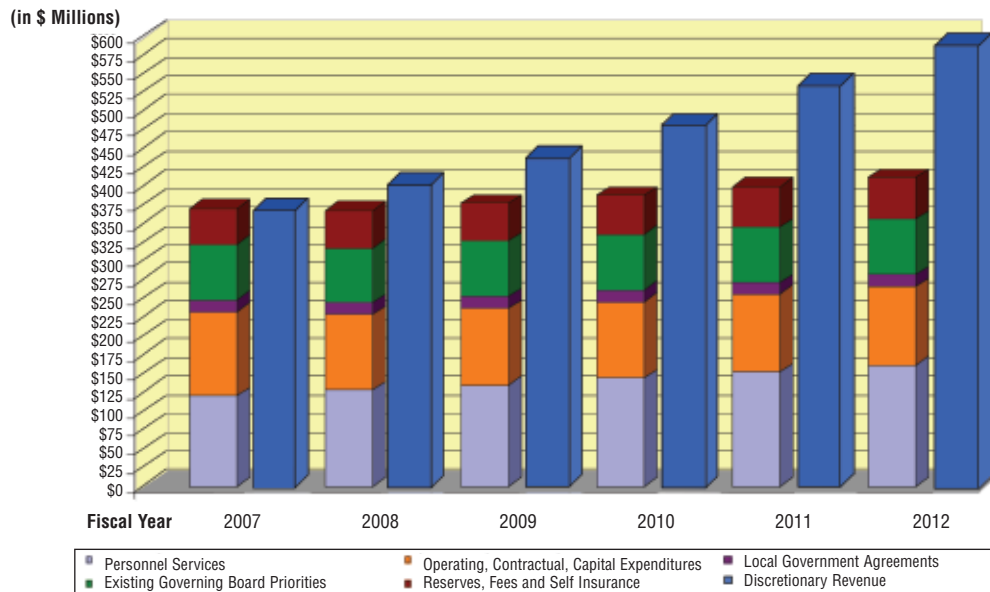
It was assumed that current levels of effort would be maintained for those programs supported by the revenue sources identified in the study. Expenditures were examined at the program level. Baseline projections for operating and contractual expenditures were arrived at by applying the FY2006 expenditure rates to the FY2007 budgets for these costs for each program area. Escalation rates, as they pertained to the different expenditure categories, were then applied to the baseline figures to arrive at projected expenditures. For instance, personnel was escalated at an annual rate of 6 percent, to coincide with historical rates of increase at the District in recent years, while also taking into account projected increases in specific fringe benefits components; operating expenditures were escalated at an annual rate of 4 percent, to approximate the latest U.S. Department of Labor Consumer Price Index data for the area; reserves were escalated by projected ad valorem rates of increase over the forecast period as developed by the Ad Valorem Estimating Conference, as indicated. Local government agreements and prior year Governing Board priorities were not modified by applying the prior year expenditure rates, and were kept level over the forecast period.

The five-year financial forecast, as stated earlier, focused on discretionary revenues, as identified above, and those expenditures supported by those funds. The goal was to determine how much funding could reasonably be expected for new or existing programs and initiatives, after funding current service and staffing levels. It is hoped this information will enable policymakers to provide direction for the best use of these funds. Category 3 funds were not considered, as they represent revenues received by the District for specific programs. Simply stated, if the work supported by these revenues is not going to be performed, these revenues would not be available for other District activities. Although similarly dedicated, Category 2 funds offered opportunities for use in alternative programs, given certain limitations. These opportunities were considered and included in the annual 10-year strategic planning horizon.

Use of Discretionary Funds FY2007 through FY2012 (in millions)

The graph below reflects a five-year projection of discretionary funds, compared against a projection of expenditures supported by those funds. The graph shows that, although discretionary revenues are projected to increase by \$214 million, from \$370.8 million in FY2007 to \$584.8 million in FY2012, it is also projected that \$41.2 million of this increase would be consumed by a rise in personnel, operating, capital and other costs (from \$370.8 million in FY2007 to \$412 million in FY2012). Annual surpluses are projected to increase from \$23 million in FY2008 to over \$172 million in FY2012.

South Florida Water Management District Five-Year Financial Forecast



South Florida Water Management District Projected Revenues and Expenditures

(in \$ Millions)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Discretionary Revenues	\$370.8	\$390.4	\$429.9	\$475.1	\$526.5	\$584.8
Personnel Services	(\$120.9)	(\$128.1)	(\$135.8)	(\$144.0)	(\$152.6)	(\$161.8)
Operating , Contractual, Capital Expenditures	(\$113.0)	(\$100.8)	(\$101.8)	(\$102.7)	(\$103.7)	(\$104.8)
Local Governmental Agreements	(\$15.7)	(\$15.7)	(\$15.7)	(\$15.7)	(\$15.7)	(\$15.7)
Existing Governing Board Priorities	(\$73.6)	(\$73.6)	(\$73.6)	(\$73.6)	(\$73.6)	(\$73.6)
Reserves, Fees and Self Insurance	(\$47.7)	(\$49.2)	(\$50.6)	(\$52.3)	(\$54.1)	(\$56.1)
Total Uses - Expenditures Plus Reserves	(\$370.8)	(\$367.4)	(\$377.5)	(\$388.2)	(\$399.7)	(\$412.0)
Surplus	\$0.0	\$23.0	\$52.4	\$86.9	\$126.8	\$172.8

Summary

Although tax base increases are expected to slow down from increases achieved in recent years, there is evidence that the District will continue to enjoy substantial growth in its ad valorem tax base over the next five years. This was substantiated by the state's Ad Valorem Estimating Conference, according to which annual tax roll growth is estimated to range from 7.9 percent to 9.1 percent over the forecast period. Annual discretionary revenue, composed primarily of ad valorem funds, is projected to grow by \$214 million, from \$370.8 million in FY2007 to \$584.8 million in FY2012.

In contrast, personnel, operating, capital and other costs supported by these revenues are expected to increase by \$41.2 million, from \$370.8 million to \$412 million during the same period. This assumes that increases in personnel and other costs can be held at reasonably low levels for existing programs.

Indications are that the District will have substantial levels of available discretionary funds with which to expand services and/or begin new programs and projects. These funds could be used to expand Governing Board priorities, such as alternative water supply projects, operations and maintenance, CERP or Lake Okeechobee projects. Alternatively, new initiatives could be funded, based on Governing Board direction. Additional growth in available revenues is dependent on strategic management. It is understood that for management to take full advantage of projected revenue growth, it must strive to:

- Target the use of discretionary funds to strategic program and project priorities
- Mitigate the growth in ongoing personnel costs
- Control contractual service costs by aligning with the District's strategic direction and properly estimating annual funding requirements
- Shift eligible costs to other funding sources, such as the Water Management Lands Trust Fund and Florida Forever
- Pursue alternative revenue sources, such as local government partnership agreements, public/private agreements, increased lease revenues and expanded permit fees

Capital Improvements Program Overview

The Capital Improvements Program (CIP) provides a formal mechanism for making decisions on capital projects and the budget. It also supports the District's mission by providing a framework for allocating resources between District programs, based on improvement or refurbishment, construction and land acquisition priorities. All of the projects illustrated in the District's CIP are non-routine projects. The plan for this program includes a five-year financial schedule of expenditures and revenues for approved capital projects in the current fiscal year and a four-year capital project forecast. The FY2007 portion of the CIP is the District's capital budget for projects that are beginning, continuing or scheduled to be completed during the fiscal year.

Projects included in the CIP are selected to accomplish District priorities outlined in the Strategic Plan established by the District's Governing Board. A detailed description of each capital project is also provided in this plan.

The five-year CIP projects are classified under seven of the District programs as listed below:

- District Everglades
- Kissimmee Watershed
- Lake Okeechobee
- Operations & Maintenance (O&M)
- Comprehensive Everglades Restoration Plan (CERP)
- Land Stewardship
- Mission Support

The FY2007 capital budget totals \$907.3 million, which is \$230.8 million or 34.1 percent greater than last year's capital budget of \$676.5 million. This increase is primarily due to the Comprehensive Everglades Restoration Plan (CERP) and District Everglades programs, which totaled together represent an increase of 37.4 percent over the \$546.4 million funding provided for these programs in the FY2006 capital budget. Both programs support the implementation of eight major design and construction *Acceler8* restoration projects identified for fast-tracking to expedite the region's ecosystem revitalization goals. Individual *Acceler8* project components are highlighted by an asterisk (*) in the CIP.

Construction of *Acceler8* projects will be financed through the issuance of approximately \$1.8 billion in Certificates of Participation (COPs) revenue bonds. This financing will enable the District to complete the state's key Everglades ecosystem revitalization restoration projects years ahead of schedule.

The Lake Okeechobee Program budget also increased significantly for FY2007 due to implementation of the Lake Okeechobee and Estuary Recovery (LOER) Fast-Track projects. LOER includes a series of five construction projects and numerous interagency initiatives which will provide measurable and meaningful water quality improvements to the health of Lake Okeechobee and its adjoining estuaries.

Capital Expenditures:

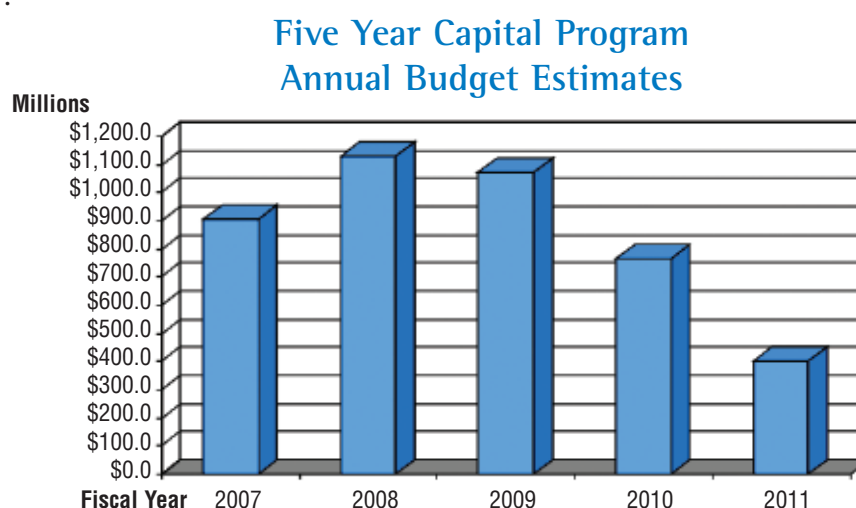
- A physical asset, constructed, purchased or improved, that has a minimum cost of \$50,000 and an expected useful life in excess of one year.
- Excludes tangible personal property.
- Includes land improvements and easements, land acquisition and associated costs, water control structures, bridges, buildings and building improvements.

The Capital Improvements Plan has been included in Volume II of the District's 2007 South Florida Environmental Report (SFER). The report is a product of a major consolidation process authorized on May 12, 2004 by the Florida legislature, in Laws of Florida, Chapter 2004-53. The report will be submitted to the legislature on March 1, 2007.

The CIP is available for review in Volume II, Chapter 4 of the SFER. Detailed capital-project description pages may be referenced in the Consolidated Project Report Database Appendix 1-3 of Volume II of the SFER. The report can be found at <http://www.sfwmd.gov/sfer/>. Click the "2007 South Florida Environmental Report" link, and then click the "Volume II Chapters" link under the Table of Contents.

Capital Budget Projections

The chart below shows a high-level summary of the Capital Improvements Plan budget by program and year:



District Everglades	\$174.1	\$180.0	\$197.8	\$170.2	\$130.4
Kissimmee Watershed	\$16.7	\$1.5	\$6.3	\$0.0	\$0.0
Lake Okeechobee	\$54.3	\$118.4	\$85.4	\$44.3	\$3.2
Operations & Maintenance	\$68.7	\$73.5	\$88.2	\$89.5	\$97.8
CERP	\$576.6	\$732.9	\$678.0	\$447.3	\$156.9
Land Stewardship	\$14.9	\$14.6	\$14.6	\$13.1	\$12.8
Mission Support	\$2.0	\$7.3	\$0.6	\$0.3	\$0.4
Total	\$907.3	\$1,128.2	\$1,070.9	\$764.7	\$401.5

The FY2007–FY2011 CIP represents \$4.3 billion in District-related projects. As reflected in the chart on this page, the total FY2007 budgeted capital expenditures are \$907.3 million, which represents 66 percent of the total District budget of \$1.4 billion. The CERP Program has the largest share of the overall FY2007 capital budget at \$576.6 million or 63.6 percent. The District Everglades Program capital budget is \$174.1 million or 19.2 percent. These two programs have the majority of the CIP funding and 55 percent of the District FY2007 budget largely because of the implementation of *Acceler8*. Projects for the seven programs included in the CIP are shown within the tables presented on the following pages. This five-year financial summary reflects each project's land and construction costs, and contains incremental operating costs.

Capital Improvements Plan Fiscal Years 2007-2011

District Everglades Program (EFA)

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Prior Year Balance Designated	\$202,096	\$0	\$0	\$0	\$0
Okeechobee Basin Ad Valorem (0.100 mill)	73,726,969	81,615,755	89,614,099	97,589,753	105,396,934
Agriculture Privilege Tax	11,658,125	11,200,000	11,200,000	11,200,000	11,200,000
Alligator Alley Toll Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Intergovernmental - State Sources	244,407	0	0	0	0
Intergovernmental - Federal Sources	0	0	0	0	0
Investment Income	343,961	500,000	500,000	500,000	550,000
Tag Proceeds	249,789	235,000	235,000	235,000	235,000
Debt Proceeds	61,718,438	85,417,841	95,249,350	59,681,650	12,021,871
Fund Balance/Transfers	24,936,938	0	0	0	0
TOTAL	\$174,080,723	\$179,968,596	\$197,798,449	\$170,206,403	\$130,403,805
USES					
STA-1 East Works & Enhancements	\$6,141,891	\$2,439,398	\$2,536,974	\$2,638,453	\$2,743,991
STA-1 West Works & Enhancements	7,939,639	2,850,544	2,964,566	3,083,149	3,206,475
STA-2 Works & Enhancements	2,645,767	3,356,268	7,080,985	3,826,607	4,076,841
STA 3/4 Works & Enhancements	6,159,975	3,567,315	3,710,008	3,858,408	4,012,745
STA-5 Works & Enhancements	2,540,379	1,369,825	1,424,618	1,481,602	1,540,866
STA-6 Works & Enhancements	1,781,957	1,454,544	1,512,726	1,573,235	1,636,164
EAA STA Compartment B*	11,634,551	10,284,332	17,614,560	15,182,856	4,075,731
EAA STA Compartment C*	20,508,500	15,025,111	34,879,753	34,083,033	9,104,561
Advanced Work - ACME Basin*	19,017,864	10,957,975	471,549	471,549	471,549
C-9 Impoundment Project*	0	18,607,991	18,557,784	4,678,215	0
C-11 Impoundment Project*	0	29,690,510	29,566,991	7,426,280	0
LTP Monitoring, Research and Evaluation	6,701,843	6,969,917	7,248,713	7,538,662	7,840,208
EFA Program Management and Support	3,938,929	4,096,486	4,260,346	4,430,759	4,607,990
Agriculture Privilege Tax Fees/Revenue Costs	1,437,923	1,495,440	1,555,258	1,617,468	1,682,167
Debt Service	6,300,000	15,251,399	23,487,928	23,487,928	23,487,928
Short Term Loan Repayment	35,325,000	0	0	0	0
EFA Managerial Reserves	20,037,324	4,080,788	4,480,705	4,879,488	5,269,847
Other EFA Expenditures including Monitoring, Research and Evaluation	17,603,485	18,349,224	19,083,193	19,846,521	20,640,382
Future EFA Project Components	4,365,696	30,121,529	17,361,793	30,102,190	36,006,361
TOTAL	\$174,080,723	\$179,968,596	\$197,798,449	\$170,206,403	\$130,403,805

Kissimmee Watershed Program

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Florida Forever	\$3,044,000	\$1,000,000	\$6,313,574	\$0	\$0
Ad Valorem Sources	13,700,426	500,000	0	0	0
TOTAL	\$16,744,426	\$1,500,000	\$6,313,574	\$0	\$0
USES					
Kissimmee River Restoration	\$16,744,426	\$1,500,000	\$6,313,574	\$0	\$0
TOTAL	\$16,744,426	\$1,500,000	\$6,313,574	\$0	\$0

Lake Okeechobee Program

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Ad-Valorem	\$0	\$7,400,000	\$30,000	\$253,510	\$3,177,448
Florida Forever	0	35,200,000	12,270,597	36,200,000	0
Florida Forever Prior Year	0	0	0	7,890,561	0
Lake Okeechobee Trust Fund New Revenue	27,000,000	50,000,000	50,000,000	0	0
Lake Okeechobee Trust Fund Balance	27,291,843	25,818,527	23,046,029	0	0
TOTAL	\$54,291,843	\$118,418,527	\$85,346,626	\$44,344,071	\$3,177,448
USES					
Nubbin Slough STA Expansion	\$7,825,401	\$0	\$0	\$0	\$0
Lemkin Creek Urban Treatment System	4,450,000	17,600,000	8,000,000	250,000	250,000
Taylor Creek Reservoir	15,840,753	23,577,080	36,428,987	37,021,098	1,695,000
Lakeside Ranch STA	2,242,457	16,057,406	26,253,256	6,819,463	780,000
S-133 Rerouting	1,070,193	12,344,840	14,634,383	222,310	420,000
S-154 Rerouting	1,038,495	793,172	30,000	31,200	32,448
Lake Okeechobee Fast Track Projects Reserves	21,824,544	23,046,029	0	0	0
Herbert Hoover Diike Rehabilitation	0	25,000,000	0	0	0
TOTAL	\$54,291,843	\$118,418,527	\$85,346,626	\$44,344,071	\$3,177,448

Operations & Maintenance Program (O&M)

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
FEMA Revenues	\$7,670,000	\$2,500,000	\$2,500,000	\$0	\$0
Ad Valorem Sources	61,061,055	70,954,089	85,741,000	89,541,600	97,796,864
TOTAL	\$68,731,055	\$73,454,089	\$88,241,000	\$89,541,600	\$97,796,864
USES					
C-4 Flood Mitigation Projects	\$7,670,000	\$2,500,000	\$2,500,000	\$0	\$0
Faka Union Canal Weir #6 & #7 Retrofit	0	0	0	0	2,000,000
Barron River Canal Structures Retrofit	0	0	2,000,000	0	2,000,000
BCB Facilities Relocation	2,800,000	1,000,000	0	2,000,000	0
Golden Gate Canal ASR Phase1 & 2	0	0	0	2,000,000	2,000,000
Golden Gate Weir #3 Relocation	500,000	4,000,000	0	0	0
Golden Gate Canal Weir#2	4,000,000	0	0	0	0
Golden Gate Canal Weir#6 and #7 Retrofit	250,000	1,000,000	0	0	0
Henderson Creek Diversion	0	0	2,000,000	0	0
Henderson Creek Spreader Channel	0	0	0	2,000,000	0
Miller Canal Weir#3 Retrofit	0	0	2,000,000	0	0
Communication, Towers and Telemetry	3,963,451	6,700,000	19,206,000	2,000,000	6,150,000
Kissimmee Field Station Tower	1,000,000	0	0	0	0
Racu Replacement	1,000,000	1,000,000	1,000,000	0	0
Pump Station Reroofing, Hardening, rewiring, bearings, pavings, repowering and other refurbs	4,696,438	15,924,000	16,545,000	9,200,000	1,680,000
Pump Station Replacement, Office Additions, Control Shelters	0	0	0	2,450,000	0
Pump Station Automations/Gate Replacement	0	50,000	4,590,000	750,000	0
Pump Station Trash Rakes	0	0	0	11,460,000	0
S-331 Command & Control Center	764,091	1,035,909	0	0	0
Project Culverts	0	950,000	0	0	500,000
Structure Automation	3,439,127	4,157,000	620,000	500,000	512,000
Engineering/Construction Support Services	3,950,000	9,200,000	11,000,000	11,000,000	11,000,000
Dam Safety Program	0	1,000,000	1,040,000	1,081,600	1,124,864
Bridge Inspection Program/Bridge Bank Replacements	0	860,000	1,100,000	1,000,000	1,200,000
Structural Repairs	6,056,984	15,257,180	3,140,000	3,400,000	3,700,000
Navigational Lock Refurbishment	0	0	1,000,000	1,000,000	1,000,000
Field Station Facilities	0	6,150,000	3,500,000	15,000,000	17,000,000
Bank Stabilization and Dredging	12,630,481	2,670,000	17,000,000	24,700,000	47,930,000
Future Capital Project Reserves	16,010,483	0	0	0	0
TOTAL	\$68,731,055	\$73,454,089	\$88,241,000	\$89,541,600	\$97,796,864

Comprehensive Everglades Restoration Plan Program (CERP)

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Save Our Everglades Trust Fund	\$46,051,125	\$100,000,000	\$100,000,000	\$100,000,000	\$0
Ad Valorem Sources	161,524,885	148,600,000	150,100,000	143,600,000	134,100,000
Ad Valorem - Big Cypress Basin	4,460,141	2,000,000	2,000,000	2,000,000	2,000,000
Debt Proceeds - CERP Financed	335,572,905	485,674,834	429,373,427	213,343,018	22,141,217
Florida Bay Fund	2,587,038	0	0	0	0
Florida Communities Trust	8,673,338	0	0	0	0
Florida Department of Transportation	950,000	0	0	0	0
Florida Fish & Wildlife Conservation Commission	1,000,000	0	0	0	0
Federal - NRCS	5,914,250	0	0	0	0
Lake Belt Mitigation	3,785,257	0	0	0	0
Water Management Lands Trust Fund	50,000	0	0	0	0
Prior Year Carry forward	6,027,575	0	3,396,350	6,876,572	18,515,647
Designated for Future Years' Expenditures	0	(3,396,350)	(6,876,572)	(18,515,647)	(19,837,792)
TOTAL	\$576,596,514	\$732,878,484	\$677,993,205	\$447,303,943	\$156,919,072
USES					
Critical Restoration Projects (CRPs):					
Ten Mile Creek WPA CRP	\$4,607,113	\$0	\$0	\$0	\$0
Southern Crew / Imperial River Flowway CRP	424,906	0	0	0	0
Lake Trafford Restoration CRP	5,301,616	0	0	0	0
Lake Okeechobee Water Retention/Phosphorus Removal CRP	1,713,840	0	0	0	0
Comprehensive Everglades Restoration Plan (CERP):					
Lake Okeechobee Watershed	2,395,082	0	47,000,000	50,000,000	0
C-43 Basin Storage Reservoir - Part 1*	35,700,012	86,279,976	89,486,797	88,703,575	22,475,038
C-44 Reservoir and STA*	48,695,096	112,405,118	121,336,491	30,704,433	4,706,071
EAA Bolles and Cross Canals*	9,921,539	10,284,240	11,628,318	2,931,960	470,951
WCA 3A 3B Seepage Management*	11,094,424	13,969,176	16,062,474	1,473,372	296,878
C-11 Impoundment*	17,520,790	0	0	0	0
C-9 Impoundment*	15,635,129	0	0	0	0
Indian River Lagoon - South	2,265,959	8,000,000	17,000,000	20,000,000	0
Everglades Agricultural Area Storage Reservoirs*	125,396,292	172,833,853	114,786,899	59,956,494	7,183,277
WCA 3 Decomp & Sheetflow Enhancement - Part 1	248,633	0	0	0	0
North Palm Beach County - Part 1	48,682,397	52,000,000	0	0	0
Biscayne Bay Coastal Wetlands*	27,610,883	35,141,654	34,311,219	20,400,112	336,208
C-111 Spreader Canal*	15,296,201	34,475,183	36,954,747	35,638,234	1,266,785
Picayune Strand - SGGE Restoration*	34,407,610	74,071,360	55,955,257	14,156,463	2,554,810
Site 1 Impoundment*	7,882,165	12,314,708	13,116,492	3,328,112	509,063
Bird Drive Recharge Area	345,000	0	0	0	0
ASR Regional Study	2,766,402	0	0	0	0
Broward County WPA	3,055,972	0	0	0	0
C-111 Project Implementation	8,322,295	0	0	0	0
Acceler8 & CERP Program Management and Support	27,961,769	15,107,891	14,359,186	14,015,863	11,124,666
Monitoring and Evaluation (RECOVER)	8,474,106	4,000,000	4,000,000	4,000,000	4,000,000
CERP Indirect and Program Reserves	19,205,271	6,900,000	6,900,000	6,900,000	6,900,000
Reconnaissance, Feasibility, and Planning Studies	2,841,012	0	0	0	0
Repayment of S/T Loan & Interest	49,975,000	0	0	0	0
COPS Issuance Costs	4,900,000	0	0	0	0
Debt Service	33,950,000	95,095,325	95,095,325	95,095,325	95,095,325
TOTAL	\$576,596,514	\$732,878,484	\$677,993,205	\$447,303,943	\$156,919,072

Land Stewardship Program

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Wetland Mitigation	\$4,780,910	\$2,000,000	\$500,000	\$500,000	\$500,000
Florida Forever	96,000	0	0	0	0
Federal Land Acquisition	3,464,000	0	0	0	0
External Grant	845,000	830,000	180,000	180,000	180,000
Lake Belt Mitigation	3,785,257	8,000,000	8,500,000	10,000,000	10,500,000
Water Management Lands Trust Fund	1,937,572	3,805,000	5,425,000	2,450,000	1,650,000
TOTAL	\$14,908,739	\$14,635,000	\$14,605,000	\$13,130,000	\$12,830,000
USES					
Recreation Projects Land	\$1,550,000	\$3,205,000	\$2,225,000	\$1,700,000	\$900,000
Henscratch Ranch	3,560,000	0	0	0	0
Dupuis L-8 Discharge Culverts Repairs	130,000	0	0	0	0
Dupuis Administrative Offices	0	0	2,000,000	0	0
Nubbin Slough Dairy Barn Removal & Lagoon Restoration	0	600,000	0	0	0
Pal Mar East Restoration	0	0	500,000	50,000	50,000
Lake Belt Land/Lake Belt Associated Costs/Restoration	4,793,317	8,000,000	8,500,000	10,000,000	10,500,000
Shingle Creek Phase II & III Land/Associated Costs	2,904,350	500,000	500,000	500,000	500,000
CREW Land/Associated Costs/Facility Construction	1,126,072	1,500,000	700,000	700,000	700,000
Packingham & Buttermilk Slough Restoration	500,000	750,000	100,000	100,000	100,000
Otter Slough Restoration	110,000	40,000	40,000	40,000	40,000
Rough Island	105,000	20,000	20,000	20,000	20,000
Gardner-Cobb Marsh Restoration	130,000	20,000	20,000	20,000	20,000
TOTAL	\$14,908,739	\$14,635,000	\$14,605,000	\$13,130,000	\$12,830,000

Mission Support Program

SOURCES	FY2007	FY2008	FY2009	FY2010	FY2011
Ad Valorem Sources	\$1,906,300	\$7,305,500	\$637,500	\$270,500	\$367,000
TOTAL	\$1,906,300	\$7,305,500	\$637,500	\$270,500	\$367,000
USES					
General Building & Improvements	\$1,906,300	\$7,305,500	\$637,500	\$270,500	\$367,000
TOTAL	\$1,906,300	\$7,305,500	\$637,500	\$270,500	\$367,000

TOTAL CAPITAL EXPENDITURES	\$907,259,600	\$1,128,160,196	\$1,070,935,354	\$764,796,517	\$401,494,189
-----------------------------------	----------------------	------------------------	------------------------	----------------------	----------------------

Project Plan Linkage to Budget Development

CIP Development Process

The District's Capital Improvement Plan is developed as part of the strategic planning and budget development process. Capital Improvement Plan needs for the next five years are identified in the strategic planning phase and the District's 10-year financial forecast. Proposed projects are reviewed, discussed, evaluated and priorities are set for the next fiscal year within the constraints of available resources. Debt requirements are projected on a five-year basis to facilitate better funding decisions for priorities. The District's policy is to exhibit restraint in incurring debt and ensure long term debt does not exceed the estimated life of capital assets.

The Capital Improvement Plan is the product of extensive participation by the Governing Board, District management and functional program leaders. The District holds several meetings, workshops and other public forums where capital projects are presented to the Governing Board and the taxpayers for discussion and input. The Governing Board sets overall policy direction and establishes strategic priorities (including which major projects are included in the CIP). District management and program leaders develop strategies to implement Governing Board direction, as well as success indicators to evaluate progress.

Capital projects are selected and prioritized within major programs as follows:

Operations and Maintenance Program

Improvements to system-wide water control structures

The Operations and Maintenance (O&M) Program's 50-year Asset Replacement/Refurbishment Plan serves as the long-term plan for C&SF system-wide water control structure improvements. The plan incorporates input from assets manufacturers, internal standards developed in O&M during the last 40 years, U.S. Army Corps of Engineers (USACE) nationwide standards and assessment of the general condition of assets. Internal standards elements are evaluated and updated on a regular basis, and condition status is updated based on semi-annual inspections of field stations. This recurring process forms the basis for how the plan's long-term projections are built and refined over time.

Capital projects are ranked using a criteria table. O&M Program criteria are as follows:

1. Engineering condition status
2. Probability of failure
3. Consequences of failure

These elements are evaluated by an engineering team and discussed with field functional-unit directors. Then, projects are scored and ranked based on these elements and criteria. Capital projects are prioritized according to this ranking; and, O&M adds as many projects to the District's CIP as funding will allow.

Comprehensive Everglades Restoration Plan (CERP) Program

Comprehensive Everglades Restoration Plan and Critical Restoration Projects

Scheduled expenditures for the CERP program reflect the implementation plan developed jointly between the District and its federal partners, led by the U.S. Army Corps of Engineers. The original schedule for the CERP implementation was developed as part of the *Central and Southern Florida Project Comprehensive Review Study (Review Study)* published in April 1999. The plan was subsequently approved by Congress in the Water Resources Development Act of 2000. Program goals and objectives are based on this multi-agency effort.

Revisions to the original implementation schedule were called for in the Master Program Management Plan (August 2000) and Project Management Plans (PMP) for specific projects are completed.

Currently, the overall process through which the program's implementation is modified and/or re-prioritized is governed by the Master Implementation Sequencing Plan called for in the CERP Programmatic Regulations. The Programmatic Regulations direct the District and the USACE to develop a new schedule and sequencing plan, taking into account work already done, as well as project component packaging. These regulations also require the District and USACE to consult with a variety of federal, state and tribal entities. This consultation process provides one of several opportunities for public involvement and comment. Additionally, the District collaborates with the Water Resources Advisory Commission to present the plan, as well as other Programmatic Regulations, to the public for review.

District Everglades Program

Everglades Construction Project and Long-Term Plan

The projects included in the Everglades Construction Project (ECP) and their construction schedules are mandated by the *Everglades Forever Act (EFA)*, which was passed by the Florida Legislature in 1994. The EFA also provided the funding sources for program implementation, including the .1 mill ad valorem levy in the Okeechobee Basin, the agricultural privilege taxes levy in the Everglades Agricultural Area and the C-139 Basin, and other federal, state and local sources. The original project component estimates were based on the 1994 Conceptual Design Document and have been refined through the years. ECP program expenditures have been scheduled to comply with legislative timelines for land acquisition and construction, while keeping within the approved revenue stream.

In FY2003, the 1994 EFA was amended to include implementation of the Long-Term Plan as the strategy for achieving compliance with water quality standards in the Everglades protection area. The amendment also expanded the use of the District's dedicated .1 mill ad valorem, agricultural privilege taxes and other revenue sources which fund this plan. Project timelines and cost estimates were established in the Conceptual Plan for Achieving Long-Term Water Quality Goals final report, dated March 17, 2003. They were further refined in the Long-Term Plan for Achieving Water Quality Goals final report, dated October 27, 2003. Each fiscal year's Long-Term Plan budget will be based on this document. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process.

The Capital Improvement Plan is updated during the annual budget development process. A sample of the form used to gather information on each capital project follows on the next page. This form is used as a tracking tool to provide in-depth information about the capital project and its funding needs. The form is completed for each capital project scheduled to begin within the five-year span, and is submitted to the Budget Division for technical review during the budget development process. Budget analysts review capital projects within their respective programs to ensure that the capital project meets the program objectives, the District's mission and is within the program's funding targets. The project is included in the CIP if it meets program goals and is expected to have funding available for capital construction and operating costs for current and future years. The CIP budget for the current fiscal year is approved by the Governing Board as part of the annual budget.

Monitoring Capital Projects

Monitoring of the capital projects is a very important process for the District due to the magnitude of funding that is provided, the goals set for completion of strict project schedules and the importance that the projects have in supporting the strategic priorities. The Budget Division along with the Program Manager and their appointed financial staff conduct regular monthly and quarterly meetings to review capital projects status. Budget staff designed a monthly and quarterly report to document project and annual Work Plan status. The information from these reports is used as a feedback loop on project status to the Governing Board and Executive Management. These periodic reports focus on success indicators from the annual work plan and include financial status and projections. Individual employee performance plans are tied to the projects and success indicators in the work plan. These reports identify projects that are not moving forward, those that may be over expending, and those that are under utilizing appropriations allocated to them. This provides Executive Management with the appropriate decision making tool for identifying funding that may be reallocated towards other capital projects identified by the District's strategic priorities as needing more funding.

The following instructions are provided to guide users when completing the capital-project description form:

FY2007–FY2011 Capital Project Description Instructions

The purpose of the CIP is to project future needs and anticipate future funding requirements to meet those needs. The CIP should only include those projects that will be owned by the District and that the District will capitalize.

The CIP includes expenditures for basic construction costs (including construction, construction management contracts, permits, inspections, site development, etc.) and other project costs (land, surveys, existing facility acquisition, professional services, etc.). In addition, it includes operating costs, which reflect anticipated changes in program costs (including salaries and benefits), changes in maintenance costs and changes in utility costs.

Projection Descriptions

Program: Each District capital project is to be assigned to one of the following programs.

- COASTAL WATERSHEDS
- KISSIMMEE WATERSHED
- MODELING & SCIENTIFIC SUPPORT
- WATER SUPPLY
- CERP
- MISSION SUPPORT
- DISTRICT EVERGLADES
- LAKE OKEECHOBEE
- REGULATION
- OPERATIONS AND MAINTENANCE
- LAND STEWARDSHIP

Activity: Each capital project is to be assigned to one of the program activities. Please refer to the approved DLT program structure sheet.

Project Title: Provide the activity name or line item name as it appears in the Oracle Budget System.

Type: Describe the type of construction being performed.

Physical Location: Provide the street address or general location, including city and county.

Square Footage/Physical Description: Provide square footage, if applicable. If not, provide general description of the structure or project.

Expected Completion Date: Provide the expected completion date (month and year) for the entire project. Please note that this date must coincide with the financial schedule. For example, if a project is to be completed in June 2011, then the financial schedule below must show estimated dollars through the fiscal years up to FY2011.

Historical Background/Need for Project: Provide a brief explanation of the need for the project, with a brief background of the project.

Plan Linkage: Provide the plan linkages that correspond with your project.

Area(s) of Responsibility (AOR): Indicate which AOR the project supports:

- Water Supply
- Water Quality
- Flood Protection
- Natural Systems

Alternative(s): Describe the impact on the District if this project were to be moved back or canceled.

In summary, the District's overall capital budget reflects the attention that has been paid to the agency's long-range needs and strategic planning issues. These issues will be discussed throughout the year with Executive Management. The District will continue to develop standards and priorities for the long-range needs in capital budgeting.

Capital Project Description Form

PROGRAM: District Everglades

ACTIVITY: Ba00

Project Title: STA 3/4 Works & Enhancements

Type: Stormwater Treatment Area

Physical Location: Palm Beach County

Square Footage/Physical Description: The effective treatment area of this project is approximately 16,600 acres. The major components of STA 3/4 are, but are not limited to, the following: Inflow Pump Station G-370 and G-372, gated spillways G-371 and G-373, STA 3/4 Works, West L-5 widening, supply canal, and U.S. Highway 27 bridge relocation. The purpose of the project is to enhance the treatment effectiveness of STA 3/4. The project includes construction of 3.3 miles of levee, 6 water control structures, one 24-cfs pump station, power and telemetry in STA 3/4, Cell 3. Construct one 54-cfs pump station in STA 3/4, Cell 1, and one 29-cfs pump station in STA 3/4, Cell 2. Herbicide treatment in STA 3/4, Cells 1B, 2B, and 3B for conversion to SAV is included.

Expected Completion Date: STA 3/4 and the enhancements will be completed by FY2007.

Historical Background/Need for Project: Florida's Everglades Forever Act (1994) outlined a comprehensive plan to restore a significant portion of the remaining Everglades ecosystem through land acquisition, construction, research and regulation. The goal is to improve water quality, water quantity (hydroperiod), and prevent the spread of exotic species. The overall restoration and cleanup effort described in the Act is known as the Everglades Program.

Plan Linkage: Agency Strategic Plan, EFA Long-Term Plan.

Area(s) of Responsibility: Natural Systems

Alternative(s): Based on the commitments to date from the many stakeholders in the Everglades Program, there is no acceptable alternative to complete the Everglades Construction Project.

1. Basic Construction Costs: \$2,729,864 (*See Note 1*)

2. Other Project Costs: \$0 (*See Note 2*)

3. Anticipated Additional Operating Costs/Initial: (*See Note 3*)

4. Anticipated Additional Operating Costs/Continuing: \$2,724,728 (*See Note 4*)

Project Phase Schedule (items #1 and #2 above):

FY2007	FY2008	FY2009	FY2010	FY2011
\$2,729,864	\$0	\$0	\$0	\$0

Schedule of Operating Costs (items #3 and #4 above):

\$3,430,291	\$3,567,315	\$3,710,008	\$3,858,408	\$4,012,745
-------------	-------------	-------------	-------------	-------------

***Note 1:** Provides estimates for design, construction, construction management, permits, inspections, communication requirements, utilities, site development and any other basic construction cost.*

***Note 2:** Provides estimates for land and land acquisition associated costs (surveys, existing facility acquisition, professional services, etc.), and any other costs not associated with basic construction cost.*

***Note 3:** Provides amounts for anticipated increases (i.e., incremental costs) in personnel, equipment furniture and any other expenses during the first year of operation.*

***Note 4:** Provides annual amounts for any anticipated additional operation and maintenance costs that would be incurred to support this facility/project after the first year of operation.*

Funding Sources for Capital Projects

The District's Capital Improvements Program is financed with funding through many sources, ranging from taxes to a variety of federal, state, and local sources. The following list details the funding sources that support the CIP:

Taxes

Ad valorem

Ad valorem taxes are imposed on the value of real and personal property as certified by the property appraiser in each of the 16 counties within the District's boundaries. A portion of the ad valorem tax assessed for use by the South Florida Water Management District is budgeted by the District for capital improvement and environmental restoration capital projects.

Everglades Agriculture Privilege Tax

The Everglades Agriculture Privilege Tax is levied on all agricultural production land in the Everglades Agricultural Area and the C-139 Basin. Proceeds from this tax are used to fund the Everglades Construction Project as legislated by the Everglades Forever Act and Settlement Agreement.

In FY2007, \$328 million of projected tax revenues collected will fund approximately 36.2 percent of the District's capital budget.

Federal Sources

U.S. Department of Agriculture – Natural Resources Conservation Service

Federal funds received from the U.S. Department of Agriculture – Natural Resources Conservation Service (USDA – NRCS) are applied to the District's budget for the CERP projects related to the restoration and management of previously impacted lands.

Federal Emergency Management Agency Revenues

Funds from the Federal Emergency Management Agency (FEMA) are received by the District for hurricane-related flood mitigation projects managed by the Operations & Maintenance Program.

Federal funding sources represent \$17 million or 1.8 percent of the District's FY2007 capital project funding.

State Sources

Lake Okeechobee Trust Fund

This fund contains money received from the Florida Department of Environmental Protection through state appropriation to help fund restoration projects to limit phosphorous inputs into Lake Okeechobee.

Florida Forever

Florida Forever is a 10-year state bond program from which the state's five water management districts receive funding for environmentally sensitive and project-related land acquisition.

Save Our Everglades Trust Fund

This trust fund contains money received from the State of Florida to fund the CERP land acquisition, design and construction activities.

State Appropriations

These funds are set aside by the Florida legislature through the annual budget appropriation process for specific projects deemed as a high-priority by the state. The CERP and District Everglades program capital projects receive funding from state appropriations.

Water Management Lands Trust Fund

This Florida trust fund derives its revenue from the statewide documentary stamp tax on real estate transactions for land acquisition and management.

Alligator Alley Toll Revenue

Revenue generated from Alligator Alley (designated as State Highway 84 and federal Interstate Highway 75) tolls, as authorized by law, are designated for Everglades Restoration capital projects.

State funding of \$120 million equals 13.2 percent of the District's FY2007 funding sources for capital improvement projects.

COPS

Debt Proceeds

To the extent that it is necessary and practical, the District borrows funds for capital financing. Debt plans and targets are reviewed annually in conjunction with the CIP. The District anticipates issuing debt in the next three years to accelerate construction of eight major capital projects (Acceler8).

COPS funding of \$397.3 million comprises 43.8 percent of the District's fund sources for FY2007.

Other Funding Sources

External Grant Fund

Revenues from grants to the District for FY2007 capital projects have been applied to restoration of 1,200 acres at Packingham and Buttermilk Slough for construction of two miles of levees and to reconnect wetlands; Otter Slough restoration; Rough Island restoration; and, Gardner-Cobb Marsh restoration.

Wetland Mitigation

Revenue in the form of fees are collected from private businesses and other governmental agencies when wetlands mitigation permits are issued. These fees pay for land acquisition and long-term land-related management.

Lake Belt Mitigation

Fees are levied and collected as mitigation for the environmental impact resulting from rock mining in the Lake Belt area of Miami-Dade County. Lake Belt fees provide revenue utilized for land acquisition and management of land over the long-term.

Tag Proceeds

Revenues for this fund are generated from Everglades vehicle license plate sales and used for capital projects supported by the District Everglades Program.

Investment Income

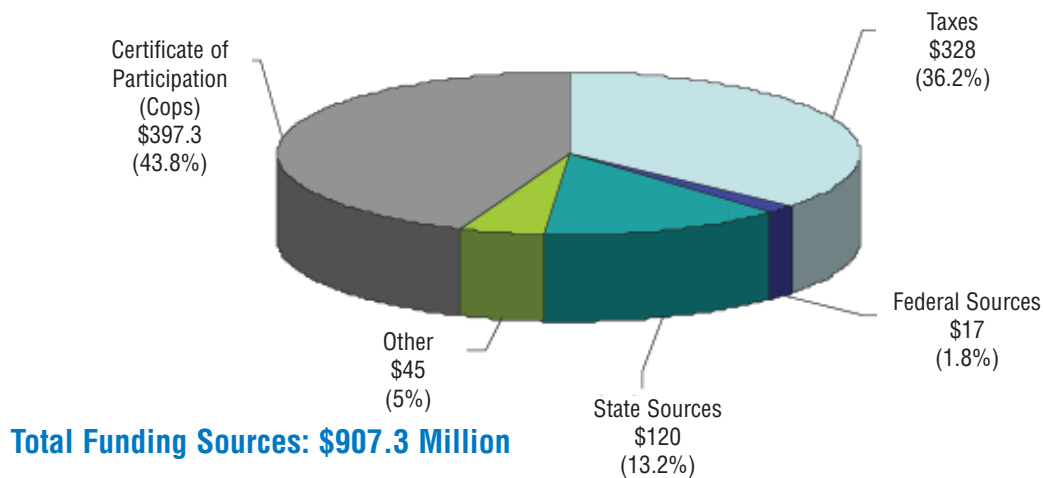
Revenue from interest income earned on invested fund balances is utilized by the District as a capital funding source.

Other funding of \$45 million comprises 5 percent of the District's fund sources for FY2007.

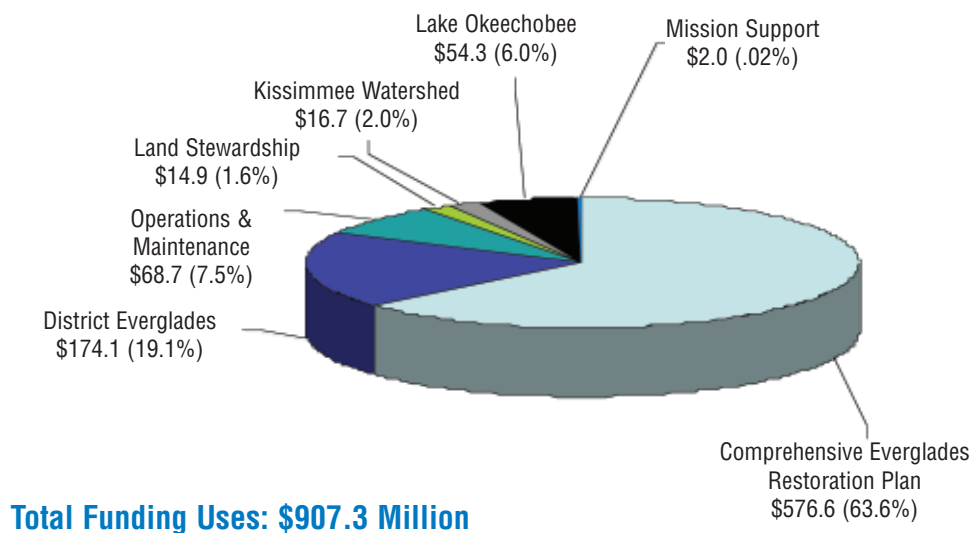
Please see the Five-Year Capital Improvements Plan spreadsheet in this section for actual funding amounts for the sources above and the specific projects they support.

The charts below depict the District's FY2007 CIP funding sources and uses. The estimated funding sources for FY2007 total \$907.3 million. Descriptions of each source included within the chart categories are provided in the preceding narrative. In FY2007, CIP funds will be used for capital projects in seven District programs. Descriptions for some of the major projects within these programs are presented on the following pages.

FY2007 Funding Sources



FY2007 Funding Uses

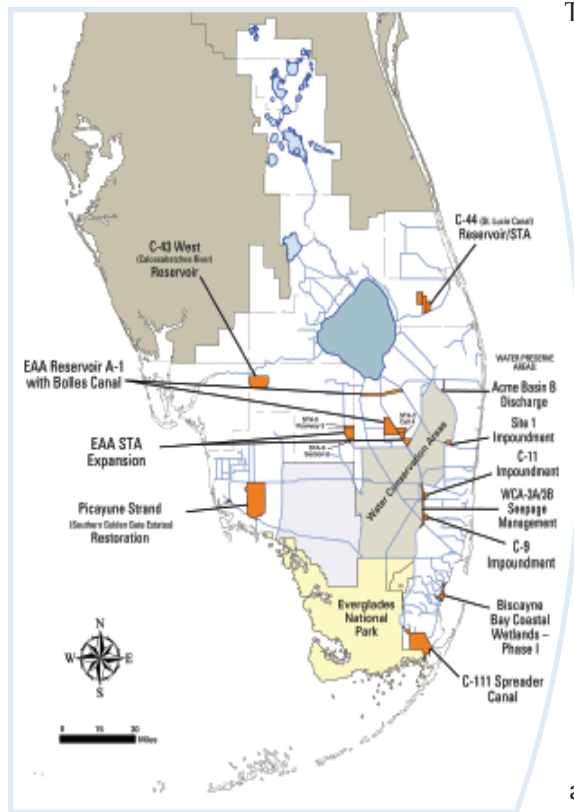


Major Capital Projects by Program

The fast-tracked capital projects included in the District's *Acceler8* initiative are among the major capital projects presented in this section. To review all of the District's capital project descriptions for FY2007, please refer to the South Florida Environmental Report (SFER), Volume II, Chapter 4.*

* Individual capital project description detail pages may be referenced in Appendix 1-3 of the SFER, Volume II. The report is available online at <http://www.sfwmd.gov/sfer/>. Click the "2007 South Florida Environmental Report" link. Then, click the "Volume II Chapters" link located under the Table of Contents.

The Comprehensive Everglades Restoration Plan (CERP) Program



The adopted Fiscal Year 2007 capital budget for the Comprehensive Everglades Restoration Plan (CERP) Program totals \$576.6 million. The program is funded by federal (1.0 percent), and state (10.3 percent) sources; ad valorem taxes (28.7 percent); Certificates of Participation (58.2 percent) and other (1.8 percent). There are no operating impacts for the FY2007 budget.

Five-year construction and land acquisition expenses are projected to be \$2.6 billion. Operations phase related costs are estimated at \$13.8 million over the same five year period. The program's two project categories are *Acceler8* and the remaining CERP projects.

All project operating cost estimates within this program were calculated based on analysis of expenditures for similar (size and scope) projects. Operating costs are primarily related to the maintenance of pumps, gates, culverts/risers, fuel, electricity, exotic and aquatic vegetation control, grading and mowing for levee and canal maintenance. No new positions are required for the operation of capital projects for this program. Some operational activities are performed by contractors.

The District intends to fund construction projects in part through Certificates of Participation revenue bonds. By accelerating the funding, design and construction of specific Everglades projects, Florida will experience the positive benefits derived from restoration efforts sooner and more cost-effectively. Leveraging taxpayer dollars with COPs financing will save taxpayers and the State of Florida millions of dollars in costly land, material and labor increases.

A brief description of the major capital projects for the CERP Program and a detailed explanation of related operating costs follow:



C-43 West Reservoir

C-43 Basin Storage Reservoir – Part 1

Charlotte, Collier, Lee, Hendry, and Glades counties

This project is a component of a larger restoration project for the Caloosahatchee River and Estuary. It comprises a significant portion of the overall water storage requirement for the C-43 Basin. This *Acceler8* project consists of an above-ground reservoir located along the Caloosahatchee River. The reservoir will be constructed on an 11,000-acre parcel owned by the District in Hendry County, west of LaBelle. Benefits resulting from completion of this project include the following capabilities:

capture and storage of regulatory releases from Lake Okeechobee, reducing the number/volume of harmful discharges to coastal estuaries; capture and store stormwater runoff from the C-43 Basin, decreasing/attenuating excess water flow to the Caloosahatchee Estuary; provide water supply for the Caloosahatchee Estuary restoration by attenuating peak flows during the wet season and providing essential flow for estuary health during the dry season; and, provide additional water supplies for agricultural and urban demands.

The FY2007 capital budget for the C-43 Basin Storage Reservoir – Part 1 is comprised of \$35.7 million in construction costs. Projected 5-year expenditures related to this project total \$322.6 million, which includes \$0.6 million for operating costs. The estimated total project cost is \$345.2 million. The scheduled completion date for Part 1 is October 2010.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$153,675	\$153,675	\$153,675	\$153,675

C-44 Reservoir and Stormwater Treatment Area (STA)

Martin and St. Lucie counties



C-44 Reservoir Groundbreaking

As a component of the larger Indian River Lagoon South Restoration Project, this *Acceler8* project consists of a 4,000-acre, ten-foot-deep above-ground reservoir for additional water storage in the C-44 Basin. The project also includes a 4,000-acre Stormwater Treatment Area (STA) to capture and treat excess stormwater runoff before it enters the St. Lucie Canal—and, ultimately, the St. Lucie Estuary and Indian River Lagoon. An option for expansion of an additional 4,000-acre reservoir for the purpose of reducing the impact of Lake Okeechobee regulatory releases to the estuary is included within this project. The objective of the

Acceler8 C-44 Reservoir and STA-project is to capture, store and treat local stormwater runoff from the basin, and return it to the C-44 (St. Lucie) Canal when needed. Additional benefits of this project include decreasing/attenuating excess water flow to the St. Lucie Estuary; improving water quality by reducing the amounts of phosphorus, pesticides and other pollutants in the runoff entering the estuary, improving the health of the ecosystem; and, increasing available water supplies for the environment and human needs.

The FY2007 capital budget for the C-44 Reservoir and Stormwater Treatment Area is comprised of \$48.7 million in construction and land costs. Projected 5-year expenditures total \$317.8 million, which includes \$5.2 million in operating costs anticipated to start in FY2008. It is estimated that for FY2008–FY2010 there will be a minimal amount of operating requirements, \$0.5 million, for those earlier components completed. Upon completion a more definitive operating cost of \$4.7 million will be needed in FY2011. The estimated total project cost is \$339.8 million. No new full-time equivalent (FTE's) staff positions will be created for the operation of this project. The project's scheduled completion date is December 2009.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$158,475	\$158,475	\$158,475	\$4,706,071

Everglades Agricultural Area (EAA) Storage Reservoirs – Phase 1 with EAA Bolles and Cross Canals

Hendry and Palm Beach counties



This *Acceler8* project is a component of the larger Everglades Agricultural Area (EAA) Reservoir Project. It is designed to provide greater water storage capacity in the southern region of the EAA. The Phase 1 project is an above-ground reservoir for water storage, with a capacity of 190,000 acre-feet at a maximum depth of 12 feet. The reservoir will be constructed on a 16,700-acre parcel of land situated north of Stormwater Treatment Area 3/4. This project includes conveyance capacity increases for the Bolles and Cross canals in order to provide improved flood protection and water flow capabilities for moving water to and from the EAA Reservoir and STAs. In addition to reducing the number/volume of harmful discharges to coastal estuaries, the reservoir will decrease emergency flood control back-pumping into Lake Okeechobee.

The FY2007 capital budget for EAA Storage Reservoirs – Phase 1 is \$125.4 million and \$9.9 million for its EAA Bolles and Cross Canals component for a total FY2007 project budget of \$135.3 million. Anticipated 5-year project expenditures are \$515.4 million, which include \$1.5 million for operating costs. There are no operating costs in the FY2007 budget. No new FTE's are required for the operation of this project. The total estimated project cost for the EAA Storage Reservoirs – Phase 1 is \$500.2 million; and, \$35.2 million for the EAA Bolles and Cross Canals. The scheduled completion date for the EAA Bolles and Cross Canals component is October 2010; and, December 2010 for EAA Storage Reservoirs – Phase 1.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
EAA Bolles and Cross Canals Pump Project:					
Canal and levee mowing, exotic and aquatic vegetation control.	\$0	\$0	\$0	\$0	\$470,951
EAA Storage Reservoirs Project:					
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	\$0	\$0	\$0	\$0	\$1,000,000

Picayune Strand – Southern Golden Gate Estates (SGGE) Restoration

Collier County



Picayune Strand – SGGE Restoration area

The objective of this *Acceler8* initiative is to restore the historic flow-ways and enhance the wetlands in the Southern Golden Gate Estates (SGGE) and adjacent public lands by reducing over-drainage. The project includes 83 miles of canal plugs, 227 miles of road removal, the addition of pump stations and spreader swales to aid in re-hydration of wetlands and maintenance of flood protection for the Northern Golden Gate Estates residential area. Additional benefits of this restoration include improved water quality of coastal estuaries by moderating the large salinity fluctuations caused by freshwater point discharge of the Faka Union Canal. It will also protect the City of Naples' eastern Golden Gate well field by improving groundwater recharge.

The FY2007 capital budget for Picayune Strand – SGGE Restoration is comprised of \$34.4 million in construction and land costs. Anticipated 5-year expenditures are \$181.1 million, which include \$3.5 million for operating costs. The total estimated project cost is \$188.7 million. No new FTE's will be created for the operation of this project. The scheduled completion date for this project is December 2009.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$167,335	\$392,275	\$392,275	\$2,554,810

Water Preserve Areas



Family members attend Fran Reich Preserve Dedication

The Water Preserve Areas consist of a series of five project components located adjacent to the Everglades Water Conservation Areas (WCAs) in Palm Beach, Broward and Miami-Dade counties. This *Acceler8* project includes the construction of above-ground impoundments, a wetland buffer strip, pump stations, culverts, canals, water control structures and seepage control systems. The five components that comprise the Water Preserve Areas are: Site 1 Impoundment, C-9 Impoundment, C-11 Impoundment, Acme Basin B Discharge, and WCA-3A/3B Seepage Management.

Site 1 Impoundment (Fran Reich Preserve)

Palm Beach County



Site 1 Impoundment

The purpose of the CERP Site 1 Impoundment project is to supplement water deliveries to the Hillsboro Canal by capturing and storing excess water currently discharged to the Intra-coastal Waterway. These supplemental deliveries will reduce demands on Lake Okeechobee and the Loxahatchee National Wildlife Refuge. The impoundment pool will provide groundwater recharge, reduce seepage from adjacent natural areas and prevent saltwater intrusion. Some measure of flood protection may also be provided along with water quality improvements. The project

includes an aboveground reservoir with an inflow pump station for a total storage capacity of approximately 13,000 acre-feet located in the Hillsboro Canal Basin in southern Palm Beach County. Water from the Hillsboro Canal will be pumped into the reservoir during the wet season or periods when excess water is available and released back to the canal during the dry-season.

The FY2007 capital budget for the Site 1 Impoundment is comprised of \$7.9 million in construction and land costs. Projected 5-year expenditures total \$37.2 million, which include \$.6 million for operating costs. The estimated total project cost is \$54.8 million. No new FTE's will be created for the operation of this project. The scheduled completion date is December 2009.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$28,350	\$28,350	\$28,350	\$509,063

C-9 Impoundment, C-11 Impoundment, WCA 3A/3B Seepage Management

Palm Beach, Broward, and Miami-Dade counties

Project objectives include improving hydro-patterns in the Water Conservation Areas and flows to Everglades National Park; enhancing and increasing the spatial extent of wetlands adjacent to the remaining Everglades; reducing seepage of pristine water from the Water Conservation Areas into urban areas; providing a buffer between natural and developed areas; reducing the amount of excess water discharged to tide and “lost” to the system in Palm Beach and Broward counties; providing supplemental water supply deliveries and aquifer recharge to urban areas thus reducing demands on Lake Okeechobee and the Water Conservation Areas; providing increased level of service for flood protection; and, providing public access and recreational opportunities.

The C-9 Impoundment will pump runoff from the western C-9 drainage basin and divert water from the western C-11 basin into the impoundment. As a result, this impoundment will assist in reducing seepage from the WCA 3A/3B Levee.

The FY2007 capital budget for C-9 Impoundment is comprised of \$15.6 million in construction and land costs. Projected 5-year expenditures total \$57.5 million. There are no anticipated operating costs estimated. The estimated total project cost is \$57.5 million. The scheduled completion date is January 2010.

The C-11 Impoundment will direct runoff from the western C-11 drainage basin into the impoundment in lieu of pumping the untreated runoff via the S-9 pump station into the WCA 3A. If water is not available in the impoundment area to perform these functions, S-381 will be opened to allow seepage water to recharge the basin and prevent excessive dry outs. In addition, seepage will be collected and returned to the impoundment area.

The FY2007 capital budget for C-11 Impoundment is comprised of \$17.5 million in construction and land costs. Projected five-year expenditures total \$84.2 million. There are no anticipated operating costs estimated. The estimated total project cost is \$84.2 million. The scheduled completion date is February 2010.

The *Acceler8* WCA 3A/3B Levee Seepage Management system will focus on seepage reduction by allowing higher water levels in the L-33 and L-37 borrows.

The FY2007 capital budget WCA 3A/3B Seepage Management is comprised of \$11.1 million in construction and land costs. Projected 5-year expenditures total \$42.9 million, which include \$0.6 million for operating costs. The estimated total project cost is \$47.6 million. The scheduled completion date is February 2010.

No new FTE's are budgeted for the operation of these projects. Operating cost estimates were calculated based on analysis of expenditures for similar (size and scope) projects.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
WCA 3A/3B Seepage Management Project:	\$0	\$88,078	\$88,078	\$88,078	\$296,878
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.					

Biscayne Bay Coastal Wetlands

Miami-Dade County

Redistribution of freshwater flow across a broad front is needed to restore and enhance freshwater wetlands, tidal wetlands and nearshore bay habitats throughout the Biscayne Bay coastal wetlands. Sustained lower-than-seawater salinities are required in tidal wetlands and the nearshore bay to provide nursery habitat for fish and shellfish. In addition to the benefits derived from creating conditions for reestablishment of oyster and oyster reef communities, this wetlands project will restore overland flow, reduce groundwater seepage and reduce freshwater discharges. This project has been identified as an *Acceler8* project. It consists of the design and construction of two essential project components for the CERP Biscayne Bay Coastal Wetlands: Deering Estates Flow-way and Cutler Ridge Wetlands. This *Acceler8* project is a component of a larger project that will expand and restore the wetlands adjacent to Biscayne Bay in Miami-Dade County, enhancing the ecological health of Biscayne National Park.

The FY2007 capital budget for Biscayne Bay Coastal Wetlands is comprised of \$27.6 million in construction and land costs. Projected five-year expenditures total \$117.8 million, which include \$0.7 million for operating costs. The estimated total project cost is \$232.5 million. No new FTE's will be created for the operation of this project. The scheduled completion date is December 2009.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$0	\$0	\$336,208	\$336,208

C-111 Spreader Canal

Miami-Dade County



C-111 Canal S-197

The C-111 Spreader Canal project is a multi-purpose project that provides for ecosystem restoration of freshwater wetlands, tidal wetlands and near-shore habitat, maintenance of flood protection, and recreation opportunities. Located in south Miami-Dade County, project works include pump stations, culverts, spreader canal, water control structures and a Stormwater Treatment Area. In addition, an existing canal and levee will be degraded to enhance sheetflow across the restored area. This project is needed to modify the delivery of water to the Southern Glades and Model Lands in order to establish sheetflow and hydro-patterns

that will sustain the historic flora and fauna of these areas, eliminate damaging point source discharges of freshwater through C-111 to the estuarine systems of Manatee Bay and Barnes Sound, and maintain levels of flood protection for agricultural and urban areas adjacent to the project area. The project has been identified as an *Acceler8* project and was initially authorized in the *Water Resources Development Act* in the Year 2000.

The FY2007 capital budget for C-111 Spreader Canal is comprised of \$15.3 million in construction and land costs. Five-year expenditures total \$123.6 million, which include \$1.2 million for initial operating costs in FY2011. The estimated total project cost is \$124.7 million. No new FTE's for the operation of this project. The scheduled completion date for this project is December 2010.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$0	\$0	\$0	\$1,184,966

North Palm Beach County

Palm Beach County



North Palm Beach County Site

The North Palm Beach County - Part 1 Project will increase water supplies to the Grassy Waters Preserve and Loxahatchee Slough, provide flows to enhance hydroperiods in the Loxahatchee Slough, increase base flows to the Northwest Fork of the Loxahatchee River and reduce high discharges to the Lake Worth Lagoon.

This project includes a number of elements. The Pal-Mar and J.W. Corbett Wildlife Management Area Hydro-Pattern Restoration elements include water control structures, canal modifications and the acquisition of 3,000 acres. The C-51 and Southern L-8 Reservoir includes a combination aboveground and in-

ground reservoir, with a total storage capacity of 48,000 acre-feet. Lake Worth Lagoon Restoration includes sediment removal and trapping within the C-51 Canal and sediment removal or trapping downstream of the C-51 Canal and the Lake Worth Lagoon confluence. The C-17 back-pumping and treatment includes backpumping facilities and a Stormwater Treatment Area (STA) with a total storage capacity of approximately 2,200 acre-feet. The C-51 back-pumping and treatment includes backpumping facilities and an STA, with a total storage capacity of approximately 2,400 acre-feet.

The FY2007 capital budget for North Palm Beach County – Part 1 is comprised of \$48.7 million in land and construction. There are no operating costs for this project. Five-year expenditures are projected to total \$100.7 million. The estimated total project cost is \$398.2 million. The scheduled completion date for this project is December 2015.

District Everglades Program

The adopted FY2007 capital budget for the District Everglades Program totals \$174.1 million. The program is funded by taxes (49.1 percent), state sources (0.7 percent), Certificates of Participation (35.5 percent) and other (14.7 percent). The total operating impact for the FY2007 budget is \$13.5 million.

Construction and land costs for the District Everglades Program are projected to be \$852.5 million, with operating costs estimated to total \$85.7 million over five years. Most of the funding sources are dedicated to the program and the continuing operation of the projects within the program. As construction comes to completion, these dedicated sources will fund the operating costs for each project. No new FTE positions are required for the operation of these capital projects because operational functions will be managed with contract personnel. Operating costs for the STA-projects within this program are continuing costs, as the projects are completed. At this time, only the enhancements (which have a minimal effect on increasing the operating costs) are under construction. The EAA STA-Expansion Compartment B and C and Acme B Discharge operating costs were calculated based on analysis of expenditures for similar (size and scope) projects. Typical operating costs related to each project include fuel; minor and major overhauls; structure, levee and interior maintenance; exotic and aquatic vegetation control; and, landscape maintenance (e.g. cutting grass).



A brief description of the major capital projects for the District Everglades Program and a detailed explanation of associated operating costs follow:

Everglades Agricultural Area Stormwater Treatment Areas (STAs) Expansion – (Compartments B and C)

Hendry and Palm Beach counties



*Everglades Agricultural Area STA Expansion at
Confusion Corner*

This *Acceler8* project will expand the size, and enhance performance, of existing Stormwater Treatment Areas (STAs) created as part of the Everglades Construction Project (ECP). These STAs will reduce stormwater runoff pollution levels flowing from the Everglades Agricultural Area before entering the Everglades. This project will expand STA-2 (Compartment B) by an additional 2,000 acres, STA-5 by an additional 2,560 acres, STA-6 by an additional 1,440 acres; and, build-out 5,240 acres (Compartment C).

Feasibility studies will determine optimal configuration of treatment works in the remaining land in the expansion areas. The primary objectives for this project include further

reduction of phosphorus levels to achieve state water quality standards for the Everglades; enhancement of the existing STAs' ability to remove pollutants prior to water discharge into the Everglades; and, operational flexibility for directing water flows.

The FY2007 capital budget for EAA STA-Compartment B is comprised of \$11.6 million in construction and land costs. Projected 5-year expenditures total \$58.8 million, which include \$4.1 million for operating costs. No new FTE's will be created for the operation of this project. The estimated total project cost is \$79.0 million. The scheduled completion date is December 2009.

The FY2007 capital budget for EAA STA-Compartment C is comprised of \$20.5 million in construction and land costs. Projected five-year expenditures total \$113.6 million, which include \$9.1 million for operating costs. No new FTE's will be created for the operation of this project because operational functions will be managed by contract personnel. The estimated total project cost is \$113.6 million. The scheduled completion date is December 2009.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Compartment B:					
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	\$0	\$0	\$0	\$0	\$4,075,731
Compartment C:					
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	\$0	\$0	\$0	\$0	\$9,104,561

Acme Basin B Discharge

Palm Beach and Miami-Dade counties



Acme Basin B Discharge Canal along Flying Cow Road in Wellington, Florida

Acme Basin B is one of two main drainage basins within the Acme Improvement District (AID) located in central Palm Beach County. Acme Basin B boundaries generally follow Pierson Road, Flying Cow Road, the Arthur R. Marshall Loxahatchee National Wildlife Refuge and the Lake Worth Drainage District. Acme Basin B encompasses approximately 8,680 acres of low-density development where primary land uses include rural residential lots, nurseries and equestrian stables. The primary goal of this *Acceler8* project is to provide surface water to the wildlife refuge that would otherwise be lost to tide. Major elements of this project include improved canal and structural features. The Acme project will provide water quality treatment and stormwater attenuation for runoff from Acme Basin B prior to discharge to the Refuge. Available excess water may also be used to meet water supply demands.

The FY2007 capital budget for Acme Basin B Discharge is comprised of \$19.0 million in construction and land costs. Projected 5-year expenditures total \$31.4 million, which include \$1.4 million for operating costs. No new FTE's are budgeted for operation of this project. The estimated total project cost is \$38.9 million. The scheduled completion date for this project is December 2008.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$0	\$471,549	\$471,549	\$471,549

STA-1 East Works and Enhancements

Palm Beach County



STA-1 East

The U.S. Army Corps of Engineers (USACE) is responsible for the design and construction of STA-1 East (STA-1E). STA-1E will consist of a constructed wetland that will provide an effective treatment area of approximately 5,350 acres. This project will operate in parallel with STA-1 West (STA-1W) to reduce the total phosphorus runoff from both the C-51 West and S-5A basins prior to their discharge into Water Conservation Area 1 (WCA-1), which is also known as the Loxahatchee National Wildlife Refuge. Major project components include, but are not limited to, construction of the following: STA-1E Works, inflow Pump Station S-319, outflow

Pump Station S-362, seepage/inflow Pump Station S-361, Canal C-51 West enlargement and gated structure S-155A. The purpose of this project is to enhance the treatment effectiveness of STA-1W. The project includes construction of 2.2 miles of levee, 11 water control structures, one 65-cubic feet per second (cfs) pump station, power and telemetry in STA-1W, Cells 1 and 2.

The FY2007 capital budget for STA-1E and STA-1E Enhancements is comprised of \$3.1 million for construction and \$3.0 million in operating costs. Projected 5-year expenditures total \$16.5 million, which include \$14.4 million in operating costs. No new FTE's are budgeted for the operation of this project. The estimated total project cost is \$21.7 million. The project's scheduled enhancements completion date is June 2007.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	\$3,006,966	\$2,439,398	\$3,536,974	\$2,638,453	\$2,743,991

STA-1 West Enhancements

Palm Beach County



Culverts between cells at STA-1W

STA-1W is a critical component of the Everglades Construction Project (ECP). STA-1W consists of almost 7,000 acres (over 10 square miles) of former agricultural fields that have been converted to wetland treatment systems that are designed to reduce phosphorus loads entering the Everglades. The construction consists of approximately 6,670 acres of wetlands, 14 miles of levees, three concrete spillways, culverts, related ancillary facilities and Pump Station G-310. The Pump Station G-310 was constructed to allow the treatment of additional stormwater flows. STA-1W includes the current Everglades Nutrient Removal (ENR)

Project, which is a demonstration project of wetland treatment technology. STA-1 Inflow and Distribution Works are located in Western Palm Beach County, in the northern tip of the WCA-1. This project redirects the discharge from S-5A Pump Station via the L-40 and L-7 Borrow Canals to STA-1W and STA-1E. The project scope includes the construction of three water control structures (G-300, G-301, G-302), future water control structure G-311 and associated bypass canals, a separation levee extending from L-7 to L-40, and an inflow canal and perimeter levee leading to the STA-1W project.

The FY2007 capital budget for STA-1W Enhancements is comprised of \$5.2 million for construction and \$2.7 million in operating costs. Projected five-year expenditures total \$20.0 million, which include \$14.8 million for operating costs. No new FTE's are budgeted for the operation of this project. The estimated total project cost is \$83.3 million. The scheduled completion date is June 2007.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$2,740,908	\$2,850,544	\$2,964,566	\$3,083,149	\$3,206,475

STA-3/4 Enhancements

Palm Beach County



STA 3/4

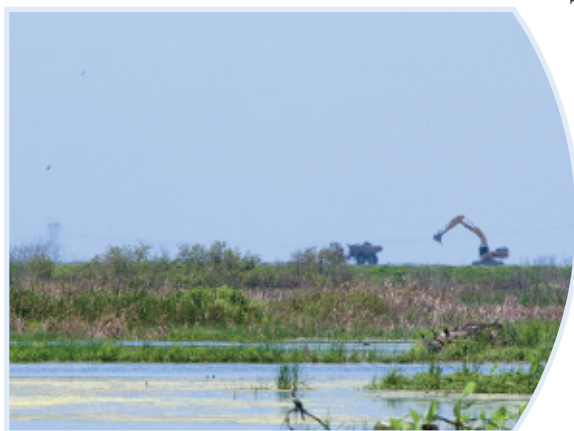
The purpose of the STA-3/4 Enhancements project is to improve the effectiveness of this 16,600 acre Stormwater Treatment Area (STA). The project includes construction of 3.3 miles of levee, six water control structures, one 24-cubic feet per second (cfs) pump station, power and telemetry in Cell 3. Construction of one 54-cfs pump station in Cell 1, and one 29-cfs pump station in Cell 2, herbicide treatment in cells 1B, 2B, and 3B for conversion to Submerged Aquatic Vegetation is included.

The FY2007 capital budget for STA-3/4 Enhancements is comprised of \$2.7 million for construction and \$3.4 million in operating costs. Projected 5-year expenditures total \$21.3 million, which include \$18.6 million for operating costs. No new FTE's will be created for the operation of this project. The estimated total project cost is \$196.8 million. The scheduled completion date for this project is June 2007.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	\$3,430,111	\$3,567,315	\$3,710,008	\$3,858,408	\$4,012,745

STA-5 Enhancements

Hendry County



STA-5

The effective treatment area of this project is approximately 4,118 acres. Major components of this Stormwater Treatment Area include, but are not limited to, construction of eight gravity control structures to convey flows into and out of STA-5 treatment cells, 18 miles of canal and levee construction, eight intermediate concrete culverts with fixed weirs, modifications to the existing L-3 Levee, a seepage return pump station, two water supply pump stations and construction of a discharge canal. This STA-consists of two parallel treatment cells with flow direction from west to east. The purpose of this project is to enhance the performance of STA-5. The project

includes construction of eight new adjustable crest weir gates on the G-343 structures, two 45-cfs seepage-return pump stations, power and telemetry.

The FY2007 capital budget for STA-5 Enhancements is comprised of \$1.2 million for construction and \$1.3 million in operating costs. Projected five-year expenditures total \$8.4 million, which include \$7.1 million for operating costs. No new FTE's are budgeted for the operation of this project. The estimated total project cost is \$66.4 million. The project's scheduled completion date is September 2007.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Culvert and weir maintenance; fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	\$1,317,139	\$1,369,825	\$1,424,618	\$1,481,602	\$1,540,866

Lake Okeechobee Program

The adopted FY2007 capital budget for the Lake Okeechobee Program totals \$54.3 million. The program is funded by state sources. There are no operating impacts for the FY2007 budget.

Five-year construction and land acquisition expenses are projected to be \$305.6 million. Operations phase related costs are estimated at \$3.7 million over the same 5-year period. The program's project category is the Lake Okeechobee & Estuary Recovery (LOER) Fast-Track projects – Lake Okeechobee Fast-Track projects (LOFT). The LOER fast-track capital projects will expedite water quality improvement in Lake Okeechobee and adjoining estuaries.

All project operating cost estimates within this program were calculated based on analysis of



expenditures for similar (size and scope) projects. Operating costs are primarily related to the maintenance of pumps, gates, culverts/risers, fuel, electricity, exotic and aquatic vegetation control, grading and mowing for levee and canal maintenance. No new positions (FTEs) are required for the operation of capital projects for this program. Some of these operational activities are outsourced.

A brief description of the major capital project for the Lake Okeechobee Program and a detailed explanation of related operating costs follow:

Taylor Creek Reservoir Okeechobee County



Taylor Creek Nubbin Slough Ribbon Cutting Ceremony

In response to identified water resource needs, legislative directives, and demands of Florida citizens, an action plan has been developed to help restore the ecological health of Lake Okeechobee and the St. Lucie and Caloosahatchee Estuaries. This project will aid in this goal. The objective of this project is to construct a reservoir that will provide water storage before entering into an STA. This project will be a constructed reservoir with a 4,000-acre footprint, holding 32,000 acre-feet of water. It will remove approximately 3-5 metric tons of phosphorus per year.

The FY2007 capital budget for the Taylor Creek Reservoir is comprised of \$15.8 million for construction. Projected 5-year expenditures total \$114.6 million, which include \$1.7 million for initial operating costs in FY2011. No new FTE's are budgeted for the operation of this project. The estimated total project cost is \$116.6 million. The project's scheduled completion date is September 2010.

Operating Costs Description	FY2007	FY2008	FY2009	FY2010	FY2011
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	\$0	\$0	\$0	\$0	\$1,695,000

Please see the Five-Year Capital Improvements Plan pages for costs-per-year breakdowns for specific projects.

Impact of Capital Projects on the Operating Budget

The impact of capital project operating costs on the annual budget requires careful consideration. Operating costs are a fundamental element of the District's Capital Improvement Program and the budget development process.

Reliable operating cost estimates are necessary from the onset of each budget cycle because the District must determine specific ongoing expenses it will incur once a project has been completed. For example, once a pump station becomes active it requires fuel, electricity, oil, and lubricants in order to operate. And, since project components are often completed in phases, partially constructed projects generally have associated operating costs which will need to be funded in future fiscal years.

In many instances, a capital project has multiple components. Using the STA-1 West Works and Enhancements project as an example, its scope includes construction of more than one water control structure, several associated bypass canals, levees (separation and perimeter) and inflow canals. In terms of budgeting, the project's initial operational impact may begin before completion of the project in its entirety.

Typically, capital projects within the District's Operations and Maintenance (O&M) Program do not have an operating impact on the District's current or future budgets because they are non-recurring. Such projects may be scheduled for replacement, refurbishment or dredging. Repair projects for structural, canal or levee damage are not classified as capital project related operating costs.

Some capital projects require long-term financing, which result in scheduled annual debt service payments involving significant cash outlays. In FY2007, District debt payments for land acquisition bonds and construction loans are \$128 million.

The following chart, “Estimated FY2007-FY2011 Capital Improvement Plan Operating Cost Impact Detail” provides the estimated annual operating financial impact, funding source, completion date and new positions projected for the District’s capital projects.

Estimated FY2007 – FY2011 Capital Improvement Program Operating Cost Impact Detail

DISTRICT PROGRAM / PROJECT TITLE	FUNDING SOURCE	COMPLETION DATE	NEW POSITIONS	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL FY2007 - FY2011
District Everglades									
STA-1 East Works & Enhancements	Ag Tax / ECP Tax	Jun 2007	0	\$3,006,966	\$2,439,398	\$3,536,974	\$2,638,453	\$2,743,991	\$14,365,782
STA-1 West Works & Enhancements	Ag Tax / ECP Tax	Jun 2007	0	2,740,908	2,850,544	2,964,566	3,083,149	3,206,475	\$14,845,642
STA-2 Works & Enhancements	Ag Tax / ECP Tax	Jun 2009	0	1,595,743	1,659,573	1,725,956	1,794,994	1,866,794	\$8,643,059
STA 3/4 Works & Enhancements	Ag Tax / ECP Tax	Jun 2007	0	3,430,111	3,567,315	3,710,008	3,858,408	4,012,745	\$18,578,587
STA-5 Works & Enhancements	Ag Tax / ECP Tax	Sep 2007	0	1,317,139	1,369,825	1,424,618	1,481,602	1,540,866	\$7,134,050
STA-6 Works & Enhancements	Ag Tax / ECP Tax	Oct 2007	0	1,398,600	1,454,544	1,512,726	1,573,235	1,636,164	\$7,575,269
EAA STA Compartment B	Ag Tax / ECP Tax	Dec 2009	0	0	0	0	0	4,075,731	\$4,075,731
EAA STA Compartment C	Ag Tax / ECP Tax	Dec 2009	0	0	0	0	0	9,104,561	\$9,104,561
Acme Basin B Discharge	Ag Tax / ECP Tax	Dec 2008	0	0	0	471,549	471,549	471,549	\$1,414,647
TOTAL District Everglades Program			0	\$13,489,467	\$13,341,199	\$14,874,848	\$14,429,841	\$19,082,766	\$85,737,328
Lake Okeechobee									
Lemkin Creek Urban Treatment System	General Ad-Valorem Taxes	Sep 2009	0	0	0	0	250,000	250,000	500,000
Taylor Creek Reservoir	General Ad-Valorem Taxes	Sep 2010	0	0	0	0	0	1,695,000	1,695,000
Lakeside STA	General Ad-Valorem Taxes	Dec 2009	0	0	0	0	0	780,000	780,000
S-133 Rerouting	General Ad-Valorem Taxes	Dec 2009	0	0	0	0	222,310	420,000	642,310
S-154 Rerouting	General Ad-Valorem Taxes	Dec 2009	0	0	0	30,000	31,200	32,448	93,648
TOTAL Lake Okeechobee Program			0	\$0	\$0	\$30,000	\$503,510	\$3,177,448	\$3,710,958
CERP									
C-44 Reservoir and STA	Federal / General Ad-Valorem Taxes	Dec 2009	0	\$0	\$158,475	\$158,475	\$158,475	\$4,706,071	\$5,181,496
C-43 Basin Storage Reservoir	Federal / General Ad-Valorem Taxes	Oct 2010	0	0	153,675	153,675	153,675	153,675	614,700
Everglades Agricultural Area Storage Reservoir	Federal / General Ad-Valorem Taxes	Dec 2010	0	0	0	0	0	1,000,000	1,000,000
EAA Bolles and Cross Canals	Federal / General Ad-Valorem Taxes	Oct 2010	0	0	0	0	0	470,951	470,951
WCA 3A 3B Seepage Management	Federal / General Ad-Valorem Taxes	Jun 2010	0	0	88,078	88,078	88,078	296,878	561,112
Biscayne Bay Coastal Wetlands	Federal / General Ad-Valorem Taxes	Dec 2009	0	0	0	0	336,208	336,208	672,416
C-111 Spreader Canal	Federal / General Ad-Valorem Taxes	Dec 2010	0	0	0	0	0	1,184,966	1,184,966
Picayune Strand - SGGE Restoration	Federal / General Ad-Valorem Taxes	Dec 2009	0	0	167,335	392,275	392,275	2,554,810	3,506,695
Site 1 Impoundment	Federal / General Ad-Valorem Taxes	Dec 2009	0	0	28,350	28,350	28,350	509,063	594,113
TOTAL CERP Program			0	\$0	\$595,913	\$820,853	\$1,157,061	\$11,212,622	\$13,786,449
Land Stewardship									
Packingham Slough Restoration	External Grant	Sep 2008	0	\$0	\$0	\$100,000	\$100,000	\$100,000	\$300,000
Pal-Mar East Restoration	External Grant	Jan 2010	0	0	0	0	50,000	50,000	100,000
Otter Slough Restoration	External Grant	Sep 2007	0	0	40,000	40,000	40,000	40,000	160,000
Rough Island	External Grant	Sep 2007	0	0	20,000	20,000	20,000	20,000	80,000
Gardner-Cobb Marsh Restoration	External Grant	Sep 2007	0	0	20,000	20,000	20,000	20,000	80,000
TOTAL Land Stewardship Program			0	\$0	\$80,000	\$180,000	\$230,000	\$230,000	\$720,000
GRAND TOTAL - CIP Operating Costs			0	\$13,489,467	\$14,017,112	\$15,905,701	\$16,320,412	\$33,702,836	\$103,954,735

Operating costs associated with FY2007 capital projects are estimated to be \$13.5 million, or 1.0 percent of the District's total annual budget. In FY2007, all operating costs incurred are within the District Everglades Program for the Stormwater Treatment Areas (STAs). Project-related operating costs include spraying of invasive exotic and aquatic plants, mowing, fuel, electricity, road grading, electrical and mechanical parts, oil and lubricants to operate the pumps, maintain the levees and interior maintenance.

Total projected five-year operating costs for all of the District's current capital projects are estimated at approximately \$104 million:

(\$ millions)	District Program
\$85.7	District Everglades
\$ 3.7	Lake Okeechobee
\$13.8	Comprehensive Everglades Restoration Plan (CERP)
\$ 0.7	Land Stewardship

Although some of the District's capital projects directly impact the current and future operating budget (due to increased expenditures for maintenance, utility costs, and vegetation control), several programs have dedicated funding sources in place to meet their projects' future operating needs. One example is the District Everglades Program which has Agricultural Privilege and Everglades Construction Project taxes as dedicated funding sources. These funds may only be used for District Everglades projects and associated operating costs.

As indicated in the previous chart, no new full-time equivalent (FTEs) positions are required to staff the District's capital projects. Typical operating costs budgeted include pump, gate, culvert/riser, canal, levee and interior maintenance; electricity, fuel, lube, filters and gaskets; minor and major overhauls; exotic and aquatic vegetation control; and, landscape maintenance (e.g. mowing grass).

Project Managers/Engineers and functional unit staff determine many of the operating costs required for capital projects. Costs are generally estimated by comparing operating expenditures for similar projects already in operation. Budget figures for capital operating costs are adjusted for inflation in outer years.

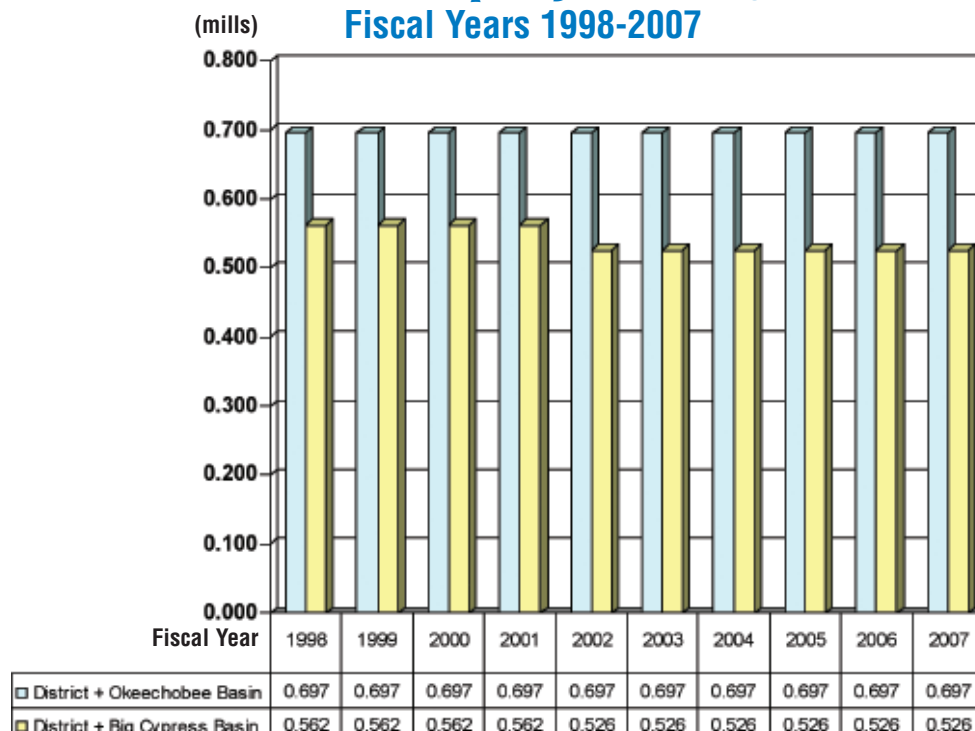
Additional Impacts of Major Capital Projects

Leveraging taxpayer dollars with Certificates of Participation (COPs) financing will save taxpayers and the State of Florida millions of dollars in costly land, material and labor increases. Several of the major capital projects outlined in this section will supplement the additional water supply capacity needed to meet the region's growing urban and agricultural demand. Additionally, these projects offer environmental benefits, which include the prevention of flooding, loss of water to the tide, and harmful discharges to environmentally sensitive water bodies. Several of the projects in development will improve water quality, groundwater and aquifer recharge, and will restore historic hydropatterns and flows and wetlands.

Ten-Year Tax Millage History

The following graph depicts the South Florida Water Management District's actual millage rates over a ten-year period:

Ad Valorem Property Tax Millage Rates
Fiscal Years 1998-2007



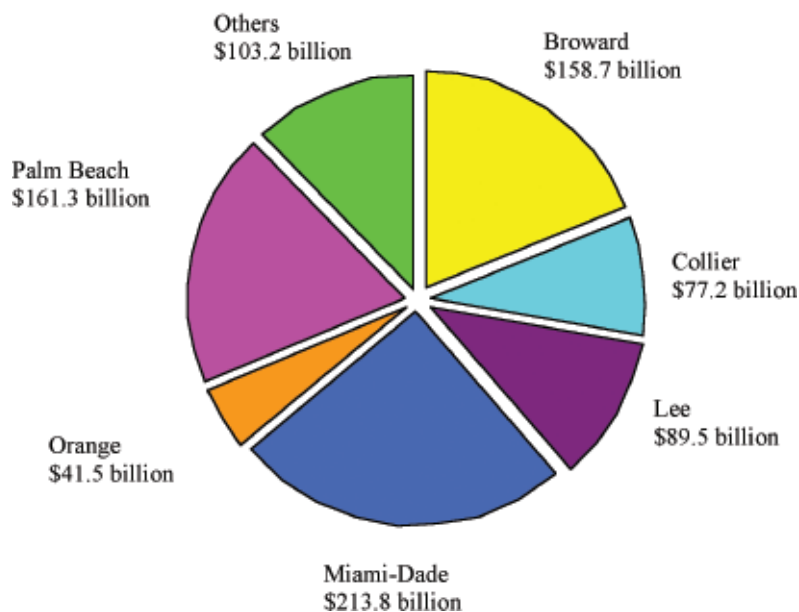
The District's Fiscal Year 2007 (FY2007) adopted millage rates remain the same as in FY2006. In FY2007, all property owners within the District's boundaries will be assessed the District-at-large millage rate of .2840 mills. (One mill equals \$1 of tax for each \$1,000 of taxable value). In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .3130 mills and the Everglades Construction Project tax rate of .1000 mills, for a combined tax assessment of .6970 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .2425 mills and the District-at-Large tax rate of .2840 mills, for a combined tax assessment of .5265 mills.

Adopted Fiscal Year 2007 Tax Rates

	Okeechobee Basin Tax Rates (in mills)	Big Cypress Basin Tax Rates (in mills)
Okeechobee Basin	0.3130	--
Everglades Restoration	0.1000	--
Big Cypress Basin	--	0.2425
District	0.2840	0.2840
Tax Rate	0.6970	0.5265

Fiscal Year 2007 District Tax Base

Total Tax Base by County: \$845.2 Billion



Taxable values for the six largest counties in the District's 16-county jurisdiction represent 87.8 percent of the total tax base. Miami-Dade, Broward and Palm Beach Counties comprise 63.2 percent of the total tax base.

FY2007 Taxable Values

Counties	District FY2006 Final Taxable Values	District FY2007 Final Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	\$133,163,500,429	\$158,690,637,790	\$158,690,637,790	\$0	19.17%
Charlotte	136,268,868	191,661,223	191,661,223	0	40.65%
Collier	61,496,295,417	77,238,074,548	0	77,238,074,548	25.60%
Glades	582,024,413	687,621,037	687,621,037	0	18.14%
Hendry	1,926,386,686	2,823,903,339	2,823,903,339	0	46.59%
Highlands	585,796,760	802,724,561	802,724,561	0	37.03%
Lee	64,186,869,076	89,502,215,901	89,502,215,901	0	39.44%
Martin	17,747,358,137	21,541,040,137	21,541,040,137	0	21.38%
Miami-Dade	176,379,532,040	213,825,364,287	213,825,364,287	0	21.23%
Monroe	21,929,704,243	26,872,672,407	26,872,664,415	7,992	22.54%
Okeechobee	1,741,032,213	2,144,141,922	2,144,141,922	0	23.15%
Orange	33,833,006,135	41,500,209,738	41,500,209,738	0	22.66%
Osceola	16,126,430,630	21,866,891,422	21,866,891,422	0	35.60%
Palm Beach	130,262,743,363	161,252,193,452	161,252,193,452	0	23.79%
Polk	1,162,692,101	1,943,522,631	1,943,522,631	0	67.16%
St. Lucie	17,343,722,140	24,344,463,819	24,344,463,819	0	40.36%
Total Tax Base	\$678,603,362,651	\$845,227,338,214	\$767,989,255,674	\$77,238,082,540	24.55%

Impact of Taxes



Average Home

Assessed Value	\$225,000
Less Homestead Exemption	25,000

Taxable Value	\$200,000
----------------------	------------------

The average impact of the District's FY2007 millage rates on a homeowner residing in the Okeechobee Basin or Big Cypress Basin with a home value assessed at \$225,000 (less a \$25,000 homestead exemption) is shown below:

Okeechobee Basin		
(\$200,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2007 Tax Rate District and Okeechobee Basin	0.6970	\$139.40
Adopted FY2006 Tax Rate District and Okeechobee Basin	0.6970	\$139.40
FY2006-FY2007 Variance	0.0000	\$0.00

Big Cypress Basin		
(\$200,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2007 Tax Rate District and Big Cypress Basin	0.5265	\$105.30
Adopted FY2006 Tax Rate District and Big Cypress Basin	0.5265	\$105.30
FY2006-FY2007 Variance	0.0000	\$0.00

Taxes paid within the Okeechobee Basin for FY2007 remain approximately 70 cents per \$1,000 of taxable value. Taxes paid within the Big Cypress Basin for FY2007 remain the same, at approximately 53 cents per \$1,000 of taxable value.

State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

Taxing Authority Definitions

A sample *Notice of Proposed Property Taxes and Proposed or Adopted Non-Ad Valorem Assessments* (property tax notice) for a typical Palm Beach County resident is displayed on the facing page. Every August, Florida property owners receive similar notices from their respective county property appraisers. (A list of the 16 county appraisers located within the South Florida Water Management District is included in this section after the sample tax notice).

The sample tax notice is for a home assessed at \$231,750 (less a \$25,000 homestead exemption). The following information is a guide to reading and understanding the notice:

Section 1 – Taxing Authority

In addition to the South Florida Water Management District (abbreviated as SFWMD in this notice) and Everglades Construction Project (ECP), the Palm Beach County, Palm Beach Public Schools, the City of West Palm Beach, the Florida Inland Navigation District (FIND), the Children's Services Council, and the Palm Beach County Health Care District are listed as taxing authorities in the left-hand column on this tax notice.

Section 2 – Your Property Taxes Last Year

The second column of the notice shows the taxes that applied to the homeowner's property (and how the taxes were distributed) for last year. The amounts appearing in this column are based on budgets adopted last year and the property's assessed value for the previous year.

Section 3 – Your Taxes This Year (If Proposed Budget Change is Made)

This column lists what the homeowner's property taxes will be this year if the proposed budget for each local taxing authority is approved. The proposal is not final and may be amended at public hearings (as scheduled in the fourth column). In this example, the property taxes levied by the District are listed on two lines, SFWMD (\$123.43) and Everglades Construction Project (\$20.68), totaling \$144.11. (The *Everglades Forever Act (EFA)* requires the District to separate the Okeechobee Basin tax revenue dedicated to the Everglades Construction Project).

Section 4 – Public Hearing Information

This section provides the name, phone number, date, time and address for each taxing authority public hearing on the proposed taxes and budget.

Section 5 – Your Taxes This Year (If No Budget Change is Made)

The right-hand column shows what the homeowner's property tax will be this year if each taxing authority does not increase its property tax levy. These amounts are based on last year's budgets and the property's current assessment. This is also known as the rolled-back rate, which is a millage rate that generates the same tax revenue as last year, exclusive of new construction. (The difference between Section 3 and Section 5 is the tax change proposed by each local taxing authority and is not the result of higher assessments).

Section 6 – Property Value Information

The information appearing in Section 6 compares the property's value last year and this year. Important details including whether or not the property has a homestead exemption (which subtracts \$25,000 from the assessed value of the property resulting in a lower taxable value) are shown here. In this example, the assessed value for the property last year was \$225,000, minus a \$25,000 homestead exemption. And, property taxes due in 2006, will be based on a net value of \$206,750 for this year.

Section 7 – 2006 Proposed and/or Adopted Non-Ad Valorem Assessments

This section lists proposed non-ad valorem assessments and fees to be collected by other taxing authorities.

Sample Tax Notice

NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS																											
PROPERTY CONTROL NO. 00-00-00-00-000-0000		2006 PROPOSED AD VALOREM TAXES																									
LEGAL DESCRIPTION OF PROPERTY: PARCEL IS IN INCORPORATED PALM BEACH COUNTY		The taxing authorities which levy property taxes against your property will soon hold PUBLIC HEARINGS to adopt budgets and tax rates for the next year. The purpose of these PUBLIC HEARINGS is to receive opinions from the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION. Each taxing authority may AMEND OR ALTER its proposal at the hearing. A PUBLIC HEARING ON THE PROPOSED TAXES AND BUDGET WILL BE HELD:																									
Section 1		Section 2	Section 3																								
TAXING AUTHORITY	YOUR PROPERTY TAXES LAST YEAR	YOUR TAXES THIS YEAR IF PROPOSED BUDGET CHANGE IS MADE	YOUR TAXES THIS YEAR IF NO BUDGET CHANGE IS MADE																								
PB COUNTY	890.00	889.03	763.73																								
PUBLIC SCHOOLS BY STATE LAW BY LOCAL BOARD	1046.00 530.80	1052.15 542.31	897.87 455.64																								
CITY	1580.00	1633.33	1303.83																								
SFWMD EVERGLADES CONST. PROJ. (South Florida Water Management District)	119.40	123.43	101.87																								
F.I.N.D.	20.00	20.68	17.08																								
CHILD SERV	7.70	7.96	6.62																								
HEALTH	137.74	128.16	118.24																								
	216.00	212.95	185.41																								
County DBT	53.84	40.83	40.83																								
SCHOOL DBT	44.40	33.08	33.08																								
CITY DBT	85.12	67.17	67.17																								
TOTAL AD VALOREM PROPERTY TAXES	4731.00	4751.08	3991.37																								
COLUMN 1	COLUMN 2	SEE REVERSE SIDE FOR EXPLANATIONS																									
Section 6		Section 5																									
YOUR PROPERTY VALUE LAST YEAR	225000	MARKET VALUE	291000																								
225000	ASSESSED VALUE	231750																									
25000	EXEMPTIONS	25000																									
200000	TAXABLE VALUE	206750																									
IF THE PROPERTY APPRAISER'S OFFICE IS UNABLE TO RESOLVE THE MATTER AS TO MARKET VALUE OR AN EXEMPTION, YOU MAY FILE A PETITION. PETITION FORMS ARE AVAILABLE FROM THE COUNTY PROPERTY APPRAISER'S OFFICE. YOUR PETITION MUST BE FILED WITH THE CLERK OF THE VALUE ADJUSTMENT BOARD ON OR BEFORE: 15-SEP-06 5:00 PM AT 301 N. OLIVE AVENUE, WEST PALM BEACH, FLORIDA 33401 YOUR FINAL TAX BILL MAY CONTAIN NON-AD VALOREM ASSESSMENTS WHICH MAY NOT BE REFLECTED ON THIS NOTICE SUCH AS ASSESSMENTS FOR ROADS, FIRE, GARBAGE, LIGHTING, DRAINAGE, WATER, SEWER, OR OTHER GOVERNMENTAL SERVICES AND FACILITIES WHICH MAY BE LEVIED BY YOUR COUNTY, CITY, OR ANY SPECIAL DISTRICT.		IF YOU FEEL THAT THE MARKET VALUE OF YOUR PROPERTY IS INACCURATE OR DOES NOT REFLECT FAIR MARKET VALUE, OR IF YOU ARE ENTITLED TO AN EXEMPTION THAT IS NOT REFLECTED ABOVE, CONTACT YOUR COUNTY PROPERTY APPRAISER AT: Residential SEE REVERSE SIDE Exemptions (561) 355-2866 Commercial (561) 355-4000 Agriculture (561) 355-2040 GOVERNMENTAL CENTER - 9th FLOOR 301 N. OLIVE AVE. WEST PALM BEACH, FLORIDA 33401 FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.																									
2006 PROPOSED AND/OR ADOPTED NON-AD VALOREM ASSESSMENTS <table border="1"> <thead> <tr> <th>LEVYING AUTHORITY</th> <th>TELEPHONE NUMBER</th> <th>RATE</th> <th>ASSESSED AMOUNT</th> </tr> </thead> <tbody> <tr> <td>SOLID WASTE AUTHORITY</td> <td>(561) 697-2700</td> <td>128.00</td> <td>128.00</td> </tr> <tr> <td>N.P.B. CO. IMPROV DIST 4 MAINT</td> <td>(561) 624-7830</td> <td>48.71</td> <td>48.71</td> </tr> <tr> <td>N.P.B. CO. IMPROV DIST 4 DEBT</td> <td>(561) 624-7830</td> <td>18.19</td> <td>18.19</td> </tr> <tr> <td>BRIGER COMMUNITY DEV DISTRICT DEBT</td> <td>(954) 753-0380</td> <td>305.80</td> <td>305.80</td> </tr> <tr> <td>BRIGER COMMUNITY DEV DISTRICT MAINT</td> <td>(954) 753-0380</td> <td>64.00</td> <td>64.00</td> </tr> </tbody> </table>		LEVYING AUTHORITY	TELEPHONE NUMBER	RATE	ASSESSED AMOUNT	SOLID WASTE AUTHORITY	(561) 697-2700	128.00	128.00	N.P.B. CO. IMPROV DIST 4 MAINT	(561) 624-7830	48.71	48.71	N.P.B. CO. IMPROV DIST 4 DEBT	(561) 624-7830	18.19	18.19	BRIGER COMMUNITY DEV DISTRICT DEBT	(954) 753-0380	305.80	305.80	BRIGER COMMUNITY DEV DISTRICT MAINT	(954) 753-0380	64.00	64.00	Section 7 DO NOT PAY --- THIS IS NOT A BILL TOTAL NON-AD VALOREM 564.70	
LEVYING AUTHORITY	TELEPHONE NUMBER	RATE	ASSESSED AMOUNT																								
SOLID WASTE AUTHORITY	(561) 697-2700	128.00	128.00																								
N.P.B. CO. IMPROV DIST 4 MAINT	(561) 624-7830	48.71	48.71																								
N.P.B. CO. IMPROV DIST 4 DEBT	(561) 624-7830	18.19	18.19																								
BRIGER COMMUNITY DEV DISTRICT DEBT	(954) 753-0380	305.80	305.80																								
BRIGER COMMUNITY DEV DISTRICT MAINT	(954) 753-0380	64.00	64.00																								
00-00-00-00-000-0000 22222 HOMESTEAD MR. AND MRS. TAXPAYER 1 MAIN STREET PALM BEACH COUNTY FL 33411-1111																											

Property Appraisers

Broward County

Honorable Lori Parrish
115 S. Andrews Avenue, Room 111-F
Fort Lauderdale, FL 33301
(954) 357-6904

Charlotte County

Honorable Frank Desguin
18500 Murdock Circle
Port Charlotte, FL 33948
(941) 743-1498

Collier County

Honorable Abe Skinner
3285 E. Tamiami Trail
Naples, FL 34112
(239) 774-8255

Glades County

Honorable Larry R. Luckey
US 27 & 6th Street, Room 202
Moore Haven, FL 33471
(863) 946-6025

Hendry County

Honorable Kristina A. Kulpa
25 E. Hickpochee Avenue, Room A329
LaBelle, FL 33975
(863) 675-5270

Highlands County

Honorable C. Raymond McIntyre
560 S. Commerce Avenue
Sebring, FL 33870
(863) 402-6659

Lee County

Honorable Kenneth M. Wilkinson
2480 Thompson Street, 4th Floor
Ft. Myers, FL 33902
(239) 339-6100

Martin County

Honorable Laurel Kelly
100 E. Ocean Boulevard, Suite 300
Stuart, FL 34994
(772) 288-5608

Miami-Dade County

Honorable Frank E. Jacobs
111 N.W. First Street, Suite 710
Miami, FL 33128
(305) 375-4008

Monroe County

Honorable Ervin A. Higgs
500 Whitehead Street
Key West, FL 33041
(305) 292-3404

Okeechobee County

Honorable William C. Sherman
307 N.W. Fifth Avenue, Suite A
Okeechobee, FL 34972
(863) 763-4422

Orange County

Honorable William Donegan
200 S. Orange Avenue, Suite 1700
Orlando, FL 32801
(407) 836-5055

Osceola County

Honorable Atlee Mercer
350 N. Beaumont Avenue
Kissimmee, FL 34742
(407) 343-3700

Palm Beach County

Honorable Gary R. Nikolits
301 N. Olive Avenue, 1st Floor
West Palm Beach, FL 33401
(561) 355-2866

Polk County

Honorable Marsha M. Faux
255 N. Wilson Avenue
Bartow, FL 33830
(863) 534-4777

St. Lucie County

Honorable Jeff Furst
2300 Virginia Avenue, Room 107
Ft. Pierce, FL 34983
(772) 462-1000

Economic Outlook

The South Florida Water Management District (SFWMD or District) is a regional state government agency based in West Palm Beach, Florida. The District manages and protects central and south Florida's water resources, balancing and improving water quality, flood control, water supply and natural systems, which include America's Everglades.

Geographically, the SFWMD covers 31 percent of the State of Florida and encompasses sixteen of the State's counties, either wholly or partially. Under Florida Statutes, these counties are subject to the SFWMD Ad Valorem taxing authority. In addition to state and federal revenue sources, 41 percent of the District's budget is funded through ad valorem property tax revenues.

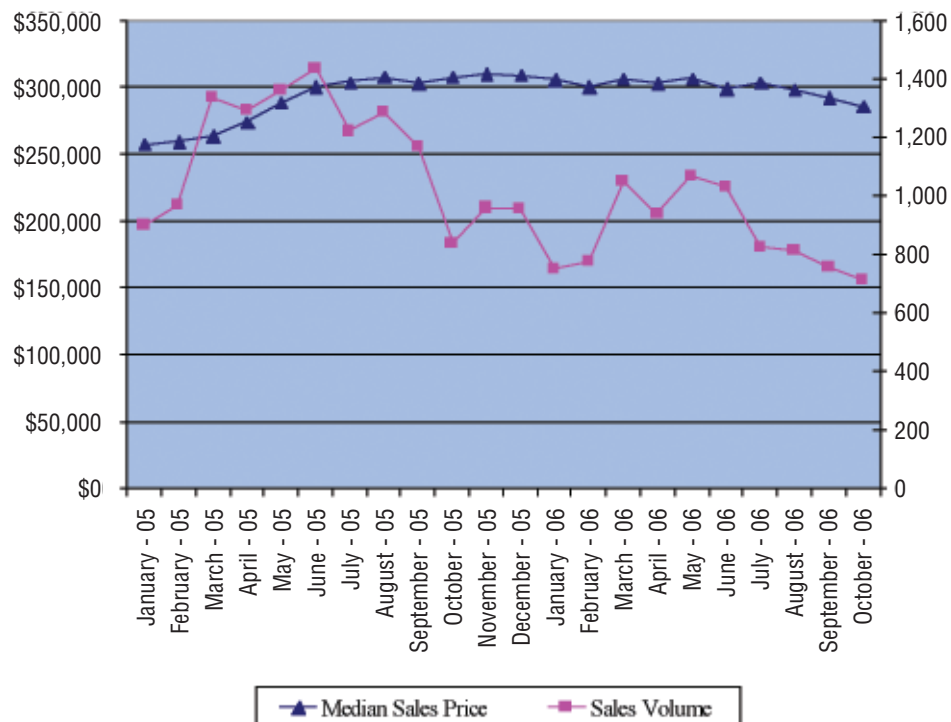
It is a challenging task to address the needs of the District's 7+ million residents while protecting and restoring the water resources of the region. It is also important to recognize that available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District because changes in these variables directly impact the District's financial health.

This section examines the various economic factors in the SFWMD's jurisdiction that directly affect the agency's financial health and provides a brief overview of the significance of each economic factor as it relates to the District's Ad valorem revenues.

The central and south Florida economy is primarily based on tourism, agriculture and construction. Income generated by these industries circulates throughout the local economy. Property values have a very large and direct impact on ad valorem taxes. An increase in property value will often be an indicator of a healthy economy. Counties experiencing population and economic growth are likely to enjoy a per unit long-term increase in property value due to increased demand for homes. Changes in property value are most important to the SFWMD because over 40% of the agency's budget is funded by ad valorem taxes.

Every year the SFWMD adopts fixed millage rates to be levied and these rates have remained constant over the past ten years in large part due to strong property value growth. However, if exemptions and/or property values change, the overall amount of revenues collected will change. Examining the trends shown in **Graph 1**, the SFWMD can expect a small decrease in property value growth during 2007 because of the continued decline in the demand for residential property indicated by a fall in Housing Unit Sales during the last half of 2006. The potential decline of property values in 2007 is anticipated to be a short-term decline in an otherwise upward trending market into the future.

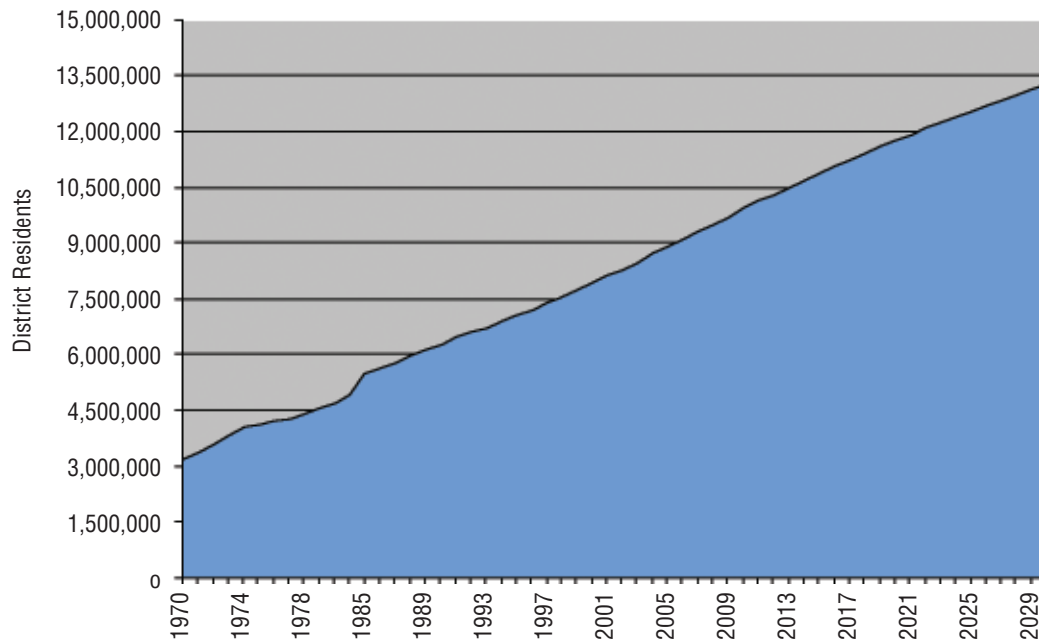
Graph 1

Existing Home Sales and Prices for SFWMD 16 Counties

SOURCE: Florida Association of Realtors, Florida Sales Report

Another major economic factor driving ad valorem taxes is population growth and the impact this growth has on property values. Population growth impacts property values because as the population increases demand for homes goes up, which results in higher property values (caused by the increased market value of homes sold). This relationship between the real estate market and population changes will affect the SFWMD's revenues because ad valorem taxes are collected from property owners based on property values set by each county property appraiser's office. It is important to monitor increase in service demand by a rising population to effectively develop future budgets.

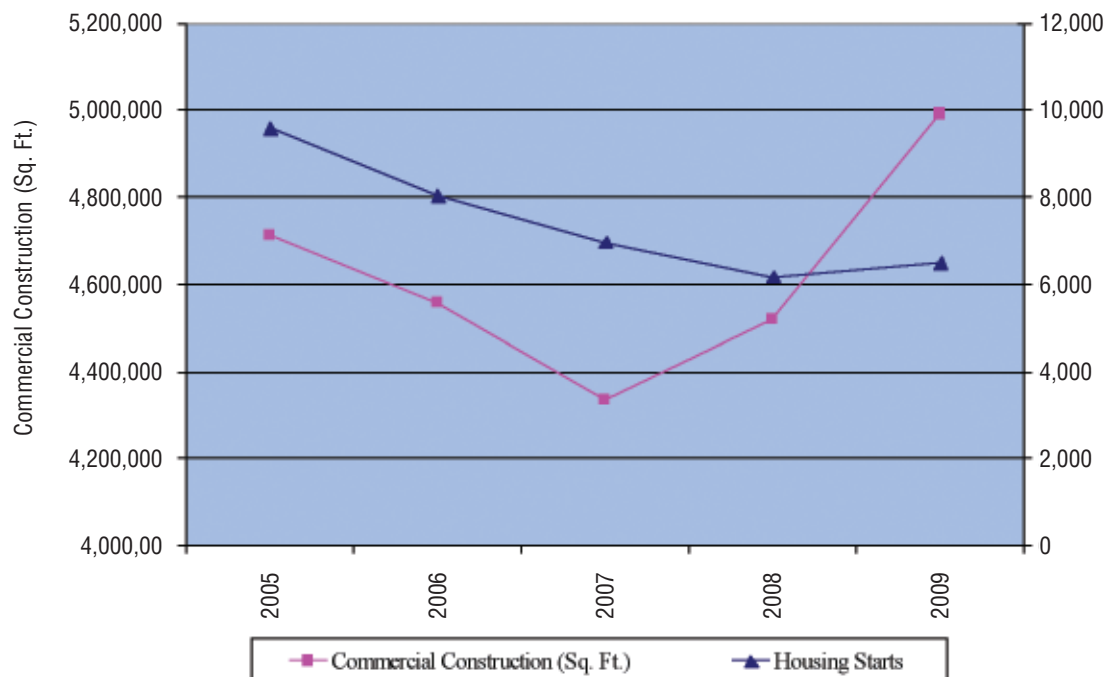
In 2005, the population residing within the District's jurisdiction increased by 2.5 percent, a small increase from the prior year's growth of 2.32 percent. From 2000 to 2005 the population growth across the District averaged 2.22 percent. Consistent growth in population throughout central and southern Florida has been occurring for the past 35 years. It appears this trend will continue into the foreseeable future (see **Graph 2**).

Graph 2**Population Projection** for 16 Counties within the District

SOURCE: Florida Division of Economic & Demographic Research

Residential construction is vital to any region with a growing population and economy because it allows for sustained growth into the future. Where there are new residents building homes there is also an opportunity for businesses to develop in that region because there is an increased demand for products and services. Residential and commercial construction is a reliable indicator of how the economy will perform in the short run.

During the next two years residential construction will be on a decline and is expected to bottom out in 2008, followed by a slow recovery beginning in 2009. While commercial construction will continue to decline during 2007, the market is projected to reach its bottom in 2007 and experience a strong recovery during the next two years (as shown in **Graph 3**).

Graph 3**Construction within the District (16 Counties)**

SOURCE: Fishkind & Associates Inc.

As a result of the projected decline in residential and commercial construction during 2007 there will likely be lower property value growth next year, but the markets are expected to stabilize and recover shortly into the future according to Fishkind & Associates, Inc. Increases in interest rates and insurance premiums should be closely examined because they can adversely affect real estate market growth if income levels cannot support property values.

Currently, Florida's Homestead Exemption entitles every person who has legal or equitable title to real estate, and maintains it as their permanent residence, to receive a \$25,000 property value tax exemption. The Save Our Homes Amendment states that the annual assessment of homesteaded property shall not exceed the lower of either a 3 percent increase of the assessed value from the prior year or the percent increase in the Consumer Price Index (CPI). With the Save Our Homes Amendment, assessed home values would increase by the 3 percent cap every year regardless of market value changes. This allows the owner's assessed property value to be less than the market value because of the 3 percent cap.

Believing there are undesirable impacts that resulted from the Homestead Exemption and the Save Our Homes Amendment, many residents have voiced their concerns to the state. Concerns include the fact that long-time residents pay substantial tax increases when they move and non-Homestead property owners pay a disproportionate share of Florida's tax burden.

The State of Florida is currently considering modification of its property tax code. One proposal calls for doubling of the Homestead Exemption from \$25,000 to \$50,000 for property owners. Another proposal is for the portability of the Save Our Homes savings, which would allow a resident to apply the cap to a new Homestead property anywhere in Florida (however, the cap would be limited to the percentage of the old property's market value represented by its assessed/taxable value). This means that if a homeowner pays taxes on only half of the market value of their old property, they would pay half on the newly purchased property.

For example, if a homeowner paid taxes on \$50,000 for a home with an assessed value of \$100,000, then this homeowner's new taxes would be based on \$100,000 for a \$200,000 home. The homeowner's cap would be \$100,000 and it would not increase by more than 3 percent per year. However, the tax break would be limited to \$400,000 of the assessed value. By contrast, under Florida's current property tax system, if a resident moves into another homesteaded property, the new owner is required to pay taxes on the new assessed value of the home, less the homestead exemption.

In conclusion, the overall external economic conditions for the South Florida Water Management District are projected to remain favorable, even though there will be a slight economic slow down in 2007. The District will continually monitor economic conditions in order to effectively evaluate the overall financial condition of the 16 counties within its taxing authority. Anticipation and preparation are the best methods for adapting to any changes in external economic conditions. Careful monitoring of these critical indicators along with implementation of sound financial practices and policies provide a useful means of avoiding unexpected financial shortfalls within the annual budget.

How Environmental Factors Affect District Services



Restored section of the Kissimmee River

Unique natural and man-made environmental conditions existing within the South Florida Water Management District's (District) geographical service area largely determine demands for service. These conditions include climate and the effects of water on Florida's unique terrain. Urban and agricultural development has altered south Florida's water quality, supply, drainage, and flood patterns. The District considers and addresses each of these factors in the context of its ongoing resource protection and restoration efforts.

Surface Features and Soils

The topography of south Florida is flat and at a low elevation, which creates special challenges. The flatness of the land combines with Florida's abundant sandy soil to hamper the quantity of rainfall that moves downward into the deep aquifers that store water. This often makes irrigation necessary, despite an abundance of rainfall.

Groundwater Resources

Virtually all areas within the District contain underground aquifers capable of yielding some quantity of water. Everywhere in the District, except in the Upper Kissimmee Basin, water in aquifers must be treated extensively before it meets drinking-water standards. The District makes water available, from aquifers, to utility companies which then treat the water before delivery to the community. The District also regulates the use of groundwater and surface water through the issuance of Consumptive Use Permits.

Climate

The climate in south Florida is subtropical, which means there is a long growing season for natural vegetation, urban landscaping and agricultural crops. Although south Florida can claim rainfall totals averaging 53 inches per year, there is significant water loss due to evapotranspiration, which is a combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces. The amount of water lost from evapotranspiration is almost equal to the total rainfall.

There is significant variation in rainfall throughout the year, creating distinct wet (summer) and dry (winter) seasons. Summer storms are often intense and occur with unpredictable frequency. Total rainfall also varies greatly from year to year, because of major variations due to climactic cycles and tropical weather systems. These conditions create the need for water management — both when rain is over abundant and when it is in short supply.

Drainage

Florida's naturally high water levels and seasonal flooding are often not compatible with agricultural and urban development. Drainage is a key factor in the creation of dry land on which houses and roads can be built; and, crops and landscapes can be cultivated. Over the years, extensive networks of drainage canals, structures and pump stations were built to redirect water to internal storage areas or to discharge at the coast. The effects of altering these water levels, shifted vegetation patterns, contributed to the loss or degradation of wetlands from excessive flooding, and increased the spread of invasive exotic and nuisance plants. The District has a variety of programs to monitor changes in water conditions throughout the region and to manage water levels in remaining natural areas in a manner that will help maintain and restore health and balance to natural landscapes.

Flood Protection

The many intense rainfall events that occur in the District's service area would cause extensive flooding if flood protection services weren't in place. These services generally involve the rapid movement of excess water into storage or to tidal areas. The state's flat topography makes this movement difficult, so a system of high-capacity canals, structures and pump stations are used.

The rapid movement of runoff water, although necessary, can also create problems in the lakes, wetland areas and estuaries to which it flows. This is due to changes in the timing, location and amount of water discharge. One way to manage these problems is to develop storage facilities that act as "shock-absorbers" to moderate the rate of discharge into natural water bodies. The District has extensive networks of publicly and privately owned storage areas, designed to capture excess water during wet periods and release it later to tidal areas, natural systems or for human use during dry periods.

Several other methods used to protect natural systems are Reservations and Minimum Flows and Levels (MFL) criteria. Reservations are used to protect water from use in designated locations. MFLs are established by using the best available information to calculate a minimum flow and level for each water body, reflecting seasonal variations when appropriate. These calculations establish the point at which further water withdrawals would significantly harm the water resources or the ecology of the area.

Water Quality

Today, natural ecosystems still cover very large areas of south Florida. Much of this land is in public ownership and is managed for aesthetic, recreational or ecological values. One aspect of this management is to allow periodic flooding to occur. These wet landscapes can provide an important function by removing nutrients and pollutants from the water. Two nutrients, nitrogen and phosphorus, are required in appropriate amounts to sustain life. Many of south Florida's natural plant communities are adapted to survive and flourish in waters that have very low nutrient concentrations. Excessive amounts of nitrogen and phosphorus can lead to changes in such communities, including imbalances in the composition of native plant species and a dominance of exotic and nuisance species. The District has a number of ongoing projects and activities that are designed to monitor and control nutrient concentrations in canals, rivers, lakes and wetlands, and to help manage exotic species, where necessary.

The construction of canals and pump stations for drainage and flood protection has also affected water quality in regional systems. Runoff from developed areas frequently contains chemical pollutants, contaminants and fertilizers. These substances can cause excess growth of nuisance plants and algae, oxygen depletion, and other adverse impacts. One means to address this issue has been to construct water quality treatment facilities, typically in combination with water storage areas that are designed to remove or reduce the concentrations of contaminants before water is discharged into the natural system. Stormwater Treatment Areas (STAs) fulfill this function by removing sediments, nutrients and pollutants through natural processes of plant growth and soil build-up.

Water Supply

Originally, natural systems in south Florida were supplied primarily with water from rainfall and the flow of excess water from lakes, rivers and the Everglades wetlands. Over time, however, this natural system has been modified extensively by construction of a vast network of canals, structures and pump stations that control water levels. The District uses this infrastructure to replenish surface aquifers, protect coastal areas from saltwater intrusion, maintain water levels needed for crop irrigation in regional canals, and replenish surface water to protect regional lakes and wetlands. In addition to maintaining higher water levels in regional storage facilities, such as the Kissimmee Lakes, Lake Okeechobee and the Everglades Water Conservation Areas, methods for underground storage — termed Aquifer Storage and Recovery — are being tested for use throughout the District. The large amounts of water needed to meet urban, agricultural commercial, industrial and recreational demands in south Florida often compete with the amounts needed by natural systems, especially since much of the water for human use is ultimately diverted out of the basin from which it is withdrawn. The District plays a critical role in determining this balance, by managing the facilities that distribute water to meet the needs of natural systems while at the same time regulating the quantities and sources of water that are developed for human use of water.

Historical Changes in Land Uses

South Florida has undergone significant changes, due in large part to the Central and Southern Florida (C&SF) Flood Control Project providing the regional backbone of the area's drainage and flood control system. The system has also proved to be successful in the movement of water to augment water supplies. The result has been rampant urban and agricultural development. At the same time, conditions in the Everglades and other components of the south Florida natural ecosystem have been declining.

Agricultural and urban land uses have expanded greatly since 1940, especially along the coasts and where extensive sawgrass marshes once were located south of Lake Okeechobee. A large portion of south Florida was protected from development by creation of the Everglades Water Conservation Areas (WCAs), Everglades National Park and Big Cypress Preserve. However, much of this land, notably within the WCAs, has been disturbed and the ecosystem values reduced due to construction of canals and levees, artificial management of water levels and nutrient enrichment in the resulting impoundments.

Urban and Agricultural Development

Between the years 1950 and 2000, the population within the District's boundaries increased from 0.8 million to 6.6 million. The 2000 population, which is based on 2001 data from the U.S. Bureau of the Census, is shown in the table below:

Projected Population Growth Patterns in the South Florida Water Management District

The South Florida Water Management District by Region	2000 Population	2025 Population	Change in Population	Percent Change in Population
Lower East Coast ¹	5,383,797	7,061,167	1,677,370	32%
Lower West Coast ²	908,542	1,582,584	674,042	74%
Kissimmee Basin ³	449,829	1,111,932	662,103	147%
Upper East Coast ⁴	320,664	584,927	264,263	82%
Total	7,062,832	10,340,610	3,277,778	46%

¹ Lower East Coast: Miami-Dade, Broward and Palm Beach counties; and portions of Monroe and Hendry counties located within the South Florida Water Management District.

² Lower West Coast: Collier and Lee counties; and portions of Hendry, Glades and Charlotte counties located within the South Florida Water Management District.

³ Kissimmee Basin: Southern Orange County, Western Osceola County, Eastern Polk County, Eastern Highlands County, Northern Glades County and Western Okeechobee County.

⁴ Upper East Coast: Martin and St. Lucie counties; and portions of Okeechobee County within the District.

The 2025 population projections shown in the table are those used for long-term planning by each county. These projections were developed in 2004 by the Bureau of Economics and Business Research at the University of Florida. The projections in the table show that significant population growth is expected, with the largest population change occurring in the Lower East Coast and the largest percentage of growth projected in the Kissimmee Basin Planning Area.

Commercial agriculture is another major water user in south Florida. Major crops grown in particular counties are shown in the table below. Virtually all commercial agricultural crops require irrigation, so an estimate of irrigation requirements, as depicted in the table, is a fundamental component of the water supply planning process.

Agricultural Land Use in South Florida

Agricultural Crop or Land Use	Counties in the District Where Use is Concentrated	Approximate Irrigated Acreage in 1995
Citrus	St. Lucie, Hendry, Polk and Martin	391,000
Vegetables	Miami-Dade, Palm Beach, Collier, Hendry, and Lee	157,000
Sugarcane	Palm Beach, Hendry, Glades and Martin	433,000
Nurseries	Miami-Dade, Broward and Palm Beach	26,000
Sod	Palm Beach	18,000
Pasture	Okeechobee, Highlands and Osceola	Rarely irrigated

Note: Source: *Water Management District (1995)*. The District is currently finalizing updates to the Kissimmee Basin, Lower East Coast and Lower West Coast Regional Water Supply Plans. The plan for the Upper East Coast was completed in June 2004. The 2000 base-year data will be compiled and reported for the FY2008 version of this document.

The land use data shown previously indicated the rapid development of agriculture in the period from 1953 to 1973, during which agricultural land use grew from 9.5 percent to 27.5 percent. In contrast, from 1973 to 1995, agricultural land use only grew from 27.5 percent to 27.8 percent. Irrigated agricultural land use is expected to grow very little through 2025. This is shown in the table below, and is based on information in the District Water Supply Assessment.

Projected Changes in Irrigated Agricultural Land Use in Acres from 1995 to 2020

Planning Area	Citrus and Other Fruit	Vegetables	Sugar Cane and Other Field Crops	Sod	Nursery	All Irrigated Crops
Lower West Coast	33,778	4,849	6,185	0	3,696	48,508
Lower East Coast	683	-34,715	-44,325	0	13,214	-65,143
Upper East Coast	22,236	0	0	2,800	200	25,236
Kissimmee Basin	28,722	9,000	1,144	0	1,092	39,958
District	85,419	-20,866	-36,996	2,800	18,202	48,559

Notes: The District is presently updating the Kissimmee Basin, Lower East Coast and Lower West Coast Regional Water Supply Plans. The plan for the Upper East Coast was completed in June 2004. The 2000 base-year data will be compiled and reported for the FY2008 version of this document. The estimated total irrigated acreage in the District is 1,076,000 acres.

While the overall change in irrigated agricultural acreage (49,000 acres) is small compared to the base (1,076,000 acres), there are some significant shifts among the regions. Reductions anticipated in the Lower East Coast area are due to conversion of agricultural lands to urban uses and the addition of more STAs in the Everglades Agricultural Area. The increase in acreage in the other areas will place more demands on water supply, drainage and flood control services.

Population growth and continued agricultural development present significant planning challenges for local and state governments. Assuring the availability of water supplies, protecting water sources from contamination, providing drainage, and flood protection services are among the needs the south Florida region must address.

Effects of Changing Water Flows and Levels

The effects of agricultural and urban development on natural ecosystems have been significant. The current Everglades are only about half the size they were 100 years ago. Many areas that are presently urban and agricultural lands formerly played a significant role in the functioning of south Florida's natural ecosystem. For instance, the area that is now the Everglades Agricultural Area was a wetland marsh that was several feet higher in elevation than it is today. This area provided significant additional storage of surface and groundwater when levels in Lake Okeechobee increased during wet periods. This water subsequently flowed southward through the Everglades throughout a substantial portion of the dry season. Much of the urban area of the Lower East Coast was formerly a seasonal wetland system that also provided extensive habitat for wading birds and fish. The coastal ridge was also a source of replenishment for the Biscayne Aquifer and provided much of the surface water flow to Shark River Slough, a key area in the ecology of Everglades National Park.

In addition, the remaining Everglades and other parts of the south Florida ecosystem no longer exhibit the functions and species that historically defined them. There have been large reductions in wading bird populations, numerous species have become threatened or endangered, and large areas have become infested with invasive plants. Mercury contamination has become a problem in the Everglades system and algae blooms occur periodically in Lake Okeechobee, Lake Trafford, Florida Bay, other water systems and the regional canals. Surface and ground water levels have been lowered throughout most of the region and there is significantly less water flowing through the ecosystem today, relative to historical levels. Now, discharges to the Everglades and estuaries are often too much or too little, and frequently occur at the wrong time of the year.

Effects of Changing Water Quality

Water quality throughout south Florida has deteriorated over the past 50 years. More than half of the wetlands that acted as natural filters and retention areas are gone. Runoff from agricultural and urban lands can contain excessive amounts of pesticides, hydrocarbons and fertilizer. Evidence of the excessive nutrients entering the Everglades can be seen in the abundance of cattail and other nuisance vegetation. In Lake Okeechobee and other major lakes, Florida Bay and estuaries, excessive nutrients can cause algae blooms, excessive growth of aquatic plants and accumulation of organic materials.

Regional Resource Protection and Restoration Efforts

In recent years, the need for natural system restoration and improved services from the District has increased. The demand for these services has been expressed in federal and state legislation, and in District initiatives. These include:

- Land acquisition programs to manage, protect and restore environmentally sensitive lands

- Development of Water Reservations and MFLs for water bodies

- Establishment of allowable nutrient inputs to the Everglades Protection Area, Lake Okeechobee and other bodies of water

- Regulatory activities to limit or avoid adverse effects of drainage, water use and flood protection

- Construction projects to provide stormwater treatment and improved distribution and timing of water deliveries

- Major regional restoration efforts, such as Kissimmee River Restoration and the Comprehensive Everglades Restoration Plan

These environmental concerns and water-related issues establish the backdrop and context for development of the District's annual budget.

Please see the Operating Budget section of this document for detail regarding the restoration and protection programs in the District's annual budget.

Glossary

A

ACCELER8

Part of the Comprehensive Everglades Restoration Plan (CERP), Acceler8 accelerates eight restoration projects through the District's issuance of "Certificates of Participation" bond revenue for construction finance. Acceler8 projects include: C-44 (St. Lucie Canal) Reservoir / Stormwater Treatment Area (STA); C-43 (Caloosahatchee River) West Reservoir; Everglades Agricultural Area (EAA) Reservoir - Phase 1, with Bolles and Cross canals improvements; EAA STA Expansion; Water Preserve Areas (includes Fran Reich Preserve, C-9, C-11, Acme Basin B, WCA-3A/3B); Picayune Strand (Southern Golden Gate Estates) Restoration; Biscayne Bay Coastal Wetlands - Phase 1; and, C-111 Spreader Canal.

ACCRETION

Accretion is the growth or increase in size caused by gradual external addition, fusion or inclusion.

ACCRUAL

Accrual is a method of accounting in which revenues are recorded when measurable (known) and earned, and expenses are recognized when goods or services are used. This method is not limited to a time period.

ACRE-FOOT

The volume of water (43,560 cubic feet or 1,233.4 cubic meters), that will cover an area of one acre to a depth of one foot.

ADOPTED BUDGET

The District's adopted budget is a fiscal-year financial plan that details Governing-Board approved revenues and expenditures.

AD VALOREM TAX

An ad valorem tax is imposed on real and personal property at values certified by the property appraiser in each county.

ADVANCED TREATMENT TECHNOLOGIES (ATT)

Advanced Treatment Technologies is a research program that identifies water-quality treatment technologies that meet the long-term water quality standards for the Everglades. These technologies range from low maintenance constructed wetlands to full chemical treatment for the removal of phosphorus.

ALTERNATE WATER SUPPLY (AWS)

The Alternative Water Supply project searches for new methods to meet the demands for water. These include aquifer storage and recovery, and wastewater reuse technologies.

AMENDMENT

An amendment is a change to an adopted budget. It can increase or decrease a fund total.

APPRAISAL

An estimate of value, as for sale, assessment, or taxation; valuation.

APPROPRIATIONS

An appropriation is an authorization granted by the Governing Board to make expenditures and to incur obligations for specific purposes as set forth in the budget.

AQUIFER

An aquifer is an underground bed or layer of earth, gravel or porous stone that yields water.

AQUIFER STORAGE AND RECOVERY (ASR)

Aquifer Storage and Recovery is the practice of storing water in aquifers in times of abundant rainfall and withdrawing it to meet emergency or long-term water demands.

ASSESSED PROPERTY VALUES/ASSESSED VALUATION

An assessed valuation is a value established by the property appraiser in each county for real and personal property. It is used as a basis for levying ad valorem property taxes.

ASSETS

Items of ownership convertible into cash; total resources of a person or business, as cash, notes and accounts receivable, securities, inventories, goodwill, fixtures, machinery, or real estate.

AUDIT

An official examination and verification of financial accounts and records.

AUTOMATED REMOTE DATA ACQUISITION SYSTEM (ARDAS)

The Automated Remote Data Acquisition System is used to model instrument performance with synthetic samples of known concentrations. The information obtained is used to determine unknown sample concentrations.

B**BACK PUMPING**

The process of pumping water in a manner in which the water is returned to its source.

BALANCED BUDGET

A budget in which the expenditures incurred during a given period are matched by revenues.

BASIN (Groundwater)

A hydrologic unit containing one large aquifer or several connecting and interconnecting aquifers.

BASIN (Surface Water)

A tract of land drained by a surface water body or its tributaries.

BERM

A berm is a shelf or flat strip of land adjacent to a canal.

BEST MANAGEMENT PRACTICES (BMP)

Best Management Practices are the best available techniques or processes that reduce pollutant loading from land use or industry, or that optimize water use.

BOND

A bond is a security, usually long-term, representing money borrowed from the investing public.

BORROW

In most cases, the material for construction of a levee is obtained by excavation immediately adjacent to the levee. The excavation is termed a borrow. When the borrow paralleling the levee is continuous and allows for conveyance of water, it is referred to as a borrow canal. For example, the canal adjacent to L-8 levee is called the L-8 borrow canal. Many borrow canals, such as the L-8 borrow canal, are important features of the Project.

BUDGET

A budget is a resource allocation plan for the accomplishment of programs related to established objectives and goals within a definite period.

C**CANAL**

A human-made waterway that is used for draining or irrigating land or for navigation by boat.

CAPITAL EXPENDITURES

Funds spent for the acquisition of a long-term asset.

CAPITAL IMPROVEMENTS PLAN (CIP)

The District's Capital Improvements Plan is a budget plan that includes expenditures, anticipated revenues and descriptions for all capital projects over a five-year period.

CAPITAL PROJECT

A capital project is an individual facilities and/or land-acquisition fixed-capital project identified in the five-year Capital Improvements Plan.

CENTRAL AND SOUTHERN FLORIDA PROJECT COMPREHENSIVE REVIEW STUDY (C&SF RESTUDY)

A five-year study effort that looked at modifying the current C&SF Project to restore the greater Everglades and south Florida ecosystem, while providing for the other water-related needs of the region. The study concluded with the Comprehensive Plan being presented to the Congress on July 1, 1999. The recommendations made within the Restudy, that is, structural and operational modifications to the C&SF Project, are being further refined and will be implemented in the Comprehensive Everglades Restoration Plan (CERP).

CENTRAL AND SOUTHERN FLORIDA FLOOD CONTROL PROJECT (C&SF PROJECT)

A complete system of canals, storage areas and water control structures spanning the area from Lake Okeechobee to both the east and west coasts and from Orlando south to the Everglades. It was designed and constructed during the 1950s by the U.S. Army Corps of Engineers (USACE) to provide flood control and improve navigation and recreation.

COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)

The Coastal Impact Assistance Program uses federal appropriations allocated to the states to fund various projects in coastal areas. The funds allocated to Florida are administered by Florida Department of Environmental Protection program, and the program is administered by the National Oceanic and Atmospheric Association.

COASTAL ZONE MANAGEMENT (CZM)

Coastal Zone Management examines the causes of climate and related changes and their affects.

COMPREHENSIVE EVERGLADES RESTORATION PLAN (CERP)

The framework and guide for the restoration, protection and preservation of the south Florida ecosystem. The CERP also provides for water-related needs of the region, such as water supply and flood protection.

CONSUMPTIVE USE PERMITTING (CUP)

Consumptive Use Permitting regulates groundwater and surface water withdrawals by major users, such as water utilities, agricultural concerns, nurseries, golf courses, mining and other industrial users.

CONTINGENCY RESERVES

Contingency reserves are monies set aside, consistent with the District's policy, which can subsequently be appropriated to meet unexpected needs.

CRITICAL RESTORATION PROJECTS (CRP)

Critical Restoration Projects produce immediate and substantial ecosystem restoration, preservation and protection benefits, and are consistent with Federal programs, projects and activities.

CULVERT

A culvert is a drain crossing under a road or railroad.

D**DEBT PER CAPITA**

Debt per capita is the amount of net tax-supported debt divided by the population, resulting in a dollar amount of debt per person.

DISBURSEMENT

A disbursement is cash payment for goods or services procured by the District.

DISCRETIONARY FUNDS

Discretionary funds are revenues available for expenditures that are not statutorily or otherwise committed to a specific project. These funds are primarily ad valorem revenue.

DISTRICT WATER MANAGEMENT PLAN (DWMP)

The District Water Management Plan defines the District's role in water resource management; and provides comprehensive, long-range guidance for implementation of District responsibilities under state and federal laws.

DOCUMENTARY TAX STAMP

The documentary tax stamp is an excise tax levied on mortgages recorded in Florida, real property interests, original issues of stock, bonds and debt issuances in Florida, and promissory notes or other written obligations to pay money.

DREDGING

To clear out with a dredge; remove sand, silt, mud, etc., from the bottom of.

E**E-PERMITTING**

An on-line alternative to permit application submission, queries and reporting. The District's functionality provided includes online Electronic Submittals, Application/Permit Search, Noticing Search, Subscriptions, Agency Comments and Additional Information.

ECOSYSTEM

Biological communities together with their environment, functioning as a unit.

ENCUMBRANCE

An encumbrance is the legal obligation of appropriated funds for future expenditures.

ENTERPRISE DATA MANAGEMENT STRATEGY (EDMS)

An Enterprise Data Management Strategy is a plan to provide the technology and infrastructure to facilitate integration of diverse system applications, and improve information flow throughout the organization.

ENVIRONMENTAL IMPACT STATEMENT (EIS)

An analysis required by the National Environmental Policy Act for all major Federal actions, which evaluates the environmental risks of alternative actions.

ENVIRONMENTAL MONITORING AND ASSESSMENT (EMA)

Environmental Monitoring and Assessment is the term that identifies long-range monitoring of networks to collect, analyze, interpret and disseminate scientific and legally defensible environmental data.

ENVIRONMENTAL RESOURCE PERMIT (ERP)

A permit issued by the District under authority of Chapter 40E-4, Florida Administrative Code (F.A.C.), to ensure that land development projects do not cause adverse environmental, water quality and water quantity impacts.

ESTUARY

The part of the wide lower course of a river where its current is met by ocean tides or an arm of the sea at the lower end of a river where freshwater and salt water meet.

EVAPORATION

The process by which water is released to the atmosphere by evaporation from the water surface or movement from a vegetated surface (transpiration).

EVAPOTRANSPIRATION

Evapotranspiration is a combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces.

EVERGLADES AGRICULTURAL AREA (EAA)

An area of histosols (muck) extending south from Lake Okeechobee to the northern levee of WCA-3A, from its eastern boundary at the L-8 Canal to the western boundary along the L-1, L-2 and L-3 levees. The EAA incorporates almost 1,158 square miles of highly productive agricultural land.

EVERGLADES CONSTRUCTION PROJECT (ECP)

Composed of twelve inter-related construction projects located between Lake Okeechobee and the Everglades, the cornerstone of which is six stormwater treatment areas (constructed wetlands) totaling over 47,000 acres, which use biological processes to reduce the level of phosphorous entering the Everglades.

EVERGLADES NUTRIENT REMOVAL (ENR)

The Everglades Nutrient Removal (ENR) project is a manmade wetland designed to remove phosphorus from agricultural runoff water before it enters the Loxahatchee National Wildlife Refuge, also known as Water Conservation Area 1.

EVERGLADES PROTECTION AREA

This area is comprised of the Water Conservation Areas (WCAs) and Everglades National Park.

EXOTIC PLANT SPECIES

A nonnative species that tends to out-compete native species and become quickly established, especially in areas of disturbance or where the normal hydroperiod has been altered.

EXPENDITURE

An expenditure is the disbursement of appropriated funds to purchase goods or services.

F**FISCAL YEAR (FY)**

A fiscal year is a 12-month period for which the annual budget is developed and implemented. The fiscal year for the District begins October 1 and ends September 30.

FLORIDA ADMINISTRATIVE CODE (F.A.C.)

The Florida Administrative Code is the official compilation of the administrative rules and regulations of state agencies.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (FDEP)

The District operates under the general supervisory authority of the FDEP, which includes budgetary oversight.

FLORIDA STATUTES (F.S.)

The Florida Statutes are a permanent collection of state laws organized by subject area into a code made up of titles, chapters, parts and sections. The Florida Statutes are updated annually by laws that create, amend or repeal statutory material.

FLOODPLAIN

Land next to a stream or river that is flooded during high-water flow.

FULL-TIME EQUIVALENT (FTE)

An FTE is a "Full-Time Equivalent," which is a measurement of labor, both planned and utilized. One FTE is equivalent to one full-time employee who works 40 hours per week for 52 weeks, for a total of 2,080 work hours.

FUND

A fund is a fiscal and accounting entity with a self-balancing set of accounts. These accounts record cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE

In this document, a fund balance is defined as an on-hand cash balance from prior fiscal years that is available for designation as a funding source for a future budget year. This is in contrast to the definition found in the District's Comprehensive Annual Financial Report, which defines fund balance as the difference between assets and liabilities reported in a governmental fund.

G**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

Generally Accepted Accounting Principles (GAAP) are uniform minimum standards and guidelines for financial accounting and reporting. Currently, the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB) and the Federal Accounting Standards Advisory are authorized to establish these principles.

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The abstract representation of natural (or cultural) features of a landscape into a digital database, geographic information system.

GOVERNING BOARD

Governing Board of the South Florida Water Management District

GROUNDWATER

Water beneath the surface of the ground, whether or not flowing through known and definite channels. Specifically, that part of the subsurface water in the saturated zone, where the water is under pressure greater than the atmosphere.

H**HOMESTEAD EXEMPTION**

A homestead exemption is a \$25,000 discount applied to the assessed value of a property. Every person who has legal title to a residential property and lives there permanently as of January 1 of the application year qualifies to apply for a homestead exemption.

HYDROLOGY

Hydrology is the scientific study of the properties, distribution and effects of water on the earth's surface, in the soil and underlying rocks, and in the atmosphere.

HYDROPATTERN

Water depth, duration, timing and distribution of fresh water in a specified area. A consistent hydropattern is critical for maintaining various ecological communities in wetlands.

HYDROPERIOD

The frequency and duration of inundation or saturation of an ecosystem. In the context of characterizing wetlands, the term hydroperiod describes that length of time during the year that the substrate is either saturated or covered with water.

I**INSPECTOR GENERAL**

The Inspector General provides an independent view of District operations through objective and professional audits, investigations, reviews and evaluations of the economy and efficiency of taxpayer-financed programs. This information is then made available to the District Governing Board and management, elected representatives, and citizens within the District's boundaries.

IRRIGATION

The application of water to crops and other plants by artificial means.

L**LAGOON**

A body of water separated from the ocean by barrier islands, with limited exchange with the ocean through inlets.

LEASED POSITIONS

Leased positions represent leasing-agency employees who perform project-specific tasks of limited duration.

LEEVE

A levee is an embankment used to prevent or confine flooding.

LEVIED

An imposing or collecting, as of a tax, by authority or force.

LIQUIDITY

The ability or ease with which assets can be converted into cash.

LITTORAL

Of, relating to, situated or growing on or near a shore.

LITTORAL ZONE

The shore of land surrounding a water body that is characterized by periodic inundation or partial saturation by water level, and is typically defined by the species of vegetation found there.

LOADING

The amount of material carried by water into a specified area, expressed as mass per unit of time. One example is phosphorus loading into a Water Conservation Area, measured in metric tons per year.

M

MANAGERIAL RESERVES

Managerial reserves are funds earmarked for specific future use.

MARSH

An area of low-lying wetlands.

MINIMUM FLOWS AND LEVELS (MFLs)

A calculation that uses the best available information to calculate a minimum flow and minimum level for each water body, and that reflects seasonal variations when appropriate; Florida Statute requires water management districts to set water levels for each major body of water at which further withdrawals would be significantly to the water resources or ecology of the area.

MILL

One mill equals \$1 of tax for each \$1,000 of taxable value.

MITIGATION

To make less severe; to alleviate, diminish or lessen; one or all of the following may comprise mitigation: (1) avoiding an impact altogether by not taking a certain action or parts of an action; (2) minimizing impacts by limiting the degree or magnitude of an action and its implementation; (3) rectifying an impact by repairing, rehabilitating or restoring the affected environment; (4) reducing or eliminating an impact over time by preservation and maintenance operations during the life of an action; and (5) compensating for an impact by replacing or providing substitute resources or environments.

MOBILE IRRIGATION LAB (MIL)

A vehicle furnished with irrigation evaluation equipment, which is used to carry out on-site evaluations of irrigation systems and to provide recommendations on improving irrigation efficiency.

MODEL

A way of looking at reality, usually for the purpose of abstracting and simplifying it to make it understandable in a particular context; this may be a plan to describe how a project will be completed, or a tool to mathematically represent a process which could be based upon empirical or mathematical functions

MODIFIED ACCRUAL

Modified accrual is a method of accounting that recognizes expenses when goods or services are received. Revenues, such as taxes, are recognized when measurable (known) and available (received) to pay expenditures in the current accounting period.

MONITORING

The capture, analysis and reporting of project performance, usually as compared to plan.

N**NATIONAL GEODETIC VERTICAL DATUM (NGVD)**

A geodetic datum derived from a network of information collected in the United States and Canada. It was formerly called the “Sea Level Datum of 1929” or “mean sea level.” Although the datum was derived from the average sea level over a period of many years at 26 tide stations along the Atlantic, Gulf of Mexico, and Pacific Coasts, it does not necessarily represent local mean sea level at any particular place.

NAVIGATIONAL LOCK

A navigational lock is an enclosure used to raise or lower boats from one level to another.

O**OMBUDSMAN**

A government official who hears and investigates complaints by private citizens against other officials or government agencies.

P**PERFORMANCE MEASURES**

Performance measures are specific quantitative measures of work performed, outputs and outcomes.

PERIPHYTON

The biological community of microscopic plants and animals attached to surfaces in aquatic environments, for example, algae.

PHOSPHORUS

An element or nutrient required for energy production in living organisms; distributed into the environment mostly as phosphates by agricultural runoff and life cycles; and frequently the limiting factor for growth of microbes and plants.

PHOSPHORUS TRANSPORT MODEL (PTM)

A Phosphorus Transport Model estimates the effectiveness of phosphorus load-reduction strategies. This information is used by District programs to meet their respective goals.

POLLUTANT LOAD REDUCTION GOAL (PLRG)

A Pollutant Load Reduction Goal establishes the desired levels of nutrient and sediment loads for healthy seagrass growth and distribution.

PROCUREMENT

The purchasing of something usually for a company, government or other organization.

PUBLIC WATER SUPPLY

Water that is withdrawn, treated, transmitted and distributed as potable or reclaimed water.

PUMP STATIONS

Pump stations are manmade structures that use pumps to transfer water from one location to another.

R**RECOVER**

A comprehensive monitoring and adaptive assessment program formed to perform the following for the Comprehensive Everglades Restoration Plan: restoration, coordination and verification.

REGIONAL WATER SUPPLY PLAN

Detailed water supply plan developed by the District under Section 373.0361, F.S., providing an evaluation of available water supply and projected demands, at the regional scale. The planning process projects future demand for 20 years and recommends projects to meet identified needs.

RESERVES

Reserves are funds designated for specific purposes, or for emergencies and other unexpected expenditures.

RESERVOIR

A man-made or natural water body used for water storage.

RESTRICTED FUNDS

Restricted funds are revenues committed to a project or program, or that are restricted in purpose by law. Examples of restricted funds include state appropriations for stormwater projects and federal FEMA capital project funds.

RESTORATION

The recovery of a natural system's vitality and biological and hydrological integrity to the extent that the health and ecological functions are self-sustaining over time.

REVENUE

Revenue is the term used for monies received from all sources (with the exception of fund balances) that will be used to fund expenditures in a fiscal year.

REVERSE OSMOSIS (RO)

A membrane process for desalting water using applied pressure to drive the source water through a semipermeable membrane.

ROOKERY

A breeding place or colony of gregarious birds or animals.

ROLLED-BACK RATE

The rolled-back rate is a millage rate that generates the same tax revenue as last year, exclusive of new construction. The rolled-back rate reflects changes in the market value of property.

S**SEEPAGE**

Water that escapes control through levees, canals or other holding or conveyance systems.

SHEET FLOW

Water movement as a broad front with shallow, uniform depth.

SLOUGH

A channel in which water moves sluggishly, or a place of deep muck, mud or mire. Sloughs are wetland habitats that serve as channels for water draining off surrounding uplands and/or wetlands.

SPECIAL OBLIGATION LAND ACQUISITION BONDS

Special Obligation Land Acquisition Bonds are securities issued by the District to provide funds for acquisition of environmentally sensitive lands. Principle and interest on these bonds are secured by a lien on documentary-stamp excise taxes collected by the state of Florida.

SPILLWAY

A spillway is a passage for surplus water to run over or around an obstruction, such as a dam.

STAKEHOLDER

Any party that has an interest in an organization. Stakeholders of a company include stockholders, bondholders, customers, suppliers, employees, and so forth.

STATUTE

A law enacted by a legislature.

STORAGE AREA NETWORK (SAN)

A Storage Area Network is the term for a group of servers that have been linked together to form greater disk space.

STORM WATER

Water that does not infiltrate, but accumulates on land as a result of storm or irrigation runoff or drainage from such areas as roads and roofs.

STORMWATER TREATMENT AREA (STA)

A system of constructed water quality treatment wetlands that use natural biological processes to reduce levels of nutrients and pollutants from surface water runoff.

STRUCTURE INFORMATION VERIFICATION (STRIVE)

The Structure Information Verification project was established to verify input data used to compute flow at District water control structures.

SUBMERGED AQUATIC VEGETATION (SAV)

Wetland plants that exist completely below the water surface.

SURFACE WATER

Water above the soil or substrate surface, whether contained in bounds created naturally or artificially or diffused. Water from natural springs is classified as surface water when it exits from the spring onto the earth's surface.

SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM (SCADA)

The Supervisory Control and Data Acquisition System gathers data from remote locations to control equipment and conditions. The SCADA system includes hardware and software components. The hardware gathers and feeds data into a computer that has SCADA software installed. The computer then processes this data, records and logs all events, and warns when conditions become hazardous.

SURFACE WATER IMPROVEMENT AND MANAGEMENT (SWIM)

Surface Water Improvement and Management is a comprehensive statewide program, established in 1987 by Florida law. SWIM is used to restore and protect priority surface waters that are of state or regional significance.

SURFACE WATER IMPROVEMENT AND MANAGEMENT (SWIM) PLAN

A plan prepared pursuant to Chapter 373, Florida Statutes.

T**TELEMETRY**

Automatic transmission and measurement of data from remote sources by wire or radio or other means.

TOPOGRAPHY

Topography is the term used for the surface features of a place or region.

TOTAL MAXIMUM DAILY LOAD (TMDL)

The maximum allowed level of pollutant loading for a water body, while still protecting its uses and maintaining compliance with water quality standards, as defined in the Clean Water Act.

TRANSPIRATION

Transpiration is the rising of vapor containing waste products through the pores of plant tissue.

TREATMENT FACILITY

Any plant or other works used for the purpose of treating, stabilizing or holding wastewater.

TRIBUTARY

A stream feeding into a larger stream, canal or waterbody.

TRUTH IN MILLAGE (TRIM)

Truth in Millage is a statute adopted by the Florida legislature that establishes a specific timetable and procedure for local governments to adopt their annual millage rates and budgets.

V**VARIANCE**

A difference between what is expected and what actually occurs.

W

WATER CONSERVATION

Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water, waste of water and water use.

WATER CONSERVATION AREAS (WCAs)

Part of the original Everglades ecosystem that is now diked and hydrologically controlled for flood control and water supply purposes. These are located in the western portions of Miami-Dade, Broward and Palm Beach counties, and preserve a total of 1,337 square miles, or about 50 percent of the original Everglades.

WATER PRESERVE AREAS (WPA)

Multipurpose water-holding areas located along the western border of southeast Florida's urbanized corridor.

WATER RESERVATIONS

State law on water reservations, in Section 373.223(4), F.S., defines water reservations as follows: "The governing board or the department, by regulation, may reserve from use by permit applicants, water in such locations and quantities, and for such seasons of the year, as in its judgment may be required for the protection of fish and wildlife or the public health and safety. Such reservations shall be subject to periodic review and revision in the light of changed conditions. However, all presently existing legal

WATER TABLE

A water table is the upper surface of the saturation zone in an aquifer.

WATERSHED

A region or area bounded peripherally by a water parting and draining ultimately to a particular watercourse or body of water.

WEIR

A barrier placed in a stream to control the flow and cause it to fall over a crest. Weirs with known hydraulic characteristics are used to measure flow in open channels.

WETLAND

An area that is inundated or saturated by surface water or groundwater with vegetation adapted for life under those soil conditions (e.g., swamps, bogs and marshes).

WETLANDS

Those areas that are inundated or saturated by surface water or groundwater at a frequency and a duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soils. Soils present in wetlands generally are classified as hydric or alluvial, or possess characteristics that are associated with reducing soil conditions. The prevalent vegetation in wetlands generally consists of facultative or obligate hydrophytic macrophytes that are typically adapted to areas having soil conditions described above. These species, due to morphological, physiological or reproductive adaptation, have the ability to grow, reproduce or persist in aquatic environments or anaerobic soil conditions. Florida wetlands generally include swamps, marshes, bayheads, bogs, cypress domes and strands, sloughs, wet prairies, riverine swamps and marshes, hydric seepage slopes, tidal marshes, mangrove swamps and other similar areas. Florida wetlands do not include longleaf or slash pine flatwoods with an understory dominated by saw palmetto. The landward extent of wetlands shall be delineated pursuant to Sections 62-340.100 through 62-340.550, F.A.C., as ratified by Section 373.4211, F.S. (Basis of Review)

Acronyms and Abbreviations

ADA	Americans with Disabilities Act
AOR	Area of Responsibility
ARDAS	Automated Remote Data Acquisition System
ASR	Aquifer Storage and Recovery
ATT	Advanced Treatment Technologies
AWS	Alternate Water Supply
BAT	Best Available Technology
BCB	Big Cypress Basin
BEBR	Bureau of Economic and Business Research
BFAC	Budget and Finance Advisory Commission
BMP	Best Management Practice
C&SF	Central and Southern Florida Project
CAFR	Comprehensive Annual Financial Report
CARL	Conservation and Recreation Lands Trust Fund
CCPCD	Collier County Pollution Control Department
CCTV	Closed Circuit Television Cameras
CERP	Comprehensive Everglades Restoration Plan
CES	Center for Environmental Studies
CFS	Cubic Feet per Second
CIAP	Coastal Impact Assistance Program
CIP	Capital Improvements Plan
CMM	Capability Maturity Model
COE	U.S. Army Corps of Engineers (also known as USACE)
COPS	Certificates of Participation
CPI	Consumer Price Index
CREW	Corkscrew Regional Ecosystem Watershed
CRP	Critical Restoration Projects
CSE	Continued Service Estimate
CSOP	Combined Structural and Operational Plan
CUP	Consumptive Use Permitting
CZM	Coastal Zone Management
DED	Deputy Executive Director
DEP	Department of Environmental Protection
DOI	Department of Interior
DWMP	District Water Management Plan
EAA	Everglades Agricultural Area
EAP	Employee Assistance Program
EAR	Evaluation and Appraisal Reports
EASTCOM	Emergency Satellite Communications System
ECP	Everglades Construction Project
EDM	Enterprise Data Management Strategy
EEO	Equal Employment Opportunity
EFA	Everglades Forever Act
EMA	Environmental Monitoring and Assessment
EMPACT	Environmental Monitoring Public Access Community Tracking
EMRTF	Ecosystem Management and Restoration Trust Fund
ENP	Everglades National Park
ENR	Everglades Nutrient Removal
EOC	Emergency Operations Center
EPA	Everglades Protection Area
ERC	Environmental Regulation Commission
ERP	Environmental Resource Permitting
ESCO	Environmental Studies and Community Outreach
ESDA	Electronic Support and Data Acquisition
ESP	Everglades Stormwater Program

F.A.C.	Florida Administrative Code
FAU	Florida Atlantic University
FCD	Central and Southern Florida Flood Control District
FDACS	Florida Department of Agricultural and Consumer Services
FDEP	Florida Department of Environmental Protection
FDLE	Florida Department of Law Enforcement
FDOT	Florida Department of Transportation
FEMA	Federal Emergency Management Agency
FF	Florida Forever
FFA	Florida Forever Act
FFWCC	Florida Fish and Wildlife Conservation Commission
FGCU	Florida Gulf Coast University
FHREDI	Florida Heartland Rural Economic Development Initiative
FIND	Florida Inland Navigation District
FKFBFS	Florida Keys/Florida Bay Feasibility Study
FMLA	Family Medical Leave Act
FOC	Field Operations Center
FPC	Florida Power Corporation
FP&L	Florida Power and Light
F.S.	Florida Statutes
FTE	Full Time Equivalent
FWC	Florida West Coast
FWP	Florida Water Plan
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GB	Governing Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GUI	Graphical User Interface
HR	Human Resources
HSE	Hydrolic Simulation Engine
ICMS	Integrated Contract Management System
IFAS	Institute of Food and Agriculture Sciences
IRL	Indian River Lagoon
IT	Information Technology
KB	Kissimmee Basin
KCOL	Kissimmee Chain of Lakes
KICCO	Kissimmee Island Cattle Company
KOE	Kissimmee-Okeechobee-Everglades
KRR	Kissimmee River Restoration
KRREP	Kissimmee River Restoration Evaluation Program
LAMP	Land Acquisition Management Plan
LEC	Lower East Coast
LGFS	Local Government Financial System
LO	Lake Okeechobee
LOADSS	Lake Okeechobee Agricultural Decision Support System Model
LOPP	Lake Okeechobee Protection Program
LPO	Locally Preferred Option
LTMP	Long-Term Management Plan
LTP	Long-Term Plan
LWC	Lower West Coast
LWCWSP	Lower West Coast Water Supply Plan
MBE	Minority Business Enterprise
MFL	Minimum Flows and Levels
MGD	Million Gallons per Day
MIS	Management Information System

MOU	Memorandum of Understanding
NGVD	National Geodetic Vertical Datum (NGVD)
NPB	North Palm Beach
NRCS	Natural Resources Conservation Service (Department of Agriculture)
NSRSM	Natural Systems Regional Simulation Model
O&M	Operations and Maintenance
OIG	Office of Inspector General
OSHA	Occupational Safety and Health Administration
P2000	Preservation 2000
PIR	Project Implementation Report
PLRG	Pollutant Load Reduction Goal
PMP	Project Management Plans
ppb	parts per billion
PPDR	Pilot Project Design Report
PRLG	Pollutant Reduction Load Goals
PSTA	Periphyton-assisted Stormwater Treatment Area
PTM	Phosphorus Transport Model
QA	Quality Assurance
RECOVER	Restoration Coordination and Verification
RESTUDY	Central and Southern Florida Project Comprehensive Review Study
RFP	Request for Proposal
RIDS	Regional Irrigation Distribution System
ROW	Right of Way
RSM	Regional Simulation Model
SAN	Storage Area Network
SAP	System Application and Programs
SBE	Small Business Enterprise
SC	Service Center
SCADA	Supervisory Control and Data Acquisition System
SDE	Spatial Database Engine
SFER	South Florida Environmental Report
SFWMD	South Florida Water Management District
SGGE	Southern Golden Gate Estates
SOETF	Save Our Everglades Trust Fund
SOP	Standard Operating Procedures
SOR	Save Our Rivers
STA	Stormwater Treatment Area
STRIVE	Structure Information Verification
SWIM	Surface Water Improvement and Management
TBD	To Be Determined
TMDL	Total Maximum Daily Load
TRIM	Truth in Millage
UEC	Upper East Coast
USACE	U.S. Army Corps of Engineers
USDA	United States Department of Agriculture
USFWS	U.S. Fish and Wildlife Service
Water(SIP)	Water Savings Incentive Program
WASP	Water Augmentation Supply Potential Model
WCA	Water Conservation Area
WMIS	Water Management Information System
WMLTF	Water Management Lands Trust Fund
WOD	Works of the District
WPA	Water Preserve Area
WRAC	Water Resource Advisory Commission
WRDA	Water Resources Development Act
WRM	Water Resource Management
WSE	Water Supply for the Environment

A Guide to Other Useful Documents

Strategic Plan



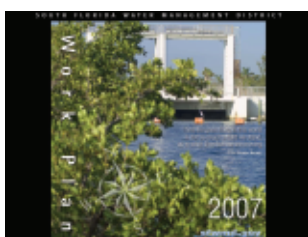
The 10-year Strategic Plan outlines priorities established by the District Governing Board and provides the blueprint for implementing programs that address those priorities. The plan includes an overview of South Florida water and ecosystem needs, a description of the strategic planning process, and details regarding District programs and strategic priorities.

Budget in Brief



The Budget in Brief brochure provides budget highlights for the current fiscal year, including revenue and expenditure summaries, and tax rates. It also gives an overview of the District's mission, history, strategic goals and general operations.

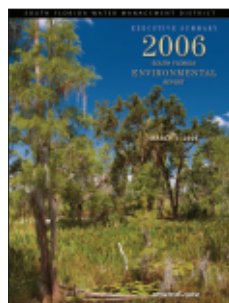
FY2006 Annual Work Plan



The FY2006 Annual Work Plan is a detailed work plan that “drills down” from the high level of the Strategic Plan. The document includes the major District projects planned for FY2006, key assumptions used to develop the Work Plan and highlights of the inter-relationships between programs.

2006 South Florida Environmental Report, Volumes I and II

The South Florida Environmental Report (SFER) is a



product of a major consolidation process authorized during the 2005 Florida legislative session. This legislation directs the District to undertake a pilot project to consolidate mandated plans and reports to the Florida legislature and the governor. The report includes the FY2006 Capital Improvements

Plan and is scheduled for submission to the legislature on March 1, 2006.

Comprehensive Annual Financial Report



The Comprehensive Annual Financial Report contains the District's audited general-purpose financial statements. It also includes supplemental financial information on individual funds and account groups, as well as financial and non-financial data and trends.

Fifty-Year Asset Replacement/Refurbishment Plan

The 50-Year Asset Replacement/Refurbishment Plan is developed by the Operations and Maintenance functional unit as a high-level financial plan. The plan identifies C&SF components and related annual financial needs, including staffing and contracts. The document also incorporates smaller plans for the maintenance and replacement of culverts, canals, levees, berms, structures and pump stations.

These documents may be requested through our Web site, located at <http://www.sfwmd.gov>. Click the “Who to Contact” link for instructions.

The documents may also be requested by phone or mail:
1 (800) 432-2045 (Florida only) or (561) 686-8800
South Florida Water Management District
P.O. Box 24680
West Palm Beach, FL 33416-4680



South Florida Water Management District
3301 Gun Club Road • West Palm Beach, Florida 33406
561-686-8800 • FL WATS 1-800-432-2045 • www.sfwmd.gov

MAILING ADDRESS: P.O. Box 24680 • West Palm Beach, FL 33416-4680

sfwmd.gov