SOUTH FLORIDA WATER MANAGEMENT DISTRICT

BUDGET DOCUMENT

Fiscal Year 2008

sfwmd.gov

DISTINGUISHED BUDGET PRESENTATION AWARD

Caption: The Government finance Officers Association presents the District with the Distinguished Budget Presentation Award with Special Capital Recognition.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

South Florida Water Management District
Florida

Special Capital Recognition
For the Fiscal Year Beginning
October 1, 2006

President Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award with Special Capital Recognition to the South Florida Water Management District for its annual budget for the fiscal year that began October 1, 2006. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for one year. We believe our current budget continues to conform to program requirements, and we are submitting our FY2008 budget to the GFOA to determine its eligibility for another award.

GUIDE TO THIS BUDGET DOCUMENT

Welcome to the South Florida Water Management District's (District) Fiscal Year 2008 (FY2008) 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 FY2008 funding increases/decreases; a three-year program budget comparison and explanations of significant funding changes; key FY2007 accomplishments; a three-year summary of program performance measures; and the program's strategic priority.

Financial Overview

The **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 Planning

The **Long-Range Planning** 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 Planning section also includes a 10-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 FY2008 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.

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SOUTH FLORIDA WATER MANAGEMENT DISTRICT

October 2007

To the Residents of Central and Southern Florida:

Effectively managing South Florida's weather extremes is the backbone of our agency responsibilities. Following two years of hurricanes and high water levels, below-normal rainfall in 2006 and 2007 resulted in one of the worst water shortages on record. Lake Okeechobee, the liquid heart of the interconnected regional system, plunged to its all-time lowest level. Thanks to decisive action by the Governing Board and staff, drought management strategies and measures were put into place. A number of environmental enhancement projects were also successfully implemented.

As part of our annual performance management cycle, we constantly reassess and analyze conditions and resources to ensure that key initiatives continue to move forward – even during extreme weather situations like hurricanes and drought. That was the case in 2007 and we expect 2008 to be no different.

Effectively managing taxpayer dollars is another hallmark of this agency. In compliance with governor and legislative property tax reforms, our FY2008 budget of $1.283 billion reflects a 10 percent reduction in millage rates for most District taxpayers while continuing to address the water resource needs of the region.

This results-driven budget is based on the staffing and funding needed to move forward with established Governing Board strategic priorities:

- Expedite Everglades restoration by advancing construction schedules of key projects
- Achieve Everglades water quality standards by implementing the Long-Term Plan
- Protect and restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment
- Refurbish the regional water management system by implementing the 50-year Plan
- Meet the current and future demands of water users and the environment by implementing regional water supply plans
- Retain and recruit a high-quality, diverse workforce by continuing to recognize the value of employees

For FY2008 and beyond, District programs and projects continue to be carefully evaluated to improve efficiencies and to ensure that we focus on the agency's core mission. Florida Governor Charlie Crist, in a letter to our Governing Board Chairman formally approving the budget, reiterated the importance of partnerships and cooperation in meeting the needs of the region. In part, Governor Crist wrote, "I appreciate the District's commitment, working on behalf of the citizens of this state and ensuring adequate natural resources for our future."

Sincerely,

Carol Ann Wehle
Executive Director

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Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

EXECUTIVE SUMMARY

Budget Summary

The South Florida Water Management District's (District) annual budget and work plan results from the agency's annual strategic planning process that reflects the Governing Board's long-term strategic policy guidance as well as guidance from the Governor and State Legislature. The District's approved budget for FY2008 totals $1.283 billion, a decrease of approximately $156 million from the FY2007 amended budget of $1.439 billion.

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 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.

Property Tax Reduction

Property tax reform was adopted during this year's Florida legislative session in an effort to reduce the total amount of property taxes a county, city or independent special district (such as SFWMD) can levy. This change in the law directs all counties, cities and independent special districts to reduce property tax rates by a set percentage below the previous year's property tax revenue (except for revenues generated from new construction) based on historical taxing levels. Taxing entities were allowed to exceed this revenue level with a super majority or unanimous vote of its governing body, or through a voter referendum.

For tax rate purposes, the District comprises two basins. The District followed the direction of the Governor and legislature and set a tax policy that reduced the Okeechobee Basin millage rate from .6970 to .6240 and the Big Cypress Basin millage rate from .5265 to .4814. The approved fiscal year 2008 budget reflects a 10 percent reduction in millage rates below 2007 rates for 15 of the District's 16-county region (Okeechobee Basin) and an 8 percent reduction for taxpayers in Collier County (Big Cypress Basin). The budget was reduced in areas where cost-cutting and efficiency measures can be implemented, in order to better allocate available funds to the District's highest priorities and critical functions.

No New Debt for FY2008

With additional property tax reform options being considered, additional reductions to District property tax revenues may occur in the future. Reductions in ad valorem and associated revenues, by policy, will limit the District's ability to issue debt for Everglades Restoration. Due to this uncertainty, staff recommended – and the Governing Board concurred – to not issue any additional debt until the results of any further tax reform were known. Staff is continuing to evaluate future funding options and alternatives including pay-as-you-go scenarios to continue high priority restoration efforts despite these revenue uncertainties.

Ad Valorem Revenue from New Construction to Highest Priorities

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

Increased Reserves

In 2004 and 2005, the District responded to the emergency needs and associated costs brought about by two active hurricane seasons which caused significant damage to the regional water management 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 help ensure that planned flood control system capital improvement projects proceed uninterrupted during future hurricane season events, the District established capital reserves of $12.5 million and $10 million in reserves for hurricane and emergency response. This is in addition to contingency reserves of $10 million for other emergencies, unexpected expenditures or decreases in projected revenues. In response to the governor's directive to establish reserves to meet the planned long-term needs of the region in times of limited revenues, the FY2008 budget also includes $60.1 million for future Everglades Restoration projects.

Staffing Level Considerations

After careful review of the District's existing full-time staffing resources and requirements for the new fiscal year it was determined that additional staff would be needed to support mission critical work.

In FY2008, the approved budget includes an additional 24 new staff positions, bringing its Full-Time Equivalent (FTE) employee total to 1,808. These new positions will primarily support regulatory, operations and maintenance, contract and project management activities. These positions will replace the need for outside contractors at an estimated $2.3 million savings and cost-avoidance to the District this year.

Regulatory and Legislative Issues

As a regional governmental agency created by the Florida Legislature 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.

In 2005 water supply-related bills 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.

Underscoring the state's commitment to greater Everglades ecosystem restoration, the Florida Legislature in 2007 expanded the Lake Okeechobee Protection Act to include protection and restoration of the Lake Okeechobee watershed and the Caloosahatchee and St. Lucie estuaries (Northern Everglades). At the same time, the Legislature also extended the Save Our Everglades Trust Fund for ten years – providing a dedicated state funding source for restoration through 2020.

For FY2008, the new legislation requires the District to match an additional $94 million of state appropriated funds for the Northern Everglades Initiative.

Management Accountability and Performance

The District continues to work toward greater consistency in linking fiscal year performance and management expectations. Program and department managers are evaluated on how effectively they manage their budget and achieve work plan results as part of their annual performance review. An enhanced budget development process was used to develop the 2008 budget. The intent was to better align annual project and process resource requests with strategic objectives and to identify outputs and outcomes expected to result from investment of resources. The benefit of this approach helped identify areas where resources were not directly aligned with strategic goals, or if resource levels were not justified based on expected results.

Strategic Priorities and 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 annual strategic planning process, the Governing Board identifies the long-term priorities and program goals for the agency. These priorities guide the development of annual work plans and resource requests needed to support implementation of long-term agency goals. The District's priorities and funding allocations for FY2008 are:

Expedite Everglades Restoration by Advancing Construction Schedules of Key Projects

Advance the planning, design, construction and operation of key multi-component Everglades restoration projects in order to achieve positive benefits much sooner, and in a more cost-effective manner. The Comprehensive Everglades Restoration Plan Program budget is $496.2 million (39 percent of the total budget).

Achieve Everglades Water Quality Standards by Implementing the Long-Term Plan

Complete construction of Everglades Construction Project components 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 District Everglades budget is $111.4 million (9 percent of the total budget).

Protect and Restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment.

To improve the quality, quantity, timing and distribution of water in the Northern Everglades system, new legislation requires the South Florida Water Management District – in coordination with the Department of Environmental Protection, the Department of Agriculture and Consumer Services, and affected local governments – to develop a technical plan for the implementation of Lake Okeechobee watershed projects and to develop protection plans for the St. Lucie and Caloosahatchee River watersheds. The District Northern Everglades budget is $207.8 million (16 percent of the total budget).

Refurbish the Regional Water Management System

Ensure that the water management system is operating at peak condition, which is critical to providing flood control and water flow. The regional water management infrastructure is reaching its life expectancy and significant hurricane impacts in recent years delayed refurbishments and underscored the need for system updates. For greater efficiency, and in order to maintain progress in project renovation, hurricane repairs have been combined with refurbishment projects, where possible. The District has set aside reserves to reduce the potential for fiscal impacts in this area from future emergency events. The Operations and Maintenance Program budget, including refurbishment of the regional water management system, is $178.9 million (14 percent of the total budget).

Meet the Current and Future Demands of Water Users and the Environment by Implementing Regional Water Supply Plans

Advance the design and construction of water-producing projects as recommended in updated regional water supply plans. Support development of alternative water supply projects in cooperation with utilities, local governments and the state. Develop District and partnership projects to ensure that adequate water supply is available to meet current and projected environmental and human water needs. The Water Supply Program budget is $67.4 million (5 percent of the total budget).

Retain and Recruit a High-quality, Diverse Workforce by Continuing to recognize the Value of Employees

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. The budget includes about 5% of total payroll for retention and recruitment initiatives, including the annual merit review program and market studies to ensure that salaries are competitive in the South Florida job market.

FY2008 Budget - In Summary

In general, the District's strategic and funding priorities have not changed significantly for FY2008. 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 the benefit of South Florida's interconnected watersheds; provide water for the environment and a continually increasing population; and ensure adequate flood control through refurbishment of an aging water management system.

In his letter to District Governing Board Chairman Eric Buermann, dated September 17, 2007, Florida Governor Charlie Crist formally approved the District's FY2008 budget and called for the agency to focus resources on priorities:

> "As the state of Florida experiences a slowdown of the recent and unprecedented growth in property values and tax revenue, it is imperative that policymakers set spending levels that represent our state's greatest priorities. Emphasis should be placed on capital projects, result-oriented projects, and reserves to meet the planned long-term needs of your regions in times of limited revenue."

The governor also stated that recovery of natural systems within the District is a significant concern and that "planning of restoration programs should reflect priorities such as Lake Okeechobee and the Everglades." He encouraged the District to continue its work with other public and private partners to accomplish regional and multi-regional goals of long-term alternative water supply development.

This budget addresses these concerns and priorities, while reducing taxpayer millage rates. This overall guidance will carry through to planning for fiscal year 2009 as the District continues to move forward and make a positive contribution to serving and protecting the people and natural systems within District boundaries.

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 2007, over 7.5 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

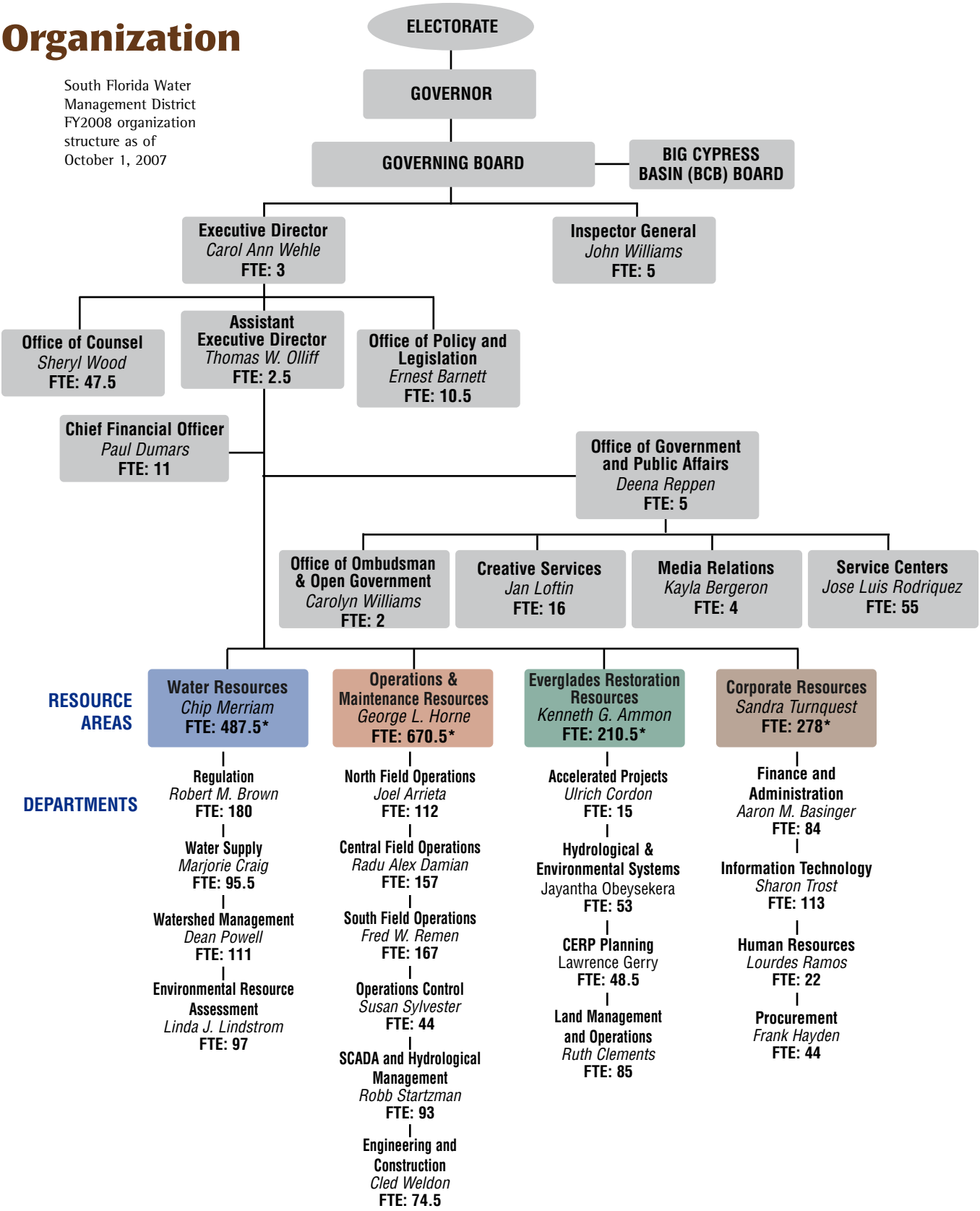
Counties within the District

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 FY2008 organization structure as of October 1, 2007



** FTE Total also includes Resource Area Management Staff*

Governing Board

The Governing Board sets policy 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.

Eric Buermann
Chair

County Served:
Miami-Dade
Current Term:
April 2007-March 2011

Charles J. Dauray
Vice Chair

Counties Served:
Lee, Collier, Hendry, and Charlotte
Current Term:
April 2007–March 2011

Patrick J. Rooney, Jr., Esq.

County Served:
Palm Beach County
Current Term:
June 2007–March 2011

Shannon A. Estenoz

County Served:
Broward
Current Term:
April 2007-March 2010

Michael Collins
Member at-large

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

Melissa L. Meeker
Member at-large

Counties Served:
St. Lucie, Martin, Palm Beach, Broward, Miami-Dade and Monroe
Current Term:
June 2007-March 2009

Nicolás J. Gutiérrez, Jr., Esq.

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

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

Governing Board members are responsible for appointing the District's 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 1,808 and a budget of $1.283 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.

Sandra Close Turnquest
Corporate Resources

Kenneth G. Ammon
Everglades Restoration Resources

George L. Horne
Operations & Maintenance Resources

Chip Merriam
Water 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!

Personnel Summary

The District's most valuable resources are the men and women employed with the agency. Management strives to attract and retain diverse employees dedicated to the mission, vision and values of the organization.

The following table displays positions allocated to each District program as budgeted for FY2007-2008. 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.

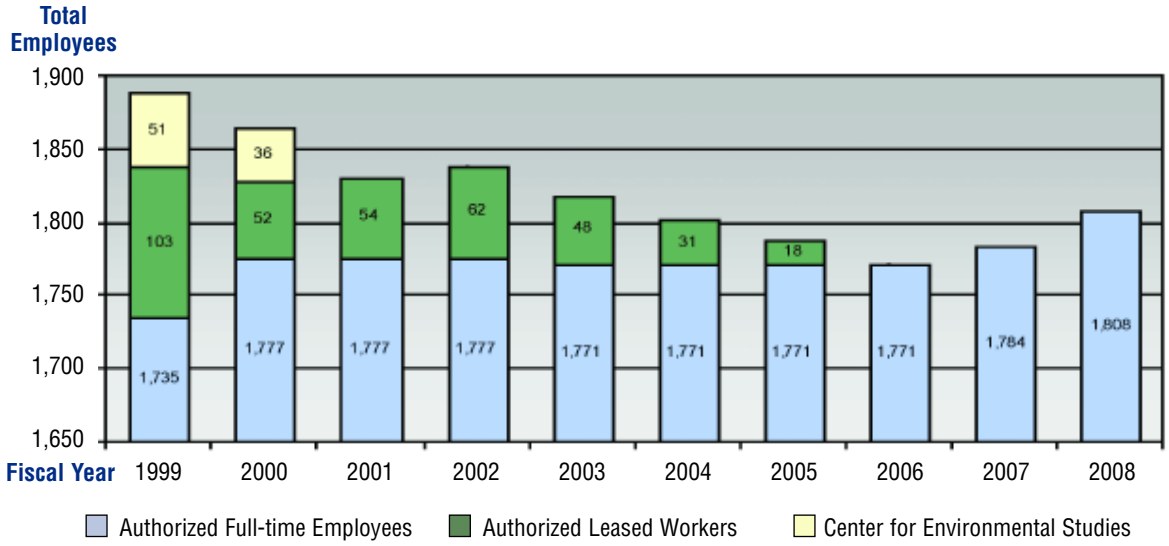
District Personnel By Program

Program	FY2006 Positions FTE	FY2007 Positions FTE	FY2008 Positions FTE
Coastal Watersheds	41	41	51
Comprehensive Everglades Restoration Plan	122	116	123
District Everglades	148	148	149
Kissimmee Watershed	39	38	30
Lake Okeechobee	36	41	41
Land Stewardship	51	51	48
Modeling and Scientific Support	99	98	100
Operations & Maintenance	570	587	596
Regulation	181	182	188
Water Supply	68	69	67
Mission Support	416	413	415
Total	**1,771**	**1,784**	**1,808**

District Staffing Levels FY1999–FY2008

The South Florida Water Management District has been functioning under a staffing cap since fiscal year 2000. Only seven additional positions have been added to the organization in the past eight years. Over the same period, the population served has increased from 6.6 million to 7.5 million, and the agency's budget has more than doubled. In order to continue accomplishing the workload, outsourcing was highly utilized. For shorter-term objectives such as construction projects, outsourcing makes good business sense. However, for on-going core functions, the determination has been made that it can be performed at a lower cost and with better quality control within the agency, by agency staff. Especially in those instances where the contracting workload outstrips the organization's ability to effectively manage the contracts, maintaining the staffing cap has become more expensive to implement than hiring full-time staff.

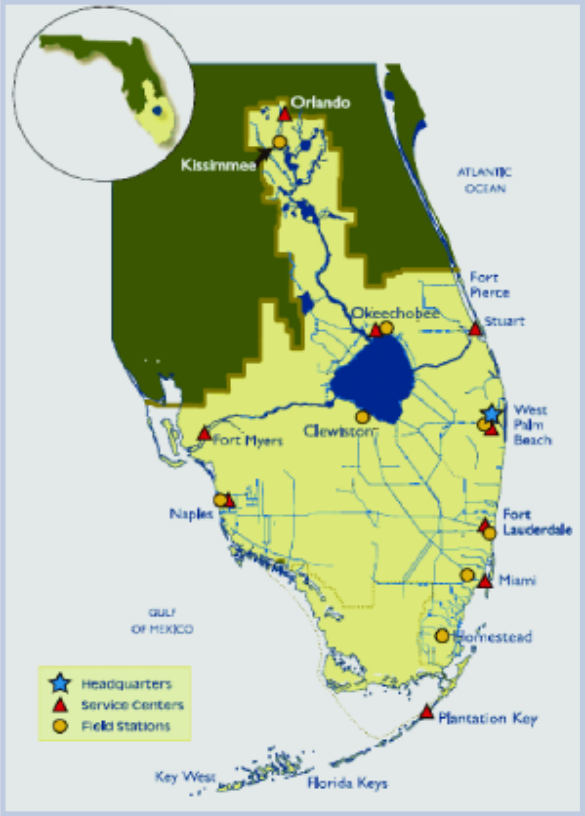
In FY2008, the District will integrate 24 new staff positions, increasing its Full-Time Equivalent (FTE) employees to a total of 1,808. Positions are being added to support critical needs and will be filled throughout the year.



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

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 2008 staffing level totals 1,808 regular full-time equivalent 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, the state 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 bonds.

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.

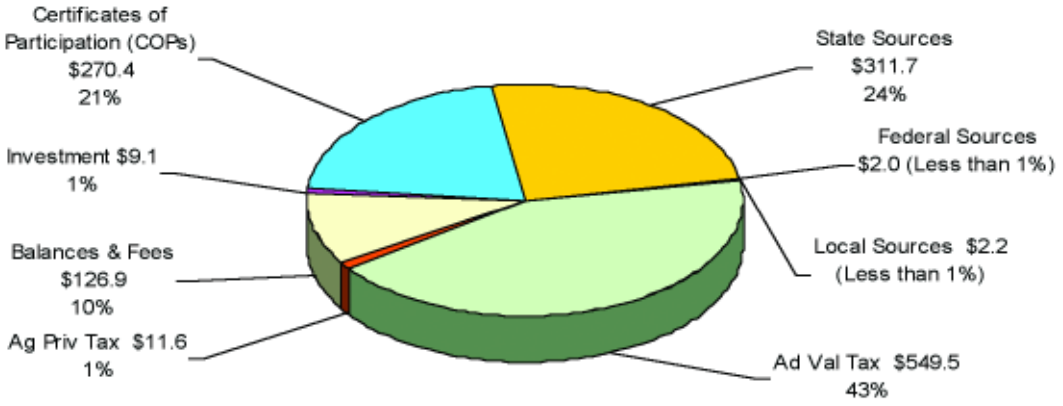
The District acquires, manages, and restores lands through Florida's *Save Our Everglades* land acquisition programs. *Florida Forever* clean-up efforts continue for Lake Okeechobee, Biscayne Bay, and the Indian River Lagoon through the *Lake Okeechobee Protection Plan* and coastal stormwater retrofits. 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 2008 revenue sources and percentage of total revenues each source represents. Estimated revenue sources for FY2008 total $1.283 billion.

Tax revenues are the District's largest source of funds. $549.5 million from Ad Valorem property taxes and $11.6 million from Agricultural Privilege taxes combine to represent 44 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 and the C-139 Basin, as mandated by the *Everglades Forever Act*.

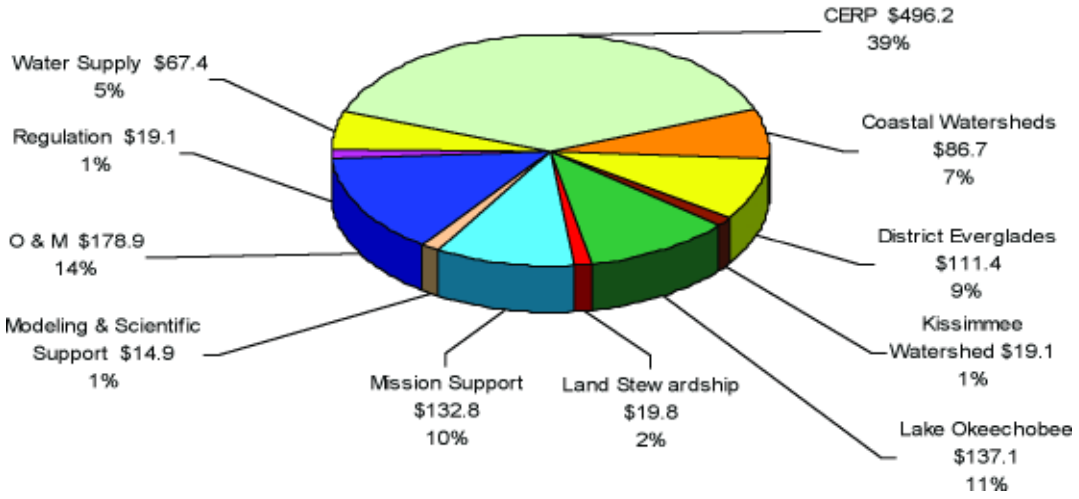
$270.4 million (21 percent) of District revenues was generated from Certificates of Participation (COPs). Florida Statutes define COPs as a type of revenue bond that a water management district may issue "to finance the undertaking of any capital or other project for the purposes permitted by the State 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 issuing this type of financing for many years.

Federal, state and local government funds represent $315.9 million (24 percent) of the District's funding sources. The federal portion of funding comes from the Federal Emergency Management Agency (FEMA) for capacity enhancement and flood mapping programs. Significant portions of state funds come from the Save Our Everglades Trust Fund, Florida Forever Trust Fund, Water Management Lands Trust Fund, general appropriations and designated balances. The local portion of funding comes from the Florida Inland Navigational District (FIND) for a dredging project in the Miami River.

The remaining $136 million (11 percent) of revenue is generated from a combination of investment income, fund balances from FY2007, licenses, permits and fees. 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 the result of prudent finance policies and the investment of funds not immediately needed for cash flow demands of current operations.

Where the Money Goes

($ Millions)



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 *FY2007-08 Budget in Brief* and *Work Plan* documents.

Comprehensive Everglades Restoration

Funding of $496.2 million, 39 percent of the annual budget, allocated for Comprehensive Everglades Restoration Program. FY2008 Work Plan objectives include:

- Continue construction of the various components of the Everglades Agricultural Area Reservoir.
- Design C-43 (Caloosahatchee River) reservoir and pump stations.
- Design Cutler Flowway for the Biscayne Bay Coastal Wetlands Project.
- Complete design for pumps and earthwork for the Picayune Strand Hydrologic Restoration project.
- Complete final project implementation report for C-111 Spreader Canal Part 1.
- Complete Final Pilot Project Design Report for L-30 Seepage Management Pilot.
- Complete Melaleuca Eradication and Other Exotic Pests Project Implementation Report and National Environmental Protection Act document.

Coastal Watersheds

Funding of $86.7 million, 7 percent of the annual budget, allocated for Coastal Watersheds Program. FY2008 Work Plan objectives include:

- Initiate St. Lucie Estuary Protection Plan and Caloosahatchee Estuary Protection Plan (Northern Everglades).
- Complete land acquisition and design of C-43 (Caloosahatchee River) water quality initiative.
- Complete technical criteria for Ten Mile Creek Water Preserve Area Performance Plan.
- Complete pilot test of environmental releases to the Northwest Fork of Loxahatchee River.
- Complete final report on C-51 sediment removal pilot project.

District Everglades

Funding of $111.4 million, 9 percent of the annual budget, allocated for District Everglades Program. FY2008 Work Plan objectives include:

- Continue design of Stormwater Treatment Areas B and C buildouts.
- Implement Everglades Regulatory and Everglades Stormwater programs.
- Implement a research and monitoring program to evaluate the ecological and hydrological needs of the Everglades.
- Complete Everglades Agricultural Area Conveyance & Regional Treatment – Basis of Design Report.
- Complete vegetation conversion for STA 3/4 and complete construction of the recreational facility.
- Perform non-permit downstream monitoring through data collection for use in determining STA benefits and impacts.
- Complete annual schedule of monitoring and assessment reports in compliance with the Everglades Forever Act and meeting needs for the South Florida Environmental Report.

Kissimmee Watershed

Funding of $19.1 million, 1 percent of the annual budget, allocated for Kissimmee Watershed Program. FY2008 Work Plan objectives include:

- Work with interagency partners to implement Kissimmee Chain of Lakes Long Term Management Plan.
- Complete study of alternative Kissimmee Basin operating criteria for Kissimmee Chain of Lakes structures.
- Continue implementation of the Comprehensive Kissimmee River Restoration Evaluation Program.
- Implement water resource partnership projects with local governmental agencies.
- Conduct baseline restoration evaluation studies, construction monitoring and project support for Kissimmee River Restoration and Headwaters Revitalization.
- Complete annual schedule of hydrologic monitoring and network maintenance.
- Provide the US Army Corps of Engineers alternative Kissimmee Basin operating criteria for support in Environmental Impact Statement development.

Lake Okeechobee

Funding of $137.1 million, 11 percent of the annual budget, allocated for Lake Okeechobee Program. FY2008 Work Plan objectives include:

- Continue Lake Okeechobee *"fast-track"* projects: Taylor Creek Reservoir and Lakeside Ranch.
- Develop Lake Okeechobee Watershed Technical Plan (Northern Everglades).
- Complete pilot design and initiate Eagle Bay dredging.
- Complete design of Lemkin Creek stormwater project.

Land Stewardship

Funding of $19.8 million, 2 percent of the annual budget, allocated for Land Stewardship Program. FY2008 Work Plan objectives include:

- Improve land stewardship by increasing exotic plant control and fire management activities.
- Update stewardship management plans for Kissimmee Chain of Lakes/Lower Reedy Creek and DuPuis.
- Complete improvements to designated District lands to enhance public recreational access.
- Monitor ecological changes from land management restoration activities using photo-monitoring points throughout District lands.

Mission Support

Funding of $132.8 million, 10 percent of the annual budget, allocated for Mission Support Program. FY2008 Work Plan objectives include:

- Maximize efficiency and effectiveness of business processes.
- Implement Project Accounting module of SAP (Project Systems).
- Attain Level 2 Capability Maturity Model Integration for Information Technology functions.
- Complete several major reports including: Strategic Plan and annual work plan updates, quarterly status reports, South Florida Environmental Report – Volume II, Comprehensive Annual Financial Statements and the Five-Year Capital Improvements Plan.
- Implement phase 2 of Asset Inventory Management System technology (AIMS).

Modeling & Scientific Support

Funding of $14.9 million, 1 percent of the annual budget, allocated for Modeling & Scientific Support Program. FY2008 Work Plan objectives include:

- Apply the Regional Simulation Model to District priority areas and projects.
- Conduct water quality monitoring, analyses and assessment in compliance with legal mandates and permits, and support multiple water resources programs.
- Begin development of Water Quality Monitoring Strategic and Re-engineering Plan.
- Plan and design selected replacement laboratory facility option.
- Complete evaluation of mobile autonomous system for real-time (remote) total phosphorous analysis.
- Finalize conversion to Capability Maturity Model Integration (CMMI) Level II.

Operations & Maintenance

Funding of $178.9 million, 14 percent of the annual budget, allocated for Operations & Maintenance Program. FY2008 Work Plan objectives include:

- Design and construct/refurbish 41 capital projects including communications and control systems, engineering, design, support and inspection services.
- Complete 22 pump station and gate structure overhauls including trash rakes, pump bearing replacements, generator replacement and hurricane hardening.
- Maintain approximately 51,422 acres of levee and canal banks.
- Treat approximately 60,000 acres of vegetation for aquatic, exotic and terrestrial plant control.
- Move optimum acre-feet of water, within criteria, to meet flood control and water supply requirements.
- Process Rights-of-Way management for public use permitting, compliance, enforcement and rights-of-way recovery.

Regulation

Funding of $19.1 million, 1 percent of the annual budget, allocated for Regulation Program. FY2008 Work Plan objectives include:

- Complete review of an average 475 water use permit applications per quarter.
- Implement Water Use Basin renewals for Kissimmee Basins.
- Complete review of an average of 525 environmental resource permit applications and conduct an average of 2,125 compliance inspections per quarter.

Water Supply

Funding of $67.4 million, 5 percent of the annual budget, allocated for Water Supply Program. FY2008 Work Plan objectives include:

- Oversee implementation of alternative water supply projects with local partners.
- Continue the Water Savings Incentive and the Mobile Irrigation Labs programs for water conservation.
- Establish Minimum Flows and Levels or Initial Reservations for Indian River Lagoon.
- Coordinate Central Florida Interagency Water Supply Plan and ensure consistency of local government and utility facility plans.
- Replace Lake Worth Drainage District pump at C-51 to mitigate water quality issues with Water Conservation Area 1 and Loxahatchee National Wildlife Refuge.

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, 2008 Work Plan and FY2008 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 under the following District Structure heading).

Program Description

Provides an overview of each program and the activities or functions performed to support the program.

Explanation of FY2008 Funding Increases/Decreases

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

Key FY2007 Accomplishments

Highlights the major accomplishments achieved on the program level.

Three-Year Summary of Program Performance Measures

Presents stated Strategic Plan and Work Plan objectives with key qualitative and quantitative performance, and future performance requirements.

Strategic Priority

Presents program priorities 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

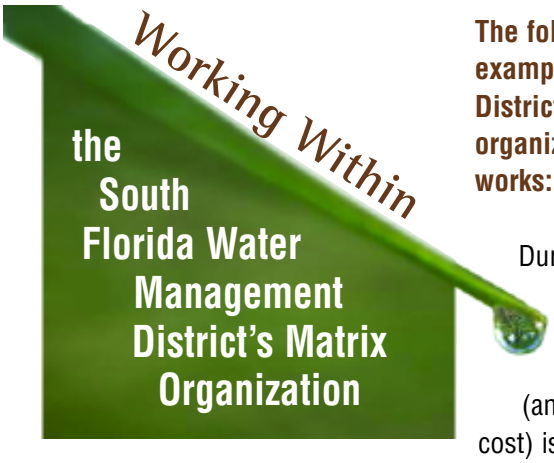
The South Florida Water Management District

is organized by departments which are grouped into **4 main Resource Areas**:

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 **Everglades Restoration** resource area centralizes all projects and resources associated with the District's CERP and Land Stewardship programs.
4. **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 FY2008
(see the Program Chart inset).

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.

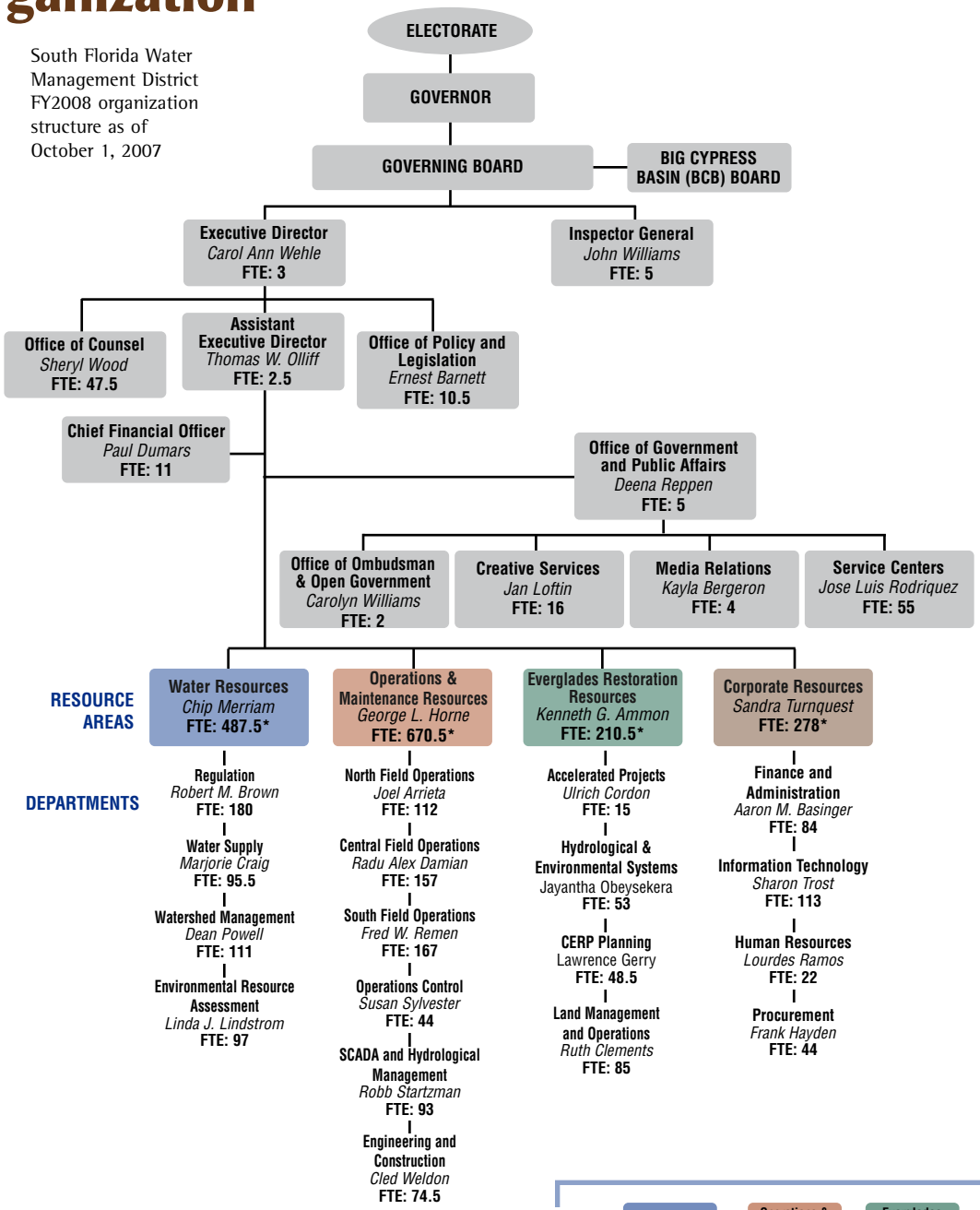


The following is an example of how the District's matrix organization structure works:

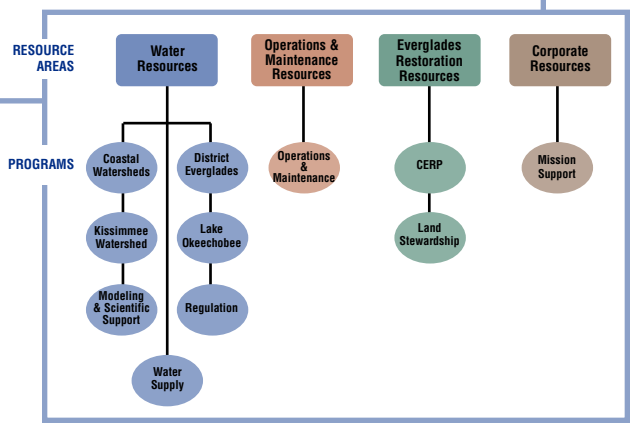
During the fiscal year, an environmental scientist's time (and associated cost) is typically allocated to multiple projects. He or she may spend hours working on the development of new criteria for the establishment of environmental regulation, contribute time and expertise for a Hydrologic & Environmental 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.

Organization

South Florida Water Management District FY2008 organization structure as of October 1, 2007



** FTE Total also includes Resource Area Management Staff*



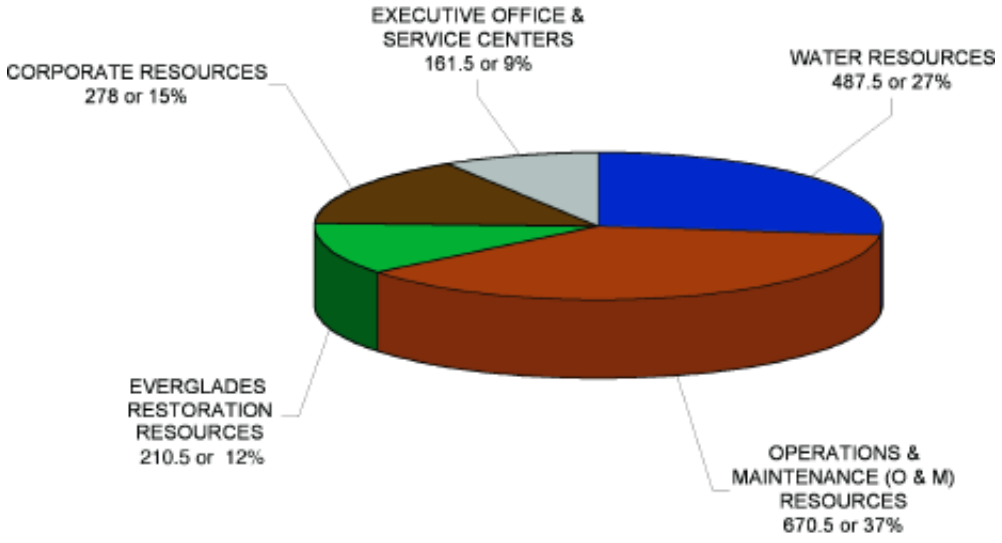
District Budget Overview
by Resource Area

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

By Resource Area	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Water Resources	$110,707,042	$254,291,868	$199,698,837	($54,593,031)	-21.5%
Operations & Maintenance	$161,102,361	$201,342,848	$199,315,171	($2,027,677)	-1.0%
Everglades Restoration	$533,494,431	$773,254,861	$698,059,448	($75,195,413)	-9.7%
Corporate Resources	$166,388,473	$210,761,587	$186,310,630	($24,450,957)	-11.6%
Total	**$971,692,307**	**$1,439,651,164**	**$1,283,384,086**	**($156,267,078)**	**-10.9%**

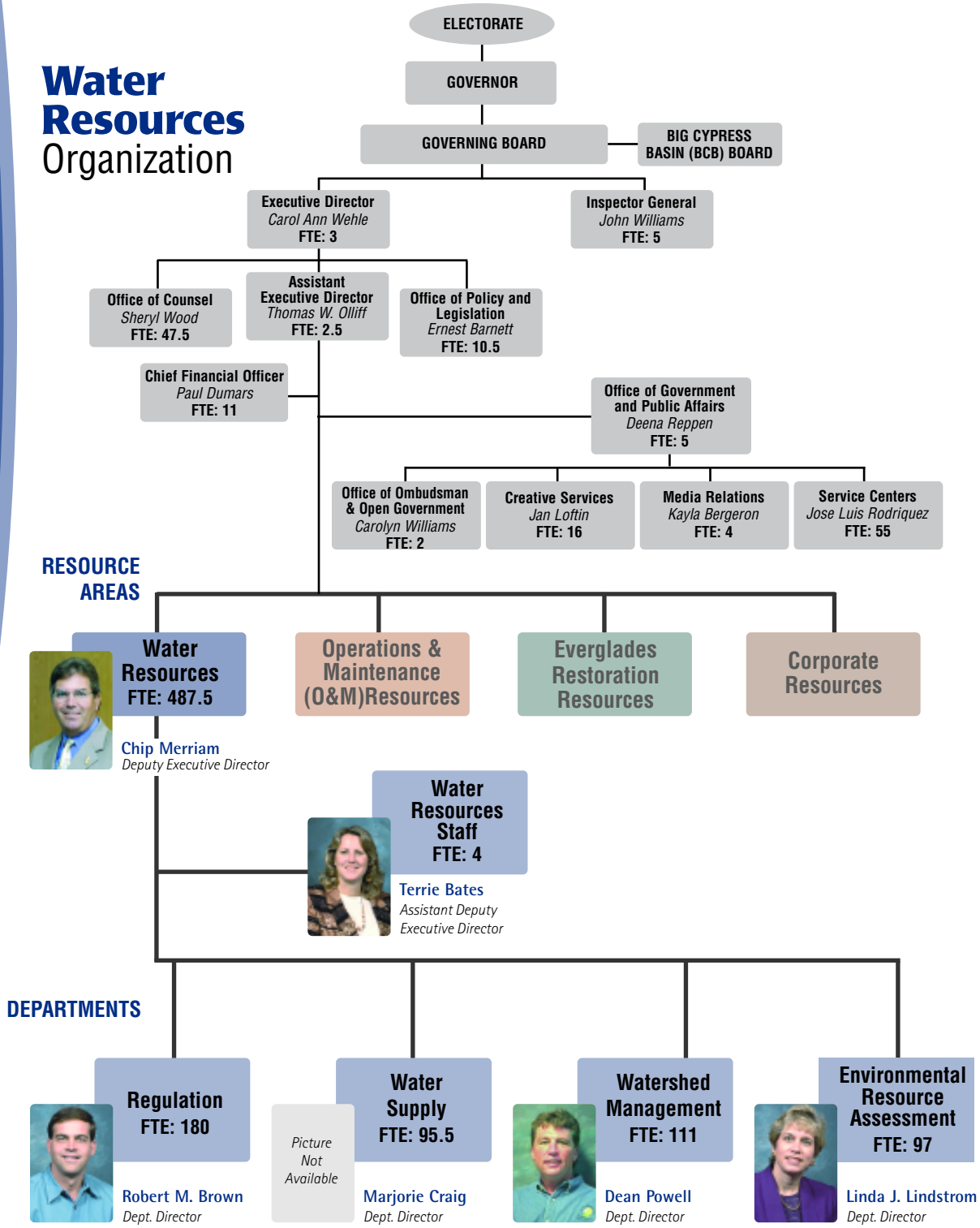
The following pie chart depicts the District's personnel allocation by Resource Area. Additionally, each resource area (on the following pages), includes an organizational chart. The resource area level organizational charts provide an overview of the total Full-Time Equivalent (FTE) staffing for the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

Personnel by Resource Area



WATER RESOURCES

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

	District Departments	Water Resources Programs: 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
	Watershed Management	x	x	x	x	x		
	Environmental Resource Assessment	x	x	x	x	x		x
Operations & Maintenance	North Field Operations				x			
	Central Field Operations		x					
	South Field Operations							
	Operations Control		x	x				
	SCADA & Hydrological Management	x	x	x	x	x	x	x
	Engineering & Construction		x	x	x			x
CERP	Land Management and Operations	x	x	x	x			
	Acceler8	x	x	x				
	Hydrological & Environmental Systems	x	x	x	x	x		x
	CERP Planning	x	x	x				
Corporate Resources	Finance & Administration		x					
	Information Technology		x			x	x	x
	Human Resources							
	Procurement				x			
	Executive Offices*	x	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 FY2008 Funding Increases/Decreases

The total FY2008 adopted budget for the Water Resources Resource Area is $199.7 million. As reflected in the following resource area variance table, the FY2008 total is approximately $54.6 million less than the FY2007 amended budget. This 21.5 percent decrease in budgeted funds is primarily due to transfer of Lake Okeechobee state funds for Fast Track (LOFT) projects and other projects to the Northern Everglades Division within Everglades Restoration Resource Area.

Water Resources 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.

FY2007 to FY2008 Resource Area Variance

	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
By Expense Type					
Personnel Services	$33,968,500	$37,335,302	$45,621,423	$8,286,121	22.2%
Operating/Self Insurance	4,722,109	4,201,104	4,256,861	55,757	1.3%
Contracts	70,381,878	184,140,019	112,605,714	(71,534,305)	-38.8%
Capital	1,634,555	28,615,443	37,214,839	8,599,396	30.1%
Total	**$110,707,042**	**$254,291,868**	**$199,698,837**	**($54,593,031)**	**-21.5%**
By Fund					
District (DIST)	$35,919,803	$61,459,077	$73,559,501	$12,100,424	19.7%
Okeechobee Basin (OKEE)	10,175,358	12,976,472	16,045,259	3,068,787	23.6%
Big Cypress Basin (BIGC)	649,626	338,950	-	(338,950)	-100.0%
Save Our Rivers (SORO)	2,755,224	4,732,588	4,827,021	94,433	2.0%
State Appropriations Non-Land	33,031,331	56,499,918	27,783,709	(28,716,209)	-50.8%
Wetlands Mitigation	107,350	-	-	-	N/A
Snook Tag Revenue	130,469	200,000	-	(200,000)	-100.0%
External Grant	122,368	450,000	353,458	(96,542)	-21.5%
Alternative Water Supply	550,000	-	-	-	N/A
STA O&M	1,406,908	2,429,678	2,348,228	(81,450)	-3.4%
Everglades License Tag	462,828	444,852	240,035	(204,817)	-46.0%
Lake Okeechobee Trust	4,559,716	52,382,011	6,706,708	(45,675,303)	-87.2%
Okeechobee Basin (CAPO)	-	-	10,000,000	10,000,000	N/A
Florida Forever (CAPS)	15,894	-	-	-	N/A
Everglades Trust	13,784,800	46,413,586	46,848,970	435,384	0.9%
FEMA	528,148	502,000	644,434	142,434	28.4%
Florida Bay	2,031,731	2,090,323	1,459,468	(630,855)	-30.2%
CERP - Ad Valorem	4,475,488	9,372,413	3,257,046	(6,115,367)	-65.2%
Save Our Everglades Trust (HB221)	-	4,000,000	5,625,000	1,625,000	40.6%
Total	**$110,707,042**	**$254,291,868**	**$199,698,837**	**($54,593,031)**	**-21.5%**

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

COASTAL WATERSHEDS

Program Budget: $86.7 Million

Full-Time Equivalents: 51

Mouth of Caloosahatchee River estuary
San Carlos Bay West Coast

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. The program supports the development of the technical citeria for Minimum Flows and Levels (MFLs) and water reservations, in partnership with the Water Supply Program, to provide scientific and technical support to South Florida Water Management District priority projects, and to develop water quality targets that support the Florida Department of Environmental Protection's development of Total Maximum Daily Loads (TMDLs) in seven of the nine water bodies within the program.

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.

STRATEGIC PRIORITY:

Protect and restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment.

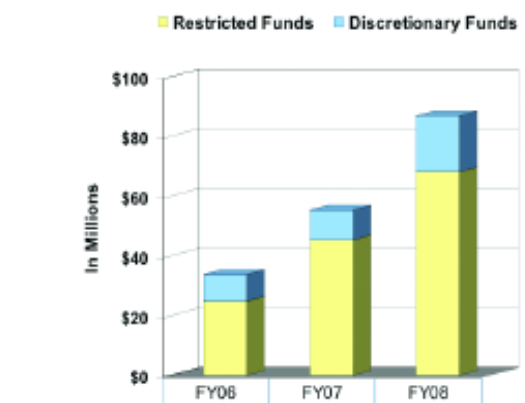
Watersheds are lands over which water flows until it meets and drains into a stream, river, lake, bay or an ocean.

Program Activities/Funtions

- Design and construct stormwater quality improvement projects
- Publish restoration and protection plans for coastal water bodies and tributary watersheds
- Increase understanding of the ecosystems through applied scientific hypothesis-driven research
- Develop technical criteria for water reservations and Minimum Flows and Levels
- Assist local governments with implementation of coastal water body restoration projects
- Assist Florida Department of Environmental Protection with development of Total Maximum Daily Loads and implementation of basin management action plans

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$8.9	$10.0	$18.6
Restricted Funds	$24.7	$45.2	$68.1
Total	**$33.6**	**$55.2**	**$86.7**

**** 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.

Total Budget

The total FY2008 adopted budget for the Coastal Watersheds Program (combined discretionary and restricted funds) is $86.7 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $31.4 million higher than the FY2007 amended budget. This is a 57 percent increase in budgeted funds.

Discretionary Funds*

Coastal Watersheds' discretionary funds total $18.5 million, which is $8.5 million higher than the FY2007 amended budget total. This portion of the FY2008 program budget reflects the District's commitment of ad valorem funding towards the Caloosahatchee and St. Lucie River Watershed Protection Program, including a $10 million legislative cost-match requirement netted against reductions in local initiative projects in other coastal water bodies. Discretionary funds increased 85 percent.

Restricted Funds**

The Coastal Watersheds program's FY2008 restricted funds total $68.1 million, which is $22.9 million higher than the FY2007 amended budget amount. This increase includes legislative appropriations for the new Caloosahatchee and St. Lucie River Watershed Protection Program netted against reductions in appropriations for other water projects. Restricted funds increased 51 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
St. Lucie/Indian River Lagoon					
Discretionary Funds	$658,567	$654,948	$6,559,129	$5,904,181	901.5
Restricted Funds	4,867,096	11,863,314	17,661,596	5,798,282	48.9
Subtotal All Sources	**5,525,662**	**12,518,262**	**24,220,725**	**11,702,463**	**93.5**
Loxahatchee River/Estuary					
Discretionary Funds	768,771	1,104,212	840,250	(263,962)	(23.9)
Restricted Funds	952,574	6,049,075	3,709,000	(2,340,075)	(38.7)
Subtotal All Sources	**1,721,345**	**7,153,287**	**4,549,250**	**(2,604,037)**	**(36.4)**
Lake Worth Lagoon					
Discretionary Funds	8,874	175,833	165,099	(10,734)	(6.1)
Restricted Funds	500,000	0	0	0	N/A
Subtotal All Sources	**508,874**	**175,833**	**165,099**	**(10,734)**	**(6.1)**
Biscayne Bay					
Discretionary Funds	449,198	791,920	299,204	(492,716)	(62.2)
Restricted Funds	2,965,364	4,806,750	530,604	(4,276,146)	(89.0)
Subtotal All Sources	**3,414,562**	**5,598,670**	**829,808**	**(4,768,862)**	**(85.2)**
Florida Bay & Florida Keys					
Discretionary Funds	562,632	559,264	146,886	(412,378)	(73.7)
Restricted Funds	647,801	1,380,414	3,565,957	2,185,543	158.3
Subtotal All Sources	**1,210,433**	**1,939,678**	**3,712,843**	**1,773,165**	**91.4**
Estero Bay					
Discretionary Funds	566,263	335,006	109,343	(225,663)	(67.4)
Restricted Funds	1,123,943	1,162,142	1,231,625	69,483	6.0
Subtotal All Sources	**1,690,206**	**1,497,148**	**1,340,968**	**(156,180)**	**(10.4)**
Naples Bay					
Discretionary Funds	47,274	101,528	198,763	97,235	95.8
Restricted Funds	1,317,350	9,693,305	6,483,532	(3,209,773)	(33.1)
Subtotal All Sources	**1,364,624**	**9,794,833**	**6,682,295**	**(3,112,538)**	**(31.8)**
Charlotte Harbor					
Discretionary Funds	3,998	69,771	115,255	45,484	65.2
Restricted Funds	436,002	407,000	282,500	(124,500)	(30.6)
Subtotal All Sources	**440,000**	**476,771**	**397,755**	**(79,016)**	**(16.6)**
Caloosahatchee River/Estuary					
Discretionary Funds	332,701	910,081	6,291,276	5,381,195	591.3
Restricted Funds	2,975,238	2,564,759	33,800,000	31,235,241	1,217.9
Subtotal All Sources	**3,307,939**	**3,474,840**	**40,091,276**	**36,616,436**	**1,053.8**
Flood Management Planning					
Discretionary Funds	4,445,219	2,490,879	2,171,338	(319,541)	(12.8)
Restricted Funds	8,863,037	7,202,277	644,434	(6,557,843)	(91.1)
Subtotal All Sources	**13,308,256**	**9,693,156**	**2,815,772**	**(6,877,384)**	**(71.0)**
Program Support					
Discretionary Funds	1,014,788	2,823,069	1,644,599	(1,178,470)	(41.7)
Restricted Funds	45,124	67,102	202,657	135,555	202.0
Subtotal All Sources	**1,059,912**	**2,890,171**	**1,847,256**	**(1,042,915)**	**(36.1)**
Program Total					
Discretionary Funds	8,858,285	10,016,511	18,541,142	8,524,631	85.1
Restricted Funds	24,693,530	45,196,138	68,111,905	22,915,767	50.7
Program Total	**$33,551,814**	**$55,212,649**	**$86,653,047**	**$31,440,398**	**56.9**

Coastal Watersheds Program
Key FY2007 Accomplishments

- Completed sixteen local initiative projects for habitat restoration, flood protection, water quality and hydrologic improvements

- Assisted in the completion of the South Miami-Dade Watershed Study and Plan, which won the 2007 Award of Excellence from the Florida Chapter of the American Planning Association

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Commit 100% of Water Protection & Sustainability Trust Fund money to executed agreements with local governments.	96% of funds committed.	Commit 100% of funds.	74% of funds committed.	No funding received in FY2008.
Complete restoration and protection plans for priority water bodies	Completed: - Draft Naples Bay SWIM Plan. - Draft Lower Charlotte Harbor SWIM Plan.	Complete Naples Bay SWIM Plan.	Completed Naples Bay SWIM Plan.	Complete: – Lower Charlotte Harbor SWIM Plan. - Draft St, Lucie River Watershed Protection Plan. - Draft Caloosahatchee River Watershed Protection Plan.
Commit 100% of scientific appropriations to executed agreements with local initiatives.	90% of appropriations committed.	Commit 100% of appropriations.	82% of appropriations committed.	Commit 100% of appropriations.
Complete scheduled minimum flows and levels (MFL) or initial water reservations (IWR) technical criteria documents.	2 completed/ 2 scheduled (NW Fork of Loxahatchee River and Caloosahatchee River/Estuary IWR documents).	Complete: 1 MFL document (Biscayne Bay). 1 IWR document (Florida Bay).	Completed: 2 MFL documents: - Biscayne Bay. - Florida Bay. Florida Bay IWR cancelled due to policy changes resulting from adoption of Water Availability Rule.	No MFLs or IWRs scheduled.

DISTRICT EVERGLADES

Program Budget: $111.4 Million

Full-Time Equivalents: 149

Acme Basin B project acceler8 construction

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.

STRATEGIC PRIORITY:

Achieve Everglades water quality standards by implementing the Long-Term Plan

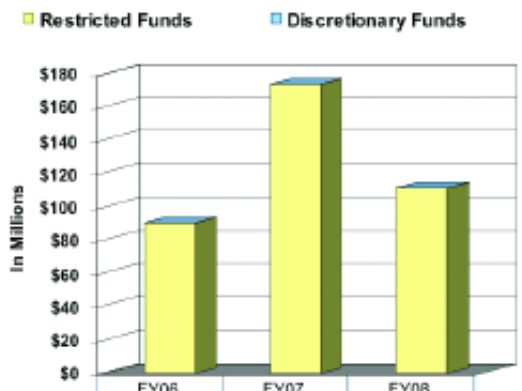
Florida's Everglades is often referred to as the "River of Grass."

Program Activities/Funtions

- Implement Long-Term Plan water quality projects
- Implement Everglades Regulatory and Everglades Stormwater programs
- Implement a research and monitoring program to evaluate the ecological and hydrological needs of the Everglades
- Conduct research on the hydrology, water quality and ecology of the Everglades

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$0.0	$0.0	$0.0
Restricted Funds	$90.4	$174.1	$111.4
Total	**$90.4**	**$174.1**	**$111.4**

Total Budget

The total FY2008 adopted budget for the District Everglades Program is $111.4 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $62.7 million lower than the FY2007 amended budget. This 36 percent decrease in budgeted funds is described in further detail within the accompanying Restricted Funds explanation below.

Discretionary Funds

No discretionary funds are budgeted for this program.

Restricted Funds

FY2008 restricted funds are equivalent to the total of $111.4 million allocated for the District Everglades Program. The *Everglades Forever Act (EFA)* accelerated *(Acceler8)* projects are included in this FY2008 budget. Initial *Long-Term Plan Stormwater Treatment Area (STA)* expansions were constructed and completed in FY2007. Funding requirements for the *Long-Term Plan Stormwater Treatment Area (STA) Expansion (Acceler8)* projects decreased because the Buildout projects will be in the Design phase in FY2008. Funding for future years will reflect construction costs for the Buildout projects. (There will be increased costs associated with construction.) Funding requirements decreased for the *Long-Term Plan Enhancement and Public Use* projects. *The STA 1-W Enhancement and the STA 1-W, STA 3/4 and STA 5 Public Use* projects were completed in FY2007.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Everglades Construction Project					
Discretionary Funds	$0	$0	$0	$0	N/A
Restricted Funds	1,382,923	1,258,325	0	(1,258,325)	(100.0)
Subtotal All Sources	**1,382,923**	**1,258,325**	**0**	**(1,258,325)**	**(100.0)**
LTP - ACCELER8					
Discretionary Funds	$0	$0	$0	$0	N/A
Restricted Funds	45,713,677	97,178,673	60,651,555	(36,527,118)	(37.6)
Subtotal All Sources	**45,713,677**	**97,178,673**	**60,651,555**	**(36,527,118)**	**(37.6)**
LTP STA Operation & Maintenance					
Discretionary Funds	6,505	0	0	0	N/A
Restricted Funds	9,387,183	21,607,163	25,210,714	3,603,551	16.7
Subtotal All Sources	**9,393,688**	**21,607,163**	**25,210,714**	**3,603,551**	**16.7**
LTP STA Enhancements					
Discretionary Funds	(20,554)	0	0	0	N/A
Restricted Funds	13,801,934	28,518,648	579,487	(27,939,161)	(98.0)
Subtotal All Sources	**13,781,380**	**28,518,648**	**579,487**	**(27,939,161)**	**(98.0)**
Everglades Source Control					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	391,650	525,730	3,530,567	3,004,837	571.6
Subtotal All Sources	**391,650**	**525,730**	**3,530,567**	**3,004,837**	**571.6**
LTP STA Optimization & Performance					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	3,292,556	4,727,801	4,906,363	178,562	3.8
Subtotal All Sources	**3,292,556**	**4,727,801**	**4,906,363**	**178,562**	**3.8**
LTP Recovery of Impacted Areas					
Discretionary Funds	43,701	0	0	0	N/A
Restricted Funds	5,745,162	1,448,312	1,976,501	528,189	36.5
Subtotal All Sources	**5,788,863**	**1,448,312**	**1,976,501**	**528,189**	**36.5**
LTP Adaptive Implementation					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	6,991	1,735,000	260,000	(1,475,000)	(85.0)
Subtotal All Sources	**6,991**	**1,735,000**	**260,000**	**(1,475,000)**	**(85.0)**
LTP: Program Management					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	435,753	3,938,929	2,754,018	(1,184,911)	(30.1)
Subtotal All Sources	**435,753**	**3,938,929**	**2,754,018**	**(1,184,911)**	**(30.1)**
Everglades Research and Evaluation					
Discretionary Funds	6,820	0	0	0	N/A
Restricted Funds	7,230,016	8,603,268	6,463,432	(2,139,836)	(24.9)
Subtotal All Sources	**7,236,836**	**8,603,268**	**6,463,432**	**(2,139,836)**	**(24.9)**
Program Support					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	3,048,601	4,538,874	5,052,413	513,539	11.3
Subtotal All Sources	**3,048,601**	**4,538,874**	**5,052,413**	**513,539**	**11.3**
Program Total					
Discretionary Funds	36,473	0	0	0	N/A
Restricted Funds	90,436,444	174,080,723	111,385,050	(62,695,673)	(36.0)
Program Total	**$90,472,917**	**$174,080,723**	**$111,385,050**	**($62,695,673)**	**(36.0)**

District Everglades Program
Key FY2007 Accomplishments

- Construction of the initial expansion of Stormwater Treatment Areas (STAs) 2,5, and 6 were completed; projects were funded from the first issuance of Certificates of Participation. These initial STA expansion projects add approximately 5,000 acres of effective treatment area to the existing 40,000 acres of STAs. The build-out of these STAs is scheduled to begin in FY2009 and complete by December, 2010

- A total of six stormwater treatment areas have been constructed and phosphorus removed, including STA - 3/4, one of the largest constructed wetlands in the world. Its performance since start-up is impressive, treating over 1.7 million acre-feet of stormwater resulting in an average outflow phosphorus concentration of 19 parts per billion. In spite of impacts from the 2004 and 2005 hurricanes, the 2007 drought, and major rehabilitation efforts in STA-1W in WY2006 and WY2007, the STAs combined are achieving an average outflow concentration of 45 parts per billion through the end of Water Year 2007 (May 1, 2006 to April 30, 2007).

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Complete the Long-Term Plan Acceler8 projects on schedule				
- STA-6 Section 2	100% Design complete.	Complete 100% construction.	Completed 100% construction.	Completed 100% construction in FY2007.
- STA-2 Cell 4	100% Design complete.	Complete 100% construction.	Completed 100% construction.	Completed 100% construction in FY2007.
- STA-5 Flow-way 3	100% Design complete.	Complete 100% construction.	Completed 100% construction.	Completed 100% construction in FY2007.
- Compartment B Buildout	Not yet started.	Initiate design.	Initiated design.	Complete: - Design of STA earthwork portions. - Intermediate design for Pump Station. Initiate: - Procurement of Pumping Systems Equipment.
- Compartment C Buildout	Not yet started.	Initiate design.	Initiated design.	Complete: - Design of STA earthwork portions. - Preliminary Pump Station Design. Initiate: - Procurement of Pumping Systems Equipment.
- ECART	Not yet started.	Initiate Basis of Design Report.	Initiated Basis of Design Report. Work order pending.	Complete Basis of Design Report. Initiate Preliminary Design.
Implement source control process on schedule.	On-schedule.	Remain on schedule.	On-schedule.	Remain on schedule.
Complete Long-Term Plan STA-1 West enhancement projects on schedule.	70% Construction completed.	Complete 100% construction.	Completed 100% construction.	Completed in FY2007
Complete 22 projects designed to optimize the performance of the STAs.	4 projects complete. 17 projects underway. 1 project starts in FY2009.	Complete 1 project.	6 projects complete. 15 projects underway. 1 project starts in FY2009.	Complete 2 projects.
Complete STA-5 enhancements.	95% Construction completed.	Complete 100% construction.	Completed 100% construction.	Completed in FY2007

KISSIMMEE WATERSHED

Program Budget: $19.1 Million

Full-Time Equivalents: 30

Kissimmee River Restoration restored area at Micco Landing

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 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.

STRATEGIC PRIORITY:

Protect and restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment.

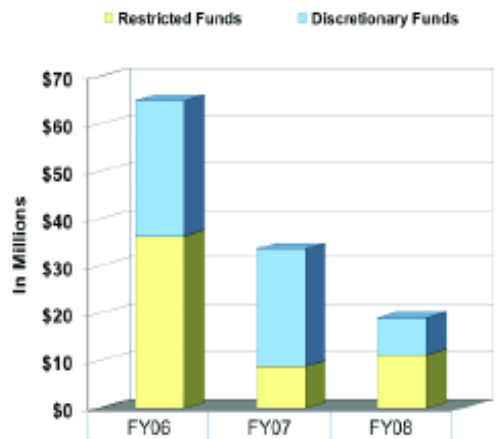
The Kissimmee watershed is the headwaters of the Kissimmee-Okeechobee-Everglades system. it is the largest source of surface water draining into Lake Okeechobee.

Program Activities/Funtions

- Complete land condemnation processes
- Finalize land acquisition certification and cost crediting with USACE
- Complete mitigation in lieu of acquisition solutions
- Complete Baseline, Initial Response, and Post-Restoration Evaluation studies
- Conduct construction monitoring and provide project support associated with the USACE backfilling and construction projects
- Provide the USACE with performance measures, modeling tools and three to five preferred operations alternatives to develop operating criteria for the Kissimmee Watershed
- Coordinate with interagency partners to complete Kissimmee Chain of Lakes Long Term Management Plan components
- Coordinate with interagency partners to complete the Three Lake Wildlife Management Area Hydrologic Restoration Project
- Establish and maintain partnerships with local governments that leverage District resources to enhance flood control level of service, improve water quality and protect natural systems
- Coordinate Long-Term Management Plan implementation with interagency partners

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$28.5	$24.7	$7.9
Restricted Funds	$36.3	$8.9	$11.2
Total	**$64.8**	**$33.6**	**$19.1**

Total Budget

The total FY2008 adopted budget for the Kissimmee Watershed Program is $19.1 million, approximately $14.5 million lower than the FY2007 amended budget. This 43.2 percent decrease in budgeted funds is described in more detail below.

Discretionary Funds

The Kissimmee Watershed Program's FY2008 discretionary funds total $7.9 million, which is $16.8 million lower than the FY2007 amended budget amount. This decrease is primarily due to reduction in discretionary funds budgeted for land acquisition for Kissimmee Land Restoration, which was substantially completed last year. Also, funds allocated to local water resource partnership projects were reduced. Discretionary funds decreased 67.9 percent.

Restricted Funds

FY2008 restricted funds for this program total $11.2 million. The increase of $2.3 million in funding is related to completion of pending condemnations, negotiated settlements and engineering costs associated with the remaining land acquisition requirements for Kissimmee Land Restoration. Restricted funds increased 25.5 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
River & Headwaters Restoration					
Discretionary Funds	$24,823,715	$19,814,026	$4,169,477	($15,644,549)	(79.0)
Restricted Funds	35,825,778	3,494,000	0	(3,494,000)	(100.0)
Subtotal All Sources	**60,649,493**	**23,308,026**	**4,169,477**	**(19,138,549)**	**(82.1)**
Watershed Projects					
Discretionary Funds	467,366	366,264	542,528	176,264	48.1
Restricted Funds	82,316	0	353,458	353,458	N/A
Subtotal All Sources	**549,682**	**366,264**	**895,986**	**529,722**	**144.6**
Upper Basin Restoration					
Discretionary Funds	2,917,623	4,000,000	1,639,328	(2,360,672)	(59.0)
Restricted Funds	375,000	1,400,000	0	(1,400,000)	(100.0)
Subtotal All Sources	**3,292,623**	**5,400,000**	**1,639,328**	**(3,760,672)**	**(69.6)**
River Restoration Mitigation					
Discretionary Funds	2,917,623	0	1,286,737	1,286,737	N/A
Restricted Funds	375,000	4,000,000	10,810,000	6,810,000	170.3
Subtotal All Sources	**3,292,623**	**4,000,000**	**12,096,737**	**8,096,737**	**202.4**
Program Support					
Discretionary Funds	268,028	539,690	285,069	(254,621)	(47.2)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**268,028**	**539,690**	**285,069**	**(254,621)**	**(47.2)**
Program Total					
Discretionary Funds	28,476,733	24,719,980	7,923,139	(16,796,841)	(67.9)
Restricted Funds	36,283,094	8,894,000	11,163,458	2,269,458	25.5
Program Total	**$64,759,827**	**$33,613,980**	**$19,086,597**	**($14,527,383)**	**(43.2)**

Kissimmee Watershed Program
Key FY2007 Accomplishments

- Model Calibration complete for the Kissimmee Basin Modeling and Operations Study. Current Base Condition model runs have also been completed
- Supported the Army Corps of Engineers as it completed backfilling of approximately 2 miles of canal and reestablishment of approximately 4 additional miles of contiguous channel, bringing the total number of reestablished Kissimmee River miles to 19.

Three-Year Summary
of Program Performance Measures

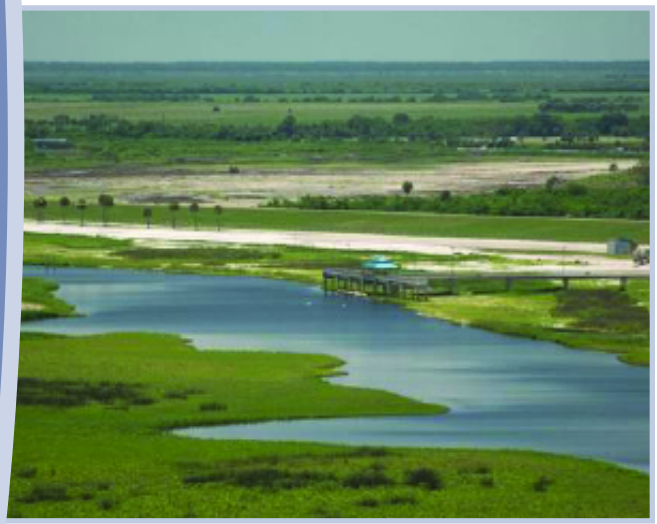
Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Complete Kissimmee Chain of Lakes Long-Term Management Plan	Completed: - Draft assessment performance measures. - 50% of monitoring plan. Initiated: - System Assessment - Development of Agency Action Plan.	Complete Kissimmee Chain of Lakes Long-Term Management Plan Plan.	Completed and peer reviewed draft Kissimmee Chain of Lakes Long-Term Management Plan. Schedule extended to incorporate Peer Review Panel recommendations	Complete Kissimmee Chain of Lakes Long-Term Management Plan.
Complete Kissimmee Basin Modeling and Operations Study	Design and initial model development completed and delivered.	Consider preferred alternative and associated documentation and forward to the U.S. Army Corps of Engineers.	Current base condition runs complete. Future condition runs delayed by USACE.	Preferred alternative presented to USACE.
Complete Phase II/III and IVA baseline restoration evaluation studies	Completed Phase II/III baseline restoration evaluation studies	Implement Phase II/III baseline restoration evaluation studies	Implemented Phase II/III baseline restoration evaluation studies	USACE construction schedule for Phase II/III backfilling has been delayed till 2010. Continue baseline restoration evaluation until USACE begins construction.
Complete construction monitoring and project support for Phase IVA and IVB	Started construction and associated monitoring for Phase IVA.	Complete construction monitoring and project support for Phase IVA.	Completed construction monitoring and project support for Phase IVA.	Start construction and associated monitoring for Phase IVB.
Complete Local Water Resource **Partnership Projects annually.**	Completed 28 local water resource partnership projects.	Complete 18 Local Water Resource Partnership Projects.	Completed 15 local water resource partnership projects.	Complete 6 local water resource partnership projects.

LAKE OKEECHOBEE

Program Budget: $137.1 Million

Full-Time Equivalents: 41

Program Description



Low water levels - 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*.

STRATEGIC PRIORITY:

Protect and restore natural systems in the Northern Everglades (Kissimmee, Lake Okeechobee, Caloosahatchee and St. Lucie watersheds) by increasing storage capacity and water quality treatment.

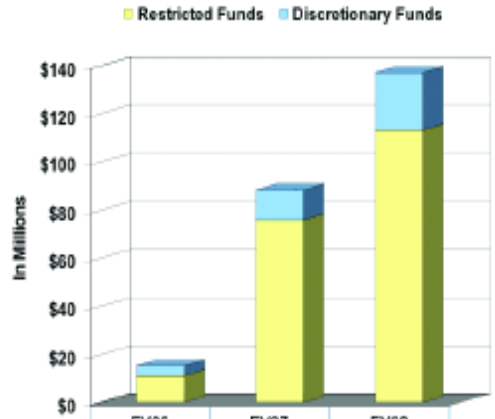
Lake Okeechobee & its watershed are key components of South Florida's ecosystem. Spanning 730 square miles, Lake Okeechobee is the second largest freshwater lake located wholly within the u.S.

Program Activities/Funtions

- Implement water quality improvement projects to reduce phosphorus in stormwater runoff, including "fast-track" capital projects
- Control exotic species to maintenance levels and conduct research to improve treatment options
- Improve the performance of Lake Okeechobee's operating schedule to reduce damaging high water levels while preserving other project purposes
- Assess Lake Okeechobee's ecological condition and program progress on an annual basis
- Monitor influence of Acceler8 on CERP Lake Okeechobee project schedule and implement contingencies to meet water quality targets and timelines

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$4.0	$12.5	$23.7
Restricted Funds	$11.4	$76.0	$113.4
Total	**$15.4**	**$88.5**	**$137.1**

Total Budget

The total FY2008 adopted budget for the Lake Okeechobee Program is $137.1 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $48.6 million higher than the FY2007 amended budget. This is a 55 percent increase in budgeted funds.

Discretionary Funds

The Lake Okeechobee Program's FY2008 discretionary funds total $23.7 million, which is $11.2 million higher than the FY2007 amended budget amount. This funding increase reflects the District Governing Board's strategic priority to improve the health of Lake Okeechobee through the implementation of dredging projects within the Lake, and continuation of projects in the *Lake Okeechobee Protection Plan.* Discretionary funds increased 89 percent over the prior year.

Restricted Funds

FY2008 restricted funds for this program total $113.4 million. The increase of $37.4 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 stormwater treatment areas (STAs), and the development of the Technical Plan for Phase II of the Lake Okeechobee Construction project. The Technical Plan requires the establishment of both water quality and water storage needs for the benefit of the Northern Everglades. Restricted funds increased 49 percent over the prior year.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Loft Acceler8					
Discretionary Funds	$0	$0	$35,761	$35,761	N/A
Restricted Funds	0	33,816,442	82,772,886	48,956,444	144.8
Subtotal All Sources	**0**	**33,816,442**	**82,808,647**	**48,992,205**	**144.9**
LOER Interagency Support					
Discretionary Funds	0	0	120,914	120,914	N/A
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**0**	**0**	**120,914**	**120,914**	**N/A**
Protection Plan					
Discretionary Funds	3,545,980	10,928,228	20,121,353	9,193,125	84.1
Restricted Funds	11,193,294	29,006,197	13,165,579	(15,840,618)	(54.6)
Subtotal All Sources	**14,739,273**	**39,934,425**	**33,286,932**	**(6,647,493)**	**(16.6)**
Alternative Storage & or Disposal Options					
Discretionary Funds	0	32,961	1,232,826	1,199,865	3,640.3
Restricted Funds	0	3,750,000	10,403,091	6,653,091	177.4
Subtotal All Sources	**0**	**3,782,961**	**11,635,917**	**7,852,956**	**207.6**
Regulation Operations					
Discretionary Funds	0	217,671	254,678	37,007	17.0
Restricted Funds	0	8,900,000	6,764,967	(2,135,033)	(24.0)
Subtotal All Sources	**0**	**9,117,671**	**7,019,645**	**(2,098,026)**	**(23.0)**
Regulatory WOD. ERP					
Discretionary Funds	0	0	902,781	902,781	N/A
Restricted Funds	0	495,460	270,000	(225,460)	(45.5)
Subtotal All Sources	**0**	**495,460**	**1,172,781**	**677,321**	**136.7**
Program Support					
Discretionary Funds	432,269	1,312,756	1,013,291	(299,465)	(22.8)
Restricted Funds	218,384	0	0	0	N/A
Subtotal All Sources	**650,653**	**1,312,756**	**1,013,291**	**(299,465)**	**(22.8)**
Program Total					
Discretionary Funds	3,978,249	12,491,616	23,681,604	11,189,988	89.6
Restricted Funds	11,411,678	75,968,099	113,376,523	37,408,424	49.2
Program Total	**$15,389,927**	**$88,459,715**	**$137,058,127**	**$48,598,412**	**54.9**

Lake Okeechobee Program
Key FY2007 Accomplishments

- Temporary pumps are installed and operating
- Initiated agreements and associated design and permitting for several additional water storage projects
- Completed Basis of Design Report Phase II for Lake Okeechobee Permanent Forward Pumps
- Initiated preliminary design for Lakeside Ranch Stormwater Treatment Area
- Completed final Basis of Design Report for Lake Okeechobee Fast Track project
- Muck Removal completed and determining final disposal sites
- Draft Technical Plan complete
- Construction of the Taylor Creek Algal Turf Scrubber nutrient recovery facility was completed. This facility was designed to treat 15 MGD of water rerouted from Taylor Creek, a tributary to Lake Okeechobee
- The survey, geotechnical, and modeling for a 500-acre reservoir on the Brighton Seminole Indian Reservation was completed, and the 30% design stage begun
- Completed construction on Lamb Island Tributary Stormwater Treatment Project providing wetland treatment of stormwater from on-site and off-site sources

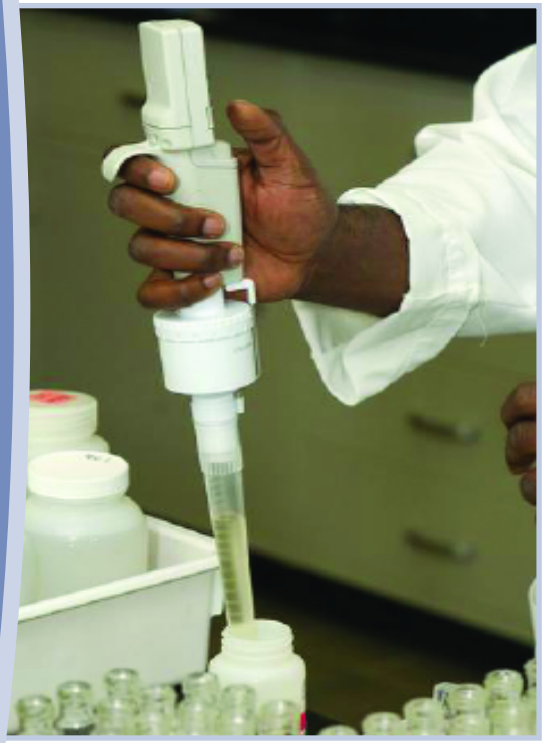
Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Reduce phosphorus (P) inputs to Lake Okeechobee.	Average P for the five-year period from FY2002 to FY2006 was 658 metric tons (mt) This is 110 mt (20%) greater than the 15 year baseline load.	Average P load for the five-year period from FY2003 to FY2007 should decline to 601 mt or 9.5% higher than the 15 year baseline load.	Estimated P for the five-year period from FY2003 to FY2007 (May 2007 to September 2007 not yet available) was 598 mt. This is 49 mt (9%) greater than the 15 year baseline load.	Average P load for the five-year period from FY2004 to FY2008 should decline to 544 mt or 0.9% lower than the 15 year baseline load.
Reduce acreage of exotic and nuisance species in the Lake Okeechobee littoral zone.	Treated: - 3,000 acres Cattail - 5,000 acres Torpedo grass - 150 acres Melaleuca	Control expansion of Cattail into key fisheries. Treat: - minimum of 2,000 acres of Torpedo grass; - 500 acres of Melaleuca.	Treated: - 0 acres of Cattail (due to low lake conditions - 10,000 acres of Torpedo grass - 1,367 acres of Melaleuca	Treat: - 2,000 acres of Torpedo grass - 250 acres of Melaleuca Acres of Cattail dependent on lake conditions
Restore wetlands in Lake Okeechobee Watershed	Restored: - 50 acres for Lamb Island Phase II - 70 acres form Lemkin Creek	Restore: - 92 acres for Eckerd Youth Center	0 acres restored Completed construction for Eckerd Youth Center. Waiting on FPL to provide electricity for pump operations.	Restore: - 92 acres for Eckerd Youth Center. - 20 acres for Nubbin Slough Area A.
Keep lake stage in favorable range for littoral zone and submerged aquatic plants.	Lake in favorable range 50% of year.	Maintain lake between 12.5' and 15.5' at National Geodetic Vertical Datum (NGVD), 100% of the time.	Lake in favorable range 4% of year (due to drought).	Maintain lake between 12.5' and 15.5' NGVD 100% of the time.
Obtain the Record of Decision on the revised Lake Okeechobee Regulation Schedule.	Tentatively Selected Plan chosen. Supplementary Environmental Impact Statement reviewed.	Finalize lake regulation schedule in USACE plan.	Lake regulation schedule finalization postponed till FY2008.	Finalize lake regulation schedule in USACE plan.
Implement revised Environmental Resource Permit (ERP) criteria for new development for the Kissimmee, Lake Okeechobee, St. Lucie Estuary and Caloosahatchee Estuary basins	Conducted: - Stakeholder meetings. - Public workshops. Developed: - Draft rule.	Procure consultant to provide technical research and develop guidelines.	Consultant procured to provide technical research and develop guidelines.	Consultant to provide technical research and develop guidelines. Revise draft rule. Conduct public workshops. Implement revised ERP criteria
Identify additional storage and/or disposal options	Water storage Investigations initiated on public, private and tribal lands. Public and tribal lands storage assessments completed. 4 projects completed.	Complete 4 water storage/ disposal projects completed (8 total). Propose and assess new sites.	Completed 4 water storage/ disposal projects completed (8 total). New sites proposed and assessed.	Complete additional water storage/ disposal projects. Propose and assess new sites.
Complete Lake Okeechobee "fast track" projects	On schedule. Completed geotechnical investigation and surveying.	Complete: - Basis of Design Report (BODR). - Test cell design. Initiate: - S-133 project. - S-154 project. - Taylor Creek Reservoir	Completed: - Basis of Design Report (BODR). - Test cell design. Cancelled due to insufficient benefits: - S-133 project. - S-154 project. Taylor Creek Reservoir pending evaluation of the Northern Everglades Technical Plan.	Complete: - Lakeside Ranch preliminary and intermediate design. - BODR on Brady Ranch Stormwater Treatment Area

MODELING & SCIENTIFIC SUPPORT

Program Budget: $14.9 Million

Full-Time Equivalents: 100



Water quality monitoring

Program Description

The South Florida Water Management District's (District) programs depend on scientific support and computer modeling for all 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 Integration (CMMi)* 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. 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.

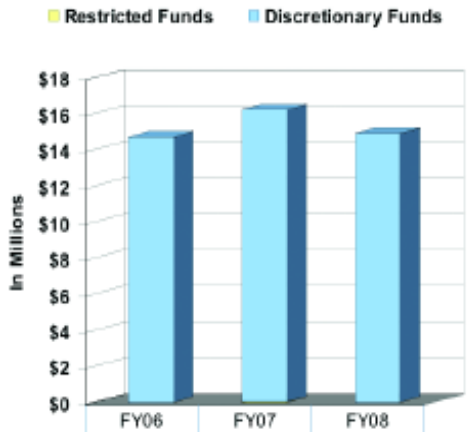
Models help scientists and planners measure the possible effects of a variety of impacts on various complex systems. water quality monitoring programs provide data for legal mandates, such as the Everglades Forever Act, and memoranda of agreement with other agencies and public groups.

Program Activities/Funtions

- Ensure District-wide coordination of modeling and monitoring
- Develop a standardized modeling methodology based on Capability Maturity Model Integration principles and develop new models, including Regional Simulation Model, using that methodology
- Provide training to increase pool of qualified Regional Simulation Model modelers
- Create a library of peer-reviewed models and standardized datasets
- Continually review the efficiency and scientific integrity of regional water quality monitoring networks
- Implement the 2006 Laboratory Operations Plan and update every five years
- Develop, peer review and implement a Water Quality Monitoring Strategic and Re-engineering Plan and update every five years
- Centrally manage enterprise data in conformance with District Data Management Policies and Procedures
- Continue to consolidate reporting into the South Florida Environment Report
- Explore and develop new monitoring and analytical technologies and methods to improve quality, efficiency and cost effectiveness

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$14.7	$16.2	$14.9
Restricted Funds	$0.0	$0.0	$0.0
Total	**$14.7**	**$16.2**	**$14.9**

Total Budget

The total FY2008 adopted budget for the Modeling & Scientific Support Program is $14.9 million. As reflected in the program variance table on the next page, the FY2008 total is approximately $1.2 million lower than the FY2007 amended budget. This is a 7.6 percent decrease in budgeted funds.

Discretionary Funds

The program's FY2008 discretionary funds total the entire $14.9 million budgeted for Modeling & Scientific Support, which is $1.2 million lower than the FY2007 amended budget amount due to the reduction in non-mandated monitoring of southern coastal estuaries and Big Cypress Basin, capital items, and implementation of a new mercury monitoring strategy (which significantly reduced laboratory analysis costs). $5.0 million is budgeted for Modeling and $9.9 million is budgeted for Water Quality Monitoring.

Restricted Funds

No restricted funds are budgeted for this program.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Regional Modeling					
Discretionary Funds	$5,875,094	$5,152,127	$5,037,714	($114,413)	(2.2)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**5,875,094**	**5,152,127**	**5,037,714**	**(114,413)**	**(2.2)**
Water Quality Monitoring & Assessment					
Discretionary Funds	8,811,365	11,011,428	9,056,568	(1,954,860)	(17.8)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**8,811,365**	**11,011,428**	**9,056,568**	**(1,954,860)**	**(17.8)**
Program Support					
Discretionary Funds	37,132	300	841,911	841,611	280,537
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**37,132**	**300**	**841,911**	**841,611**	**280,537**
Program Total					
Discretionary Funds	14,723,590	16,163,855	14,936,193	(1,227,662)	(7.6)
Restricted Funds	0	0	0	0	N/A
Program Total	**$14,723,590**	**$16,163,855**	**$14,936,193**	**($1,227,662)**	**(7.6)**

Modeling & Scientific Support Program
Key FY2007 Accomplishments

- Completed Regional Simulation Model (RSM) Graphical User Interface for pre-processing and post-processing accessible and tested/calibrated RSM Water Quality (phosphorus) features in natural areas.
- Completed upgrade of all Capability Maturity Model process areas to CMMi.
- Completed implementation of RSM for Biscayne Bay Watersheds
- Completed and posted Draft 2008 South Florida Environmental Report (SFER) Volume 1 by 9/1/07 deadline and initiated SFER peer review process.
- Completed SFER Chapter 1B on monitoring reengineering, including “strawman” proposal for redesigning monitoring in Water Conservation Area 2A, with supportive input received from the SFER peer review panel and other scientists.
- Received, tested and deployed Environmental Monitoring Analysis Planning Systems III application code.

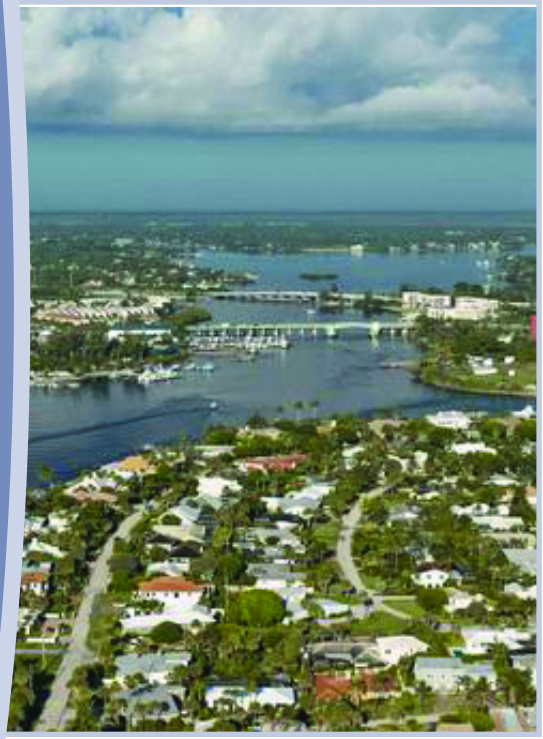
Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Submit Annual South Florida Environmental Report (SFER) by March 1st.	Draft Volume I SFER peer reviewed by September 30, 2006. SFER published March 1, 2006. Peer Review of	Peer review Volume I by September 30, 2007. Publish SFER by March 1, 2007.	.SFER peer reviewed by September 30, 2007. SFER published by March 1, 2007.	Peer review Volume I by September 30, 2008. Publish SFER by March 1, 2008.
Compliance with all legally mandated monitoring requirements.	100% compliant as of Sept 2006.	Maintain 100% compliance through Sept 2007.	100% compliant as of Sept 2006.	Maintain 100% compliance through Sept 2008.
Develop a peer-reviewed Water Quality Monitoring Strategic and Re-engineering Plan.	Not yet started.	Complete literature review. Conduct workshops. Produce data analyses to support reengineering.	Completed: - literature review. - 3 workshops. - data analyses to support reengineering - SFER Chapter 1B on reengineering.	Conduct further workshops. Author peer-reviewed technical document on reengineering process, specifically on Water Conservation Area 2A.
Implement Capability Maturity Model Integration (CMMI) methodology.	Completed CMMI Level II deliverables for: - Requirements Management. - Peer Review. - Configuration Management.	Complete: - Upgrade to Level II for all CMMI process areas - Documentation of all CMMI Level II process areas.	Completed: - Upgrade to Level II for all CMMI process areas - Documentation of all CMMI Level II process areas.	Implement CMMI Level II to key process areas.

REGULATION

Program Budget: $19.1 Million

Full-Time Equivalents: 188



Jupiter Inlet estuary

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.

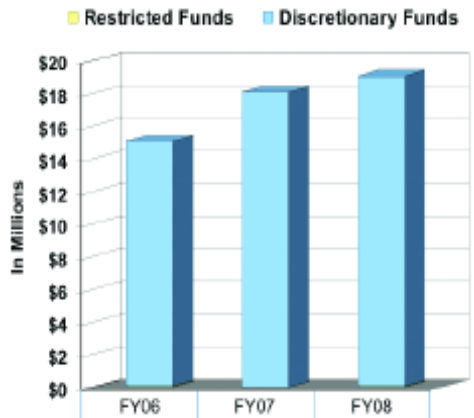
Land alteration activities or works affecting water resources are regulated under permits.

Program Activities/Funtions

- Implement regulatory recommendations of the District's Water Supply Plans, including consideration of reservations, Minimum Flows and Levels (MFLs) and Comprehensive Everglades Restoration Plan (CERP)/Water Use Permit consistency
- Continue "e-Permitting" and electronic document management to increase efficiency of application submittal and review, information sharing and management of permit and construction certification records
- Maintain an active enforcement program to ensure violators do not have an advantage over permit applicants who follow the rules
- Provide regulatory support and input for other District programs and modify regulations as needed to ensure consistency with CERP and the District's water resource objectives
- Improve service to the regulated community through enhanced regulatory functions at the District's Service Centers

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$15.0	$18.1	$19.0
Restricted Funds	$0.1	$0.0	$0.1
Total	**$15.1**	**$18.1**	**$19.1**

Total Budget

The total FY2008 adopted budget for the Regulation Program (combined discretionary and restricted funds) is $19.1 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $.9 million higher than the FY2007 amended budget and reflects a 5.0 percent increase in budgeted funds.

Discretionary Funds

The Regulation Program's discretionary funds total $19.0 million, which is $.9 million higher than the FY2007 amended budget total. This increase is primarily due to the higher costs of personnel services. Funding for contract positions which support the Water Use Basin Renewal effort, and e-Permitting Scanning are also included in this program for FY2008. Overall, discretionary funds have increased 4.9 percent.

Restricted Funds

The Regulation program's FY2008 restricted funds total $53.4 thousand, which is $15.9 thousand higher than the FY2007 amended budget amount. These funds consist of a small percent of the Big Cypress Basin's budget earmarked for Regulation Program support. Restricted funds increased 42.4 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Environmental Resource Permitting					
Discretionary Funds	$13,426,371	$11,775,445	$12,461,698	$686,253	5.8
Restricted Funds	107,350	4,740	25,500	20,760	438.0
Subtotal All Sources	**13,533,721**	**11,780,185**	**12,487,198**	**707,013**	**6.0**
Water Use Permitting					
Discretionary Funds	1,302,065	5,545,843	5,400,984	(144,859)	(2.6)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**1,302,065**	**5,545,843**	**5,400,984**	**(144,859)**	**(2.6)**
Program Support					
Discretionary Funds	305,961	794,711	1,137,853	343,142	43.2
Restricted Funds	0	32,749	27,886	(4,863)	(14.8)
Subtotal All Sources	**305,961**	**827,460**	**1,165,739**	**338,279**	**40.9**
Program Total					
Discretionary Funds	15,034,397	18,115,999	19,000,535	884,536	4.9
Restricted Funds	107,350	37,489	53,386	15,897	42.4
Program Total	**$15,141,747**	**$18,153,488**	**$19,053,921**	**$900,433**	**5.0**

Regulation Program
Key FY2007 Accomplishments

- Reviewed 2,229 Environmental Resource Permit (ERP) Applications
- Reviewed 3,806 Water Use Permit (WU) Applications
- Conducted 12,292 ERP Compliance Investigations
- Conducted 2,148 Water Use (WU) Compliance Investigations
- Completed the Environmental and Water Use ePermitting systems and scanning of historical permit data into an electronic format was initiated
- Enhanced regulatory functions at service centers in order to be more accessible to the regulated community

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Timely evaluation of permit applications consistent with adopted rules and criteria.	100%	100%	100%	100%
Implement basin renewals on schedule.	323 renewals (100% on schedule) Basin Renewal Packets (BRPs) sent out.	Send out 656 renewals (100% on schedule) BRPs.	Sent out 449 (100%) scheduled BRPs. Okeechobee Basin postponed to FY2009.	Send out 487 renewals (100% on schedule) BRPs.
Keep construction certifications current and reduce backlog by 10% per year.	Processed 1,327 current and 819 backlog certificates.	Process 1,327 current and 821 backlog certificates.	Processed 1,576 current and 722 backlog certificates.	Process 1,576 current and 821 backlog certificates.
Review Environmental Resource Permit (ERP) applications (minimum 2,300 annually).	Reviewed 2,706 ERP applications.	Review 2,706 ERP applications.	Reviewed 2,229 ERP applications.	Review 2,229 ERP applications.
Review Water Use Permit (WUP) applications (minimum 1,900 annually).	2,503 WUP applications reviewed.	Review 2,503 WUP applications.	3,806 WUP applications reviewed.	Review 3,806 WUP applications.
Conduct post-permit compliance inspections identifying both environmental and construction inspections, and identify percentage in compliance.				
Total Inspected	10,487	10,487	12,292	12,292
Environmental	2,798	2,798	2,552	2,552
Applications Inspected	1,200	1,200	1,112	1,112
Percent Compliance	63%	63%	65%	65%
Construction	7,064	7,064	7,519	7,519
Applications Inspected	2,922	2,922	2,161	2,161
Percent Compliance	82%	82%	77%	77%
Total Compliance %	76%	76%	73%	73%
Protect and restore the environment through Environmental Resource Permitting				
Total acres reviewed	14,122	14,122	9,911	9,911
Total wetland acres permitted to be impacted	3,433	3,433	2,209	2,209
Total wetland acres preserved	6,223	6,223	3,208	3,208
Total wetland acres created/restored	545	545	1,289	1,289
Total wetland acres enhanced	3,731	3,731	3,088	3,088
Total acres upland compensation	1,349	1,349	75	75
Total number of mitigation bank credits purchased	800	800	778	778

WATER SUPPLY

Program Budget: $67.4 Million

Full-Time Equivalents: 67

Water storage tanks, reverse osmosis under construction - Alternative water supply – Lee County

Program Description

The Water Supply Program is responsible for the District's evaluation of long-term water supply needs, and the planning and development of water resource projects. Four regional water supply plans are developed and implemented to meet the water supply needs of present and future populations, agriculture and natural systems, pursuant to the requirements of the Florida Water Resources Act. Development of alternative water supplies and water conservation are encouraged through a combination of strategies, including regulatory and financial incentives. Two grant programs available for these efforts: The *Water Savings Incentive Program (WaterSIP)* and the *Alternative Water Supply Funding Program*.

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 (see Regulation Program) is a powerful tool used to implement Water Supply Plans, MFLs and initial reservations.

STRATEGIC PRIORITY:

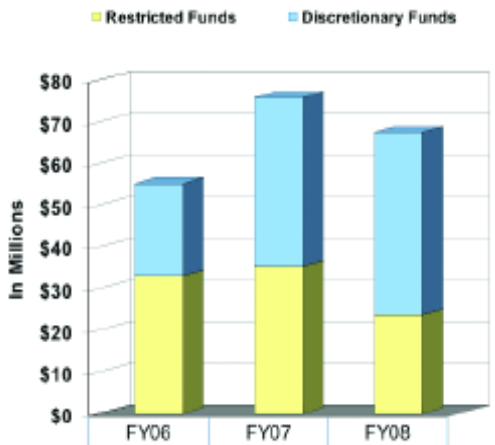
Meet the current and future demands of water users and the environment by implementing regional water supply plans

Program Activities/Funtions

- Implement key recommendations of the water supply plans in all four planning regions
- Provide financial and regulatory incentives, plus technical assistance, to help water suppliers diversify their water supply by developing alternative sources, including reuse, brackish water sources and Aquifer Storage & Recovery
- Establish Minimum Flows and Levels and initial reservations
- Provide funding and regulatory incentives to encourage water users to promote efficient use of water resources through conservation
- Assure the linkage between land use and water supply plans by providing technical assistance to local governments
- Ensure continuing consistency between water use permitting, water supply planning and environmental restoration
- Use numerical models to assist in evaluating new water resource projects and their effects on human and natural systems
- Developed and implemented Supply-side Management Plan to allocate water from Lake Okeechobee during droughts
- Use computer modeling, when appropriate, to evaluate the effectiveness of proposed solutions in meeting projected human demands and environmental requirements
- Provide support to the Lake Okeechobee Program regarding revisions of the lake's regulation schedule and implementation of the Lake Okeechobee and Estuary Recovery (LOER) Plan
- Coordinate with local government comprehensive planning efforts, creating a linkage between land use and water supply planning

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$22.1	$40.4	$43.7
Restricted Funds	$33.1	$35.4	$23.7
Total	**$55.2**	**$75.8**	**$67.4**

Total Budget

The total FY2008 adopted budget for the Water Supply Program is $67.4 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $8.4 million lower than the FY2007 amended budget. This is an 11.0 percent decrease in budgeted funds.

Discretionary Funds

The Water Supply Program's FY2008 discretionary funds total $43.7 million, which is $3.4 million higher than the FY2007 amended budget amount. This funding increase is primarily due to the District Governing Board's decision to increase the Miami-Dade Water Supply Project Reserves to $7.5 million. Discretionary funds increased 8.3 percent over the prior year.

Restricted Funds

FY2008 restricted funds for this program total $23.7 million. The decrease of $11.7 million in funding is primarily due to a FY2007 state appropriation for the construction of a deep injection well system at the Ft. Pierce Utilities Authority's Mainline Water Reclamation Facility. Overall, restricted funds decreased 33.1 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Planning					
Discretionary Funds	$6,585,204	$5,248,070	$4,998,697	($249,373)	(4.8)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**6,585,204**	**5,248,070**	**4,998,697**	**(249,373)**	**(4.8)**
Implementation Projects					
Discretionary Funds	3,629,589	5,824,600	1,873,396	(3,951,204)	(67.8)
Restricted Funds	290,934	7,885,235	0	(7,885,235)	(100.0)
Subtotal All Sources	**3,920,523**	**13,709,835**	**1,873,396**	**(11,836,439)**	**(86.3)**
Rulemaking					
Discretionary Funds	774,997	989,988	615,344	(374,644)	(37.8)
Restricted Funds	0	0	100,000	100,000	N/A
Subtotal All Sources	**774,997**	**989,988**	**715,344**	**(274,644)**	**(27.7)**
Conservation					
Discretionary Funds	1,621,750	1,955,618	1,904,685	(50,933)	(2.6)
Restricted Funds	90,115	80,276	100,933	20,657	25.7
Subtotal All Sources	**1,711,866**	**2,035,894**	**2,005,618**	**(30,276)**	**(1.5)**
Alternative Water Supply					
Discretionary Funds	7,899,234	24,505,297	32,702,466	8,197,169	33.5
Restricted Funds	32,748,516	27,460,281	23,484,083	(3,976,198)	(14.5)
Subtotal All Sources	**40,647,751**	**51,965,578**	**56,186,549**	**4,220,971**	**8.1**
Resource Evaluation					
Discretionary Funds	0	0	$3,462,059	3,462,059	N/A
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**0**	**0**	**3,462,059**	**3,462,059**	**N/A**
Program Support					
Discretionary Funds	1,579,038	1,838,165	1,635,105	(203,060)	(11.0)
Restricted Funds	182	0	0	0	N/A
Subtotal All Sources	**1,579,220**	**1,838,165**	**1,635,105**	**(203,060)**	**(11.0)**
Program Total					
Discretionary Funds	22,089,814	40,361,738	43,729,693	3,367,955	8.3
Restricted Funds	33,129,747	35,425,792	23,685,016	(11,740,776)	(33.1)
Program Total	**$55,219,561**	**$75,787,530**	**$67,414,709**	**($8,372,821)**	**(11.0)**

Water Supply Program
Key FY2007 Accomplishments

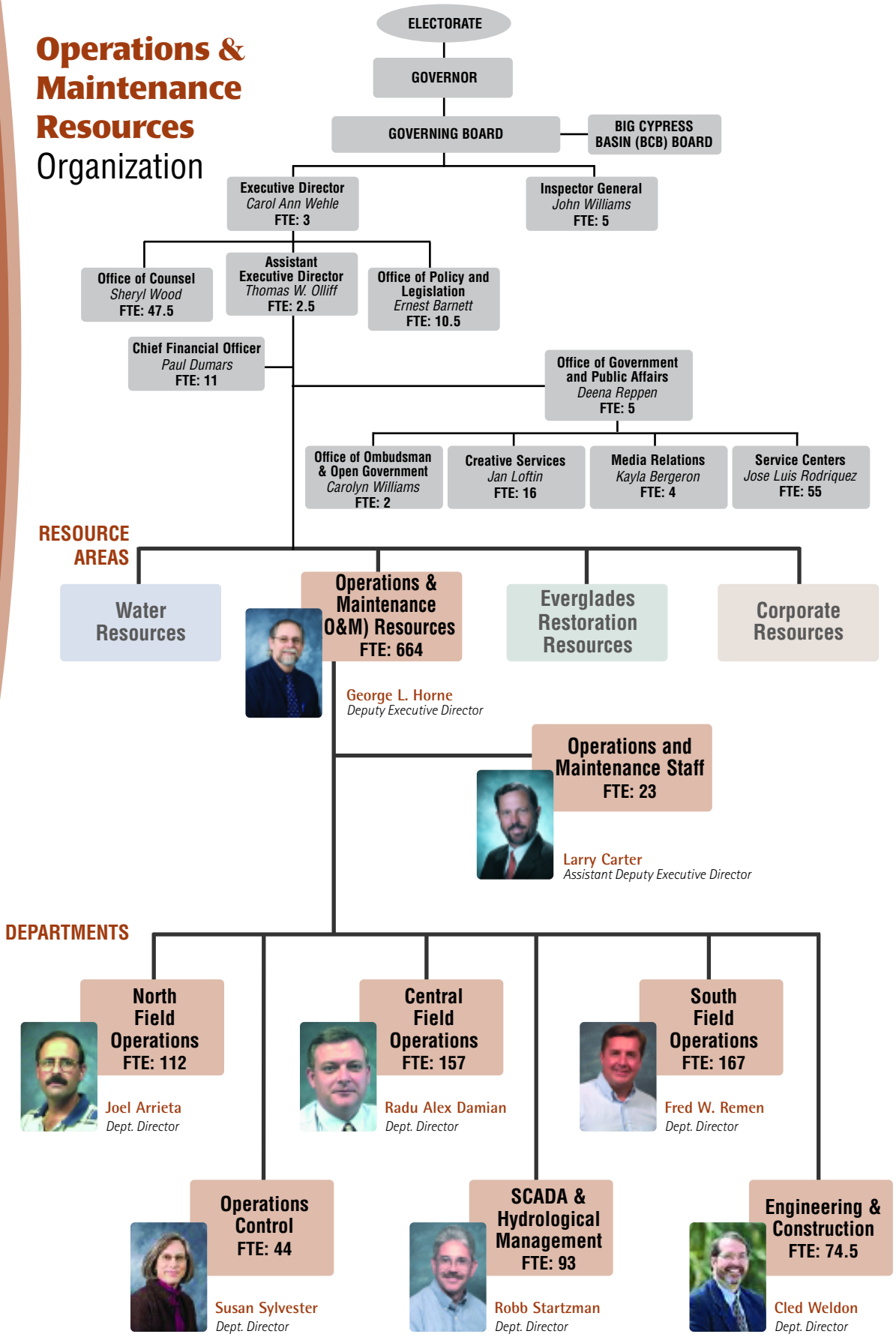
- Completed Lake Okeechobee Water Shortage Management Rule Language
- Funded and participated in 17 Water Savings Incentive Program & 72 Alternative Water Supply Funding Program projects for FY2008
- Completed revisions to Guidelines for Local Governments in Preparing 10-Year Water Supply Facilities Work Plans in cooperation with Department of Community Affairs

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Complete Alternative Water Supply projects.	71 of 80 projects completed.	Complete 52 of 62 projects.	Completed 52 of 62 projects.	Complete 59 of 69 projects.
Update regional water supply plan for all four planning areas.	Completed 2 of 4 regional water supply plans.	Complete remaining 2 regional water supply plans.	Completed remaining 2 regional water supply plans.	No regional water supply plans scheduled.
Adopt Initial Water Reservations (IWR) adopted on schedule.	1 IWR scheduled. None adopted.	1 IWRs – NW Fork of the Loxahatchee River.	0 IWR - NW Fork of Loxahatchee River IWR determined to be unnecessary due to adoption of Regional Availability Rule.	1 IWR – Indian River Lagoon
Provide feedback on local government comprehensive plans, Evaluation and Appraisal Reports (EARs), and 10-Year Water Supply Facility Work Plans within specified timeframes.	Reviewed the 165 plans and EARs that were submitted.	Review 180 of 180.	Reviewed the 154 submitted.	Review 180 of 180.
Adopt rules to protect water resources and maximize efficient use of water supplies.	2 MFLs adopted - Lake Istokpoga and Florida Bay.	Adopt: - Regional Water Availability Rule - Lake Okeechobee Water Shortage Management Rule - Water Conservation Rule - MFL for tributaries to NW Fork of the Loxahatchee River.	Adopted: - Regional Water Availability Rule - Lake Okeechobee Water Shortage Management Rule - Water Conservation Rule - MFL for tributaries to NW Fork of the Loxahatchee River determined to be unnecessary due to adoption of Regional Availability Rule.	Adopt: - Indian River Lagoon Water Reservation Rule
Make water made available through water resource development and water supply development – Million Gallons per Day (MGD) made available				
Lower East Coast (MGD)	38.9	43.8	20.3	29.3
Upper East Coast (MGD)	22.6	2.3	5.5	23.0
Kissimmee Basin (MGD)	6.6	3.2	1.2	1.2
Lower West Coast (MGD)	64.6	13.8	37.7	27.2
Total SFWMD (MGD)	132.7	63.1	64.7	81.2
Establish Minimum Flows and levels in accordance with previous year's schedule.	2 MFLs were established in FY2006, (10 MFLs cumulatively) – 3 were scheduled; 66% on schedule for FY2006.	Establish 1 MFL in FY2007. 1 was scheduled; be 100% on schedule for FY2007.	Established 1 MFL in FY2007, (11 MFLs cumulatively) -1 was scheduled; 100% on schedule for FY2007.	No MFLs scheduled for FY2008.
Increase percentage of domestic water reuse. District-wide percentage of domestic wastewater reused.	29%	30%	30%	30%

OPERATIONS & MAINTENANCE

Operations & Maintenance Resources Organization



Operations & Maintenance Resource Area
Organization/Program Budget Matrix

	District Departments	Operations & Maintenance (O&M) Resource Area Program(s)						
		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	Land Management and Operations	x						
	Acceler8	x						
	Hydrological & Environmental Systems	x						
	CERP Planning							
Corporate Resources	Finance & Administration							
	Information Technology	x						
	Human Resources							
	Procurement							
	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 FY2008 Funding Increases/Decreases

The total FY2008 adopted budget for the Operations and Maintenance Resource Area is $199.3 million. As reflected in the following resource area variance table, the FY2008 total is approximately $2.0 million less than the FY2007 amended budget. This 1.0 percent decrease in budgeted funds is primarily due to non-recurring FEMA funds for flood mitigation which were included in the prior year budget.

Operations and Maintenance Resources (O&M) 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. This resource area also supports the Everglades Construction Project and the Comprehensive Everglades Restoration Plan (CERP). The O&M Resources management establishes the strategic direction for operation and maintenance of the regional flood control system.

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.

FY2007 to FY2008 Resource Area Variance

	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
By Expense Type					
Personnel Services	$45,509,916	$50,097,632	$55,837,642	$5,740,010	11.5%
Operating/Self Insurance	18,620,076	33,361,226	24,438,045	(8,923,181)	-26.7%
Contracts	38,857,095	40,379,257	54,417,532	14,038,275	34.8%
Capital	58,115,274	77,504,733	64,621,952	(12,882,781)	-16.6%
Total	**$161,102,361**	**$201,342,848**	**$199,315,171**	**($2,027,677)**	**-1.0%**
By Fund					
District (DIST)	$14,357,760	$14,508,818	$13,014,155	($1,494,663)	-10.3%
Okeechobee Basin (OKEE)	68,764,956	76,695,088	89,112,402	12,417,314	16.2%
Big Cypress Basin (BIGC)	952,302	3,618,857	4,141,507	522,650	14.4%
Save Our Rivers (SORO)	3,485,817	3,657,520	3,365,085	(292,435)	-8.0%
State Appropriations Non-Land	116,561	-	-	-	N/A
Invasive Plant Control	2,280,263	4,960,792	5,001,812	41,020	0.8%
Melaleuca Management	1,991,633	6,000,000	4,000,000	(2,000,000)	-33.3%
Wetlands Mitigation	26,655	-	-	-	N/A
External Grant	77,553	360,000	2,162,250	1,802,250	500.6%
STA O&M	11,429,634	13,974,554	13,779,059	(195,495)	-1.4%
Lake Okeechobee Trust	163,653	-	-	-	N/A
Okeechobee Basin (CAPO)	39,160,401	51,711,055	50,300,572	(1,410,483)	-2.7%
Everglades Trust	15,886,342	15,894,373	11,520,303	(4,374,070)	-27.5%
FEMA	681,658	8,070,000	256,542	(7,813,458)	-96.8%
CERP - Ad Valorem	1,119,104	1,439,791	2,398,984	959,193	66.6%
CERP - Federal	608,069	423,000	262,500	(160,500)	-37.9%
Self Insurance	-	29,000	-	(29,000)	-100.0%
Total	**$161,102,361**	**$201,342,848**	**$199,315,171**	**($2,027,677)**	**-1.0%**

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.

OPERATIONS & MAINTENANCE

Program Budget: $178.9 Million

Full-Time Equivalents: 596

S-78 Caloosahatchee River S78 structure gate

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.

STRATEGIC PRIORITY:

Refurbish the regional water management system by implementing the 50-year plan

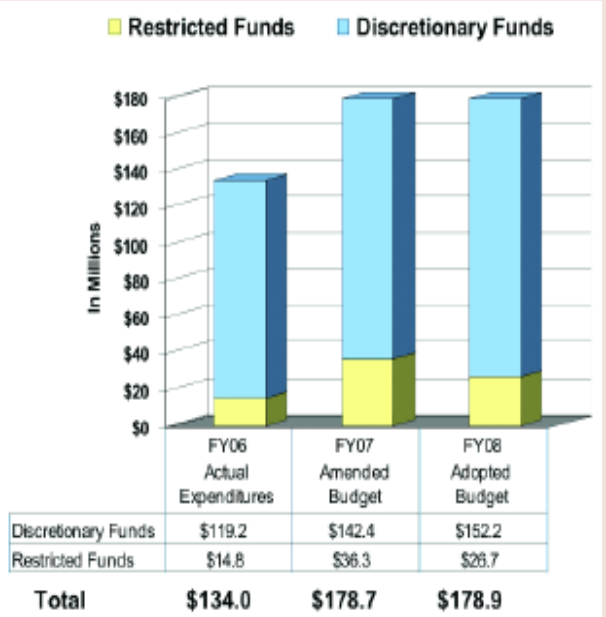
South Florida's primary 1,969-mile canal system is made up of the Central and Southern Florida Project and the Big Cypress Basin.

Program Activities/Funtions

- Operation and maintenance of more than 500 water control structures, more than 50 pump stations
- Installation and maintenance of over 2,000 automated remote terminal units, and over 25 weather stations
- Vegetation management
- Hydrological data collection
- Supervisory Control and Data Acquisition (SCADA) of remote operated infrastructure and hydrological basin management
- 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
- Implement recovery activities following hurricanes or other natural disasters
- Maintain all of the pump stations, structures, canals, levees, berms and facilities.

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



Total Budget

The total FY2008 adopted budget for the Operations and Maintenance (O&M) Program is $178.9 million. As indicated in the program variance table on the following page, the FY2008 total is approximately $0.2 million higher than the FY2007 amended budget. This is a 0.1 percent increase in budgeted funds.

Discretionary Funds

The O&M Program's FY2008 discretionary funds total $152.2 million, which is $9.8 million higher than the FY2007 amended budget amount. Funding increases were necessitated by the additional increases in capital construction and personnel services costs. Discretionary funds increased by 6.9 percent over the prior year.

Restricted Funds

FY2008 restricted funds for this program total $26.7 million. The decrease of $9.6 million in funding is due primarily to non-recurring FEMA funds for flood mitigation which were included in prior year budgets. Restricted funds were also reduced to reflect amounts in existing agreements with Department of Environmental Protection for vegetation treatment. Restricted funds decreased by 26.4 percent over the prior year.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Capital Projects					
Discretionary Funds	$42,716,851	$41,882,515	66,596,931	24,714,416	59.0
Restricted Funds	6,417,406	19,924,821	12,023,377	(7,901,444)	(39.7)
Subtotal All Sources	**49,134,258**	**61,807,336**	**78,620,308**	**16,812,972**	**27.2**
Contamination Assessments & Remediation					
Discretionary Funds	125,904	192,071	333,042	140,971	73.4
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**125,904**	**192,071**	**333,042**	**140,971**	**73.4**
Structure Operations					
Discretionary Funds	10,945,193	13,161,385	12,721,784	(439,601)	(3.3)
Restricted Funds	229,597	68,273	86,024	17,751	26.0
Subtotal All Sources	**11,174,791**	**13,229,658**	**12,807,808**	**(421,850)**	**(3.2)**
Structure & Pump Station Maintenance & Construction					
Discretionary Funds	14,025,648	15,999,027	16,148,588	149,561	0.9
Restricted Funds	160,546	256,799	287,084	30,285	11.8
Subtotal All Sources	**14,186,194**	**16,255,826**	**16,435,672**	**179,846**	**1.1**
Canal/Levee Maintenance					
Discretionary Funds	13,600,371	13,743,997	12,949,200	(794,797)	(5.8)
Restricted Funds	1,340,029	1,220,735	1,676,956	456,221	37.4
Subtotal All Sources	**14,940,401**	**14,964,732**	**14,626,156**	**(338,576)**	**(2.3)**
Equipment Maintenance					
Discretionary Funds	2,902,221	2,572,966	2,751,184	178,218	6.9
Restricted Funds	61,363	60,320	58,082	(2,238)	(3.7)
Subtotal All Sources	**2,963,584**	**2,633,286**	**2,809,266**	**175,980**	**6.7**
Electronics/Communications & Control					
Discretionary Funds	9,998,708	13,200,862	11,157,004	(2,043,858)	(15.5)
Restricted Funds	200,424	218,240	220,000	1,760	0.8
Subtotal All Sources	**10,199,132**	**13,419,102**	**11,377,004**	**(2,042,098)**	**(15.2)**
Exotic/Aquatic Plant Control					
Discretionary Funds	13,934,016	7,189,900	7,370,592	180,692	2.5
Restricted Funds	6,066,314	13,768,134	11,439,835	(2,328,299)	(16.9)
Subtotal All Sources	**20,000,330**	**20,958,034**	**18,810,427**	**(2,147,607)**	**(10.2)**
Right-of-Way Management					
Discretionary Funds	1,632,233	1,661,742	1,543,885	(117,857)	(7.1)
Restricted Funds	54,540	138,141	141,894	3,753	2.7
Subtotal All Sources	**1,686,772**	**1,799,883**	**1,685,779**	**(114,104)**	**(6.3)**
General Maintenance					
Discretionary Funds	2,516,809	2,203,738	2,855,747	652,009	29.6
Restricted Funds	192,796	107,719	73,321	(34,398)	(31.9)
Subtotal All Sources	**2,709,605**	**2,311,457**	**2,929,068**	**617,611**	**26.7**
Water Management System					
Discretionary Funds	2,082,173	2,564,273	1,577,033	(987,240)	(38.5)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	**2,082,173**	**2,564,273**	**1,577,033**	**(987,240)**	**(38.5)**
Program Support					
Discretionary Funds	4,688,135	28,033,267	16,214,295	(11,818,972)	(42.2)
Restricted Funds	108,160	515,804	704,555	188,751	36.6
Subtotal All Sources	**4,796,295**	**28,549,071**	**16,918,850**	**(11,630,221)**	**(40.7)**

FY2007 to FY2008 Program Variance *cont.*

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Program Total					
Discretionary Funds	119,168,262	142,405,743	152,219,285	9,813,542	6.9
Restricted Funds	14,831,176	36,278,986	26,711,128	(9,567,858)	(26.4)
Program Total	$133,999,438	$178,684,729	$178,930,413	$245,684	0.1

Operations & Maintenance Program

Key FY2007 Accomplishments

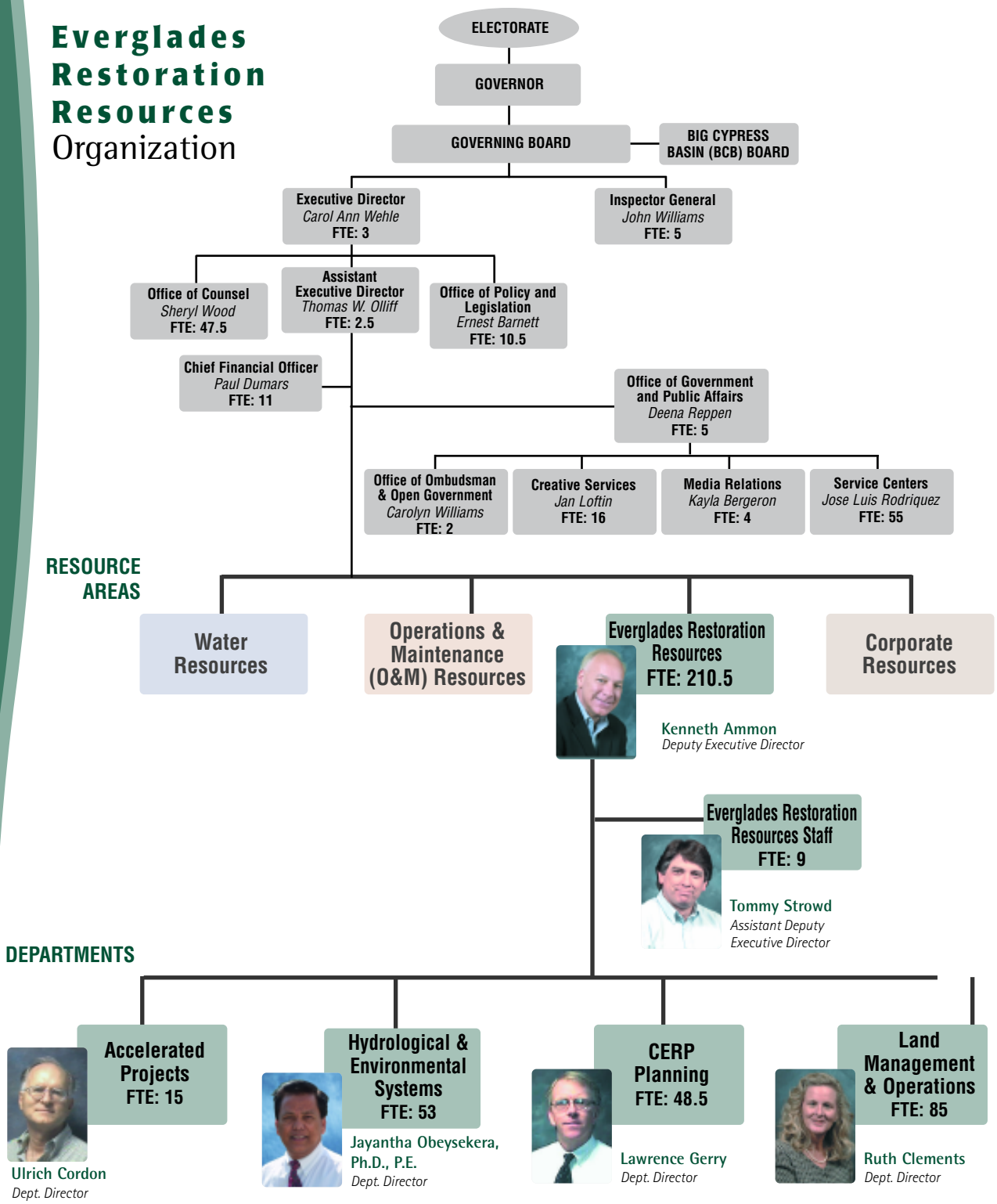
- Installed electronic communication (110 sensors) for approximately 110 environmental monitoring sites and maintained a total of 1,348 sites
- Completed Construction of the St. Cloud Tower which is located where the new Field Station will be
- Completed Erosion Control canal projects on C-39a, C-24, C-25, C-41, C-51
- Continued implementation of District-wide Energy Conservation Program
- Removal of muck around Lake Okeechobee, due to drought conditions and shaol removal, due to low levels of water
- Installed and operated temporary forward pumps at S-351, S-352 and S-354
- Completed construction of the North Spur Telemetry Towers at S-61 and C-37
- Completed dredging of the upstream inflow channel and distribution canal downstream of the S-12D structure
- Completed maintenance dredging to increase the conveyance to Taylor Slough
- Completed hurricane hardening projects at S-4, S-127, S-129, S-135 and S-140
- Inspected and assessed 139 culverts, locks, spillways, weirs and pump stations
- Surveyed 220 miles of canals
- Completed inspection of ten district bridges and provided a load rating on fourteen more
- Completed bank erosion repairs on C-24, C-25, C-40, C-51, C-39A, L-12 and S-65D

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Award capital projects to improve facilities.	36 projects awarded.	Award 46 projects.	41 projects awarded.	Award 28 projects.
Move optimum acre-feet of water, within criteria, to meet flood control and water supply requirements.	29 million acre-feet moved.	30 million acre-feet moved.	12 million acre-feet moved.	15 million acre-feet moved.
Overhaul pump station engines and gate structures.	32 overhauls completed.	Complete 24 overhauls.	Completed 30 overhauls.	Complete 22 overhauls.
Maintain levee and canal banks through repeated cycles.	34,375 acres maintained; 4 cycles completed.	Maintain 34,375 acres; complete 4 cycles.	34,375 acres maintained; 4 cycles completed.	Maintain 34,375 acres; complete 4 cycles.
Annually treat exotic/terrestrial vegetation.	69,185 acres treated.	Treat 60,000 acres.	58,713 acres treated.	Treat 40,000 acres.
Install and monthly maintain telemetry sites.	146 installations completed; 14,928 maintenance visits for year.	Complete 104 site installations; 16,404 maintenance visits for year.	110 installations completed; 15,439 maintenance visits for year.	Complete 68 site installations; 16,956 maintenance visits for year.
Review and process Right-of-Way Permits within permit criteria.	335 permits issued.	Issue 321 permits.	289 permits issued.	Issue 300 permits.
Maintain District works on schedule.	84% on schedule.	100% on schedule.	92% on Schedule	90% on schedule

EVERGLADES RESTORATION RESOURCES

Everglades Restoration Resources Organization



Everglades Restoration Resource Area
Organization/Program Budget Matrix

	District Departments	Everglades Restoration Resources Area Programs: CERP	Land Stewardship					
Water Resources	Regulation							
	Water Supply	x						
	Watershed Management	x						
	Environmental Resource Assessment	x						
Operations & Maintenance	North Field Operations	x	x					
	Central Field Operations	x						
	South Field Operations		x					
	Operations Control	x						
	SCADA & Hydrological Management	x						
	Engineering & Construction	x	x					
CERP	Land Management and Operations	x	x					
	Acceler8	x	x					
	Hydrological & Environmental Systems	x						
	CERP Planning	x						
Corporate Resources	Finance & Administration		x					
	Information Technology		x					
	Human Resources							
	Procurement		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 FY2008 Funding Increases/Decreases

The total FY2008 adopted budget for the Everglades Restoration Resource Area is $698.1 million. As reflected in the following resource area variance table, the FY2008 total is approximately $75.2 million less than the FY2007 amended budget. This 9.7 percent decrease in budgeted funds is primarily due to less Certificates of Participation proceeds needed to continue the construction of Acceler8 projects in FY2008. No new debt is proposed for FY2008 due to uncertainty resulting from on-going property tax reform.

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.

FY2007 to FY2008 Resource Area Variance

	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
By Expense Type					
Personnel Services	$18,371,743	$19,273,448	$21,889,921	$2,616,473	13.6%
Operating/Self Insurance	2,162,223	9,627,523	7,794,368 0	(1,833,155)	-19.0%
Contracts	80,787,193	121,250,289	111,279,526	(9,970,763)	-8.2%
Capital	432,173,272	623,103,601	557,095,633	(66,007,968)	-10.6%
Total	**$533,494,431**	**$773,254,861**	**$698,059,448**	**($75,195,413)**	**-9.7%**
By Fund					
District (DIST)	$6,634,831	$6,096,377	$16,347,634	$10,251,257	168.2%
Okeechobee Basin (OKEE)	5,133,660	3,545,425	2,998,115	(547,310)	-15.4%
Big Cypress Basin (BIGC)	377,046	159,178	160,823	1,645	1.0%
Save Our Rivers (SORO)	14,633,498	16,017,408	13,681,307	(2,336,101)	-14.6%
State Appropriations Non-Land	208,487	950,000	-	(950,000)	-100.0%
Wetlands Mitigation	1,968,044	5,212,316	3,833,780	(1,378,536)	-26.4%
External Grant	218,397	1,295,000	-	(1,295,000)	-100.0%
Lake Belt Mitigation	2,401	3,785,257	-	(3,785,257)	-100.0%
Lake Okeechobee Trust	3,754,099	8,916,442	39,747,886	30,831,444	345.8%
Okeechobee Basin (CAPO)	40,142,984	20,743,257	6,000	(20,737,257)	-100.0%
Florida Forever (CAPS)	40,447,965	12,140,000	27,750,000	15,610,000	128.6%
Everglades Trust	23,145,717	31,492,780	35,510,718	4,017,938	12.8%
Florida Bay	40,623	1,311,057	239,768	(1,071,289)	-81.7%
CERP - Ad Valorem	80,708,369	144,923,433	130,381,565	(14,541,868)	-10.0%
Federal Land Acquistion	-	3,464,000	-	(3,464,000)	-100.0%
Save Our Everglades Trust (HB221)	197,734,158	93,601,125	153,558,327	59,957,202	64.1%
CERP - Federal	443,420	5,491,250	870,000	(4,621,250)	-84.2%
CERP - Other Creditable Funds	55,280,346	16,819,213	2,208,128	(14,611,085)	-86.9%
Acceler8 - ECP	25,321,134	61,718,438	-	(61,718,438)	-100.0%
Acceler8 - CERP	37,299,252	335,572,905	270,765,397	(64,807,508)	-19.3%
Total	**$533,494,431**	**$773,254,861**	**$698,059,448**	**($75,195,413)**	**-9.7%**

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.

COMPREHENSIVE EVERGLADES RESTORATION PLAN

Program Budget: $496.2 Million

Full-Time Equivalents: 123

EAA Reservoir construction project

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.

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).*

STRATEGIC PRIORITY:

Expedite Everglades restoration by advancing construction schedules of key projects

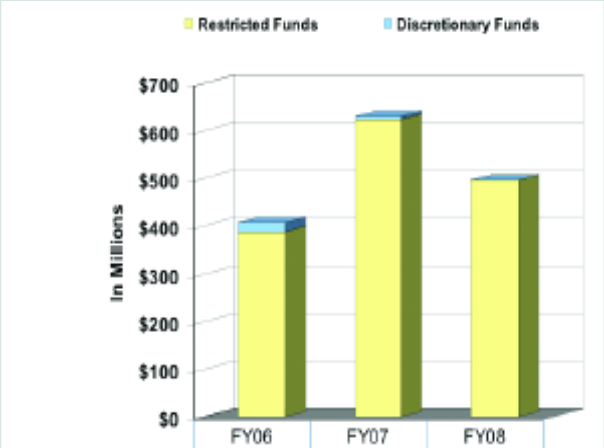
The Comprehensive Everglades Restoration Plan (CERP), spanning 3 decades, is the largest ecosystem restoration project in the world.

Program Activities/Funtions

- Purchase necessary lands for restoration projects and activities
- Complete Project Implementation Reports
- Complete engineering and project designs
- Construct Everglades restoration projects
- Implement program-level management activities, including adaptive assessment and monitoring
- Outreach and partner with stakeholders and communities

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$18.2	$6.9	$0.0
Restricted Funds	$389.5	$624.2	$496.2
Total	**$407.7**	**$631.1**	**$496.2**

Total Budget

The total FY2008 adopted budget for the Comprehensive Everglades Restoration Plan (CERP) Program is $496.2 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $134.8 million lower than the FY2007 amended budget of $631 million. This represents a 21.4 percent decrease in budgeted funds.

Restricted Funds

The program is funded entirely through restricted funds in FY2008. The total decrease of $134.8 million in funding is mainly due to: (a) a reduction of $54.4 million in the land acquisition budget, largely the result of the FY2007 amendment through which the District accessed over $47.2 million in additional funding from the state's FY08 Save Our Everglades Trust Fund appropriation, (b) repayment from COPs proceeds in FY07 of short term financing obtained in FY06 for Acceler8 project construction ($50.0 million), (c) COPs issuance costs of $4.9 million in FY07, (d) the establishment of a reserve of $11.2 million in FY07 to cover prior year Acceler8 construction costs also from COPs proceeds, (e) a reduction of $6.1 million in budgeted expenditures for the Critical Restoration Projects, as they approach completion, and (f) a reduction of $3.7 million in the RECOVER / Adaptive Assessment and Monitoring budgets.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
CERP Projects					
Discretionary Funds	14,788,120	$0	$0	$0	N/A
Restricted Funds	267,317,109	145,065,791	76,732,607	(68,333,184)	(47.1)
Subtotal All Sources	**282,105,229**	**145,065,791**	**76,732,607**	**(68,333,184)**	**(47.1)**
CERP Program Elements					
Discretionary Funds	38,929	0	0	0	N/A
Restricted Funds	12,137,034	15,121,485	11,021,905	(4,099,580)	(27.1)
Subtotal All Sources	**12,175,963**	**15,121,485**	**11,021,905**	**(4,099,580)**	**(27.1)**
Accelerated CERP Projects					
Discretionary Funds	14,362	0	0	0	N/A
Restricted Funds	97,311,717	436,404,930	376,935,353	(59,469,577)	(13.6)
Subtotal All Sources	**97,326,079**	**436,404,930**	**376,935,353**	**(59,469,577)**	**(13.6)**
Feasibility Studies					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	1,307,392	2,841,012	1,399,784	(1,441,228)	N/A
Subtotal All Sources	**1,307,392**	**2,841,012**	**1,399,784**	**(1,441,228)**	**(50.7)**
Critical Restoration Projects					
Discretionary Funds	3,303,755	85,000	0	(85,000)	(100.0)
Restricted Funds	8,320,636	12,047,475	5,986,868	(6,060,607)	(50.3)
Subtotal All Sources	**11,624,390**	**12,132,475**	**5,986,868**	**(6,145,607)**	**(50.7)**
CERP Support					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	1,231,639	11,151,826	16,808,041	5,656,215	50.7
Subtotal All Sources	**1,231,639**	**11,151,826**	**16,808,041**	**5,656,215**	**50.7**
C-111 Project					
Discretionary Funds	71,590	6,785,257	0	(6,785,257)	(100.0)
Restricted Funds	1,895,159	1,537,038	7,338,656	5,801,618	377.5
Subtotal All Sources	**1,966,749**	**8,322,295**	**7,338,656**	**(983,639)**	**(11.8)**
Program Total					
Discretionary Funds	18,216,755	6,870,257	0	(6,870,257)	(100.0)
Restricted Funds	389,520,686	624,169,557	496,223,214	(127,946,343)	(20.5)
Program Total	**$407,737,441**	**$631,039,814**	**$496,223,214**	**($134,816,600)**	**(21.4)**

Comprehensive Everglades Restoration Plan (CERP) Program

Key FY2007 Accomplishments

- Completed Final Design of Biscayne Bay Coastal Wetlands L-31 Culverts
- Completed Picayune Strand demolition, Phase 1 road removal and Prairie Canal construction
- Completed construction of the Acme Basin B Phase 1 Pump Station No. 7 and C-1 canal improvements
- Trained 131 construction craft graduates and 130 heavy equipment graduates through the Workforce Training Program
- Construction for the Ten Mile Creek Critical Restoration Project was completed. Depending on Operations and Maintenance acceptance of the structure, the structure is scheduled to be turned over from the Corps to the District for operation in FY2008
- Construction of the Taylor Creek and Nubbin Slough pilot STA components of the Lake Okeechobee Critical Restoration Project were completed. The drought during FY2007 has delayed testing and start-up operations
- The Florida Bay/Florida Keys Feasibility Study includes hydrodynamic model development and integration of that model with environmental and statistical models. Water Quality and other modeling activities were brought to a close during FY2007

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Acquire all lands necessary for Acceler8 projects.	95% acquired.	Complete 100% of land acquisition.	99% acquired.	Complete 100% of land acquisition.
Meet project schedules.	Completed 47% of major CERP projects and 50% of Acceler8 projects within target timeframe (60 days of quarterly due date).	Complete 100% of major CERP projects and 100% of Acceler8 projects within target timeframe (30 days of quarterly due date).	Completed 81% of major CERP projects and 100% of Acceler8 projects within target timeframe (30 days of quarterly due date).	Complete 100% of major CERP projects and 100% of Acceler8 projects within target timeframe (30 days of quarterly due date).
Satisfy project scopes:				
The CERP and Acceler8 construction projects completed:	0	2 (CERP), 1 (Acceler8)	0 (due to drought)	0 (low water levels anticipated)
Project Implementation Reports (PIRs) completed:	4	2	3	2
Project Management Plans (PMPs) completed:	1	None planned.	0	None planned.
Do not exceed project budgets.	37 of 42 active projects completed within budget.	Complete 42 of 42 active projects within budget.	37 of 41 active projects completed within budget (1 project inactivated).	Complete 42 of 42 active projects within budget (1 project reactivated).
Acquire lands needed to implement CERP projects	Acquired 18,294 acres.	Acquire 10,000 acres.	Acquired 4,195 acres.	Acquire 776 acres.

LAND STEWARDSHIP

Program Budget: $19.8 Million

Full-Time Equivalents: 48

Shepard's Park - Stuart

Program Description

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

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 three 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.

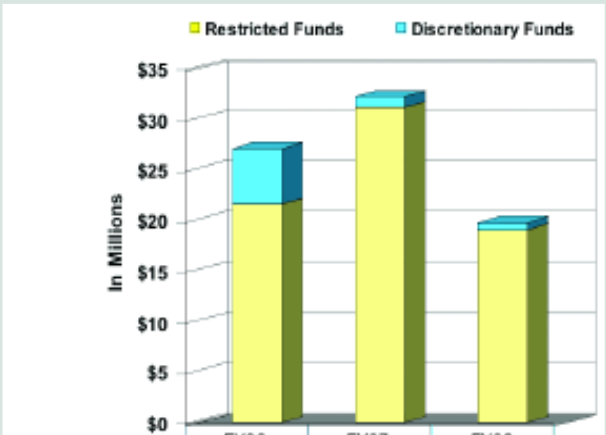
Lands are protected, enhanced, restored and preserved for the use and enjoyment of existing and future generations.

Program Activities/Funtions

- Restoring lands to their natural state and condition
- Managing land in an environmentally acceptable manner
- Providing public recreational opportunities compatible with protecting natural resources
- Managing properties acquired by the District until land is needed for construction and future use as part of the CERP and other projects
- Developing and implementing land management plans
- Controlling invasive exotic plants
- Restoring natural fire regimes through prescribed burning
- Restoring native communities through hydrologic restoration, revegetation and groundcover restoration
- Managing interim agricultural uses through reservations, lease agreements, or similar agreements
- Opening lands for appropriate public use through the design and construction of recreation amenities (boat ramp, trailhead, shelters and boardwalk)and implementation of security programs

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditures	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$5.4	$1.1	$0.7
Restricted Funds	$21.7	$31.2	$19.1
Total	**$27.1**	**$32.3**	**$19.8**

Total Budget

The total FY2008 adopted budget for the Land Stewardship Program is $19.8 million, approximately $12.4 million lower than the FY2007 amended budget. This 38.5 percent decrease in budgeted funds is described in more detail below.

Discretionary Funds

The Land Stewardship Program FY2008 discretionary funds total $0.7 which is $0.3 lower than the FY2007 amended budget amount. This decrease is primarily due to the shifting of an Information Technology software maintenance contract to a cost sharing restricted funding source. Available discretionary funding was reduced program wide and staff responded by identifying efficiencies to maximize limited resources. Discretionary funds decreased 28.6 percent.

Restricted Funds

FY2008 restricted funds for this program total $19.1 million. The decrease of $12.1 million in funding is attributed to the timing of mitigation agreements which will be recognized later in the fiscal year as contracts are renewed. The decrease is also due to non-recurring expenditures including the retirement of the 1995 bond series, capital outlay expenditures for recreation projects and the Henscratch Land Acquisition. Restricted funds decreased 38.8 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Land Stewardship					
Discretionary Funds	$229,903	$168,471	$285,570	$117,099	69.5
Restricted Funds	7,492,296	6,967,066	6,558,132	(408,934)	(5.9)
Subtotal All Sources	**7,722,198**	**7,135,537**	**6,843,702**	**(291,835)**	**(4.1)**
Mitigation Land Management					
Discretionary Funds	4,082	0	0	0	N/A
Restricted Funds	1,989,537	9,159,993	3,746,204	(5,413,789)	(59.1)
Subtotal All Sources	**1,993,619**	**9,159,993**	**3,746,204**	**(5,413,789)**	**(59.1)**
Interim Land Management					
Discretionary Funds	58,091	39,531	276,492	236,961	599.4
Restricted Funds	1,224,442	722,883	1,583,722	860,839	119.1
Subtotal All Sources	**1,282,533**	**762,414**	**1,860,214**	**1,097,800**	**144.0**
Program Support					
Discretionary Funds	5,120,738	851,507	194,350	(657,157)	(77.2)
Restricted Funds	11,012,385	14,353,717	7,206,794	(7,146,923)	(49.8)
Subtotal All Sources	**16,133,123**	**15,205,224**	**7,401,144**	**(7,804,080)**	**(51.3)**
Program Total					
Discretionary Funds	5,412,813	1,059,509	756,412	(303,097)	(28.6)
Restricted Funds	21,718,659	31,203,659	19,094,852	(12,108,807)	(38.8)
Program Total	**$27,131,473**	**$32,263,168**	**$19,851,264**	**($12,411,904)**	**(38.5)**

Land Stewardship Program
Key FY2007 Accomplishments

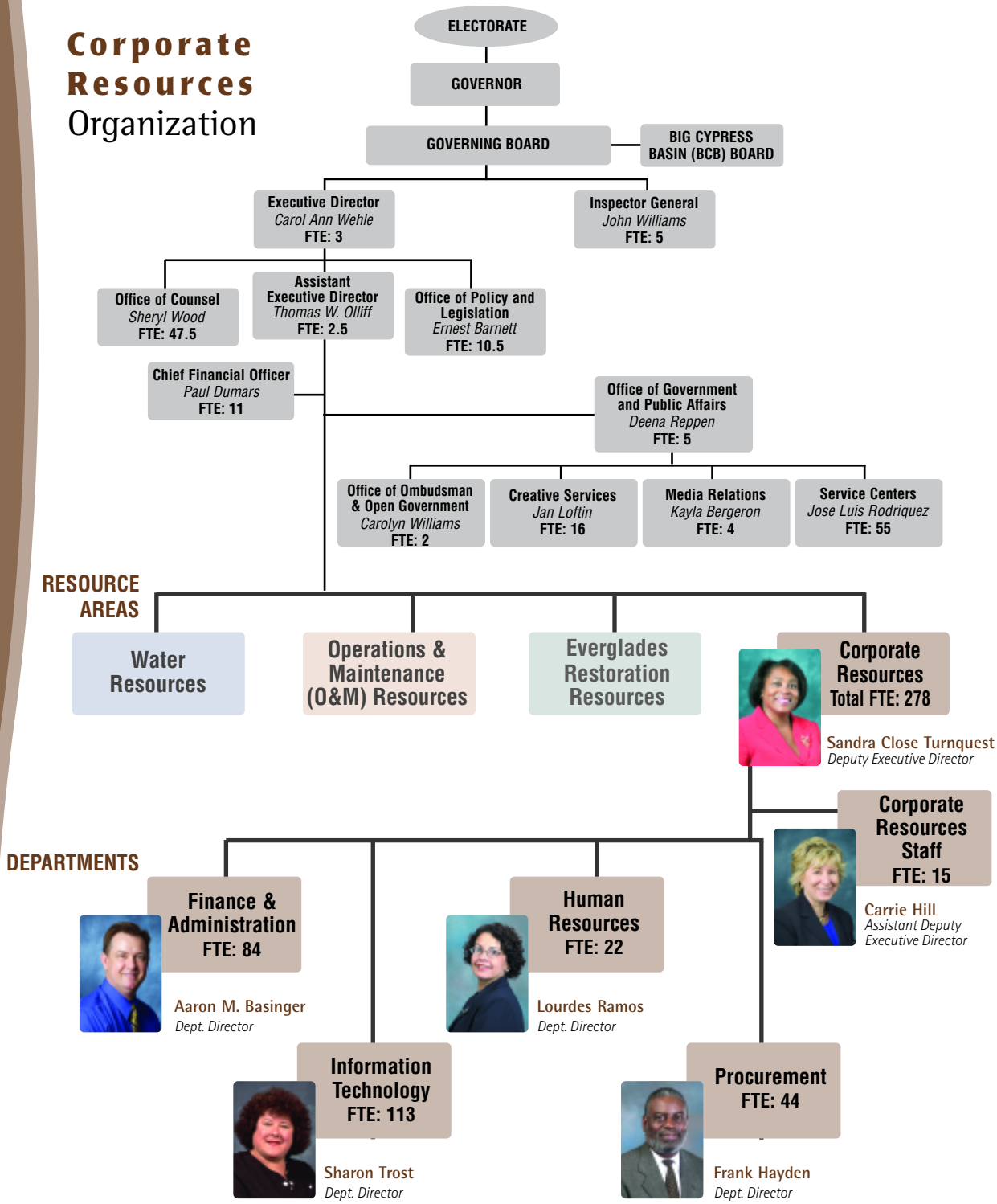
- Kissimmee River Pools C and D Management Plan finalized and interagency management review team meeting held.
- Exotic treatment exceeds goal for the year. As a result of drought conditions staff was able to conduct prescribed burning in areas not previously accessible.
- Prescribed burn exceeds goal for the year. 51,000 acres attributable to prescribed burn associated with Lake Okeechobee wildfire.
- Constructed four parking lots with amenities including access road, fencing, kiosk, signage at Taylor Creek, Allapattah, Hickory Hammock, and DuPuis Governor's House by end of Q4, 1 more than planned.
- All lands needed for the project and scheduled to be transferred this year have been vacated by lessees. Woerner Sod (last remaining tract for EAA STA Expansion Compartment B) transferred at the end of its lease September 2007, remaining tracts in C-43 and C-44 vacated but delayed in transfer.

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Offer recreation programs on all lands with legal practicable access and compatible resource conditions.	100% of lands with practicable access have recreation programs.	Maintain recreation programs on all lands with practicable access.	100% of lands with practicable access have recreation programs.	Maintain recreation programs on all lands with practicable access.
Maintain low exotic infestation levels on all lands within 3 years of purchase.	80% of District land has low levels of exotic plants.	Maintain low levels of exotic plants on 80% of District lands.	80% of District land has low levels of exotic plants.	Maintain low levels of exotic plants on 80% of District lands.
Burn all fire-dependent communities at least once within 5 years of purchase.	80% of all new properties burned within 5 years.	Burn 80% of all new properties burned within 5 years.	80% of all new properties burned within 5 years.	Burn 80% of all new properties burned within 5 years.
Complete on-site hydrologic restoration within 5 to 10 years of purchase.	No hydrologic restoration projects completed (0%).	Complete 100% of hydrologic projects.	Completed 50% of hydrologic projects.	Complete 100% of hydrologic projects.
Partner with private land managers for interim lands.	100 lease agreements.	85 lease agreements.	85 lease agreements.	76 lease agreements.
Number of management plans required/completed on schedule for District owned lands	3 required 3 completed	3 required Complete 3	1 required 2 completed	3 required Complete 3
Acquire land through less-than-fee ownership.	11,341 acres acquired; (27,534 acres cumulatively).	Acquire 2,320 acres; (29,854 acres cumulatively).	Acquired 2,320 acres; (29,854 acres cumulatively).	Acquire 0 acres; (29,854 acres cumulatively).

CORPORATE RESOURCES

Corporate Resources Organization



Corporate Resources
Organization/Program Budget Matrix

	District Departments	Corporate Resources Program(s)						
		Mission Support						
Water Resources	Regulation							
	Water Supply	x						
	Watershed Management							
	Environmental Resource Assessment	x						
Operations & Maintenance	North Field Operations	x						
	Central Field Operations	x						
	South Field Operations							
	Operations Control							
	SCADA & Hydrological Management							
	Engineering & Construction	x						
CERP	Land Management and Operations							
	Acceler8							
	Hydrological & Environmental Systems	x						
	CERP Planning							
Corporate Resources	Finance & Administration	x						
	Information Technology	x						
	Human Resources	x						
	Procurement	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.*

Explanation of FY2008 Funding Increases/Decreases

The total FY2008 adopted budget for the Corporate Resources Resource Area is $186.3 million. As reflected in the following resource area variance table, the FY2008 total is approximately $24.5 million less than the FY2007 amended budget. This 11.6 percent decrease in budgeted funds is primarily due to completion of the SAP financial and human resources modules implementation in the prior year. Local government agreements were reduced due to cuts in ad valorem taxes resulting from property tax reform. Some funds were also redirected to the Caloosahatchee and St. Lucie estuaries projects included in the Everglades Restoration Resource Area.

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.

FY2007 to FY2008 Resource Area Variance

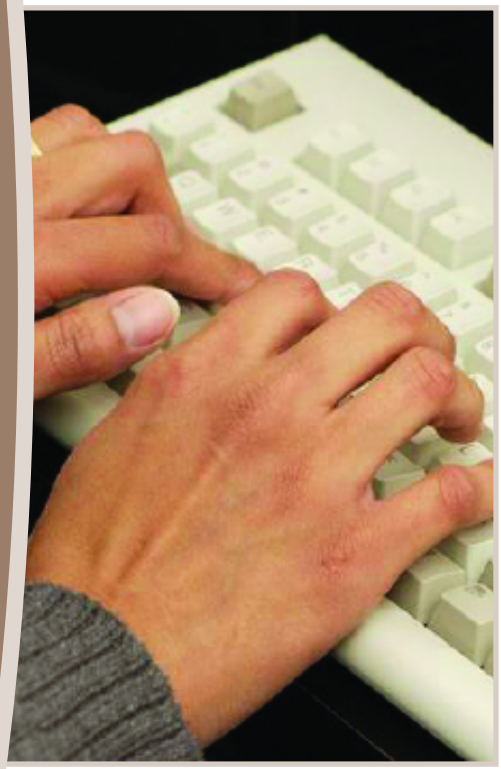
	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
By Expense Type					
Personnel Services	$46,951,454	$50,601,135	$47,317,077	($3,284,058)	-6.5%
Operating/Self Insurance	19,318,243	29,125,456	31,373,769	2,248,313	7.7%
Contracts	80,604,550	95,882,021	77,373,531	(18,508,490)	-19.3%
Capital	19,514,226	22,696,222	14,595,397	(8,100,825)	-35.7%
Reserves	-	12,456,753	15,650,856	3,194,103	25.6%
Total	**$166,388,473**	**$210,761,587**	**$186,310,630**	**($24,450,957)**	**-11.6%**
By Fund					
District (DIST)	$82,675,102	$114,158,955	$105,437,911	($8,721,044)	-7.6%
Okeechobee Basin (OKEE)	20,328,678	34,655,375	25,419,149	(9,236,226)	-26.7%
Big Cypress Basin (BIGC)	12,370,220	13,218,680	11,515,977	(1,702,703)	-12.9%
Save Our Rivers (SORO)	1,640,123	162,422	166,179	3,757	2.3%
State Appropriations Non-Land	17,552,964	12,645,531	14,472,734	1,827,203	14.4%
Wetlands Mitigation	0	260,000	0	(260,000)	N/A
Snook Tag Revenue	74,900	0	200,000	200,000	N/A
External Grant	260,000	3,974,750	0	(3,974,750)	-100.0%
Alternative Water Supply	500,000	0	0	0	N/A
STA O&M	579	0	0	0	N/A
Lake Okeechobee Trust	218,384	5,067,808	2,780,324	(2,287,484)	-45.1%
District (CAPD)	20,051,185	3,914,155	1,455,016	(2,459,139)	-62.8%
Okeechobee Basin (CAPO)	0	425,000	520,360	95,360	22.4%
Big Cypress Basin (CAPB)	4,508,494	11,650,000	7,926,415	(3,723,585)	-32.0%
Florida Forever (CAPS)	237,557	0	0	0	N/A
Everglades Trust	548,917	1,468,055	1,028,418	(439,637)	-29.9%
Florida Bay	0	313,178	0	(313,178)	-100.0%
CERP - Ad Valorem	1,152,786	2,789,248	3,405,705	616,457	22.1%
Save Our Everglades Trust (HB221)	0	0	4,200,000	4,200,000	N/A
CERP - Other Creditable Funds	708,994	0	0	0	N/A
Self Insurance	3,559,590	6,058,430	7,782,442	1,724,012	28.5%
Total	**$166,388,473**	**$210,761,587**	**$186,310,630**	**($24,450,957)**	**-11.6%**

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.

MISSION SUPPORT

Program Budget: $132.8

Full-Time Equivalents: 415



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.

STRATEGIC PRIORITY:

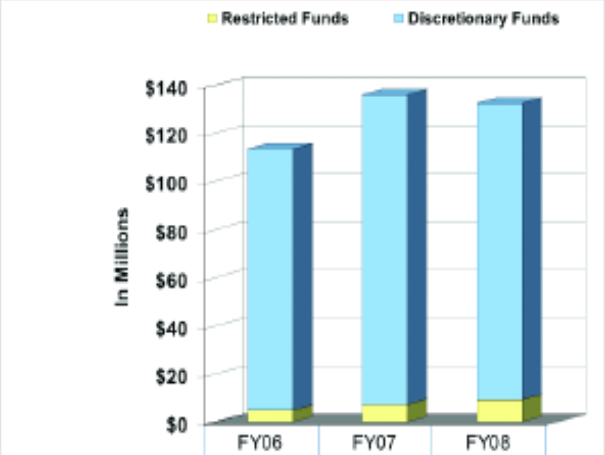
Retain and recruit a high-quality, diverse workforce by continuing to recognize the value of employees

Program Activities/Funtions

- Serve and coordinate the interests of a multitude of diverse entities and individuals
- Continue to recognize the value of employees
- Attract, retain and develop a high-performance, team-oriented, diverse workforce
- Increase information technology effectiveness and efficiency
- Empower cross-functional teams to make process improvements
- Increase employee proficiency in specific job skill areas
- Provide policy guidance and agency direction
- Maximize efficiency and effectiveness of business processes
- Promote standard project management principles
- Apply conflict resolution to address raised concerns
- Document and disseminate District project results
- Maintain emergency readiness
- Enhance contract management and procurement practices
- Increase public water resource education

Explanation of FY2008 Funding Increases/Decreases

Three-Year Program Budget Comparison



	FY06 Actual Expenditure	FY07 Amended Budget	FY08 Adopted Budget
Discretionary Funds	$108.4	$128.7	$123.4
Restricted Funds	$5.2	$7.5	$9.4
Total	**$113.6**	**$136.2**	**$132.8**

Restricted Funds

FY2008 restricted funds for this program total $9.4 million. The increase of $1.9 million in funding reflects a $3.0 million increase for the District's reserve for Other Post Employment Benefits (OPEB) and a $1.4 million reduction in property insurance premium due to a policy restructuring. Restricted funds increased 25 percent.

Total Budget

The total FY2008 adopted budget for the Mission Support Program is $132.8 million. As reflected in the program variance table on the following page, the FY2008 total is approximately $3.4 million lower than the FY2007 amended budget. This is a 2.5 percent decrease in budgeted funds.

Discretionary Funds

The Mission Support Program's FY2008 discretionary funds total $123.4 million, which is $5.3 million lower than the FY2007 amended budget amount. This reflects a decrease in project costs associated with information technology (IT), SAP implementation and facilities maintenance. IT funding includes data center enhancements, computer leasing, data processing services and computer hardware and software maintenance agreements. The SAP funding includes implementation of the SAP Project Systems module and maintenance of existing modules. The decrease in facilities reflects a decrease in space planning while continuing the capital maintenance plan. Discretionary funds decreased 4.1 percent.

FY2007 to FY2008 Program Variance

Program Element	FY2006 Actual Expenditures	FY2007 Amended Budget	FY2008 Adopted Budget	Variance $	Variance %
Business/Administration					
Discretionary Funds	88,224,636	115,804,460	111,088,841	(4,715,619)	(4.1)
Restricted Funds	5,129,324	7,507,667	9,363,480	1,855,813	24.7
Subtotal All Sources	**93,353,960**	**123,312,127**	**120,452,321**	**(2,859,806)**	**(2.3)**
Major Projects					
Discretionary Funds	20,189,029	12,879,386	12,339,230	(540,156)	(4.2)
Restricted Funds	21,584	0	0	0	N/A
Subtotal All Sources	**20,210,613**	**12,879,386**	**12,339,230**	**(540,156)**	**(4.2)**
Program Total					
Discretionary Funds	108,413,664	128,683,846	123,428,071	(5,255,775)	(4.1)
Restricted Funds	5,150,908	7,507,667	9,363,480	1,855,813	24.7
Program Total	$113,564,573	$136,191,513	$132,791,551	($3,399,962)	(2.5)

Mission Support Program
Key FY2007 Accomplishments

- Emergency Management received Federal Emergency Management approval of the Comprehensive Emergency Debris Removal Plan
- Coordinated first-ever "Water Summit" to educate and engage constituents in the challenges and constraints of operating the South Florida water management system
- Mission Support hosted the Palm Beach County Clerk and Comptroller Office with a "Getting to Know the District" presentation and tour.
- Supervisory Development Pilot program has been implemented and will be rolled out District-wide in FY2008
- The National Association of Government Communicators recognized the public information office this year with six awards for print publications, photography, graphic design and eNewsletters
- Successful implementation of the Business Practices Software Package (SAP) Human Resources / Payroll modules
- The District was awarded three corporate awards from the South Florida Chapter of the Project Management Institute
- Received the prestigious Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award with special recognition in capital budget reporting for preparation of the District's Fiscal Year 2007 Budget.
- Implemented an energy efficiency lighting retrofit project for all District Headquarters' lighting; replaced ozone depleting refrigerants as part of the District's headquarters air conditioning project, implemented water savings and plumbing efficiency projects throughout District facilities, and added a series of fuel efficient hybrid vehicles to the District's fleet.

Three-Year Summary
of Program Performance Measures

Objectives/Performance Measures Criteria	FY2006 Performance	FY2007 Target Performance	FY2007 Actual Performance	FY2008 Target Performance
Implement strategies to improve the District's work environment.	14 strategies implemented.	Implement 14 strategies.	14 strategies implemented.	Implement 16 strategies.
Successfully complete financial audits and incorporate recommendations from each audit into financial practices.	Completed FY2005 financial audits by March 2006. Audit recommendations incorporated into financial practices. Obtained unqualified (positive) audit opinion for FY2005 annual financial audit. Received GFOA Certificate of Achievement for Excellence in Financial Reporting.	Complete FY2006 financial audits by March 2007. Audit recommendations incorporated into financial practices. Obtained unqualified (positive) audit opinion for FY2006 annual financial audit. Received GFOA Certificate of Achievement for Excellence in Financial Reporting.	Completed FY2006 financial audits by March 2007. Audit recommendations incorporated into financial practices. Obtained unqualified (positive) audit opinion for FY2006 annual financial audit. Received GFOA Certificate of Achievement for Excellence in Financial Reporting.	Complete FY2007 financial audits by March 2008. Audit recommendations incorporated into financial practices. Obtained unqualified (positive) audit opinion for FY2007 annual financial audit. Received GFOA Certificate of Achievement for Excellence in Financial Reporting.
Partner with local governments and community-based organizations to further District mission	Entered into 119 contracts totaling $49.9M.	No target set.	Entered into 75 contracts totaling $52.3M.	Enter into 189 contracts totaling $89.7M.
Increase public awareness of District accomplishments; # of community outreach events; # intergovernmental contacts.	Held 706 events; Established 4,304 contacts.	Hold 709 events; Establish 4,969 contacts.	Held 964 events; Established 5,201 contacts.	Hold 998 events; Establish 5,628 contacts.
Attain Level II Capability Maturity Model Integration for Information Technology (IT) projects.	Started first CMMI appraisal for process improvement (SCAMPI C).	Complete first CMMI appraisal for process improvement (SCAMPI C).	Completed first CMMI appraisal for process improvement (SCAMPI C).	All IT projects to follow CMMI processes. Conduct SCAMPI A appraisal for Level II certification.

FINANCIAL OVERVIEW

Financial Principles and Policies

Financial planning and management are vital for effective operations. The South Florida Water Management District (District) works continually on improving operations to be a world class financial organization. To achieve this objective, the agency implements 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 each 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 FY2008, 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.

FY2008 Status

During 2007 the District evaluated performance of planned projects and provided quarterly reports to the Governing Board on accomplishments and concerns for major projects. The Strategic Plan was updated to reflect changes in priorities, projects and timeline for 2007-2017.

2. Capital Projects Plan

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

FY2008 Status

The five-year Capital Improvements Plan is updated each year. A summary of the FY2008 plan is included in the Long-Range Planning 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.

FY2008 Status

A summary of each program's budget, key program objectives and performance measures is included in the Operating Section of this document. More detail on productivity indicators is shown in the Work Plan that includes projects, objectives and success indicators tied to the FY2008 budget.

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.

FY2008 Status

The FY2008 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.

FY2008 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.

FY2008 Status

Projected FY2008 property tax revenue represents 43 percent of the total budget. State and federal revenues, permit fees, the Everglades Agricultural Area privilege tax, grants and other sources make up the remaining 57 percent. Management and staff continue to consider other viable revenue sources to augment 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 that meets the criteria of legality, safety, liquidity and yield, in that order of importance.

FY2008 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 Governing Board every quarter. Presentations on investment activity, rate of return and overall performance are made to the 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 Florida Statutes (F.S.) 373.536 and 200.065, and Generally Accepted Accounting Principles.
- The District shall control, adopt and report expenditures by fund, resource areas, and functional area (program).

FY2008 Status

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

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.

FY2008 Status

No irregularities were reported by external auditors during the last 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 five-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

FY2008 Status

The last revision to the debt policy was adopted in April 2005. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process (See the 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, such as for debt services and encumbrances.

FY2008 Status

As of the end of Fiscal year 2007, the economic stabilization reserve was $20.8 million, the reserve for encumbrances was $215 million and the FY2008 contingency reserve budget is $10.3 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, which are 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 Generally Accepted Accounting Principles 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.

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.

The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Aaron Basinger
Director, Department of Finance & Administration
South Florida Water Management District

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date November 1, 2007

Achievement Award presented for the District's FY2006 Comprehensive Annual Financial Report, which was submitted to the Government Finance Officer's Association in FY2007.

Basis of Accounting and 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 new construction.

FY2008 Budget Development Calendar

February 2007	**2/16** Budget Planning Meetings
March 2007	**3/1** Budget Kick-Off meeting - distributed guidelines/instructions
	3/1 Oracle Budget system opens for budget requests - targets distributed
	3/19 Decision Package review meetings with programs
April 2007	**4/1** Oracle Budget System closes - budget submission due to Budget Division
	4/1 Program Work Plans and Decision Packages due to Budget Division
	4/2 Technical Review of Decision Packages/budget requests
	4/17 Executive Office Decision Package Review meetings.
May 2007	**5/15** Executive Office final Work Plan and budget review meetings
	5/25 Final Decision Packages complete
June 2007	**6/13** Draft FY2008 Work Plan presented to the Governing Board Proposed budget presented to the Governing Board at public meeting
July 2007	**7/12** Governing Board sets proposed Truth in Millage (TRIM) rates
	7/16 Preliminary Budget meeting with Governor's Staff
August 2007	**8/1** Tentative FY2008 Budget submitted to the State of Florida's governor, legislature and the Florida Department of Environmental Protection
	8/3 DR-420 Forms sent to county property appraisers
September 2007	**9/12** Tentative millage rates and preliminary budget adopted at public hearing
	9/25 Governing Board approves Annual Work Plan Final millage rates and final FY2008 Budget adopted at public hearing

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 2008 budget:

- District millage rates were reduced 3 percent below rolled-back rates.
- Growth in ad valorem property taxes (new construction) and other additional revenues were targeted to fund Governing Board strategic priorities and state required mandates.
- Prior year performance was incorporated into revenue targets developed for each program. Budget requests were required to be at or below revenue target for the specific program.
- Non-ad valorem revenue was targeted to fund items wherever possible. Grant opportunities were reviewed to ensure consistency with program goals and objectives.
- Existing staff was examined and redirected as needed, based on strategic priorities. Full-time permanent staffing levels increased from 1,784 to 1,808 Full-Time Equivalent (FTE) positions. 24 FTEs were approved for operations/maintenance, regulatory and project specific work currently being performed by contractors.
- The budget includes a 4 percent merit increase for FTE positions.
- No leased positions – contractors were used on an as-needed basis for specific projects or tasks for a limited time period.
- Program coordinators completed decision packages that included goal statements, program descriptions, strategies, success indicators and projected deliverables for the level of resources being requested.
- 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.
- Conferences, training and travel budget was reduced by 50 percent.
- Moving costs, including new furniture, were reduced 65 percent from the prior year.
- Fleet budget was reduced about 20 percent – continue centralized motor vehicle pool.
- 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.

Budget Philosophy and Approach

Program Budget Approach

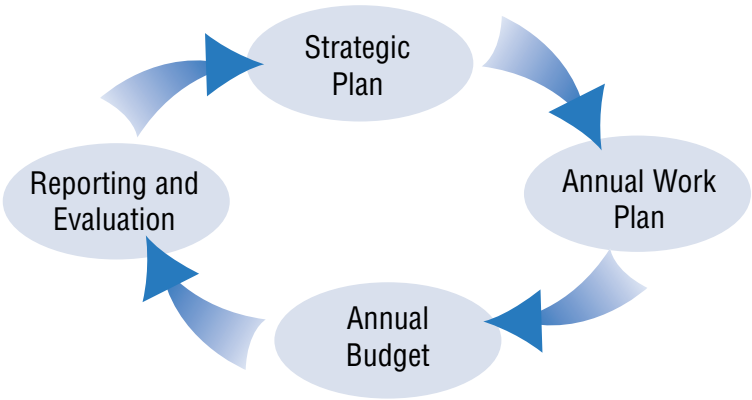
The South Florida Water Management District's (District) broad mission and mandates were organized into 11 programs for which long- and short-term goals, and success indicators were established. The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. This 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. This year, decision packages were incorporated into the process of comparing projects or activities and choices regarding the allocation of limited resources.

Performance Management Cycle

The District's Governing Board sets the agency's overall direction and establishes the priorities that are included in the 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 performance management cycle 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 and reported to the Governing Board quarterly and the results are incorporated into the Strategic Plan when updated the following year. Performance is also reported externally on an annual basis in the South Florida Environmental Report.



The Budget Development Process

The completed Work Plan guided development of the annual budget, which was approved by the Governing Board in September 2007. 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.

Key steps taken in the development of the FY2008 budget:

A strategic planning retreat was held to discuss the agency's goals, priorities, and funding outlook. An overall financial status of the agency, including analysis of available funding for the current year, budget year (FY2008) and future years (through 2017) was presented to the Governing Board. The financial projection became the framework for discussion and decision-making in strategic planning. The Governing Board provided guidance to staff on redefining District priorities to include the Northern Everglades initiatives, which was expected to receive dedicated funding from the State and District.

The Strategic Plan was updated by staff, with input from program managers, reviewed by executive management and approved by the Governing Board.

Budget and Work plan meeting to kick-off the process of developing the work plan was held. Instructions and guidelines were distributed on how to prepare the Work Plan using decision packages to show inputs and outcomes for budget requests relating to specific projects or processes. Budget staff held several individual program meetings with program and department managers to discuss the progress and status of decision packages.

Budget requests based on the Work Plan were entered into the Budget System. Budget staff reviewed budget requests to ensure adherence to budget development guidelines including the program revenue target and alignment to Work Plan.

The proposed budget was presented first to executive management for review and discussion and then to the Governing Board at a public meeting. Summary budget information was also presented at several public forums. Changes resulting from these meetings were incorporated into the budget before submission to the Governor's Office, state legislators and Florida Department of Environmental Protection for review.

The Governing Board adopted proposed millage rates that are in compliance with Truth in Millage (TRIM) requirements. The rates were mailed to property appraisers in the 16 counties within the District. The tentative millage rates and the preliminary budget were adopted by the Board on September 12th, and the final rates and budget on September 25th.

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.

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 included in the annual budget. Additionally, because the District and basin entities are financially interdependent, the Governing Board must approve each budget.

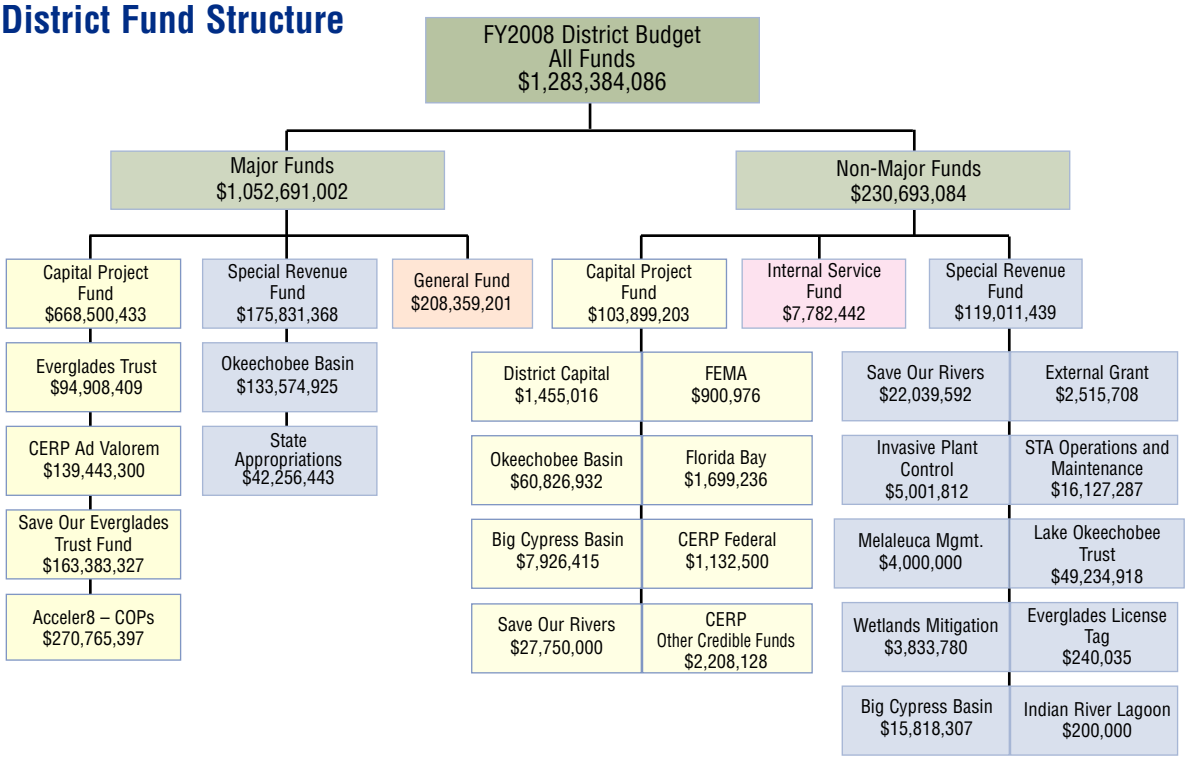
There are no additional component units required for inclusion in the budget. The District does not invest or participate in any joint ventures.

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. The Wetlands Mitigation Fund includes interest revenue transferred from the Permanent Fund (not shown in the chart) to support land management expenditures. District financial statements include the same funds described in this section.

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 .2797 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 Water Protection and Sustainability Trust Fund, Ecosystem Management Trust and other 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 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.

Acceler8 - COPs

This fund accounts for revenues from debt issued to support the accelerated construction of 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 .2265 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 in the Kissimmee River and other District locations. Funding is provided by the Aquatic Plant Trust Fund, which is passed through to the District from the Florida Department of Environmental Protection (FDEP).

Melaleuca Control Fund

This fund accounts for expenditures pertaining to the District's Melaleuca Management Program. Revenue is provided by Florida Department of Environmental Protection to control the spread of melaleuca trees in environmentally sensitive areas.

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).

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.

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

	FUND TYPE								
Program By Resource Area	**Major Funds**							**Non-Major Funds**	**All Funds**
	General	Okeechobee Basin	State Appropriations	Everglades Restoration Trust	CERP Ad Valorem	Acceler8 COPs	Save Our Everglades Trust	Other Gvt. Funds	Total
Water Resources									
District Everglades Program			$109,319	$94,908,409				$16,367,322	$111,385,050
Water Supply	43,324,640	405,053	21,455,590					2,229,426	$67,414,709
Kissimmee Watershed	411,182	6,985,597						11,689,818	$19,086,597
Regulation	19,000,535							53,386	$19,053,921
Lake Okeechobee	41,115	13,640,489					53,541,605	69,834,918	$137,058,127
Coastal Watersheds	14,436,009	4,105,133	20,441,534				40,000,000	7,670,371	$86,653,047
Modeling & Scientific Support	14,936,193								$14,936,193
Operation & Maintenance Resources									
Operations & Maintenance	12,183,529	89,735,184						77,011,700	$178,930,413
Everglades Restoration Resources									
Land Stewardship	374,441	381,971						19,094,852	$19,851,264
Comprehensive Everglades Restoration Plan			250,000		139,443,300	270,765,397	69,841,722	15,922,795	$496,223,214
Corporate Resources									
Mission Support	103,651,557	18,321,498						10,818,496	$132,791,551
Total	**$208,359,201**	**$133,574,925**	**$42,256,443**	**$94,908,409**	**$139,443,300**	**$270,765,397**	**$163,383,327**	**$230,693,084**	**$1,283,384,086**

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 eight hundred ninety-four ten thousandths mill (.0894) 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 initially 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 November 2006 Ad Valorem Estimating Conference forecast for FY2008. However, during the midst of the budget development process, legislative action resulted in the District having to reduce its various millage rates. 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 FY2008, 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 four-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 FY2007, 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 10-year financial forecast, based on the established revenue assumptions. This forecast projects anticipated revenues for both ad valorem (discretionary) and dedicated (restricted) funds from FY2008 through FY2017. 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. FY2008 programmatic budget targets were established based on projected funding source availability. Each program prepared a decision package and 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.

FY2008 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 FY2008 estimated revenue totaled $1,283.4 million. When compared to the FY2007 amended budget of $1,439.7 million, revenues decreased overall by $156.3 million. This decrease is due largely to the non-issuance of Certificates of Participation (COPs), and legislative action (lowered millage rates) that led to a reduction in ad valorem property taxes.

The following pages contain detailed explanations of the FY2008 revenue projections by category, with comparisons to the FY2007 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

FY2007 Amended / FY2008 Adopted Budgets	FY2007 Amended Budget	FY2008 Adopted Budget	FY2008 Over or (Under) FY2007	Percent Change
SOURCES:				
Ad Valorem Property Taxes	$553,009,838	$549,484,359	($3,525,479)	-0.6%
Agricultural Privilege Taxes	11,658,125	11,600,000	(58,125)	-0.5%
Intergovernmental	281,346,532	302,636,810	21,290,278	7.6%
Investment Earnings	7,886,953	9,105,000	1,218,047	15.4%
Licenses, Permits & Fees	4,579,900	5,043,985	464,085	10.1%
Other - Miscellaneous	15,647,410	15,201,718	(445,692)	-2.8%
Other Financing Sources	414,674,744	0	(414,674,744)	-100.0%
Fund Balance - Designated	150,847,662	390,312,214	239,464,552	158.7%
TOTAL APPROPRIATED SOURCES OF FUNDS	$1,439,651,164	$1,283,384,086	($156,267,078)	-10.9%
USES:				
Land Stewardship	$32,263,168	$19,851,264	($12,411,904)	-38.5%
District Everglades	174,080,723	111,385,050	(62,695,673)	-36.0%
Operations & Maintenance	178,684,729	178,930,413	245,684	0.1%
Water Supply	75,787,530	67,414,709	(8,372,821)	-11.0%
Kissimmee Restoration	33,613,980	19,086,597	(14,527,383)	-43.2%
Regulation	18,153,488	19,053,921	900,433	5.0%
Lake Okeechobee	88,459,715	137,058,127	48,598,412	54.9%
Coastal Watersheds	55,212,649	86,653,047	31,440,398	56.9%
Mission Support	136,191,513	132,791,551	(3,399,962)	-2.5%
Comprehensive Everglades Restoration Plan	631,039,814	496,223,214	(134,816,600)	-21.4%
Modeling and Scientific Support	16,163,855	14,936,193	(1,227,662)	-7.6%
TOTAL APPROPRIATED USES OF FUNDS	**$1,439,651,164**	**$1,283,384,086**	**($156,267,078)**	**-10.9%**

Taxes: $561.1 Million

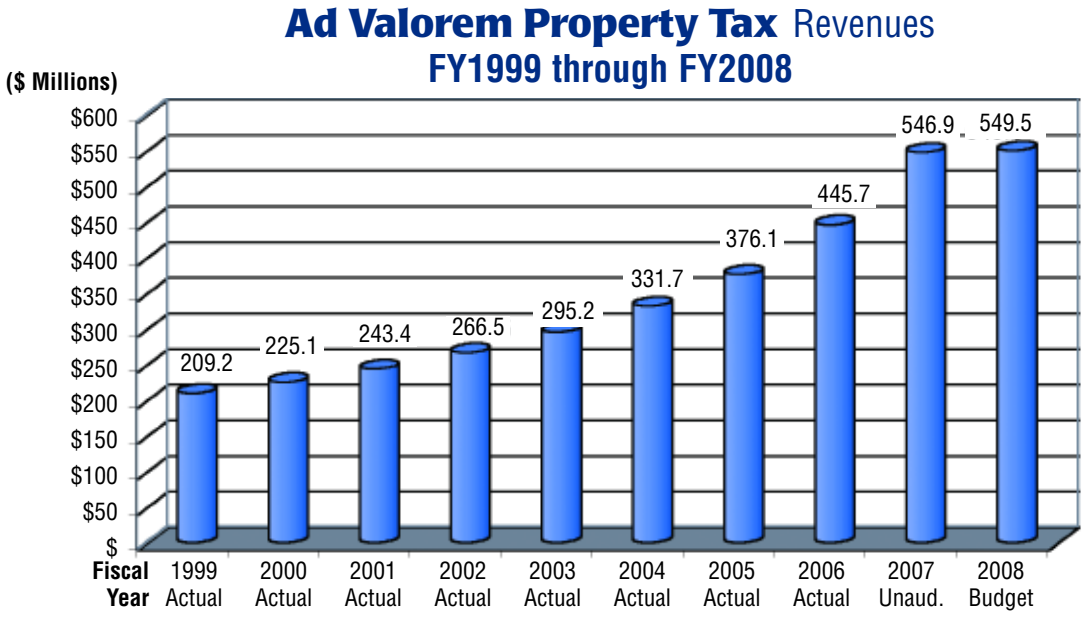
Ad Valorem Property Taxes: $549.5 Million

Ad valorem property taxes continue to be the District's primary source of revenue. For FY2008, property taxes are anticipated to yield approximately $549.5 million, which is $3.5 million or 0.6 percent less than the FY2007 amended budget of $553.0 million. This decrease is due to legislative action which lowered the District's millage rates.

Decrease/Increase	FY2007	FY2008	Percent
Ad valorem property taxes (millions)	$553.0	$549.5	-0.6%
Assessed property value (billions)	$845.2	$936.1	10.7%

FY2008 property tax revenue projections were initially based on the assumption that millage rates will be set at existing levels. However, legislative action reduced the District-wide, Okeechobee Basin and Big Cypress Basin millage rates for the first time since FY1998 and FY2002 respectively. Staff projects lower ad valorem property tax revenue for FY2008 even though there was an increase in property values throughout the District. In FY2006 and FY2007, taxable property values within the District increased by 19.1 percent and 24.6 percent, respectively.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY1999 through FY2008:



For FY2007, 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 (FY1998 through FY2007), 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 FY1998 and FY2007:

Ad Valorem Property Tax Collections

Percent of Levy Collected FY1998 through FY2007

Fiscal Year	District-wide	Okeechobee Basin	Big Cypress Basin	Everglades Restoration
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%
2007	95.01%	94.86%	98.71%	94.28%

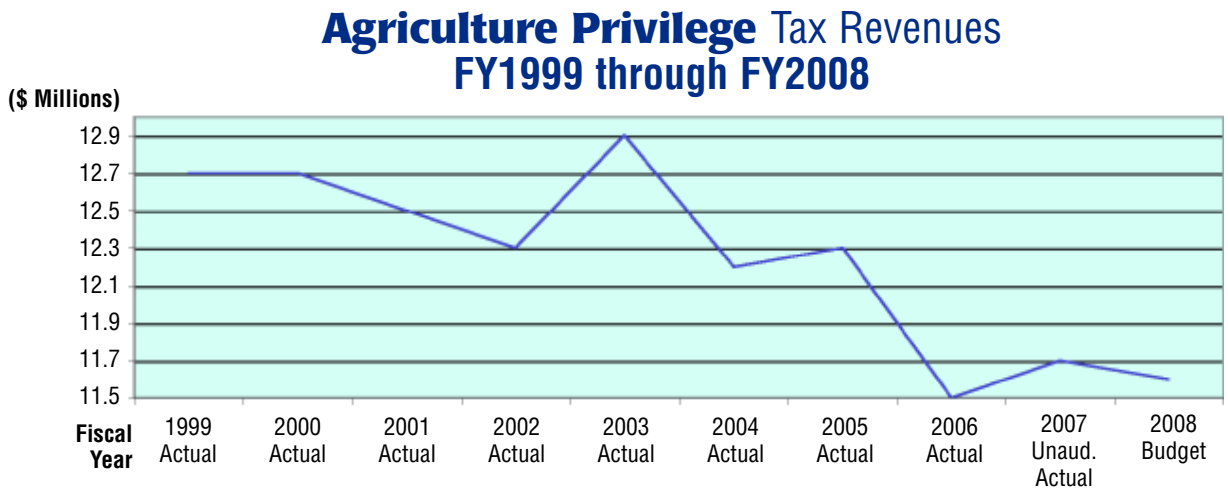
Percentages are based on the total tax base (representing final taxable values), multiplied by the assessed millage rate, then divided by the actual ad valorem property tax revenue collected.

Agricultural Privilege Taxes: $11.6 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 FY2008, 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 FY2008, projected agricultural privilege tax revenues are expected to generate approximately $11.6 million, which is $0.06 million less than the FY2007 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.



Intergovernmental: $302.6 Million

The overall net increase of $21.3 million in intergovernmental funding for FY2008, from the FY2007 amended budget amount of $281.3 million, is primarily due to increases in state appropriations (additional Save Our Everglades Trust funding for the Northern Everglades initiative), changes in existing and new grants, and cooperative agreements.

Appropriations: $286.8 Million

In FY2008, the District anticipates receiving a total of $286.9 million from the trust funds and state appropriations listed below:

Florida Forever Program Funds: $27.7 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 $27.7 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 $15.6 million increase from the FY2007 amended budget of $12.1 million. The State's fiscal year begins in July whereas the District's starts in October and usually a portion of the annual appropriation of $36,750, 000 from the State is included in the District's current year budget, as a budget amendment in July.

Save Our Everglades Trust Fund (SOETF): $161.8 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. However, for FY2008, the State allocated an additional $100 million dollars for Northern Everglades initiatives and extended the program another ten years through 2020.

A small portion of the $194 million allocated directly to the District was committed to projects in FY2007 and the remaining $161.8 million is included in the District's FY2008 budget. Of this amount, $68.3 million is from the original $100 million designated for CERP. This funding remains earmarked for design, construction and land acquisition for the CERP Program. Of the new appropriation, $53.5 million will be used on Lake Okeechobee restoration and $40 million on St. Lucie and Caloosahatchee estuaries. This revenue assumption is based on continuation of the state's annual commitment of $200 million from SOETF funds.

Special Legislative Appropriations: $79.3 Million

This revenue estimate of $79.3 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 ($2.0 million of prior year appropriations were also budgeted). In addition, the Florida legislature allocated funding from General Appropriations as follows: $5.7 million for *St. Lucie River Issues Team projects,* $3.7 million for *Indian River Issues Team,* $3.2 million for *Loxahatchee River Preservation Initiative*, $3.5 million for *Surface Water Improvement and Management (SWIM)* implementation ($0.7 million of prior year appropriations were also budgeted), $2.8 million for various water restoration projects, and budgeting $39.7 million of prior year appropriations for *Lake Okeechobee Fast Track* projects.

This group of revenues decreased approximately $26.2 million for FY2008, from the FY2007 budget, because funding for projects related to Lake Okeechobee, St. Lucie and Caloosahatchee were appropriated under the Save Our Everglades Trust Fund (SOETF).

Water Management Lands Trust Fund (WMLTF): $18 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 FY2008 revenue projection of $18 million assumes the District will receive $17.7 million in new revenue and $0.3 million in prior-year trust fund balances. The basis for a decrease in budgeted revenue of $3.3 million was attributed to a lower available trust fund balance than last year. The projected revenue assumption for the FY2008 budget was based on continuation of state funding at current levels and availability of remaining WMLTF balances.

Grants and Cooperative Agreements: $15.8 Million

The District anticipates receiving a total of $15.8 million in funding from several federal, state and local grant and cooperative agreement sources. This FY2008 projection represents a $26.6 million decrease from the FY2007 amended budget of $42.4 million. Despite an increase for exotic plant, decreases in federal funds for reimbursement for pump operations, wetland reserve and mitigation projects and local funds from Florida Inland Navigation District (FIND) for dredging projects, result in an overall net decrease for this FY2008 revenue category.

Federal: $2.0 Million

Approximately $2 million in funding is expected from federal government agencies. This FY2008 budget projection is $17.8 million lower than the $19.9 million FY2007 amended budget total. This projection assumes the continuation of existing grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): $0.9 Million

A total of $0.9 million Federal Emergency Management Agency (FEMA) revenue is included in the FY2008 budget. This projection is based on estimates of the ongoing work to be accomplished in the next fiscal year and represents a decrease of $7.7 million from the FY2007 amended budget of $8.6 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 included in this budget will be used primarily for mitigation and mapping projects in Palm Beach, Broward and Miami-Dade counties.

U.S. Department of Agriculture (USDA): $1.1 Million

Funding from the U.S. Department of Agriculture (USDA) is anticipated at approximately $1.1 million for FY2008, a decrease of $8.8 million from the FY2007 amended budget total of $9.9 million. Budget projections are based on current agreements between the District and the USDA, and the estimated workload for the fiscal year.

The FY2008 budget reflects approximately $1.1 million in the USDA National Resources Conservation Service (USDA-NRCS) funds. This funding, which is through the USDA-NRCS *Wetlands Reserve Program* will be matched by the Comprehensive Everglades Restoration Plan (CERP) funds 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.

State: $11.6 Million

A total of $11.6 million in revenue is projected from state government agencies for FY2008, a $5.7 million decrease compared with the FY2007 amended budget of $17.3 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: $9.2 Million

Grant revenues of $9.2 million to be used for exotic and aquatic plant management from the Florida Department of Environmental Protection (FDEP) are projected for FY2008. 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 lower than the FY2007 amended budget of $11.2 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: $0.4 Million

Each year, the District applies for, and receives, grants from a variety of different state sources. In the FY2008 budget, a state grant of approximately $0.4 million is expected from the Florida Fish and Wildlife Conservation Commission (FFWCC). This grant will be used to fund the Three Lakes Wildlife Wetlands restoration project.

Local: $2.2 Million

Estimated revenues from local sources total approximately $2.2 million for FY2008, which is $3.1 million lower than the FY2007 amended budget amount of $5.3 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): $2.2 Million

The District expects to receive $2.2 million from the Florida Inland Navigation District (FIND) as reimbursement for the Miami River-Dredging Grant.

Investment Earnings: $9.1 Million

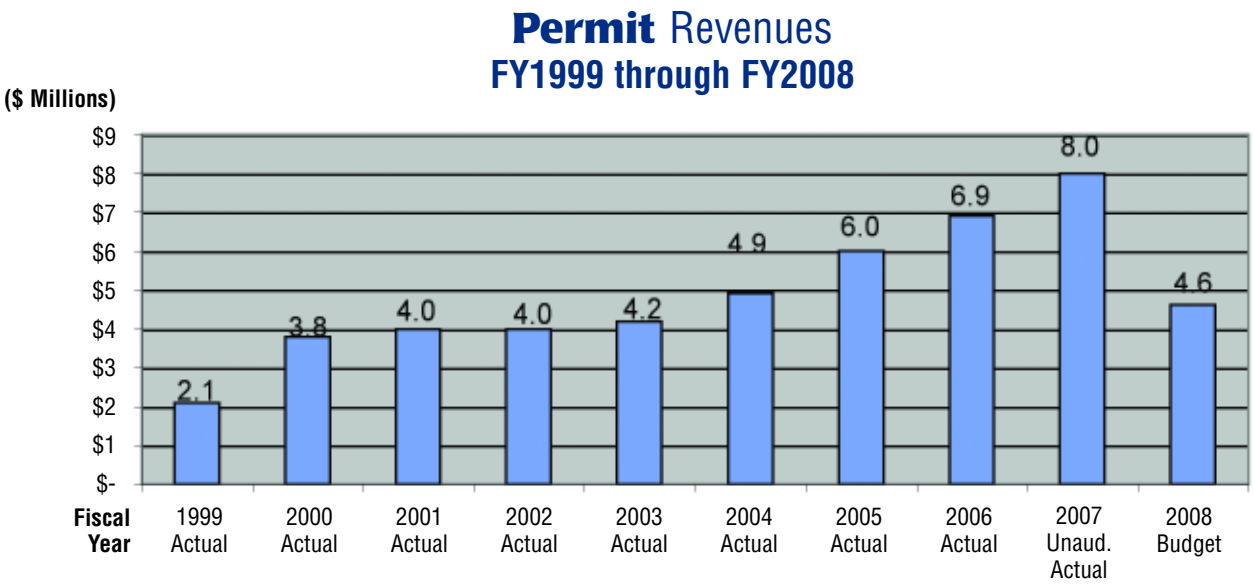
Investment earnings revenue for FY2008 is estimated at $9.1 million. This figure is based upon the average cash balance in the District's investment portfolio and the weighted average rate of return on the District's individual investments held throughout the fiscal year. The District's treasurer monitors 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 $1.2 million higher for FY2008 than the FY2007 amended budget amount of $7.9 million due to the above-mentioned factors.

Licenses, Permits and Fees: $5 Million

Anticipated revenues from this category total $5 million for FY2008, $0.4 million higher than the FY2007 amended budget amount of $4.6 million. This revenue assumption is based on historical data, collection rate, ongoing agreements and information provided by the District staff. Estimates of surface water management, water use, and right-of-way permit fees total $4.6 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 FY2007 amended budget and is directly related to sales volume.

* New permit fees were implemented in November 1999.



Other Miscellaneous revenue: $15.2 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 $15.2 million for FY2008. This represents a decrease of $0.4 million from the previous fiscal year total of $15.6 million.

Increases in self insurance premiums of $1.1 million and leases of $0.7 million, netted against a reduction of $2.2 million for indirect cost reimbursement resulting in an overall net decrease in this revenue category. The projected self-insurance premium cost of $6.2 million is based on cost allocation formulas that distribute insurance and administrative expenses to user departments within the District.

Lease revenues of $4.1 million, which increased from the amended FY2007 budget of $3.4 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 $4.6 million is based on applying an indirect rate of 79.18 percent to the CERP-budgeted direct salaries.

Fund Balance: $390.3 Million

The last revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. The revenue projection of $390.3 million assumes this amount will be available from fund balances as a designated financing source for the FY2008 budget. This projected amount is $244.2 million higher than the FY2007 amended budget of $146.1 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. The anticipated use of prior year COPs (Certificates of Participation) proceeds in the amount of $270.4 million is mainly responsible for this net increase in fund balance.

Summary of Estimated Financial Sources and Uses

Actual FY2006 through Projected FY2008

	Major Funds								
SOURCES	**General Fund**			**Okeechobee Basin**			**State Appropriations**		
Revenue Type	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**
Ad Valorem Property Taxes	$185,771,000	$228,068,764	$229,055,729	$186,106,739	$228,014,817	$229,094,304	$0	$0	$0
Agriculture Privilege Taxes	0	0	0	0	0	0	0	0	0
Intergovernmental Revenue	674,211	126,052	0	3,213,822	136,188	0	27,265,653	35,675,157	39,598,431
Investment Earnings	4,591,757	6,784,406	2,900,000	5,028,878	7,906,881	3,200,000	(463,076)	(337,520)	0
Licenses, Permits and Fees	5,535,333	5,401,659	4,530,950	198,870	112,153	83,000	0	0	0
Other *	7,965,781	1,941,523	5,019,276	2,065,569	36,334	0	10,362	0	0
Other Financing Sources									
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	0	0	0	0	0	0
Loan Proceeds	0	0	0	0	0	0	0	0	0
Total Sources	**$204,538,082**	**$242,322,404**	**$241,505,955**	**$196,613,878**	**$236,206,373**	**$232,377,304**	**$26,812,939**	**$35,337,636**	**$39,598,431**
Fund Balance Designated	$4,389,086	$5,723,236	$11,338,279	$21,034,897	$1,889,274	$31,256,711	$23,857,487	$14,035,200	$2,658,012
Total Sources and Balances	**$208,927,168**	**$248,045,640**	**$252,844,234**	**$217,648,775**	**$238,095,647**	**$263,634,015**	**$50,670,426**	**$49,372,836**	**$42,256,443**
Operating Transfers (Net)	($53,424,207)	($55,125,065)	($44,485,033)	($87,319,751)	($102,435,011)	($130,059,090)	($332,511)	$0	$0
GRAND TOTAL SOURCES	**$155,502,961**	**$192,920,575**	**$208,359,201**	**$130,329,024**	**$135,660,636**	**$133,574,925**	**$50,337,915**	**$49,372,836**	**$42,256,443**

USES	**General Fund**			**Okeechobee Basin**			**State Appropriations**		
District Programs									
Land Stewardship	$71,376	$238,331	$374,441	$2,955,236	$2,079,384	$381,971	$0	$0	$0
District Everglades	0	1,132	0	49,851	0	0	386,194	111,950	109,319
Operations and Maintenance	10,767,461	13,307,858	12,183,529	69,227,023	66,011,747	89,735,184	174,000	900,000	0
Water Supply	16,191,167	28,075,482	43,324,640	4,848,647	4,866,782	405,053	26,460,387	21,429,687	21,455,590
Kissimmee Watershed	274,940	225,217	411,182	8,608,900	9,505,825	6,985,597	375,000	950,000	0
Regulation	15,020,148	17,195,214	19,000,535	14,249	129,389	0	0	0	0
Lake Okeechobee	402,057	1,055,952	41,115	3,576,192	7,819,570	13,640,489	161,200	160,925	0
Coastal Watersheds	4,046,484	3,388,858	14,436,009	4,811,801	3,248,438	4,105,133	19,941,871	16,012,585	20,441,534
Mission Support	76,948,803	100,343,857	103,651,557	11,407,663	9,085,982	18,321,498	0	0	0
Comprehensive Everglades Restoration Plan	42,232	0	0	0	0	0	3,410,691	509,772	250,000
Modeling and Scientific Support	14,725,700	16,814,885	14,936,193	220	0	0	0	0	0
GRAND TOTAL USES	**$138,490,368**	**$180,646,785**	**$208,359,201**	**$105,499,782**	**$102,747,118**	**$133,574,925**	**$50,909,343**	**$40,074,919**	**$42,256,443**
SOURCES OVER USES	**$17,012,593**	**$12,273,790**	**$0**	**$24,829,242**	**$32,913,518**	**$0**	**($571,428)**	**$9,297,917**	**$0**

Summary of Estimated Financial Sources and Uses *(Continued)*

Actual FY2006 through Projected FY2008

	Major Funds								
SOURCES	**Everglades Trust Fund**			**CERP - Ad Valorem**			**Acceler8 - COPs**		
Revenue Type	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**
Ad Valorem Property Taxes	$59,467,515	$72,403,435	$73,224,994	$0	$0	$0	$0	$0	$0
Agriculture Privilege Taxes	11,512,807	11,661,037	11,600,000	0	0	0	0	0	0
Intergovernmental Revenue	2,229,773	1,836,844	2,000,000	2,050,569	603,322	0	0	0	0
Investment Earnings	2,370,057	4,083,586	1,300,000	1,131,787	1,342,793	500,000	1,089,598	14,831,541	0
Licenses, Permits and Fees	0	0	0	0	0	0	0	0	0
Other *	265,507	243	0	525,801	29,149	0	0	0	0
Other Financing Sources									
Bond Proceeds/Escrow Payments	0	0	0	0	0	0	82,000,000	546,120,000	0
Bond Premium	0	0	0	0	0	0	0	26,000,737	
Capital Leases	0	0	0	0	0	0	0	0	0
Loan Proceeds	0	0	0	0	0	0	0	0	0
Total Sources	**$75,845,659**	**$89,985,145**	**$88,124,994**	**$3,708,157**	**$1,975,264**	**$500,000**	**$83,089,598**	**$586,952,278**	**$0**
Fund Balance Designated	$14,298,680	$9,241,875	$23,910,702	$47,771,563	$21,360,175	$13,674,407	$0	$0	$270,368,446
Total Sources and Balances	**$90,144,339**	**$99,227,020**	**$112,035,696**	**$51,479,720**	**$23,335,439**	**$14,174,407**	**$83,089,598**	**$586,952,278**	**$270,368,446**
Operating Transfers (Net)	($15,273,386)	($3,331,978)	($17,127,287)	$61,200,000	$147,011,548	$125,268,893	$0	($23,143,375)	$396,951
GRAND TOTAL SOURCES	**$74,870,953**	**$95,895,042**	**$94,908,409**	**$112,679,720**	**$170,346,987**	**$139,443,300**	**$83,089,598**	**$563,808,903**	**$270,765,397**

USES	**Everglades Fund**			**CERP - Ad Valorem**			**Acceler8 - COPs**		
District Programs									
Land Stewardship	$0	$0	$0	$0	$0	$0	$0	$0	$0
District Everglades	51,499,336	48,411,634	94,908,409	0	0	0	25,321,134	57,352,566	0
Operations and Maintenance	18,344	0	0	392	0	0	0	0	0
Water Supply	0	0	0	0	0	0	0	0	0
Kissimmee Watershed	0	0	0	0	0	0	0	0	0
Regulation	0	0	0	0	0	0	0	0	0
Lake Okeechobee	806	0	0	1,879	0	0	0	0	0
Coastal Watersheds	1,284	0	0	0	0	0	0	0	0
Mission Support	0	0	0	0	0	0	0	0	0
Comprehensive Everglades Restoration Plan	1,846,006	1,921,108	0	87,452,058	112,881,080	139,443,300	37,299,252	129,307,046	270,765,397
Modeling and Scientific Support	0	0	0	1,417	0	0	0	0	0
GRAND TOTAL USES	**$53,365,776**	**50,332,742**	**$94,908,409**	**$87,455,746**	**$112,881,080**	**$139,443,300**	**$62,620,386**	**$186,659,612**	**$270,765,397**
SOURCES OVER USES	**$21,505,177**	**$45,562,301**	**$0**	**$25,223,974**	**$57,465,907**	**$0**	**$20,469,212**	**$377,149,291**	**$0**

Summary of Estimated Financial Sources and Uses

Actual FY2006 through Projected FY2008

	Major Funds			Non-Major Funds					
Sources	**Save Our Everglades Trust**			**Other Governmental Funds**			**ALL FUNDS**		
Revenue Type	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**	**FY06 Actual**	**FY07 Unaudited Actual**	**FY08 Projected**
Ad Valorem Property Taxes	$0	$0	$0	$14,404,649	$18,488,998	$18,109,332	$445,749,903	$546,976,014	$549,484,359
Agriculture Privilege Taxes	0	0	0	0	0	0	11,512,807	11,661,037	11,600,000
Intergovernmental Revenue	240,552,406	66,303,289	161,804,905	172,611,792	64,051,665	99,233,474	448,598,226	168,732,517	302,636,810
Investment Earnings	1,433,874	1,741,595	0	3,533,219	6,688,851	1,205,000	18,716,094	$43,042,133	$9,105,000
Licenses, Permits and Fees	0	0	0	1,172,625	2,567,450	430,035	6,906,828	$8,081,262	$5,043,985
Other *	90,247	23	0	5,196,489	20,770,437	10,182,442	16,119,756	22,777,709	15,201,718
Other Financing Sources									
Bond Proceeds/Escrow Payments	0	0	0	0	0	0	82,000,000	546,120,000	0
Bond Premium	0	0	0	0	0	0	0	26,000,737	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	$242,076,527	$68,044,907	$161,804,905	$196,918,774	$112,567,401	$129,160,283	$1,029,603,614	$1,373,391,409	$893,071,872
Fund Balance Designated	0	37,693,475	0	$31,877,113	$60,029,447	$37,105,657	$143,228,826	$149,972,682	$390,312,214
Total Sources and Balances	$242,076,527	$105,738,382	$161,804,905	$228,795,887	$172,596,848	$166,265,940	$1,172,832,440	$1,523,364,091	$1,283,384,086
Operating Transfers (Net)	0	($37,150,575)	$1,578,422	$95,149,855	$74,174,456	$64,427,144	$0	$0	$0
GRAND TOTAL SOURCES	**$242,076,527**	**$68,587,807**	**$163,383,327**	**$323,945,742**	**$246,771,304**	**$230,693,084**	**$1,172,832,440**	**$1,523,364,091**	**$1,283,384,086**

USES	**Save Our Everglades Trust**			**Other Governmental Funds**			**ALL FUNDS**		
District Programs									
Land Stewardship	$0	$0	$0	$24,104,861	$23,029,800	$19,094,852	$27,131,473	$25,347,515	$19,851,264
District Everglades	0	0	0	13,229,779	14,514,904	16,367,322	$90,486,294	$120,392,186	111,385,050
Operations and Maintenance	0	0	0	53,798,840	68,107,804	77,011,700	$133,986,060	$148,327,409	$178,930,413
Water Supply	0	0	0	7,719,361	5,168,172	2,229,426	$55,219,562	$59,540,122	$67,414,709
Kissimmee Watershed	0	0	0	55,500,987	10,647,754	11,689,818	$64,759,827	$21,328,796	$19,086,597
Regulation	0	0	0	107,350	4,474	53,386	$15,141,747	$17,329,077	$19,053,921
Lake Okeechobee	0	223,593	53,541,605	11,247,795	21,443,118	69,834,918	$15,389,929	$30,703,158	$137,058,127
Coastal Watersheds	0	0	40,000,000	4,750,372	10,852,439	7,670,371	$33,551,812	$33,502,320	$86,653,047
Mission Support	0	0	0	25,198,347	11,327,621	10,818,496	$113,554,813	$120,757,460	$132,791,551
Comprehensive Everglades Restoration Plan	197,734,158	74,231,260	69,841,722	79,959,058	23,159,608	15,922,795	$407,743,455	342,009,875	$496,223,214
Modeling and Scientific Support	0	0	0	0	0	0	14,727,337	$16,814,885	$14,936,193
GRAND TOTAL USES	**$197,734,158**	**$74,454,853**	**$163,383,327**	**$275,616,750**	**188,255,694**	**$230,693,084**	**$971,692,309**	**$936,052,802**	**$1,283,384,086**
SOURCES OVER USES	**$44,342,369**	**($5,867,046)**	**$0**	**$48,328,992**	**$58,515,610**	**$0**	**$201,140,131**	**$587,311,289**	**$0**

Changes in Fund Balances

Actual Unaudited FY2007 through Projected FY2008

CHANGES IN FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund	CERP Ad Valorem
FY2007					
Actual Beginning Fund Balance 10/01/06	$49,035,585	$46,246,630	$24,492,030	$36,762,102	$41,577,334
Total Revenues	242,322,404	236,206,373	35,337,636	89,985,145	1,975,264
Total Expenditures	(180,646,785)	(102,747,118)	(40,074,919)	(50,332,742)	(112,881,080)
Total Other Financing Sources (Uses)	(55,125,065)	(102,435,011)	0	(3,331,978)	147,011,548
Actual Unaudited Ending Fund Balance 9/30/07	$55,586,139	$77,270,874	$19,754,747	$73,082,527	$77,683,066
FY2008					
Projected Beginning Fund Balance 10/01/07	$55,586,139	$77,270,874	$19,754,747	$73,082,527	$77,683,066
Total Revenues	241,505,955	232,377,304	39,598,431	88,124,994	500,000
Total Expenditures	(208,359,201)	(133,574,925)	(42,256,443)	(94,908,409)	(139,443,300)
Total Other Financing Sources (Uses)	(44,485,033)	(130,059,090)	0	(17,127,287)	125,268,893
Projected Ending Fund Balance 9/30/08	$44,247,860	$46,014,163	$17,096,735	$49,171,825	$64,008,659
Projected Dollar Change in Fund Balance	(11,338,279)	(31,256,711)	(2,658,012)	(23,910,702)	(13,674,407)
Projected Percentage Change in Fund Balance	**-20.4%**	**-40.5%**	**-13.5%**	**-32.7%**	**-17.6%**

CHANGES IN TOTAL FUND BALANCES	Acceler8 COPs	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2007				
Actual Beginning Fund Balance 10/01/06	$20,469,212	$38,993,276	$141,446,713	$399,022,882
Total Revenues	14,831,541	68,044,907	112,567,401	801,270,671
Total Expenditures	(186,659,612)	(74,454,853)	(188,255,694)	(936,052,803)
Total Other Financing Sources (Uses)	548,977,362	(37,150,575)	74,174,456	572,120,737
Actual Unaudited Ending Fund Balance 9/30/07	$397,618,503	($4,567,245)	$139,932,876	$836,361,487
FY2008				
Projected Beginning Fund Balance 10/01/07	$397,618,503	($4,567,245)	$139,932,876	$836,361,487
Total Revenues	0	161,804,905	129,160,283	893,071,872
Total Expenditures	(270,765,397)	(163,383,327)	(230,693,084)	(1,283,384,086)
Total Other Financing Sources (Uses)	396,951	1,578,422	64,427,144	0
Projected Ending Fund Balance 9/30/08	$127,250,057	($4,567,245)	$102,827,219	$446,049,273
Projected Dollar Change in Fund Balance	(270,368,446)	-	(37,105,657)	(390,312,214)
Projected Percentage Change in Fund Balance	**-68.0%**	**0.0%**	**-26.5%**	**-46.7%**

General Fund -The projected fund balance is estimated to decrease by 20.4 percent or $11.3 million by the end of FY2008. Fund balance will be used primarily to improve Information Technology infrastructure and fund ongoing alternative water supply construction projects.

Okeechobee Basin -There is an anticipated fund balance decrease by 40.5 percent or $31.3 million by the end of FY2008.This balance will be used to fund dredging projects with other funding partners, match state funding for Northern Everglades water quality projects and may be used for hurricane related expenses or other emergencies.

State Appropriations -The projected fund balance is estimated to decrease by 13.5 percent or $2.7 million by the end of FY2008. 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 St. Lucie River/Indian River Lagoon, Loxahatchee River, Estero and Naples Bays.

Everglades Trust Fund - There is an anticipated fund balance decrease by 32.7 percent or $23.9 million by the end of FY2008. This balance will be used primarily for Everglades Agricultural Area Compartments B and C buildouts that are part of the Long-term Plan Acceler8 projects.

CERP – Ad Valorem -The projected fund balance is estimated to decrease by 17.6 percent or $13.7 million by the end of FY2008. Fund balance will be used primarily to pay for design and construction costs associated with CERP Acceler8 projects.

Acceler8 COPs -There is an anticipated fund balance decrease by 68 percent or $270.4 million by the end of FY2008. This balance will be used for construction of the Everglades Agricultural Area project.

Other Governmental Funds - The estimated decrease of 26.5 percent or $37.1 million in these other funds is attributable to Lake Okeechobee dredging and other restoration projects, wetland mitigation activities and Big Cypress Basin projects.

Debt Summary

At the end of fiscal year 2007, the District's combined outstanding debt from bonds and bank loans was $608,261,537

This amount consists of:

$19,385,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2002
$31,725,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2003
$11,031,537 - 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 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.

In November 2006, the District issued $546.1 million in Certificates of Participation to fund the construction of "Acceler8" projects.

The District enjoys favorable ratings on its bonds. The Special Obligation Bonds are rated AAA/A+ by Standard & Poor's, AAA/A- by Fitch, and Aaa/A1 by Moody's. The COPs are rated AAA/AA+ by Standard and Poor's, AAA/AA- by Fitch and Aaa/Aa1 by Moody's. A bond rating indicates the investment quality of the bonds which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District continuously strives to maintain this superior bond rating for its obligations in order to realize more favorable borrowing costs.

During FY2007, the District paid off two bank loans, originally issued in the amount of $10 million each, which had funded construction of capital projects. One bank loan for $9 million and another for $8 million remained outstanding as of September 30, 2007. The first bank loan, for $9 million, helped fund the construction of an office building at the West Palm Beach headquarters. The second bank loan, for $8 million, was obtained to fund the implementation of the agency's new financial system. In FY2003, the District obtained another bank loan in the amount of $4,827,374 to fund the conversion of a telemetry system from analog to digital.

The District's current debt and its impact on the FY2008 operating budget is shown in the following table:

Impact on Current Operating Budget

Existing Debt	Original Issue	Outstanding 9/30/2007	Fiscal Year Maturity	Principal FY2008	Interest FY2008	Total FY2008 Requirement
Major Fund - COPs						
COPs	$546,120,000	$546,120,000	2037	$7,675,000	$26,579,294	$34,254,294
Major Fund - Okeechobee Basin						
Bank Loans	$4,827,374	$2,758,499	2011	$689,625	$89,069	$778,693
Non-Major Funds						
2002 Refunding	23,810,000	19,385,000	2016	1,890,000	664,154	2,554,154
2003 Refunding	34,550,000	31,725,000	2016	2,895,000	1,478,933	4,373,933
Bank Loans	17,000,000	8,273,038	2008 - 2013	2,558,752	302,120	2,860,872
Sub-Total	75,360,000	59,383,038		7,343,752	2,445,207	9,788,959
Total	**$626,307,374**	**$608,261,537**		**$15,708,377**	**$29,113,569**	**$44,821,946**

Future Debt and Implications for the Budget

The District does not plan to issue any Certificates of Participation during Fiscal Year 2008. However, substantial capital requirements are still anticipated for the construction of projects included in the accelerated Comprehensive Everglades Restoration Plan (CERP) and in the implementation of the Everglades Forever Act (EFA), together referred to as "the *Acceler8 Program.*" The District is in the process of planning the issuance of additional debt to support these efforts. The debt will again 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 District's Governing Board ratified a Memorandum of Agreement (MOA) on October 14, 2004 with the 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.

Design efforts for the Everglades restoration projects that will be built using COPs financing, as well as for 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 from ad valorem property tax revenues committed to the CERP annually, currently $110.6 million, and the millage 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
Bonds:				
	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	5,655,000	1,265,749	6,920,749
	2013	5,865,000	1,035,787	6,900,787
	2014	6,120,000	768,598	6,888,598
	2015	6,400,000	474,200	6,874,200
	2016	6,705,000	160,538	6,865,538
Total		**$46,325,000**	**$8,857,160**	**$55,182,160**
Bank Loans:				
	2009	1,832,482	279,620	2,112,102
	2010	1,832,482	206,172	2,038,654
	2011	1,832,482	132,724	1,965,206
	2012	1,142,857	72,000	1,214,857
	2013	1,142,857	24,000	1,166,857
Total		**$7,783,160**	**$714,517**	**$8,497,677**
Certificates of Participation (COPs):	**2009-2037**	**$538,445,000**	**$476,684,329**	**$1,015,129,329**
Total All Debt		$592,553,160	$486,256,006	$1,078,809,166

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.

LONG RANGE PLANNING

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

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	FY2008 Full-Time Employees	FY2008 Budget (In Millions)
Coastal Watersheds	To restore coastal watersheds and receiving water bodies through local initiatives and partnerships and applied scientific research; to decrease flood damages District-wide through flood management planning	51	$86.7
Comprehensive Everglades Restoration Plan	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	123	$496.2
District Everglades	To restore Everglades water quality, hydrology and ecology	149	$111.4
Kissimmee Watershed	To 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	30	$19.1
Lake Okeechobee	To improve the health of the Lake Okeechobee ecosystem by improving water quality, reducing or eliminating exotic species and better managing water levels	41	$137.1
Land Stewardship	To provide natural resource protection, effective land management and reasonable opportunities for appropriate agricultural use while allowing compatible recreational uses on designated public lands	48	$19.8
Modeling and Scientific Support	To provide technically sound modeling and scientific services in support of District water resource programs	100	$14.9
Operations & Maintenance	To minimize damage from flooding, provide adequate regional water supply, protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system	596	$178.9
Regulation	To manage and protect the region's water resources by providing fair, consistent and timely review of permit applications; ensure compliance with issued permits and take enforcement action where necessary	188	$19.1
Water Supply	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	67	$67.4
Mission Support	To provide the optimum business support to all District operations. Mission Support includes functions such as human resources, legal, financial management, procurement, facilities management, records management, security and emergency management, information technology, and public information.	415	$132.8
	TOTAL	1,808	$1.283 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.

Financial Forecast

Each year, the South Florida Water Management District (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 ten-year financial forecast (Fiscal Year 2008 through Fiscal Year 2017) which will be used to guide the agency through the preparation of its Fiscal Year 2009 (FY2009) budget. This vital planning tool assists 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 ten-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 and lease fees. The goal was to map out a strategy for prioritizing the expenditure of discretionary funds over the next ten years; same period used to develop the District's Strategic Plan.

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 are Everglades Agricultural Area and C-139 Basin agricultural privilege taxes. These sources are not reflected in this projection.

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 and includes all ad valorem revenues. 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.

This ten-year forecast focuses on revenue sources over which the District can exercise spending discretion. The goal was to map out a strategy for prioritizing the expenditure of these discretionary funds over the strategic planning period of ten years. Projections of discretionary ad valorem revenue were based on the assumption that changes in tax laws would reduce ad valorem revenues by approximately $27 million in FY2009 and over the forecast period. Increases in ad valorem revenues would be tied only to per capita personal income growth, which ranges from 3.01 to 4.55 percent over the forecast period. These increases were calculated for counties falling within the District's jurisdiction, according to the November 2007 Revenue Estimating Conference forecast for FY2008 through FY2017 (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.

Expenditures

It was assumed that current levels of effort would be maintained for those programs supported by the revenue sources identified. Expenditures were examined at the program level. In order to build the projections using the best available data, baseline projections for program expenditures were arrived at by applying the escalation rate of 2.5 percent, to approximate the latest U.S. Department of Labor Consumer Price Index data. 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.

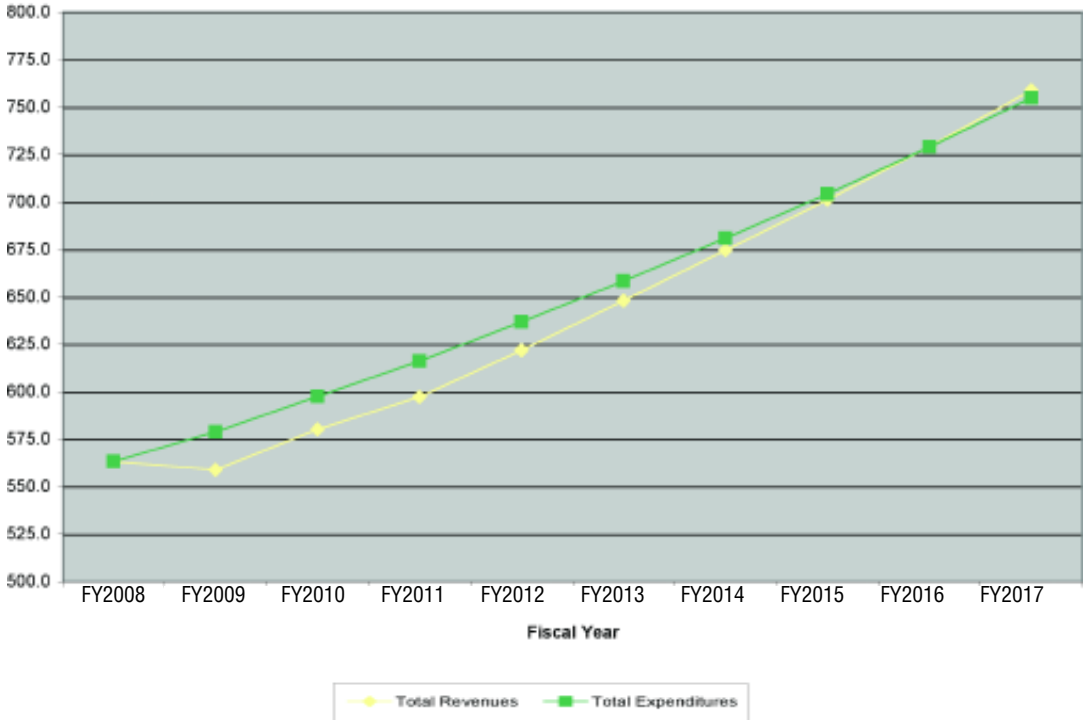
The ten-year financial forecast, therefore, focused on discretionary revenues, as identified above, and those expenditures supported by those funds. The goal was to determine how much funding could reasonably be expected for new or existing programs and initiatives, after funding current service and staffing levels. This information enables policymakers to provide direction for the best use of these funds. Restricted 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.

Use of Discretionary Funds FY2008 through FY2017

The graph below reflects a ten-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 $195.6 million, from $563.2 million in FY2008 to $758.8 million in FY2017, it is also projected that $110.7 million of this increase would be consumed by a rise in personnel costs (from $160.6 million in FY2008 to $271.3 million in FY2017). Combined with increases in operating, capital and other baseline program costs, projected total expenditures surpass anticipated revenues in the near future.

Ten-Year Financial Forecast

(in $ Millions)



Projected Revenues and Expenditures

(in $ Millions)

Sources:	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY20 15	FY 2016	FY 2017
Ad Valorem Revenue Baseline	549.5	522.5	522.5	522.5	522.5	522.5	522.5	522.5	522.5	522.5
Cumulative Est. Ad Val Growth		23.8	45.1	62.2	86.8	113.0	139.6	166.0	194.2	223.8
Other Discretionary Revenue	13.7	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Total Discretionary Revenue	**563.2**	**558.7**	**580.0**	**597.1**	**621.7**	**648.0**	**674.6**	**701.0**	**729.2**	**758.8**
Uses:										
Personnel Costs @ 6.0% / Year	160.6	170.2	180.5	191.3	202.8	214.9	227.8	241.5	256.0	271.3
Existing A8 COP Debt Service	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
Continuation of FY08 Baseline Operating/Other Costs @ 2.5% / Year	367.1	373.1	381.4	389.3	398.4	407.9	417.5	427.2	437.4	447.9
Total Estimated Uses	**563.2**	**578.8**	**597.3**	**616.1**	**636.6**	**658.2**	**680.8**	**704.2**	**728.8**	**754.7**
Annual Surplus/(Deficit)	**0.0**	**-20.0**	**-17.3**	**-19.0**	**-14.9**	**-10.2**	**-6.2**	**-3.2**	**0.4**	**4.1**

Summary

Property tax reform legislation and economic factors affecting the real estate market will result in decreases in ad valorem revenue growth. In developing the forecast, it was assumed that ad valorem revenues would increase only by the per capita personal income growth factor, per the new legislation. Annual discretionary revenue, composed primarily of ad valorem funds, is projected to grow by $195.6 million, from $563.2 million in FY2008 to $758.8 million in FY2017.

In contrast, personnel, operating, capital and other costs supported by these revenues are expected to increase by $191.5 million, from $563.2 million to $754.7 million during the same period. This assumes that increases in personnel and other costs can be held at reasonably low levels for existing programs, and total position count remains constant.

Indications are that District expenditures will surpass available discretionary funds over most of the forecast period and it may be difficult to expand services and/or begin new programs and projects. At the start of each budget development cycle, this financial forecast is updated with new information and presented to management and the governing body. The financial forecast is relied on by District policymakers to make informed decisions regarding which projects or activities, and at what level, can be funded in each particular year.

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 FY2008 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 the plan.

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

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

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 FY2008 capital budget totals $819.5 million, which is $87.8 million or 9.7 percent less than last year's capital budget of $907.3 million. The reduction resulted from net increases and decreases in all eight of the programs, but with the more significant decrease of $80.4 million in the Comprehensive Everglades Restoration Plan (CERP) and $62.8 million in the District Everglades programs. This decrease results primarily from the District's decision not to issue any Certificates of Participation during FY2008. Only available authority from the first issuance in FY2007 is included in this year's 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.

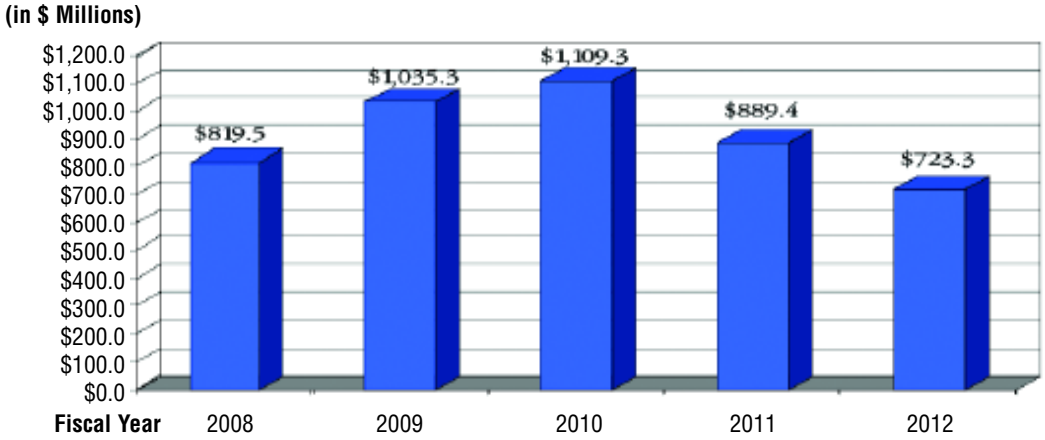
Although there was a decrease in the FY2008 CIP for the CERP and District Everglades programs there were some significant increases to the Lake Okeechobee and Coastal Watersheds programs. In 2007 the Florida Legislature expanded the Lake Okeechobee Protection Act to strengthen protection for the Northern Everglades by restoring and preserving the Lake Okeechobee watershed and the Caloosahatchee and St. Lucie estuaries to further commit to the Greater Everglades Ecosystem restoration and additionally extended the Save Our Everglades Trust Fund for ten years providing state funding for the restoration through 2020. As a result, in FY2008 the District received an additional $100 million to improve the health of the Northern Everglades. These additional funds significantly increased the CIP for the Lake Okeechobee program by $45.6 million and Coastal Watersheds program by $35 million in comparison to FY2007. These additional funds are aiding in the funding of the Caloosahatchee River Basin Water Quality Treatment and Testing Area (C-43 Water Quality Project), Taylor Creek Reservoir, Lakeside Ranch STA and Brady Ranch STA.

The Capital Improvements Plan has been included in Volume II of the District's 2008 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, 2008.

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 "2008 South Florida Environmental Report" link, and then click the "Volume II Chapters" link under the Table of Contents.

Five-Year Capital Budget Projections

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



Coastal Watersheds	$35.0	$60.4	$56.3	$2.4	$2.5
Lake Okeechobee	$99.8	$56.4	$75.2	$162.6	$142.4
Kissimmee Watershed	$12.1	$0.3	$0.3	$0.3	$0.3
CERP	$496.2	$548.5	$548.8	$476.7	$389.3
District Everglades	$111.3	$294.8	$345.2	$161.0	$100.6
Mission Support	$1.4	$0.8	$0.4	$0.4	$0.3
Land Stewardship	$1.1	$12.6	$12.3	$11.7	$10.8
Operations & Maintenance	$62.6	$61.5	$70.8	$74.3	$77.1
Total	**$819.5**	**$1,035.3**	**$1,109.3**	**$889.4**	**$723.3**

The FY2008– FY2012 CIP represents $4.6 billion in District-related projects. As reflected in the chart on this page, the total FY2008 budgeted capital expenditures are $819.5 million, which represents 63.8 percent of the total District budget of $1.283 billion. The CERP Program has the largest share of the overall FY2008 capital budget at $496.2 million or 60.5 percent. The District Everglades Program capital budget is $111.3 million or 13.6 percent. These two programs have the majority of the CIP funding and 47.3 percent of the District FY2008 budget largely because of the implementation of Acceler8. Projects for the eight 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 2008-2012

Coastal Watersheds Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Save Our Everglades Trust Fund	$32,600,000	$60,350,000	$56,250,000	$0	$0
Ad Valorem Sources	2,400,000	0	0	2,424,000	2,496,720
TOTAL	**$35,000,000**	**$60,350,000**	**$56,250,000**	**$2,424,000**	**$2,496,720**
USES					
Caloosahatchee River Basin Water Quality Treatment & Testing Area (C-43 Water Quality Project)[1]	$35,000,000	$60,350,000	$56,250,000	$2,424,000	$2,496,720
TOTAL	**$35,000,000**	**$60,350,000**	**$56,250,000**	**$2,424,000**	**$2,496,720**

[1] *In FY2008 there will be a $10 million amendment from Lee County to fund additional Land Acquisition for the C-43 Water Quality Project. This will increase the total expenditure and revenue in FY2008 to $45 million.*

Lake Okeechobee Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Ad-Valorem	$10,000,000	$0	$0	$0	$0
Florida Forever	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Water Management Lands Trust Fund	2,092,500	0	0	0	0
Save Our Everglades Trust Fund	43,100,000	51,429,065	70,219,818	157,633,734	137,397,179
Lake Okeechobee Trust Fund	39,672,886	0	0	0	0
TOTAL	**$99,865,386**	**$56,429,065**	**$75,219,818**	**$162,633,734**	**$142,397,179**
USES					
Lake Okeechobee Dredging	$11,967,500	$0	$0	$0	$0
Taylor Creek Reservoir	11,548,821	2,078,945	14,436,450	70,058,494	71,899,559
Lakeside Ranch STA	5,705,000	3,465,909	53,273,368	49,955,240	24,977,620
Brady Ranch STA	34,540,000	5,040,000	2,510,000	37,620,000	40,520,000
Lake Okeechobee Fast Track Projects Reserves	30,979,065	40,844,211	0	0	0
Herbert Hoover Dike Rehabilitation[2]	5,125,000	5,000,000	5,000,000	5,000,000	5,000,000
TOTAL	**$99,865,386**	**$56,429,065**	**$75,219,818**	**$162,633,734**	**$142,397,179**

[2] *USACE has not provided the SFWMD a definitive Land Acquisition plan to date on this project.*

Kissimmee Watershed Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Florida Forever	$10,810,000	$0	$0	$0	$0
Ad Valorem Sources	1,286,737	302,410	311,491	320,836	330,461
TOTAL	**$12,096,737**	**$302,418**	**$311,491**	**$320,836**	**$330,461**
USES					
Kissimmee River Restoration Mitigation	$12,096,737	$302,418	$311,491	$320,836	$330,461
TOTAL	**$12,096,737**	**$302,418**	**$311,491**	**$320,836**	**$330,461**

Comprehensive Everglades Restoration Plan (CERP)

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Save Our Everglades Trust Fund	$69,841,722	$100,000,000	$100,000,000	$100,000,000	$100,000,000
Ad Valorem Sources	111,100,000	111,100,000	111,100,000	120,500,000	120,534,711
Ad Valorem - Big Cypress Basin	643,511	0	0	0	0
Debt Proceeds - CERP Construction	270,765,397	336,108,000	331,750,000	230,300,000	141,880,000
Florida Bay Fund	838,656	0	0	0	0
Martin County	2,208,128	0	0	0	0
Florida Forever Trust Fund	11,100,000	0	0	0	0
Palm Beach County	250,000	0	0	0	0
Federal - NRCS	1,132,500	0	0	0	0
Fund Balance	28,343,300	59,918,922	58,670,020	52,749,312	26,857,300
Designated for Future Years' Expenditures	0	(58,670,020)	(52,749,312)	(26,857,300)	0
TOTAL	**$496,223,214**	**$548,456,902**	**$548,770,708**	**$476,692,012**	**$389,272,011**
USES					
Critical Restoration Projects (CRPs):					
Southern Crew / Imperial River Flowway CRP	$3,850,336	$0	$0	$0	$0
Comprehensive Everglades Restoration Plan (CERP):					
Lake Okeechobee Watershed	784,012	7,400,000	43,600,000	46,600,000	96,600,000
C-43 Basin Storage Reservoir - Part 1*	2,895,562	300,000	100,500,000	130,800,000	125,500,000
C-44 Reservoir and STA*	1,733,858	108,900,000	100,500,000	100,500,000	17,380,000
WCA 3A 3B Seepage Management*	57,395	8,060,000	8,060,000	60,000	60,000
Indian River Lagoon - South	3,642,938	36,850,000	17,650,000	20,650,000	350,000
Everglades Agricultural Area Storage Reservoirs*	276,215,314	258,208,000	139,435,000	12,080,000	12,080,000
North Palm Beach County - Part 1	46,052,742	17,650,000	4,650,000	4,650,000	4,350,000
Biscayne Bay Coastal Wetlands*	23,062,405	45,184,000	28,773,000	21,127,500	777,500
C-111 Spreader Canal*	1,409,702	10,035,000	20,970,000	31,494,000	22,494,000
Picayune Strand - SGGE Restoration*	4,972,801	250,000	250,000	250,000	250,000
C-111 Project Implementation	7,338,656	0	0	0	0
Acceler8 & CERP Program Management and Support	29,550,455	6,040,000	5,840,000	5,840,001	6,790,000
Monitoring and Evaluation (RECOVER)	4,807,755	4,000,000	4,000,000	4,000,000	4,000,000
CERP Indirect and Program Reserves	57,305,385	5,500,000	5,500,000	5,500,000	5,500,000
Reconnaissance, Feasibility, and Planning Studies	1,399,784	0	0	0	0
Debt Service	31,144,114	40,079,902	69,042,708	93,140,511	93,140,511
TOTAL	**$496,223,214**	**$548,456,902**	**$548,770,708**	**$476,692,012**	**$389,272,011**

District Everglades Program (EFA)

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
ECP Ad Valorem (0.0894 mill for FY2008)	$73,224,994	$73,839,369	$76,719,104	$79,028,349	$82,355,443
Agriculture Privilege Tax	11,600,000	11,600,000	11,600,000	11,600,000	11,600,000
Alligator Alley Toll Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment Income	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Tag Proceeds	240,035	235,000	235,000	235,000	235,000
Debt Proceeds	0	192,860,832	254,393,877	67,736,478	4,115,643
Fund Balance/Transfers	23,910,702	14,011,000	0	0	0
TOTAL	**$111,275,731**	**$294,846,201**	**$345,247,981**	**$160,899,827**	**$100,606,086**
USES					
LTP EAA STA Compartment B Design Construction & Buildouts*	$11,833,720	$117,252,200	$142,245,057	$41,657,567	$3,095,500
LTP EAA STA Compartment C Design Construction & Buildouts*	11,428,720	87,989,487	113,108,820	26,678,911	6,811,143
Advanced Work On LTP ACME Basin*	3,970,760	12,400,000	7,400,000	300,000	2,895,500
Long-Term Plan Projects (not including LTP Acceler8)	55,579,681	37,399,337	42,629,850	52,338,246	47,816,165
Debt Service on LTP Acceler8 Projects	4,315,868	37,835,948	37,835,948	37,835,948	37,835,948
Agriculture Privilege Tax Fees/Revenue Costs	1,911,873	1,969,229	2,028,306	2,089,155	2,151,830
EFA Managerial Reserves	22,235,109	0	0	0	0
TOTAL	**$111,275,731**	**$294,846,201**	**$345,247,981**	**$160,899,827**	**$100,606,086**

Mission Support Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Ad Valorem Sources	$1,354,000	$794,000	$410,000	$433,000	$305,000
TOTAL	**$1,354,000**	**$794,000**	**$410,000**	**$433,000**	**$305,000**
USES					
General Building & Improvements	$1,354,000	$794,000	$410,000	$433,000	$305,000
TOTAL	**$1,354,000**	**$794,000**	**$410,000**	**$433,000**	**$305,000**

Land Stewardship Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
Wetland Mitigation	$235,000	$2,100,000	$104,391	$107,522	$110,748
Florida Forever	840,000	0	0	0	0
External Grant	0	1,000,000	0	0	0
Lake Belt Mitigation	0	8,500,000	10,000,000	10,500,000	10,500,000
Water Management Lands Trust Fund	0	975,000	2,226,500	1,081,045	235,726
TOTAL	**$1,075,000**	**$12,575,000**	**$12,330,891**	**$11,688,567**	**$10,846,474**
USES					
Recreation Projects Land	$1,075,000	$975,000	$2,126,500	$978,045	$129,636
Cypress Creek Restoration	0	500,000	50,000	51,500	53,045
Pal Mar East Restoration	0	500,000	50,000	51,500	53,045
Lake Belt Land/Lake Belt Associated Costs/Restoration	0	8,500,000	10,000,000	10,500,000	10,500,000
Shingle Creek Phase II & III Land/Associated Costs	0	2,100,000	104,391	107,522	110,748
TOTAL	**$1,075,000**	**$12,575,000**	**$12,330,891**	**$11,688,567**	**$10,846,474**

Operations & Maintenance Program

SOURCES	FY2008	FY2009	FY2010	FY2011	FY2012
FEMA Revenues	$256,542	$0	$0	$0	$0
External Grant (FIND)	2,162,250	0	0	0	0
Ad Valorem Sources	60,167,572	61,471,500	70,835,175	74,261,886	77,142,443
TOTAL	**$62,586,364**	**$61,471,500**	**$70,835,175**	**$74,261,886**	**$77,142,443**
USES					
Barron River Canal Structures Retrofit	$0	$0	$1,000,000	$1,000,000	$50,000
BCB Facilities Relocation	4,300,000	3,000,000	2,000,000	232,500	239,475
Golden Gate Canal ASR	0	0	0	1,000,000	2,500,000
Lake Trafford Off Road Vehicle Park Construction	610,000	500,000	1,000,000	52,750	54,333
Golden Gate Weir #1 Emergency Repair	1,000,000	0	0	0	0
North Belle Meade Rehydration	0	0	0	2,000,000	50,000
Golden Gate Weir #3 Relocation	500,000	2,000,000	62,500	64,375	66,306
Golden Gate Canal Weir#6 and #7 Retrofit	500,000	12,500	12,875	13,261	13,659
Henderson Creek Diversion	500,000	500,000	2,000,000	2,000,000	125,000
Henderson Creek Spreader Channel	0	0	0	0	3,500,000
Miami River Dredging	5,412,250	0	0	0	0
C-4 Flood Mitigation Projects	5,000,000	7,000,000	300,000	309,000	318,270
Communication, Towers and Telemetry	4,245,543	9,080,000	10,910,000	3,850,000	10,600,000
Racu Replacement	750,000	1,000,000	1,000,000	0	0
Pump Station Reroofing, Hardening, rewiring, bearings, pavings, repowering and other refurbs	3,288,841	11,434,000	25,960,000	12,630,000	10,226,000
Pump Station Replacement, Office Additions, Control Shelters	0	0	2,450,000	0	750,000
Pump Station Automations/Gate Replacement	0	2,750,000	0	0	0
Pump Station Trash Rakes	2,959,292	7,880,000	4,500,000	2,000,000	0
Project Culverts	0	0	1,130,000	0	2,176,000
Structure Automation	5,556,208	0	1,100,000	1,920,000	1,350,000
Engineering/Construction Support Services	6,328,000	5,000,000	9,264,000	8,666,482	3,293,775
Dam Safety Program	500,000	0	0	0	0
Bridge Inspection Program/Bridge Bank Replacements	2,500,000	2,500,000	0	0	0
Structural Repairs	2,490,912	3,655,000	5,290,000	26,150,000	2,594,000
Navigational Lock Refurbishment	0	3,100,000	1,000,000	1,800,000	5,000,000
Field Station Facilities	6,939,000	100,000	70,000	1,500,000	2,000,000
Bank Stabilization and Dredging	3,695,000	1,960,000	1,785,800	9,073,518	32,235,625
Future Capital Project Reserves	5,511,318	0	0	0	0
TOTAL	**$62,586,364**	**$61,471,500**	**$70,835,175**	**$74,261,886**	**$77,142,443**

TOTAL CAPITAL EXPENDITURES	**$819,476,432**	**$1,035,225,087**	**$1,109,376,064**	**$889,353,862**	**$723,396,373**

** Acceler8 project components*

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. CIP 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 (CRP)

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.

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

FY2008-FY2012 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 the Budget and Finance Advisory Commission and the District will continue to develop standards and priorities for the long-range needs in capital budgeting.

Capital Project Description Form

PROGRAM: Comprehensive Everglades Restoration Plan (CERP)

ACTIVITY: P101

Project Title: Lake Okeechobee Watershed

Type: Comprehensive Everglades Restoration Plan Project

Physical Location: Glades, Highlands, Okeechobee, St. Lucie, and Martin Counties

Square Footage/Physical Description: This project includes several major components. North of Lake Okeechobee Storage Reservoir includes a 17,500-acre above ground reservoir and a 2,500-acre stormwater treatment area. The total storage capacity of the reservoir is approximately 200,000 acre-feet. Taylor Creek/Nubbin Slough Storage and Treatment Area includes an above ground reservoir with a total storage capacity of approximately 50,000 acre-feet and a stormwater treatment area with a capacity of approximately 20,000 acre-feet. Lake Okeechobee Water Quality Treatment Facilities includes two reservoir-assisted stormwater treatment areas of 1,775-acres and 2,600-acres. It also includes plugging of select local drainage ditches to restore 3.500 acres of wetlands. Lake Okeechobee Tributary Sediment Dredging includes the sediment dredging of 10 miles of canals.

Expected Completion Date: September 2012

Historical Background/Need for Project: This project is part of the Comprehensive Everglades Restoration Plan. The Comprehensive Plan is a plan for the restoration, protection, and preservation of the water resources of southern Florida. Principal features include the creation of over 200,000 acres of reservoirs and wetlands based water treatment areas. These will increase storage and water supply for the natural system, as well as for urban and agricultural needs, while maintaining current Central and Southern Florida Project purposes. The plan achieves the restoration of more natural flows of water, improved water quality and more natural hydroperiods. Improvements to native flora and fauna, including threatened and endangered species will occur as a result of the restoration of hydrologic conditions.

Plan Linkage: Agency Strategic Plan Goal, to complete the Comprehensive Everglades Restoration Plan Project

Area(s) of Responsibility: Natural Systems and Water Quality

Alternative(s): This project is a component of the Comprehensive Everglades Restoration Plan. Delay or major modifications to this project would delay and/or adversely affect other components of the restoration.

1. Basic Construction Costs: $0 ***(See Note 1)***
2. Other Project Costs: $192,002,205 ***(See Note 2)***
3. Anticipated Additional Operating Costs/Initial: see FY2006 Form ***(See Note 3)***
4. Anticipated Additional Operating Costs/Continuing: $2,981,807 ***(See Note 4)***

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

FY2008	FY2009	FY2010	FY2011	FY2012
$202,205	$6,800,000	$43,000,000	$46,000,000	$96,000,000

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

$581,807	$600,000	$600,000	$600,000	$600,000

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.

Monitoring Capital Projects

Monitoring of the capital projects is a very important process to 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 meetings to review capital projects status. Budget staff designed a 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. The District uses a red, yellow, green indicator to report the status of projects. 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 as needing more funding.

A sample of our quarterly report on capital projects status is listed below.

Project: P508 - EAA Reservoir - Phase 1 **Program:** Comprehensive Everglades Restoration Plan

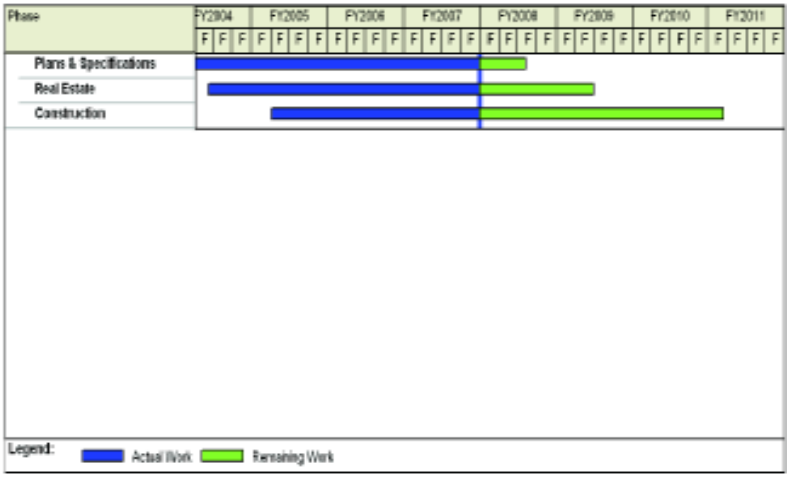
Project Manager: Waldeck, Shawn **Status:** Green

FY Quarterly Report (As of: 30-Sep-2007)

Description:
The EAA Reservoir A-1 is located in the Southern area of Palm Beach County in the Everglades Agricultural Area. The reservoir will be located on approximately 16,000 acres with a maximum water depth of 12.5 feet allowing storage of 190,000 ac-ft of water.

Purpose:
Provide significant additional water storage in the southern region of the Everglades Agricultural Area (EAA).

Project Schedule by Phase



Status
- GMP 1 is 98% complete, GMP 2 is 11% complete and GMP 3 is 12%.
- Received Updated construction cost estimate from BV
- Participated in constructability reviews for embankment 90% design construction.

Issues
- Final earthworks and 60% structure designs continue
- Coordination of design activities with CMR work on site. Concurrent design and construction
- Reviewing draft permit modification to include embankment and structures.

Project Performance by Phase

Phase	Total Budgeted Cost	Total Actual Cost	Total FY Budgeted Cost	Total FY Actual Cost
Plans & Specifications	$26,326,119	$15,551,328	$8,597,430	$3,738,145
Real Estate	$264,209	$11,452	$405,000	$9,804
Construction	$772,129,369	$93,301,153	$128,339,062	$64,101,300
Project Total	**$798,719,697**	**$108,863,141**	**$137,141,489**	**$67,848,456**

Green (<=30 days late) **Yellow** (>30 but <= 60 days late) **Red** (>60 days late)

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 FY2008, $324 million of projected tax revenues collected will fund approximately 39.5 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 District 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 $1.4 million or 0.2 percent of the District's FY2008 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 $216.9 million equals 26.5 percent of the District's FY2008 funding sources for capital improvement projects.

Local Sources

Martin County

Revenue of $2,208,128 is expected for the continuation of the Comprehensive Everglades Restoration Plan Project, North Palm Beach County – Part 1.

Palm Beach County

Revenue of $250,000 is expected for the continuation of the Comprehensive Everglades Restoration Plan Project, North Palm Beach County – Part 1.

Local funding sources represent $2.5 million or 0.3 percent of the District's FY2008 capital project funding.

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 $270.8 million comprises 33.0 percent of the District's fund sources for FY2008

Other Funding Sources

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

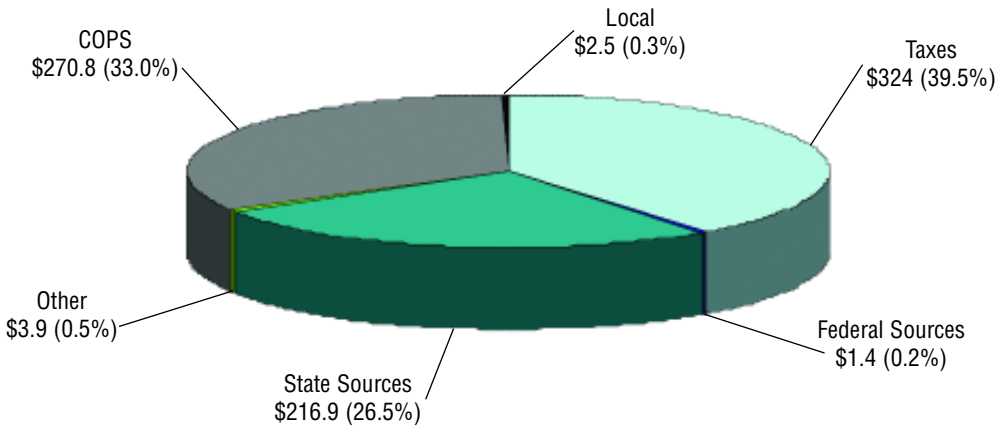
Revenue from interest income earned on invested fund balances is utilized by the District as a capital funding source.

Other funding of $3.9 million comprises 0.5 percent of the District's sources for FY2008

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.

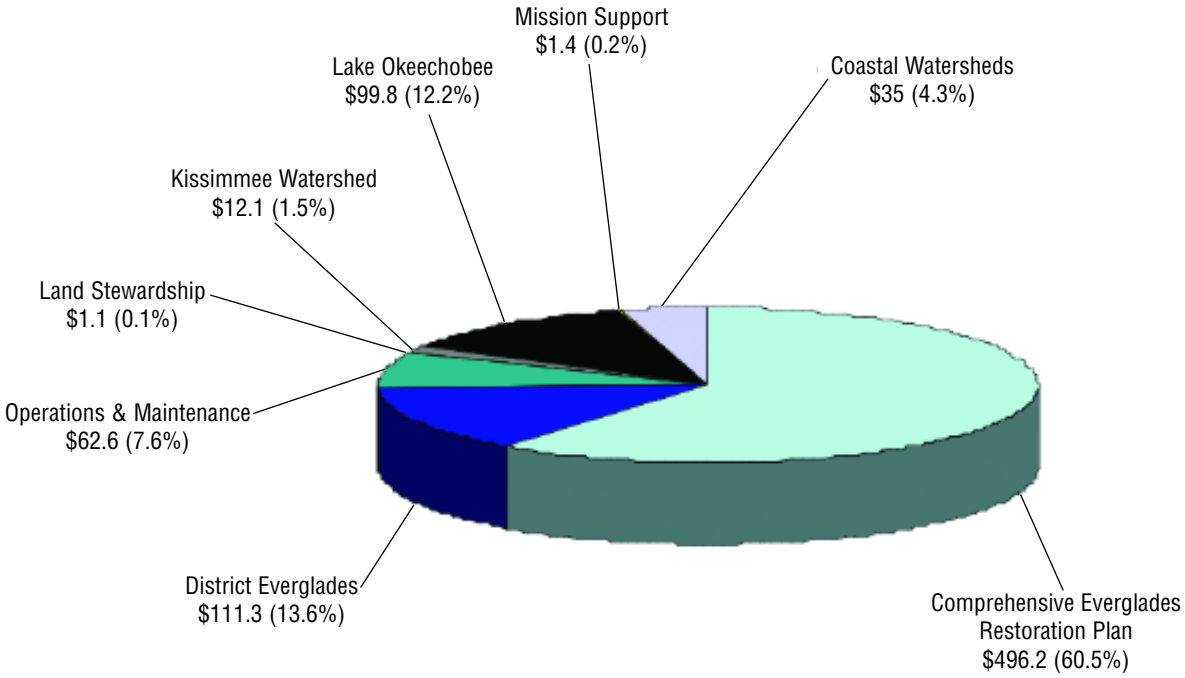
The charts below depict the District's FY2008 CIP funding sources and uses. The estimated funding sources for FY2008 total $819.5 million. Descriptions of each source included within the chart categories are provided in the preceding narrative. In FY2008, CIP funds will be used for capital projects in eight District programs. Descriptions for some of the major projects within these programs are presented on the following pages.

FY2008 Funding Sources



Total Funding Sources: $819.5 Million

FY2008 Funding Uses



Total Funding Uses: $819.5 Million

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 FY2008, 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 "2008 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

Everglades Agricultural Area (EAA) Reservoir Project

The adopted Fiscal Year 2008 capital budget for the Comprehensive Everglades Restoration Plan (CERP) Program totals $496.2 million. The program is funded by federal (0.2 percent), local (0.4 percent), and state (16.5 percent) sources; ad valorem taxes (28.3 percent); and, Certificates of Participation (COPs) (54.6 percent). Total operating impact for the FY2008 budget is $1.3 million, including the projection of three new FTEs at a projected cost of $0.3 million.

Five-year construction and land acquisition expenses are projected to be $2.5 billion. Operations phase related costs are estimated at $39.3 million over the same five year period, including a projected need for twenty-four new FTEs at an estimated amount of $2.4 million to support the operations of the *Acceler8* CERP projects. The positions are staggered over FY2008 – FY2012.

All project operating cost estimates within this program were calculated based on analysis of expenditures for similar (size and scope) projects. Other 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. The program's two project categories are *Acceler8* and the remaining CERP projects.

The District intends to fund construction projects in part through Certificates of Participation (COPs) 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 Basin Storage Reservoir – Part 1

Charlotte, Collier, Lee, Hendry, and Glades counties

C-43 West Reservoir; Acceler8 Project

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 FY2008 capital budget for the C-43 Basin Storage Reservoir – Part 1 is comprised of $2.9 million in design and general engineering services to prepare for the aggressive construction plan in FY2010 – FY2012. Projected 5-year expenditures related to this project total $360 million, which includes $0.8 million for eight new FTEs and $1.0 million in other operating costs for a total of $1.8 million. The estimated total project cost is $374.4 million. The scheduled completion date for Part 1 is September 2012.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
8 FTEs, Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	$0	$300,000	$500,000	$500,000	$500,000

C-44 Reservoir and Stormwater Treatment Area (STA)

Martin and St. Lucie counties

C-44 Canal - Drought exposed bank

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 FY2008 capital budget for the C-44 Reservoir and Stormwater Treatment Area is comprised of $1.7 million of which $0.1 million is for operating costs including one new FTE and the remaining $1.6 million is for surveying, environmental remediation, and land management costs to prepare for the aggressive construction budget FY2009 – FY2012. Projected 5-year expenditures total $329 million, which includes $1.9 million in operating costs comprising of a projected need for seven FTEs at $0.7 million and $1.2 million in other operating costs. The estimated total project cost is $339.8 million. The project's scheduled completion date is September 2012.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
7 FTEs, Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	$117,480	$249,100	$500,000	$500,000	$500,000

Everglades Agricultural Area (EAA) Storage Reservoir

Hendry and Palm Beach counties

Everglades Agricultural Area (EAA) Reservoir Project

This *Acceler8* project is a component of the larger Everglades Agricultural Area (EAA) Reservoir Project and is designed to provide significant additional water storage in the southern region of the Everglades Agricultural Area. The project is an above-ground reservoir with a capacity of 190,000 acre-feet, or 62 billion gallons, at a maximum depth of 12.5 feet. The reservoir will be constructed on a 16,700-acre parcel of land situated north of Stormwater Treatment Area 3/4 and between the Miami and North New River canals. The purpose and benefits of this project are: capture, move and store regulatory releases from Lake Okeechobee, reduce the number and volume of harmful discharges to coastal estuaries; reduce water levels in Lake Okeechobee when needed a benefit to the lake's environmental health and recovery; capture, move and store agricultural stormwater runoff, reducing the need for emergency flood control back-pumping into Lake Okeechobee; provide additional water to meet Everglades water demands thereby lessening water supply dependency on Lake Okeechobee; improve operational flexibility to move water within the EAA, including flow equalization and optimization of Stormwater Treatment Area performance to further reduce phosphorus inflows to the Everglades; improve flood protection for lands adjacent to the Bolles canal; and provide public access and recreational opportunities.

The FY2008 capital budget for EAA Storage Reservoir is $276.2 million of which $0.3 million is projected for operating costs including two additional FTEs at $0.2 million and the remaining $275.9 million is for design and construction continuation. Anticipated 5-year project expenditures are $698 million, which include $32.6 million for operating costs of which $0.9 million is for nine FTEs. The scheduled completion date is December 2010.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
9 FTEs, Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	$274,861	$500,000	$7,685,000	$12,080,000	$12,080,000

Biscayne Bay Coastal Wetlands

Miami-Dade County

Biscayne Bay / Coastal Wetlands

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 FY2008 capital budget for Biscayne Bay Coastal Wetlands is comprised of $23.1 million in construction and land costs. Projected five-year expenditures total $118.9 million, which include $0.9 million for operating costs. The estimated total project cost is $232.5 million. No new FTEs will be created for the operation of this project because operational functions will be managed by contract personnel. The scheduled completion date is December 2011.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	$0	$0	$0	$427,500	$427,500

North Palm Beach County

Palm Beach County

L-8 Reservoir Rock Pits pumps

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 separable 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 FY2008 capital budget for North Palm Beach County – Part 1 is comprised of $46.1 million in land. There are no operating costs for this project. Five-year expenditures are projected to total $77.4 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 FY2008 capital budget for the District Everglades Program totals $111.3 million. The program is funded by taxes (97.7 percent), state sources (1 percent), and other (1.3 percent). The total operating impact for the FY2008 budget is $16.1 million.

Construction and land costs for the District Everglades Program are projected to be $1 billion, with operating costs estimated to total $96.6 million over five years including a projected need of fourteen new FTEs at an estimated amount of $1.4 million to support the operations of the *Acceler8* District Everglades projects. The positions are staggered over FY2009 – FY2012

The program's two project categories are Long-Term Plan (LTP) *Acceler8* and the original Long-Tem Plan Projects (not including LTP *Acceler8*). 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. Operating costs for the STA-projects, which are included as part of the LTP Projects (not including LTP Acceler8), within this program are continuing costs, as the projects are completed. At this time, only the enhancements are under construction.

The LTP *Acceler8* 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.

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 –(Compartment B and C)

Hendry and Palm Beach counties

Stormwater Treatment Area (STA2) Expansion

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 add approximately 18,000 acres of additional treatment area to the existing Everglades Agricultural Area Stormwater Treatment Areas (EAA STAs). The Expansions are being built in Compartment B, a 9,500-acre parcel of land located in southern Palm Beach County, and Compartment C, an 8,800-acre parcel of land located in eastern Hendry County. The first phase of implementation is the EAA STA Initial Expansion Projects. It involves expanding STA-2 into Compartment B and expanding STA-5 into Compartment C. The second phase of implementation, the EAA STA Build-out Projects, involves STA construction in the remaining areas of Compartment B and 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 FY2008 capital budget for EAA STA-Compartment B is comprised of $11.8 million in design and general engineering services to prepare for the aggressive construction plan in FY2009 – FY2012. Projected 5-year expenditures total $316.1 million, which includes $2.3 million for operating costs of which $0.4 million is for four FTEs. The estimated total project cost is $316.1 million. The scheduled completion date is September 2012.

Compartment B:

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
4 FTEs, Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	$0	$150,000	$150,000	$150,000	$1,895,500

The FY2008 capital budget for EAA STA-Compartment C is comprised of $11.4 million in design and general engineering services to prepare for the aggressive construction plan in FY2009 – FY2012. Projected five-year expenditures total $246 million, which include $4.8 million for operating costs of which $0.9 million is for nine new FTEs. The estimated total project cost is $246 million. The scheduled completion date is September 2012.

Compartment C:

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
9 FTEs, Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance.	$0	$300,000	$300,000	$300,000	$3,895,500

Acme Basin B Discharge

Palm Beach and Miami-Dade counties

Acme Basin B; Acceler8 Project

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 FY2008 capital budget for Acme Basin B Discharge is comprised of $3.9 million in design and general engineering services to prepare for the aggressive construction plan in FY2009 – FY2010.. Projected 5-year expenditures total $27.0 million, which include $3.8 million for operating costs of which $0.1 million is for one new FTE. The estimated total project cost is $38.9 million. The scheduled completion date for this project is December 2010.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
1 FTE, Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control.	$0	$300,000	$300,000	$300,000	$2,895,500

Lake Okeechobee & Coastal Watersheds Program

The adopted FY2008 capital budget for the Lake Okeechobee Program totals $99.8 million. The program is funded by state sources (90 percent) and ad-valorem taxes (10 percent). There are no operating impacts for the FY2008 budget.

Five-year construction and land acquisition expenses are projected to be $536.5 million. Operations phase related costs are estimated to be phased in upon completion of the projects in FY2013 and beyond. The program includes 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 which ultimately supports the Northern Everglades.

The adopted FY2008 capital budget for the Coastal Watersheds Program totals $35 million. The program is funded by state sources (93.1 percent) and ad-valorem taxes (6.9 percent). There are no operating impacts for the FY2008 budget. Five-year construction and land acquisition expenses are projected to be $151.6 million and $4.9 million in operating costs for a total of $156.5 million.

All project operating cost estimates for these programs projects 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 these capital projects.

A brief description of the major capital project for the Lake Okeechobee Program follows:

Taylor Creek Reservoir
Okeechobee County

Taylor Creek Stormwater Treatment Area event Governing Board Member Melissa Meeker

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 (4,000-acre footprint, holding 32,000 acre-feet of water) that will provide water storage before entering into an STA. It will remove approximately 3-5 metric tons of phosphorus per year.

The FY2008 capital budget for the Taylor Creek Reservoir is comprised of $11.5 million for general engineering and design in preparation of an aggressive construction budget in FY2010 – FY2012. Projected 5-year expenditures total $170 million. There are no operating costs associated with this project during the five year period. There are no new FTEs budgeted for the operation of this project. Operational functions will be managed by existing District staff and contract personnel. The estimated total project cost is $239.9 million. The project's scheduled completion date is September 2013.

Lakeside Ranch Stormwater Treatment Area (STA)
Martin County

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 aid in phosphorous removal. This project will provide a 2,710 acre storm water treatment area and a pump station.

The FY2008 capital budget for the Lakeside Ranch STA is comprised of $5.7 million for general engineering and design in preparation of an aggressive construction budget in FY2010 – FY2012. Projected 5-year expenditures total $137.4 million. There are no operating costs associated with this project during the five year period. There are no new FTEs budgeted for the operation of this project. Operational functions will be managed by existing District staff and contract personnel. The estimated total project cost is $141.7 million. The project's scheduled completion date is September 2012.

A brief description of the major capital project for the Coastal Watersheds Program and a detailed explanation of related operating costs follow:

Caloosahatchee River Basin Water Quality Treatment & Testing Area (C-43 Water Quality Project)

Lee and Glades County

Caloosahatchee Watershed Site (C-43)

This 1,770 acre facility is a part of the early implementation of the Caloosahatchee River Watershed Protection Plan. The purpose of the Caloosahatchee River Basin Water Quality Treatment and testing facility is to assist with the removal of nutrients and suspended solids in the Caloosahatchee River Basin water upstream of the S-79 structure located within the Caloosahatchee River. A treatment area of between 500 to 2,000 acres has been designated for this Facility.

The FY2008 capital budget for C-43 Water Quality Project is comprised of $35 million in land acquisition and associated costs and design in preparation for an aggressive construction plan in FY2009 – FY2010. Projected 5-year expenditures total $156.5 million, which include $4.9 million for operating costs. No new FTEs are budgeted for the operation of this project. Operational functions will be managed by existing District staff and contract personnel. The estimated total project cost is $156.5 million. The project's scheduled completion date is September 2011.

Operating Costs Description	FY2008	FY2009	FY2010	FY2011	FY2012
Pump and gate maintenance, fuel, electricity, levee mowing and grading, exotic and aquatic vegetation control.	$0	$0	$0	$2,424,000	$2,496,720

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

Everglades Agricultural Area (EAA) Reservoir Project

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 staff (FTEs), 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 and unique components. The District Everglades Long-Term Plan and many of the Comprehensive Everglades Restoration Plan (CERP) projects such as Stormwater treatment areas (STAs) and reservoirs are good examples. Project scope may include construction of more than one pump station of varying capacity, several gated culvert structures & weirs, bridges with culverts, spillway structures, and purchasing of 300 – 170,000 acres of land.

Factors such as location, size and number of the pump stations, the number of gated culvert structures and the number of acres determine the number of FTEs and other operating costs. A new structure may be operated from the District's headquarters control room which may result in no new FTEs added for operations. Some new structures may be located close to a current field station and can be maintained and operated by existing employees. However, new structures may be located in secluded areas and need to be fully staffed with all new FTEs. Typically, when new FTEs are hired for these types of capital projects they are hired before the completion of the project and placed at a similar structure for training. 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. 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. Many of the relocation projects and new construction or land purchases have some additional operating costs such as vegetation management, tree management, mowing, electricity, fuel, and various maintenance costs such as lumber, oil, lubricants, solvents and equipment rentals.

Some capital projects require long-term financing, which result in scheduled annual debt service payments involving significant cash outlays. In FY2008, District debt payments for land acquisition bonds and construction loans are $44.8 million.

The following chart, "Estimated FY2008-FY2012 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 FY2008 - FY2012 Capital Improvement Program Operating Cost Impact Detail

DISTRICT PROGRAM / PROJECT TITLE	FUNDING SOURCE	COMPLETION DATE	NEW POSITIONS	FY2008	FY2009	FY2010	FY2011	FY2012	TOTAL FY2008 - FY2012
Coastal Watersheds									
Caloosahatchee River Basin Water Quality Treatment & Testing Area (C-43 Water Quality Project)	General Ad-Valorem Taxes	Sep 2011	0	$0	$0	$0	$2,424,000	$2,496,720	$4,920,720
TOTAL Coastal Watersheds Program			**0**	**$0**	**$0**	**$0**	**$2,424,000**	**$2,496,720**	**$4,920,720**
Kissimmee Watershed									
Kissimmee River Restoration Mitigation	General Ad-Valorem Taxes	Sep 2008	0	$0	$302,410	$311,491	$320,836	$330,461	$1,265,198
TOTAL Kissimmee Watershed Program			**0**	**$0**	**$302,410**	**$311,491**	**$320,836**	**$330,461**	**$1,265,198**
CERP									
C-44 Reservoir and STA	Federal / General Ad-Valorem Taxes	Sep 2012	7	117,480	249,100	500,000	500,000	500,000	$1,866,580
C-43 Basin Storage Reservoir	Federal / General Ad-Valorem Taxes	Sep 2012	8	0	300,000	500,000	500,000	500,000	$1,800,000
Everglades Agricultural Area Storage Reservoir	Federal / General Ad-Valorem Taxes	Dec 2010	9	274,861	500,000	7,685,000	12,080,000	12,080,000	$32,619,861
WCA 3A 3B Seepage Management	Federal / General Ad-Valorem Taxes	Jun 2010	0	57,395	60,000	60,000	60,000	60,000	$297,395
Biscayne Bay Coastal Wetlands	Federal / General Ad-Valorem Taxes	Dec 2011	0	0	0	0	427,500	427,500	$855,000
Picayune Strand - SGGE Restoration	Federal / General Ad-Valorem Taxes	Dec 2009	0	899,400	250,000	250,000	250,000	250,000	$1,899,400
TOTAL CERP Program			**24**	**$1,349,136**	**$1,359,100**	**$8,995,000**	**$13,817,500**	**$13,817,500**	**$39,338,236**
District Everglades									
Long-Term Plan Projects (LTP) (not including LTP Acceler8)	Ag Tax / ECP Tax	Sep 2012	0	$16,127,287	$16,611,106	$17,109,439	$17,622,722	$18,151,404	$85,621,957
LTP EAA STA Compartment B Design Construction & Buildouts	Ag Tax / ECP Tax	Sep 2012	4	0	150,000	150,000	150,000	1,895,500	$2,345,500
LTP EAA STA Compartment C Design Construction & Buildouts	Ag Tax / ECP Tax	Sep 2012	9	0	300,000	300,000	300,000	3,895,500	$4,795,500
Acme Basin B Discharge	Ag Tax / ECP Tax	Dec 2010	1	0	300,000	300,000	300,000	2,895,500	$3,795,500
TOTAL District Everglades Program			**14**	**$16,127,287**	**$17,361,106**	**$17,859,439**	**$18,372,722**	**$26,837,904**	**$96,558,457**
Land Stewardship									
Recreation Projects Land	Water Management Lands Trust Fund	Sep 2012	0	$0	$50,000	$51,500	$53,045	$54,636	$209,181
Cypress Creek Restoration	Water Management Lands Trust Fund	Sep 2009	0	0	0	50,000	51,500	53,045	$154,545
Pal Mar East Restoration	Water Management Lands Trust Fund	Sep 2009	0	0	0	50,000	51,500	53,045	$154,545
Shingle Creek Phase II & III Land/Associated Costs	Wetlands Mitigation	Sep 2009	0	0	0	104,391	107,522	110,748	$322,661
TOTAL Land Stewardship Program			**0**	**$0**	**$50,000**	**$255,891**	**$263,567**	**$271,474**	**$840,932**
Operations & Maintenance									
Barron River Canal Structures Retrofit	General Ad Valorem Taxes	Sep 2011	0	$0	$0	$0	$0	$50,000	$50,000
BCB Facilities Relocation	General Ad Valorem Taxes	Sep 2010	0	0	0	0	232,500	239,475	471,975
Lake Trafford Off Road Vehicle Park Construction	General Ad Valorem Taxes	Sep 2010	0	0	0	0	52,750	54,333	107,083
North Belle Meade Rehydration	General Ad Valorem Taxes	Sep 2011	0	0	0	0	0	50,000	50,000
Golden Gate Weir #3 Relocation	General Ad Valorem Taxes	Sep 2009	0	0	0	62,500	64,375	66,306	193,181
Golden Gate Canal Weir #6 and #7 Retrofit	General Ad Valorem Taxes	Sep 2008	0	0	12,500	12,875	13,261	13,659	52,295
Henderson Creek Diversion	General Ad Valorem Taxes	Sep 2011	0	0	0	0	0	125,000	125,000
C-4 Flood Mitigation Projects	General Ad Valorem Taxes	Sep 2009	0	0	0	300,000	309,000	318,270	927,270
TOTAL Operations & Maintenance Program			**0**	**$0**	**$12,500**	**$375,375**	**$671,886**	**$917,043**	**$1,976,804**
GRAND TOTAL - CIP Operating Costs			**38**	**$17,476,423**	**$19,085,116**	**$27,797,196**	**$35,870,511**	**$44,671,102**	**$144,900,347**

[1]*Estimated new positions are staggered over a five year period (FY2008-FY2012).*

Operating costs associated with FY2008 capital projects are estimated to be $17.5 million, or 1.4 percent of the District's total annual budget. In FY2008, all operating costs incurred are within the District Everglades and Comprehensive Everglades Restoration Plan (CERP) programs. Project-related operating costs include three new FTEs, 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 $144.9 million, including a projected need of 38 additional FTEs staggered over the five year period to support the operation of new projects :

($ millions)	District Program
$96.6	District Everglades
$ 4.9	Coastal Watersheds
$ 1.3	Kissimmee Watershed
$39.3	Comprehensive Everglades Restoration Plan (CERP)
$ 0.8	Land Stewardship
$ 2.0	Operations & Maintenance (O&M)

Although some of the District's capital projects directly impact the current and future operating budget (due to increased expenditures for staff, 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.

Typical operating costs budgeted include new FTEs, pump, gate, culvert/riser, canal, levee and interior maintenance; electricity, fuel, lube, filters and gaskets; overhauls; exotic and aquatic vegetation control; and, landscape maintenance. 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.

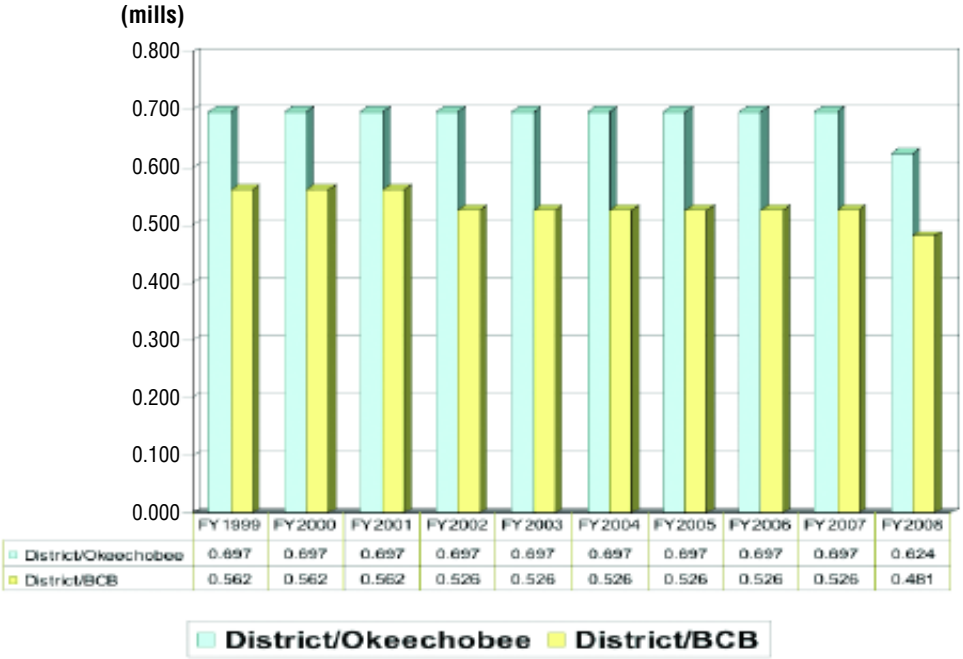
Additional Impacts of Major Capital Projects

Leveraging of taxpayer dollars with Certificates of Participation (COPs) financing in FY2007, and utilizing the available funds from the first COPs issuance to aid in funding projects in FY2008, 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, flows and wetlands.

APPENDIX

Ten-Year Tax Millage History

Ad Valorem Property Tax Millage Rates
Fiscal Years 1999-2008



	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
District/Okeechobee	0.697	0.697	0.697	0.697	0.697	0.697	0.697	0.697	0.697	0.624
District/BCB	0.562	0.562	0.562	0.526	0.526	0.526	0.526	0.526	0.526	0.481

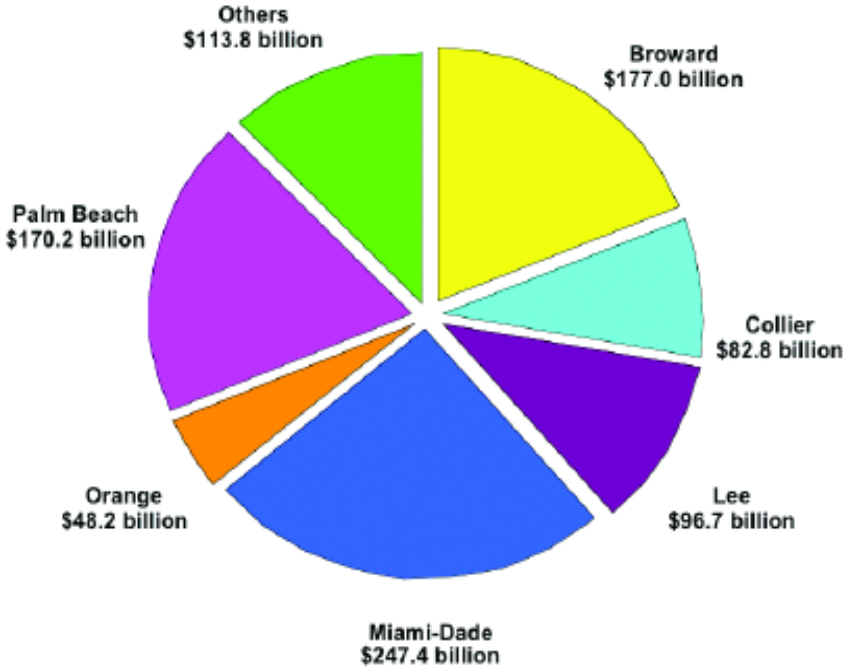
The District's FY2008 adopted millage rates have been reduced from the FY2007 rates. In FY2008, all property owners within the District's boundaries will be assessed the District-at-large millage rate of .2549 mills, a 10.25% reduction. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each 10.6% less than FY2007, for a combined tax assessment of .6240 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .2265 mills, which is a 6.6% reduction from FY2007 and the District-at-Large tax rate of .2549 mills, for a combined tax assessment of .4814 mills.

Adopted Fiscal Year 2008 Tax Rates

	Okeechobee Basin Tax Rates (in mills)	Big Cypress Basin Tax Rates (in mills)
Okeechobee Basin	0.2797	--
Everglades Restoration	0.0894	--
Big Cypress Basin	--	0.2265
District	0.2549	0.2549
Tax Rate	**0.6240**	**0.4814**

Fiscal Year 2008 District Tax Base

Total Tax Base by County: $936.1 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.

District FY2008 Taxable Values

District, Okeechobee Basin and Big Cypress Basin

Counties	FY2007 Taxable Values	FY2008 Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	$158,690,637,790	$177,045,353,663	$177,045,353,663	$0	11.57%
Charlotte	$191,661,223	$211,667,119	$211,667,119	$0	10.44%
Collier	$77,238,074,548	$82,852,740,143	$0	$82,852,740,143	7.27%
Glades	$687,621,037	$744,038,641	$744,038,641	$0	8.20%
Hendry	$2,823,903,339	$2,832,791,255	$2,832,791,255	$0	0.31%
Highlands	$802,724,561	$912,500,693	$912,500,693	$0	13.68%
Lee	$89,502,215,901	$96,696,583,658	$96,696,583,658	$0	8.04%
Martin	$21,541,040,137	$22,756,027,517	$22,756,027,517	$0	5.64%
Miami-Dade	$213,825,364,287	$247,443,347,081	$247,443,347,081	$0	15.72%
Monroe	$26,872,672,407	$29,000,698,180	$29,000,690,188	$7,992	7.92%
Okeechobee	$2,144,141,922	$2,374,177,979	$2,374,177,979	$0	10.73%
Orange	$41,500,209,738	$48,190,827,887	$48,190,827,887	$0	16.12%
Osceola	$21,866,891,422	$26,426,229,781	$26,426,229,781	$0	20.85%
Palm Beach	$161,252,193,452	$170,229,136,344	$170,229,136,344	$0	5.57%
Polk	$1,943,522,631	$2,629,283,395	$2,629,283,395	$0	35.28%
St. Lucie	$24,344,463,819	$25,706,847,093	$25,706,847,093	$0	5.60%
Total Tax Base	**$845,227,338,214**	**$936,052,250,429**	**$853,199,502,294**	**$82,852,748,135**	**10.75%**

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 FY2008 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 FY2008 Tax Rate District and Okeechobee Basin	0.6240	$124.80
Adopted FY2007 Tax Rate District and Okeechobee Basin	0.6970	$139.40
FY2007-FY2008 Variance	**(0.0730)**	**($14.60)**

Big Cypress Basin		
($200,000 Taxable Value)	**Millage Rate**	**Tax Rate**
Adopted FY2008 Tax Rate District and Big Cypress Basin	0.4814	$96.28
Adopted FY2007 Tax Rate District and Big Cypress Basin	0.5265	$105.30
FY2007-FY2008 Variance	**(0.0451)**	**($9.02)**

Taxes paid within the Okeechobee Basin for FY2008 are approximately 62 cents per $1,000 of taxable value which is a 10.5% reduction from FY2007. Taxes paid within the Big Cypress Basin for FY2008 are slightly lower, at approximately 48 cents per $1,000 of taxable value which is a 8.6% reduction from FY2007.

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 $230,625 (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 ($109.95) and Everglades Construction Project ($18.38), totaling $128.33. (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). The amounts in section 3 are lower this year because of new legislation requiring reductions below rolled-back rate.

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 2007, will be based on a net taxable value of $205,625 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. 00-00-00-00-00-000-0000

LEGAL DESCRIPTION OF PROPERTY:
PARCEL IS IN INCORPORATED
PALM BEACH COUNTY

2007 PROPOSED AD VALOREM TAXES

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.

DO NOT PAY
THIS IS NOT A BILL

Section 1 | Section 2 | Section 3

TAXING AUTHORITY	YOUR PROPERTY TAXES LAST YEAR	YOUR TAXES THIS YEAR IF PROPOSED BUDGET CHANGE IS MADE	A PUBLIC HEARING ON THE PROPOSED TAXES AND BUDGET WILL BE HELD:	YOUR TAXES THIS YEAR IF NO BUDGET CHANGE IS MADE
PB COUNTY	856.00	777.98	PALM BEACH COUNTY (561) 355-3996 9/06 6:00 PM 301 N OLIVE AVE 6TH FL WEST PALM BEACH 33401	854.93
PUBLIC SCHOOLS			PBC SCHOOL BOARD (561) 434-8837	
BY STATE LAW	1017.80	975.28	9/05 5:05 PM 3300 FOREST HILL BLVD	1013.34
BY LOCAL BOARD	524.60	537.30	WEST PALM BEACH 33406	522.31
CITY	1420.00	1427.28	CITY OF BOYNTON BEACH (561)742-6311 9/04 6:30PM 100 E BOYNTON BCH BLVD BOYNTON BEACH 33435	1427.28
SFWMD	119.40	109.95	SO FLA WTR MGT DIST (561) 686-8800	113.36
EVERGLADES CONST.PROJ.	20.00	18.38	9/12 5:15PM 3301 GUN CLUB ROAD WEST PALM BEACH 33406	18.96
F.I.N.D.	7.70	7.09	FL INLAND NAVIG DIST (561) 627-3386 9/05 6:00PM 56 N BROADWAY ST FELLSMERE 32948	7.67
CHILD SERV	123.98	119.74	CHILDRENS SV COUNCIL (561) 740-7000 9/11 6:00PM 2300 HIGH RIDGE RD BOYNTON BEACH 33426	123.44
HEALTH	194.00	187.34	PBC HEALTH CARE DIST (561) 659-5526 9/10 6:00 PM 324 DATURA ST STE 401 WEST PALM BEACH 33401	193.14
Voter approved Debt Authorities				
COUNTY DBT	39.50	41.17		41.17
SCHOOL DBT	32.00	.00		.00
CITY DBT	8.00	5.14		5.14
TOTAL AD VALOREM PROPERTY TAXES	4362.98	4206.65		4320.74
	COLUMN 1	COLUMN 2	SEE REVERSE SIDE FOR EXPLANATIONS	COLUMN 3

Section 4

Section 5

Section 6

YOUR PROPERTY VALUE LAST YEAR		YOUR PROPERTY VALUE THIS YEAR
225000	MARKET VALUE	248000
225000	ASSESSED VALUE	230625
25000	EXEMPTIONS	25000
200000	TAXABLE VALUE	205625

EXEMPTIONS APPLIED TO THIS PROPERTY
HOMESTEAD
SEE REVERSE SIDE FOR MORE INFORMATION

PALM BEACH COUNTY FLORIDA

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) 355-4090
Agriculture (561) 355-2846

GOVERNMENTAL CENTER - 9th FLOOR
301 N. OLIVE AVE.
WEST PALM BEACH, FLORIDA 33401

FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.

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: 14-SEP-07 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.

2007 PROPOSED AND/OR ADOPTED NON-AD VALOREM ASSESSMENTS

LEVYING AUTHORITY		TELEPHONE NUMBER	RATE	ASSESSED AMOUNT
SOLID WASTE AUTHORITY		(561)697-2700	68.00	68.00
LAKE WORTH DRAINAGE DIST.	MAINT	(561)737-3855	33.05	33.05
BOYN BCH FIRE RESCUE ASSESSMNT		(561)742-6312	42.00	42.00
HIGH RIDGE/QUANTUM COMM DEV DI		(561)630-4922	1512.31	1512.31
			TOTAL NON-AD VALOREM	1655.36

Section 7

DO NOT PAY --- THIS IS NOT A BILL

00-00-00-00-00-000-0000 11111 HOMESTEAD
MR. AND MRS. TAXPAYER
1 MAIN STREET
PALM BEACH COUNTY FL 11111-1111

00-00-00-00-00-000-0000

********** THIS IS A SAMPLE PROPERTY SUBJECT TO THE SOH 3% CAP ******

Property Appraisers

Broward County
Honorable Lori Parrish
115 S Andrews Ave, Rm 111-F
Ft Lauderdale, FL 33301-1899
954-357-6904

Charlotte County
Honorable Frank Desguin, CFA, CAE
Murdock Admin Center
18500 Murdock Circle
Port Charlotte, FL 33948-1076
941-743-1498

Collier County
Honorable Abe Skinner, CFA
3285 E Tamiami Trail
Naples, FL 34112-5758
239-774-8255

Miami-Dade County
Honorable Marcus Saiz de la Mora
111 NW 1st St, Ste 710
Miami, FL 33128-1984
305-375-4008

Glades County
Honorable Larry R. Luckey, CFA
US 27 & 6th St, Rm 202
Moore Haven, FL 33471
863-946-6025

Hendry County
Honorable Kristina A. Kulpa, CFA, ASA
25 E Hickpochee Ave, Rm A329
Labelle, FL 33975-1840
863-675-5270

Highlands County
Honorable C. Raymond McIntyre, CFA
560 S Commerce Ave
Sebring, FL 33870-3899
863-402-6659

Lee County
Honorable Kenneth Wilkinson
2480 Thompson St 4th Fl
Ft. Myers, FL 33902-1546
239-339-6100

Martin County
Honorable Laurel Kelly, CFA
1111 South Federal Hwy., Suite 330
Stuart, FL 34994
772-288-5608

Monroe County
Honorable Ervin A. Higgs, CFA
500 Whitehead St
Key West, FL 33041-1176
305-292-3404

Okeechobee County
Honorable W.C. Sherman
307 NW 5th Ave, Ste A
Okeechobee, FL 34972
863-763-4422

Orange County
Honorable Bill Donegan, CFA
200 S Orange Ave, Ste 1700
Orlando, FL 32801-3438
407-836-5055

Osceola County
Honorable Atlee Mercer
2505 East Irlo Bronson Highway
Kissimmee, FL 34744
407-742-5000

Palm Beach County
Honorable Gary Nikolits, CFA
301 N Olive Ave, 1st Fl
West Palm Beach, FL 33401
561-355-2866

Polk County
Honorable Marsha Faux, CFA, ASA
255 N Wilson Ave
Bartow, FL 33830
863-534-4777

St. Lucie County
Honorable Jeff Furst
2300 Virginia Ave, Rm 107
Ft. Pierce, FL 34983
772-462-1000

Economic Outlook

The South Florida Water Management District (SFWMD) is a special taxing district with powers derived from the state based in West Palm Beach, Florida. It manages and protects the water resources in central and south Florida by balancing and improving water quality, flood control, water supply and natural systems, including the restoration of America's Everglades.

Geographically, the SFWMD covers 31% of the State of Florida, and encompasses sixteen of the State's counties, in whole or partial. Under Florida Statutes, these counties are subject to SFWMD ad valorem taxing authority. In addition to state and federal revenue sources, 43% of the District's budget is funded through ad valorem tax revenues.

It is a challenging task to address the water supply and flood protection needs of the District's 7+ million residents while protecting and restoring the natural water resources of the region. Available revenues needed to manage these resources can change in response to economic factors. Therefore, it is prudent for the District to consider and monitor economic factors because changes in these variables will directly impact the District's financial health.

The central and south Florida economy is primarily based on tourism, agriculture and construction. Income generated by these industries is circulated throughout the local economy. This section examines the various economic factors in the District's jurisdiction that directly affects 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.

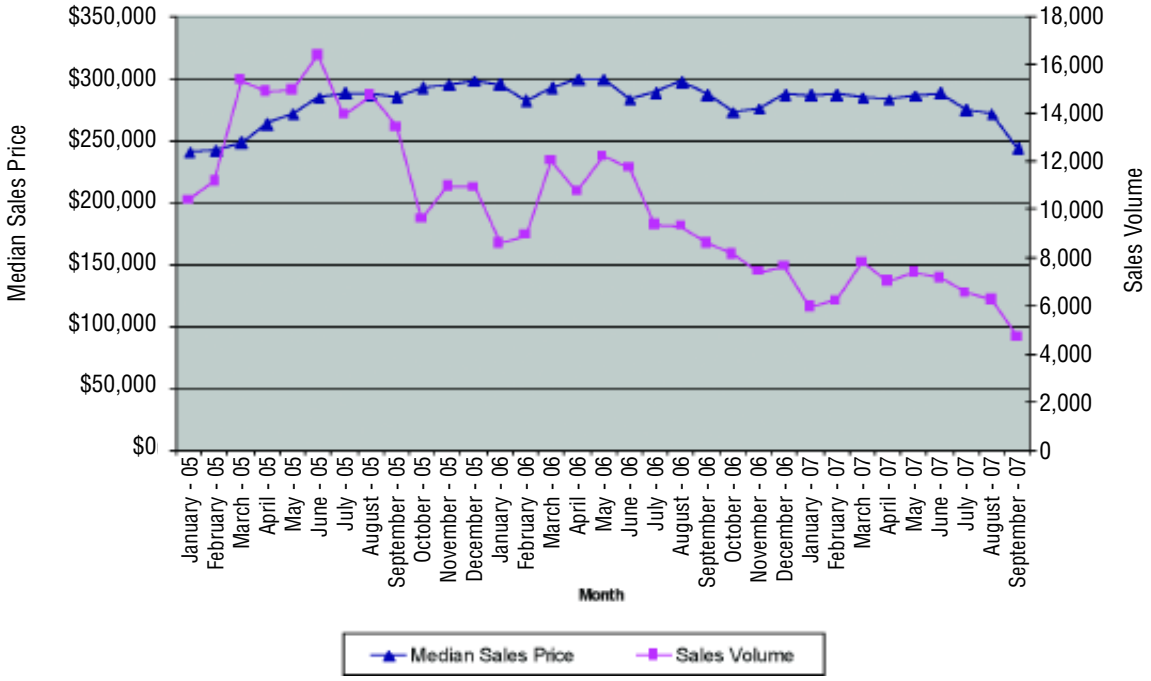
Property Values

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 nearly half of the agency's budget is comprised of ad valorem taxes.

Every year the SFWMD adopts fixed millage rates to be levied and, prior to this year, the millage rates have remained constant over the past ten years. The reduction in millage rates levied this year was a result of House Bill 1-B being passed during the first special legislative session held to address rising property taxes in Florida. The Bill required a tax reduction by all Local Governments and Special Districts by three, five, seven, or nine percent, depending on their past five years' per capita tax increases compared to statewide averages. The Bill also limited revenue in future years by setting the maximum allowed tax levy in any year to the rolled-back millage rate (a millage rate that generates the same tax revenue as last year, excluding new construction) plus the annual percent change of per capita Florida personal income.

Based on the trends in **Graph 1** the District can expect a significant slow down in property value growth during 2008 because of the continued decline in the demand for residential property observed by the fall in Housing Unit Sales from June of 2006 to September of 2007. When there is a large gap in supply and demand, like in the current south Florida real estate market, the market will adjust to stimulate demand (prices will have to decrease in order to stimulate demand, otherwise demand will continue to fall in the future, adversely effecting the local economy.) So, in the near future the District can expect a decline in sales prices of homes in southern Florida in order to reduce the current over-supply of homes and stimulate the local economy.

Existing Home Sales and Prices for SFWMD 16 Counties



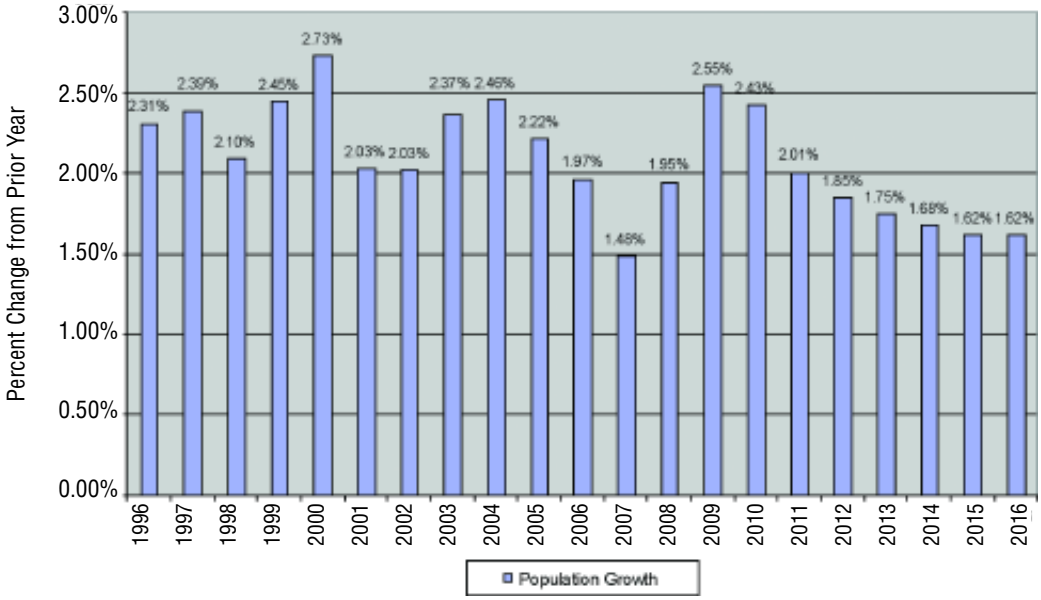
SOURCE: Florida Association of Realtors, Florida Sales Report

Population Growth

Another of the main economic factors driving Ad Valorem taxes is population growth and the impact that 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. This relationship between the real estate market and change in population will affect SFWMD revenues because ad valorem taxes are collected from property owners based on property values set by the county property appraiser's office. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base.

In 2006, the population of this agency's jurisdiction increased by 1.97 percent, which is a decrease from the prior year's growth of 2.22 percent. From 2001 to 2006 the population growth across the District averaged 2.18 percent. The consistent increase in population throughout southern Florida has been going on for the past thirty-five years and appears to be a trend that will continue into the foreseeable future **(See Graph 2)**. Population growth in southern Florida is expected to continue, but at a slower pace than previous projections.

Population Growth Annual Percentage Change
for SFWMD 16 Counties



SOURCE: Florida Division of Economic & Demographic Research

Age of Population

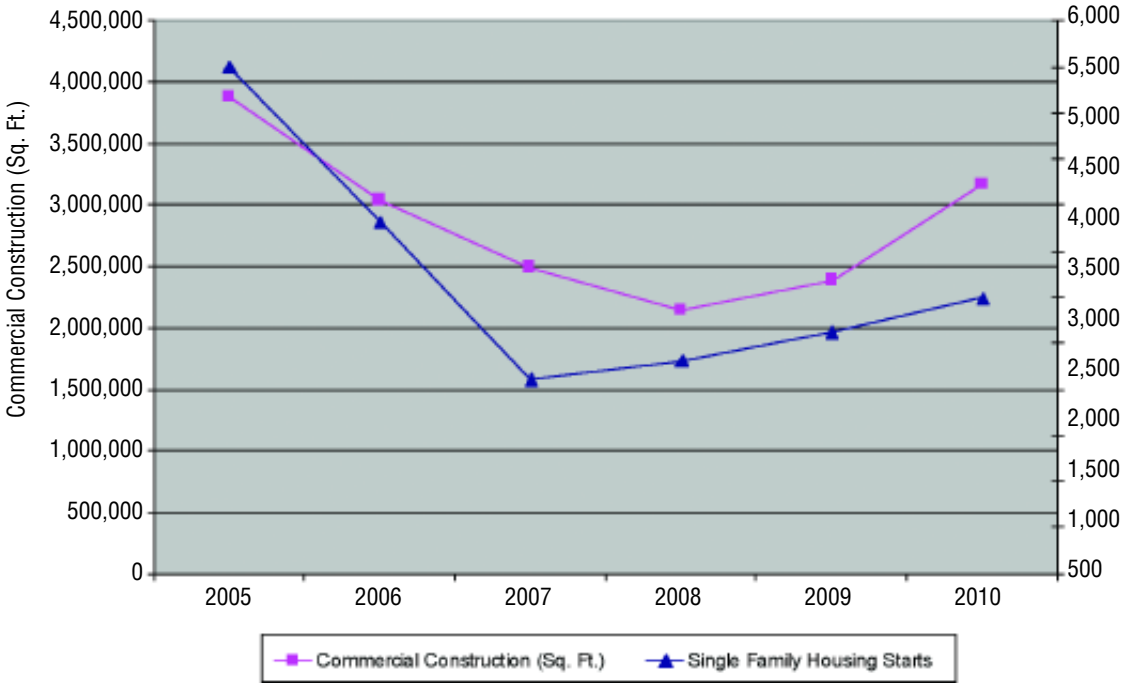
Average age of the population is another significant economic factor. The median age in 2005 for the sixteen counties under the SFWMD was 41.5 years of age. Average age is projected to only slightly increase to 42.5 years of age by 2010. An aging population and an increasing number of senior citizens could potentially have an adverse effect on the SFWMD because senior citizens typically have the most conservative spending habits. As a result, high concentrations of senior citizens within a county can constrict local economies which negatively affects property values. Also, properties in age restricted communities typically have lower market values as compared to non-restricted communities, which results in lower assessed property values. The concentration of senior citizens, ages 65 and above, for the population of the SFWMD in 2005 was 16.58 percent. This concentration is projected to increase only slightly to 16.87 percent by 2010. With the percentages of senior citizens remaining constant, the District should not be overly concerned with an aging population adversely affecting its overall economic health.

New Construction

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 will be 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.

Residential construction has been on a significant decline over the last three years and will likely bottom out in 2007, with a slow recovery in the next two years. While commercial construction will continue to decline during 2008, the market will likely bottom out in 2008 and have a moderate recovery during the next two years **(See Graph 3)**. As a result of the projected decline in commercial construction and weak recovery of residential construction during 2008 there could be a cessation of property value growth next year, but the markets appear to stabilize and recover shortly into the future. However, increases in interest rates and insurance premiums should be closely watched because they are important factors that can adversely affect real estate market growth if income levels cannot support property values.

Construction for SFWMD 16 Counties



SOURCE: Fishkind & Associates Inc.

Legislative Initiatives

Various Florida legislative initiatives play a large role in determining ad valorem taxes for the District because they impact real estate market dynamics. Currently, the Homestead Exemption and the Save Our Homes Amendment impact the District's ad valorem revenue.

The homestead exemption entitles every person who has legal or equitable title to real estate and maintains it as their permanent residence to be eligible to receive a $25,000 property value tax exemption. In addition, the Save Our Homes Amendment states that the annual assessment of Homestead 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 values will increase by the 3 percent cap every year regardless of market value changes. The cap allows the owner's assessed property value to be below market value.

Concerns are that longtime residents are burdened by substantial tax increases when they move and non-Homestead property owners pay a disproportionate share of Florida's tax burden. The Florida Legislature proposed modification of the property tax code in the second special session held to address rising property taxes in Florida and constitutional changes to the current law will be voted on by the public in a special election to be held in January 2008. If the changes are not passed by 60% of the voters in January then legislators will readdress property tax reform during the next regular session starting in March 2008. Also, the Taxation and Budget Reform Commission is meeting this year to examine the state budgetary and expenditure process, revenue needs, and the appropriateness of the tax structure of the state. The commission has the power to put constitutional amendments directly on the November 2008 ballot without going through the Legislature, or it can submit proposals to lawmakers on any recommended statutory changes related to the taxation or budgetary laws of the state.

The five components of the Property Tax Reform that have been proposed by the legislators are:

1. Providing statewide portability of the Save Our Homes differential with a $500,000 cap on the savings homeowners take with them. This allows a homeowner to apply the full amount of the differential to the new home if increasing in value, and a proportional share if decreasing in value based upon the market value of the new home as a percentage of the market value of the old home.
2. Doubling the Homestead exemption from $25,000 to $50,000 and applying the new exemption to the third $25,000 of value. This means the homeowner would be exempt from taxes on $1 to $25,000 of value; then would be taxed on value from $25,000 to $50,000; and then be exempt from taxes on $50,000 to $75,000 of value.
3. Limiting the annual change in assessments on non-homesteaded real property to 10% annually and the savings from the cap are non-portable upon sale of the property.
4. The exemption of tangible personal property at $25,000 per person per county.
5. Providing future appropriations of state funds to offset property tax losses in "fiscally constrained counties."

Summary

The external economic conditions for the South Florida Water Management District are projected to remain favorable overall, even though economic growth is expected to slow down in 2008 and 2009. However, with uncertainty of future property tax reforms in the near future, the previous statement is made with caution until the full ramifications of tax reform are fully known. The District cannot control the external economic conditions described in this section, but staff can continually monitor these conditions in order to effectively evaluate the overall financial condition of the sixteen counties within its jurisdiction. This means that anticipation and preparation are the best methods for adapting to any changes in the external economic conditions. Carefully monitoring these critical indicators along with the implementation of sound financial practices and policies provides a useful means of avoiding unexpected short and long-term financial shortfalls.

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 o 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.

LEVEE
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 significant 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.

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 Disability 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
BFAC	Budget and Finance Advisory Commission
BMP	Best Management Practice
BPM	Budget Performance Measures
C&SF	Central & Southern Florida Project for Flood Control and Other Purposes
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
CIAP	Coastal Impact Assistance Program
CIP	Capital Improvements Plan
COE	U.S. Army Corps of Engineers
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 & Data Acquisition
ESP	Everglades Stormwater Program

F.A.C.	Florida Administrative Code
FCD	Central & 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
FFWCC	Florida Fish and Wildlife Conservation Commission
FGCU	Florida Gulf Coast University
FHREDI	Florida Heartland Rural Economic Development Initiative
FKFBFS	Florida Keys / Florida Bay Feasibility Study
FMLA	Family Medical Leave Act
FOC	Field Operations Center
FP&L	Florida Power and Light
F.S.	Florida Statutes
F.S.S.	Florida State Statutes
FTE	Full Time Equivalent
FWP	Florida Water Plan
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GB	Governing Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
ICMS	Integrated Contract Management System
IFAS	Institute of Food and Agriculture Sciences
IRL	Indian River Lagoon
IT	Information Technology
KICCO	Kissimmee Island Cattle Company
KOE	Kissimmee-Okeechobee-Everglades
KRR	Kissimmee River Restoration
KRREP	Kissimmee River Restoration Evaluation Program
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
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
NPB	North Palm Beach
O&M	Operations and Maintenance
OC	Office of Counsel
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-based 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 Proposals
ROW	Right of Way
SAN	Storage Area Network
SAP	System Application and Programs
SC	Service Center
SCADA	Supervisory Control and Data Acquisition System
SCAMPI	Standard CMMI Appraisal Method for Process Improvement
SDE	Spatial Database Engine
SFWMD	South Florida Water Management District
SGGE	Southern Golden Gate Estates
SOP	Standard Operating Procedures
SOR	Save Our Rivers
STA	Stormwater Treatment Area
STRIVE	Structure Information Verification
SWIM	Surface Water Improvement and Management
S.W.O.C.	Strengths, Weaknesses, Opportunities, Challenges
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
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.

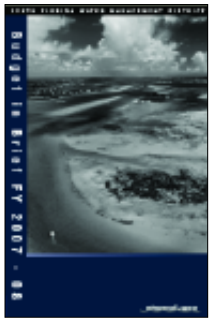
Annual Work Plan

The 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, key assumptions used to develop the Work Plan and highlights of the inter-relationships between programs.

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.

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 strategic goals and program highlights.

South Florida Environmental Report

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 consolidate mandated plans and reports to the Florida legislature and the governor. The report includes the FY2007 Capital Improvements Plan that was submitted to the legislature on March 1, 2007.

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

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