

BUDGET DOCUMENT



DISTINGUISHED BUDGET PRESENTATION AWARD



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

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, 2007. 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 FY2009 budget to the GFOA to determine its eligibility for another award.



GUIDE TO THE BUDGET DOCUMENT

Welcome to the South Florida Water Management District's (District) Fiscal Year 2009 (FY2009) 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 District, including the agency's organizational structure, governance and management, and personnel; a review of the 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 five 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, operations and strategic priority; an explanation of FY2009 funding increases/decreases; a three-year program budget comparison and explanations of significant funding changes; key FY2008 accomplishments; and a three-year summary of program performance measures for key objectives.

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 PLANS

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

APPENDIX

The Appendix section contains valuable tax-related background information, including a ten-year tax millage history, the FY2009 District tax base, impact of taxes, a sample tax notice and explanation, and a listing of the Property Appraisers' offices for all 16 counties located within the District's jurisdiction. Additionally, relevant environmental and economic overview information has been included in the Appendix. Reference materials, including a glossary, acronyms and abbreviations, and a list of other related useful documents, are also located within the budget document Appendix.

TABLE OF CONTENTS

Executive Summary

Transmittal Letter	1
Budget Summary	2
District Overview	7
Organization Chart	9
Governance and Management	10
District Personnel Summary	12
District Functions and Major Responsibilities	16
Revenue and Expenditure Summary	20

Operating Budget

District Structure	24
Water Resources — Resource Area Organization	27
Coastal Watersheds Program	30
District Everglades Program	35
Kissimmee Watershed Program	40
Lake Okeechobee Program	44
Modeling and Scientific Support Program	48
Regulation Program	52
Water Supply Program	56
Operations and Maintenance — Resource Area Organization	61
Operations and Maintenance Program	64
Land Stewardship Program	69
Everglades Restoration — Resource Area Organization	73
Comprehensive Everglades Restoration Plan (CERP) Program	76
Government and Public Affairs — Resource Area Organization	81
Corporate Resources — Resource Area Organization	83
Mission Support Program	86

Financial Overview

Financial Principles and Policies	91
Budget Development Calendar and Guidelines	99
Budget Philosophy and Approach	101
Financial Structure	104
Revenue Forecast Methodology	109
Revenue Assumptions and Trend Analysis	111
Summary of Estimated Financial Sources and Uses	122
Changes in Fund Balances	126
Debt Summary	128

Long-Range Plans

Budget and Long-Term Goals	131
Linking Programs to Agency Goals	132
Financial Forecast	135
Capital Improvements Program	139
Five-Year Capital Budget Projections	140
Project Plan Linkage to Budget Development	144
Funding Sources for Capital Projects	148
Major Capital Projects by Program	151
Impact of Capital Projects on the Operating Budget	160

Appendix

Property Taxes	163
Ad Valorem Tax Millage Rates	163
FY2009 District Tax Base	164
Impact of Taxes	165
Sample Tax Notice	167
Property Appraisers	168
Economic Outlook	169
How Environmental Factors Affect District Services	176
Glossary	182
Acronyms and Abbreviations	193
A Guide to Other Useful Documents	196



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

October 2008

To the Residents of Central and Southern Florida:

Through continued belt-tightening and prudent financial management, the South Florida Water Management District adopted a fiscally-responsible budget that puts every dollar to maximum use in delivering the many benefits of water management to the region's 7.5 million citizens and the South Florida environment. As a result, the District is positioned to continue accomplishing its legislatively-created mission and mandates without raising taxes. In fact, this year's budget returns an estimated \$24.3 million to South Florida taxpayers through the implementation of property tax reform measures.

The approved \$2.97 billion budget includes a significant investment in the environment, including revenues from bond proceeds that would be directed toward the proposed acquisition of vast swathes of agricultural land for the purpose of Everglades restoration. The District developed a rigorous financial strategy to fund the potential acquisition, along with initiating the extensive due diligence necessary to assure that any agreed-upon transaction would best serve the interests of the environment and people of the region. As a result of this historic opportunity, a full 87 percent of the FY09 budget is dedicated to this and to other projects benefiting the Everglades, Lake Okeechobee, Kissimmee River and coastal watersheds.

We strive to annually prepare a budget that is policy-driven, accountable and responsive to the governor, state legislature, taxpayers and the water resource needs of Central and South Florida. This budget meets that criteria and allows us to successfully move forward with our identified Governing Board strategic priorities:

- Restore the Everglades by:
 - Acquiring land and planning projects to expand water storage and treatment options south of Lake Okeechobee to revive the River of Grass
 - Advancing construction schedules of key projects
 - Implementing the Long-Term Plan to achieve water quality standards
- 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

In light of challenging economic times, our cost-saving efforts are directed toward putting available revenues into turn-dirt projects that directly improve water quality, develop water supplies, enhance the environment, provide flood protection and maintain services for our communities.

Sincerely,

A handwritten signature in cursive script that reads "Carol Ann Wehle".

Carol Ann Wehle
Executive Director

BUDGET SUMMARY

The South Florida Water Management District's (District) annual budget and work plan reflects the Governing Board's long-term strategic policy guidance as well as directives from the Governor and State Legislature. The District's approved budget for FY2009 totals \$2.974 billion, an increase of approximately \$1.6 billion from the FY2008 amended budget of \$1.359 billion. This increase is directly attributable to an unprecedented land acquisition opportunity to be financed through certificates of participation proceeds.

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. Ongoing 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.

Reduced Ad Valorem/State Revenues

The adopted FY2009 budget reflects approximately five percent decrease in ad valorem revenues due primarily to property tax reform (Amendment 1) approved by Florida voters in January 2008. This amendment allows property owners to deduct an additional \$25,000 homestead exemption from the assessed value of their properties. Along with a depressed real estate market with devaluation of properties and foreclosures on the rise, revenues in FY2009 and beyond are expected to be less than prior year levels. As a result, the budget was reduced in alternative water supply, water quality projects for estuaries, Everglades Stormwater Treatment Areas and Long-Term Plan activities, capital projects refurbishment and operating costs such as travel, training, conferences, professional memberships, equipment and performance-based salary increases.

The second major revenue source for the District, state revenue, has also been declining. Since the State of Florida is impacted by economic factors resulting in lower revenues, the amounts appropriated by the state for District projects are less than in prior years. These reductions are reflected in alternative water supply, surface water improvement and other water resources projects. The Save Our Everglades Trust Fund dollars, historically used for land purchases, were reduced by 75 percent and the District is considering alternative financing for land acquisition in FY2009.

Alternative Financing for Potential Major Land Purchase

In spite of reductions in the projects mentioned above, the District's budget shows a net increase because it includes \$1.7 billion in anticipated proceeds from certificates of participation (COPs) which are expected to be issued in FY2009. This amount is for the potential purchase of approximately 180,000 acres of land for Everglades Restoration. The annual debt service on this COP issuance is expected to be about \$100 million annually. The District has used this funding source before to expedite the construction of Everglades projects. As with the first COPs, issued in November 2006, the District would fund the debt service on the new COP issuance using both the ad valorem property tax revenues committed to the Comprehensive Everglades Restoration Plan (CERP) annually, and the millage that is levied within the Okeechobee Basin to implement the provisions of the Everglades Forever Act. Some reductions were made in various programs in order to re-direct ad valorem funds to debt service for this unprecedented land purchase opportunity. As of the budget adoption on October 1, 2008, contract negotiations were still underway on this potential historic real estate transaction.

Adequate Reserves

In 2008 the District established specific reserves as part of preparation for future hurricane season events. The District's FY2009 budget includes \$10.4 million in reserves for hurricane response and \$5 million for additional fuel costs to pump water during tropical storm events. This is in addition to contingency reserves of \$7.7 million for other emergencies, unexpected expenditures or decreases in projected revenues. District reserves are at about the same level as last year in spite of reductions in operating revenues.

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 it made good business sense to replace some contractors with Full-Time Equivalent (FTE) employees for long-term mission critical work.

In FY2009, the approved budget includes an additional 20 new staff positions, bringing its FTE total to 1,828. These new positions will primarily support telemetry equipment installation and maintenance, water quality monitoring and water use permitting activities. These employees will replace the need for outside contractors working on core, long-term functions, at an estimated \$1.4 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 (and required District match) for restoration through 2020.

Strategic Priorities and Funding Allocations

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 FY2009 are:

Restore the Everglades by:

- Acquiring land and planning projects to expand water storage and treatment options south of Lake Okeechobee to revive the River of Grass
- Advancing construction schedules of existing key projects
- Implementing the Long-Term Plan to achieve water quality standards

Acquiring vast tracts of land within the Everglades Agricultural Area offers the unprecedented opportunity to reestablish a part of the historic connection between Lake Okeechobee and the Everglades ecosystem. The increase in available water storage will significantly reduce the potential for harmful discharges from Lake Okeechobee to coastal rivers and estuaries; provide water to help meet the environmental needs of the Everglades and Florida Bay. Other benefits include the increased ability to deliver cleaner water to the Everglades and to eliminate the need for backpumping to Lake Okeechobee.

Advancing the planning, design, construction and operation of existing key projects will achieve positive environmental benefits sooner.

Implementing the Long-Term Plan for achieving water quality goals is mandated by the Everglades Forever Act as the appropriate strategy for ensuring that all waters discharging into the Everglades Protection Area are in compliance with state water quality standards.

This budget includes \$2.4 billion for Everglades restoration (District Everglades and CERP programs).

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, 2007 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 (completed) and to develop protection plans for the St. Lucie and Caloosahatchee River watersheds. These plans will identify water storage and treatment facilities needed to improve the quality and flow of water within each watershed. The Northern Everglades budget is \$125.8 million.

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

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. 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 \$167.7 million.

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 conservation 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 \$39.9 million.

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 3.2 percent of total payroll for retention and recruitment initiatives, including the deferred compensation match (457 Plan) and annual leave buy-down option.

Conclusion

Faced with declining revenues and other challenges in planning the fiscal year 2009 budget, the District found ways to move forward and continue to make a positive contribution to serving and protecting the people and natural systems within its 16-county boundaries. In this challenging economic time, the District took action to reduce operating costs such as travel, training, conferences, professional memberships, equipment and salary increases. Although spending levels will be less for some projects, activities critical to the District's mission remain intact.

The District plans to pursue alternative financing to purchase land for Everglades restoration. The recovery of the Everglades is key to the environmental and economic health of the South Florida region. While debt issuance in this economy is no easy feat, the District is in a good position to do so. Recognized as the nation's most innovative municipal bond issuer, the South Florida Water Management District was awarded The Bond Buyer's Deal of the Year Award for its \$546.1 million issue of certificates of participation to fund Everglades restoration projects. The District issued the AAA-rated insured bonds in November 2006 to help jump start construction of projects critical to the overall revitalization of the River of Grass. Procuring additional funding in this manner will allow the District to continue with this high priority restoration.

Adequate staffing and reserves are in place to support continuation of the District's mission and accomplishment of major priorities. Many of these priorities continue to be tied to the environmental impacts that Florida's tremendous growth have had on the ecosystem. These priorities underscore the challenges we face in our ongoing commitment to implement environmental restoration projects faster and achieve results sooner for our major South Florida watersheds – the Kissimmee River, Lake Okeechobee and Everglades systems – as well as a significantly expanded effort to improve the water quality of the east and west coast estuaries; provide water for the environment and population; and ensure adequate flood control through refurbishment of an aging water management system. The District's strategic and funding priorities were changed this year to accommodate using COPs to acquire land to expand water storage and treatment options south of Lake Okeechobee to revive the River of Grass.

The District's budget development 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.

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

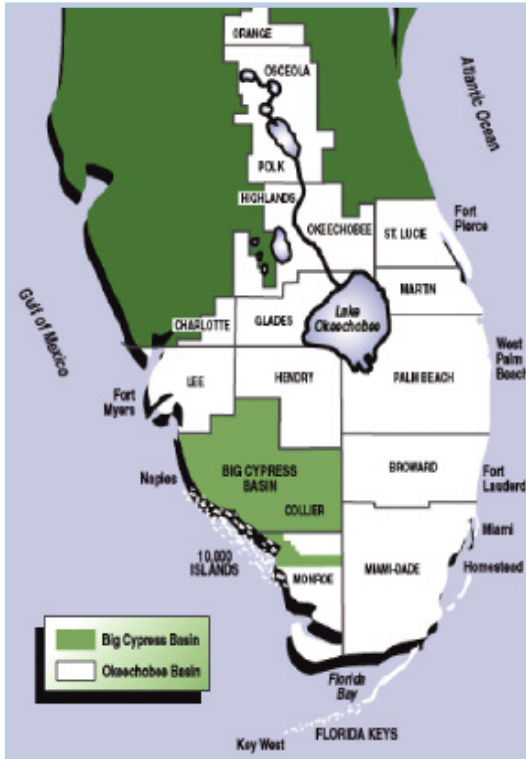
Engineers built a vast network of water control structures, levees, canals and other improved waterways, designed to help the region cope with its unpredictable weather extremes.

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. Furthermore, 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. As of 2008, 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

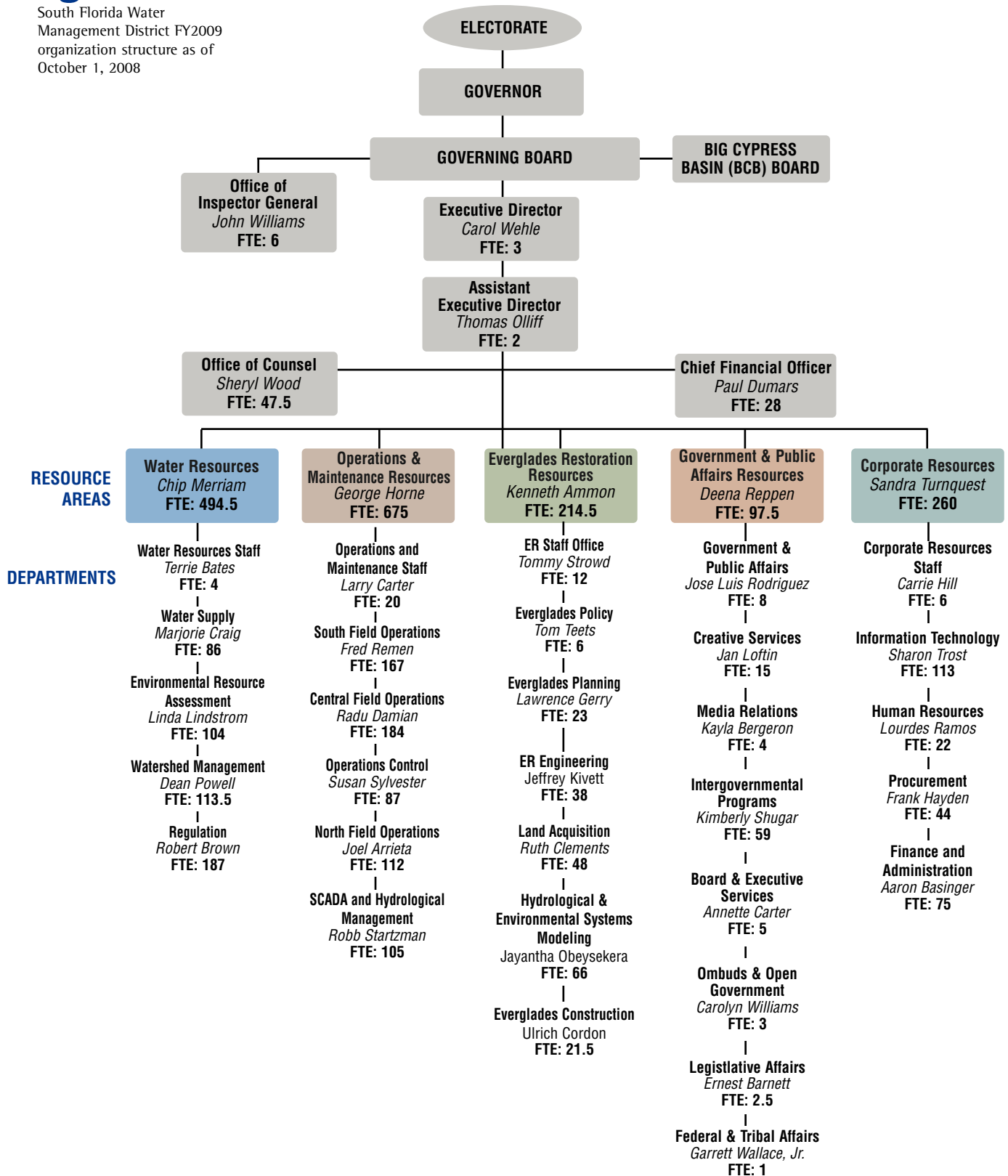
Broward	*Charlotte
Collier	Glades
Hendry	*Highlands
Lee	Martin
Miami-Dade	Monroe
*Okeechobee	*Orange
*Osceola	Palm Beach
*Polk	St. Lucie

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 FY2009
organization structure as of
October 1, 2008



Governance and Management

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. One Board position is currently vacant.



Eric Buermann
Chair

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



Shannon A. Estenoz
Vice-Chair

County Served:
Broward
Term:
April 2007-March 2010



Michael Collins
Member at-large

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



Charles J. Dauray

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



Paul C. Huck, Jr.

County Served:
Miami-Dade
Term:
April 2008-February 2012



Melissa L. Meeker
Member at-large

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



Jerry Montgomery

Counties Served:
*Glades, Highlands, Okeechobee,
Orange, Osceola and Polk*
Term:
April 2008-February 2012



Patrick J. Rooney, Jr., Esq.

County Served:
Palm Beach County
Term:
June 2007-March 2011

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 1,828 and a budget of \$2.974 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*



Chip Merriam
Water Resources



Deena Reppen
Government and Public Affairs



George L. Horne
*Operations & Maintenance
Resources*

District Personnel Summary

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!



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 FY2008-2009. 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	FY2007 Positions FTE	FY2008 Positions FTE	FY2009 Positions FTE
Coastal Watersheds	41	51	50
Comprehensive Everglades Restoration Plan	116	123	111
District Everglades	148	149	165
Kissimmee Watershed	38	30	26
Lake Okeechobee	41	41	45
Land Stewardship	51	48	43
Modeling and Scientific Support	98	100	105
Operations & Maintenance	587	596	606
Regulation	182	188	193
Water Supply	69	67	68
Mission Support	413	415	416
Total	1,784	1,808	1,828

District Staffing Levels

Over the past eight years in order to accomplish the work expected, outsourcing was encouraged. For shorter term objectives such as some construction projects, outsourcing makes sense. However, for ongoing core functions that can be performed at a lower cost and with better quality control within the agency outsourcing becomes inefficient causing the taxpayer to pay more for that service. During the FY2009 budget development process the District began to evaluate how many contractors were performing core ongoing functions. As a result, a list was compiled and prioritized organizationally. Then, the most important core ongoing functions that were being outsourced were identified and converted into a Full-Time Equivalent (FTE). This conversion resulted in an estimated \$1.4 million taxpayer savings for FY2009 alone, which will be redirected to the Governor's environmental priorities.

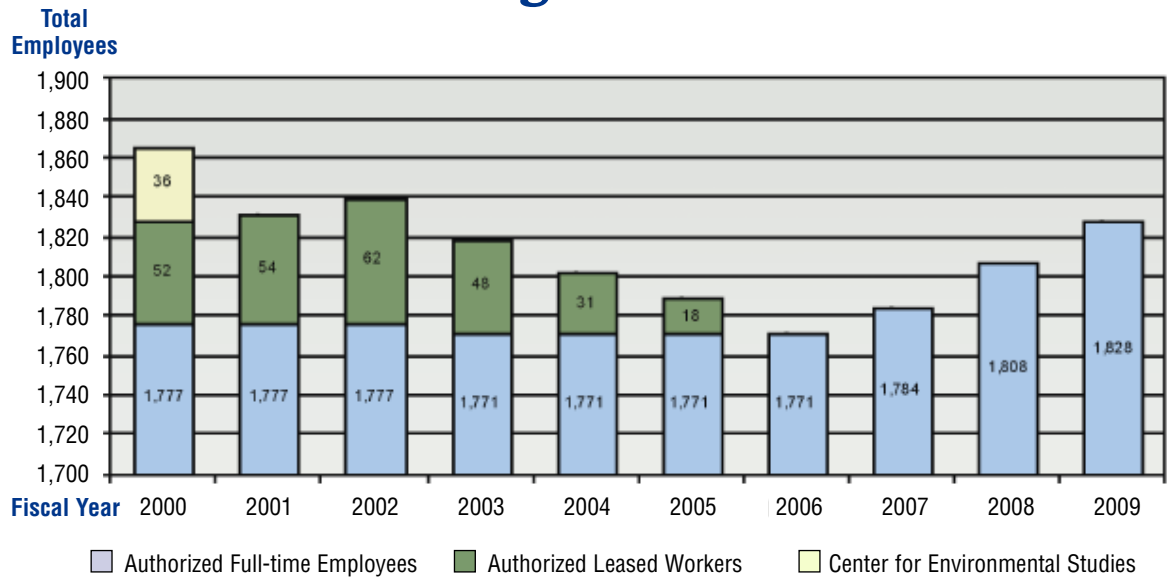
In FY2009, the District plans to convert twenty contractor positions into new staff positions, increasing its Full-Time Equivalent (FTE) employees to a total of 1,828. Positions are being added to support critical needs throughout a few of the District's programs. The twenty new FTEs will be filled throughout the year.

Ten of the converted positions will be in the Operations and Maintenance program for telemetry installation and maintenance. The District was contracting with private vendors for installation and maintenance of remote telemetry terminal units used to collect data and monitor water levels in our flood control system. This data is used to make structure and pump operational decisions for flood control and emergency management purposes, as well as for regulatory, scientific and other needs.

Eight of the converted positions will be in the Modeling and Scientific Support, Comprehensive Everglades Restoration and District Everglades programs for permit required water quality monitoring. The District has been contracting with private vendors for the majority of water quality data required under permits that have been issued to the District for Comprehensive Everglades Restoration, the Everglades Forever Act and for specific structure operating permits. This conversion will result in increased data and sample collection quality that will ensure the District is in compliance with monitoring requirements and data quality objectives detailed in the permits.

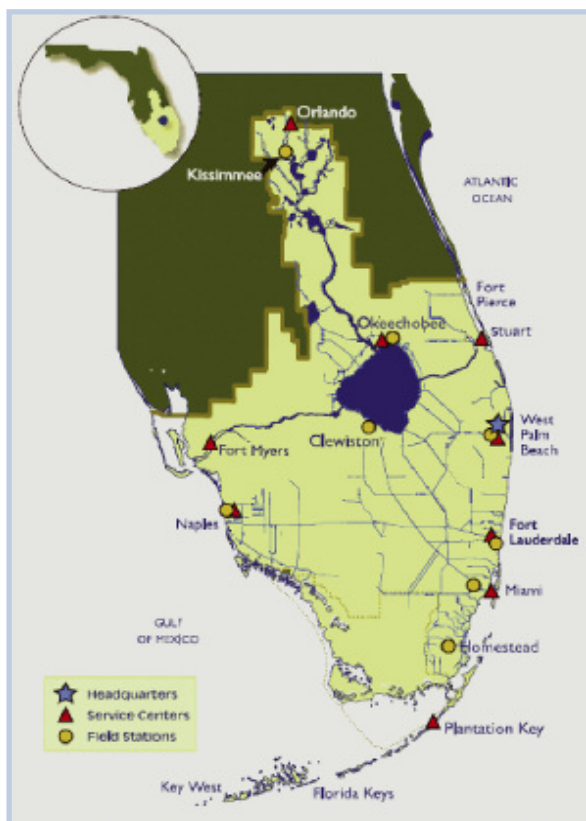
Finally, two of the converted positions will be in the Regulation Program for water use permitting in order to comply with statutory timelines and address the additional workload due to new water use availability rules for Central Florida, Lake Okeechobee and the Everglades.

Total District Staffing



District Functions and Major Responsibilities

The South Florida Water Management District (District) operates and maintains the



The District's service locations

Central and Southern Florida Flood Control Project (C&SF), 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).

To meet its responsibilities, the District's Fiscal Year 2009 staffing level totals 1,828 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. O & M 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 500 water control structures; manages 60 pump stations which send water south and 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 (WCAs)** and the **Everglades National Park** act to 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 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. 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.

Other District Programs

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

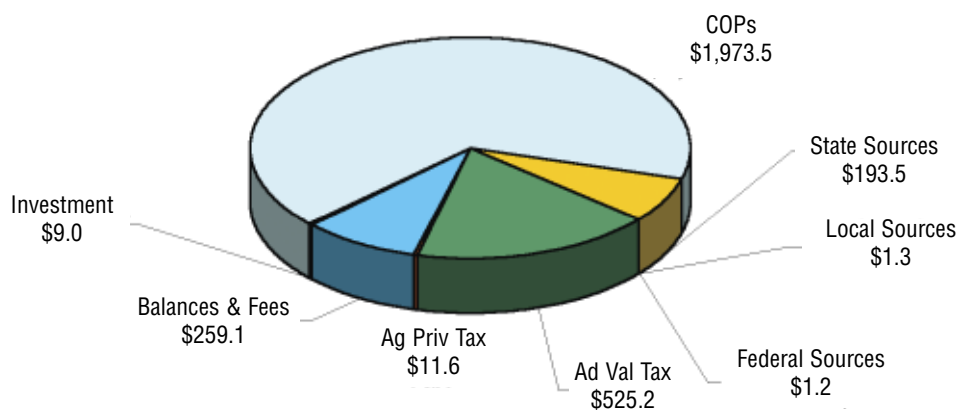
The District acquires, manages, and restores lands through Florida's *Save Our Everglades* land acquisition programs. *Florida Forever* clean-up efforts continue for Lake Okeechobee, Biscayne Bay, and the Indian River Lagoon through the Lake Okeechobee Protection Plan (LOPP) and coastal stormwater retrofits. 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 2009 revenue sources. Estimated revenue sources for FY2009 total \$2.974 billion.

Tax revenues are one of the District's largest sources of funds. \$525.2 million from Ad Valorem property taxes and \$11.6 million from Agricultural Privilege taxes combine to represent 18 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*.

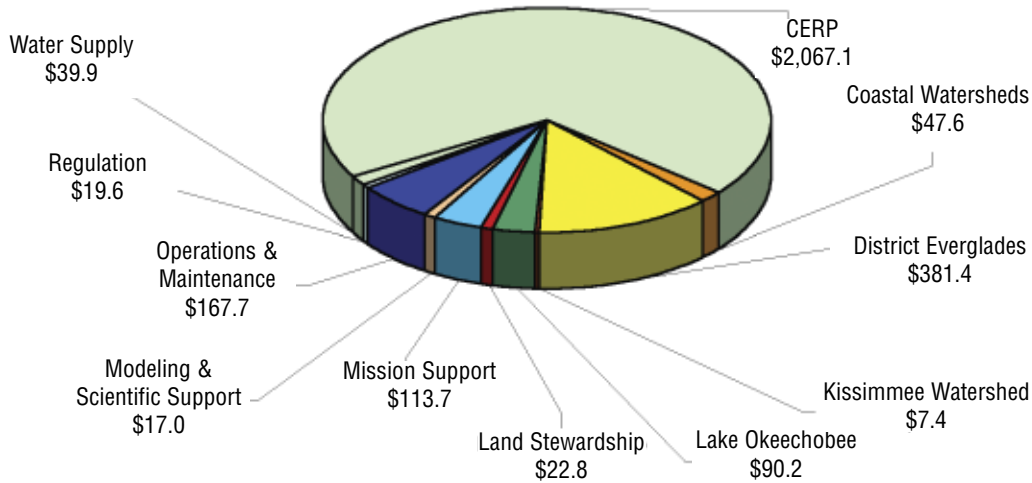
\$1.97 billion (66 percent) of District revenues is expected proceeds from Certificates of Participation (COPs), with \$1.7 billion planned new issuance for the proposed acquisition of land and assets from the United States Sugar Corporation for Everglades restoration. Florida Statutes define COPs as 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 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 \$196.0 million (7 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 the Manatee Pocket Dredging project in the Martin and St. Lucie counties.

The remaining \$259.1 million (9 percent) of revenue is generated from a combination of investment income, fund balances, 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)



The pie chart above depicts the South Florida Water Management District's Fiscal Year 2009 expenditures by programs. Estimated expenditures for FY2009 total \$2.974 billion.

Key Program Highlights

The following overview of District program budget allocations and key objectives include information published in the South Florida Water Management District's *FY2008-09 Budget in Brief* and *Work Plan* documents.

Coastal Watersheds

- Complete St. Lucie River Watershed Protection Plan.
- Complete Caloosahatchee River Watershed Protection Plan.
- Complete C-43 Water Quality Treatment and Testing Facility preliminary design.
- Implement local government cooperative partnership projects.

Comprehensive Everglades Restoration Plan

- Continue contract negotiations and due diligence to potentially acquire U.S. Sugar Corporation land.
- Complete final plans and begin construction of C-111 Spreader Canal project.
- Complete project implementation reports for: Lake Okeechobee Watershed (draft), North Palm Beach County Part 1 (draft), Biscayne Bay Coastal Wetlands Part 1 (final).
- Receive federal approval of final project implementation report for C-43 West Storage Reservoir.

District Everglades

- Begin construction of Stormwater Treatment Area Compartment B and C Buildouts.
- Complete design of Acme Basin B Section 24 Impoundment and pump station; begin construction.
- Initiate C-139 Basin Regional Feasibility Study.
- Continue implementation of Everglades research and monitoring programs.

Kissimmee Watershed

- Implement expansion of hydrologic monitoring network in advance of Pool D restoration construction.
- Complete proposed modifications to Kissimmee Basin structure operating criteria.
- Complete 60% design of Three Lakes Wildlife Management Area restoration project.
- Complete rulemaking for Kissimmee River water reservation.

Lake Okeechobee

- Complete design and begin construction of Lakeside Ranch Stormwater Treatment Area Phase 1.
- Complete basis of design report and preliminary design of Brady Ranch Stormwater Treatment Area.
- Complete construction for Taylor Creek aquifer storage and recovery project.
- Continue land acquisition as local sponsor for Herbert Hoover Dike rehabilitation.

Land Stewardship

- Treat 26,000 acres for exotic plants.
- Apply prescribed fire to 15,000 acres.
- Complete planned improvements to District lands to enhance public recreational access.
- Update land management plans as scheduled.

Modeling and Scientific Support

- Maintain compliance with statutory monitoring and assessment requirements.
- Complete recommended Water Conservation Area 2 monitoring network changes and submit for regulatory review.
- Begin re-engineering of coastal ecosystem monitoring network.
- Begin evaluation of impacts to South Florida from climate change.

Operations and Maintenance

- Continue infrastructure refurbishments for the Central and Southern Florida Flood Control System.
- Maintain 79,000 acres of levees and canal banks at a level of service of four cycles per year.
- Inspect 1,662 miles of canal and levees twice a year.
- Treat 60,000 acres of exotic aquatic and terrestrial vegetation annually.

Regulation

- Complete the review of an average of 425 environmental resource permit applications per quarter.
- Complete an average of 2,125 environmental resource permit compliance investigations each quarter.
- Complete Water Use renewals for Kissimmee Basin C and Lake Okeechobee Basins.
- Perform compliance inspections for 250 major general/individual water use permits.

Water Supply

- Implement alternative water supply projects with local partners.
- Execute agreement with Central Florida utilities for development of strategies for alternative water supply and complete preliminary project design and location selection for Kissimmee River regional alternative water supply project.
- Complete rule development for a year-round landscape irrigation rule.
- Complete rulemaking for Picayune Strand water reservation.

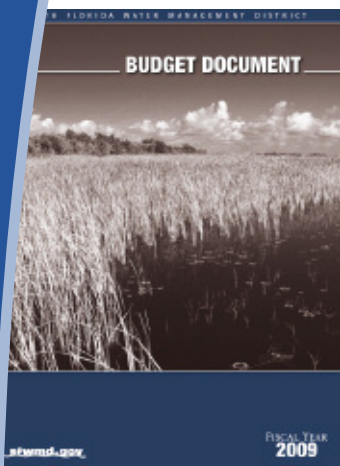
Mission Support

- Begin implementation of SAP budget module.
- Implement enhanced program management reporting and control charts.
- Implement succession plan for identified key positions.

OPERATING BUDGET

Introduction

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, 2009 Work Plan and 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 FY2009 Funding Increase/Decrease

Offer three-year program budget comparison and explanations of significant funding changes from the prior year.

Key FY2008 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 **5 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 Comprehensive Everglades Restoration Plan (CERP).
4. **Corporate Resources** provides policy direction and establishes the District's priorities.
5. **Government and Public Affairs** is responsible for carrying out the agency's long-standing commitment to public information and involvement, community and governmental outreach, and open government to ensure the South Florida taxpayers receive the highest level of service.

As depicted on the Organizational Chart, each resource area includes the functional units necessary to support the District's 11 programs for FY2009 (*see 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.

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

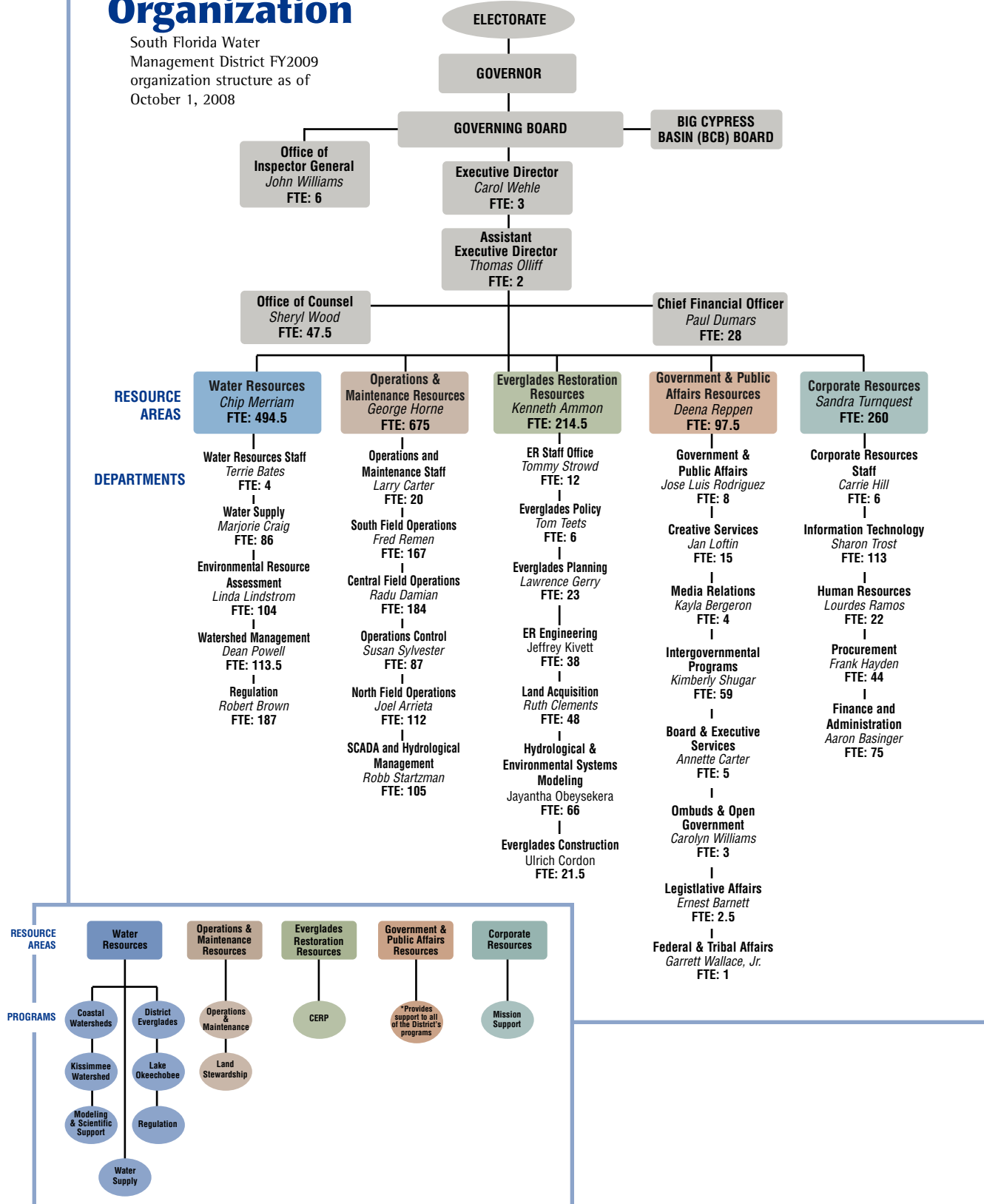
The following is an example of how the District's matrix organization structure works:

Programs control money and mission; functional departments control human and material resources. 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 FY2009
organization structure as of
October 1, 2008



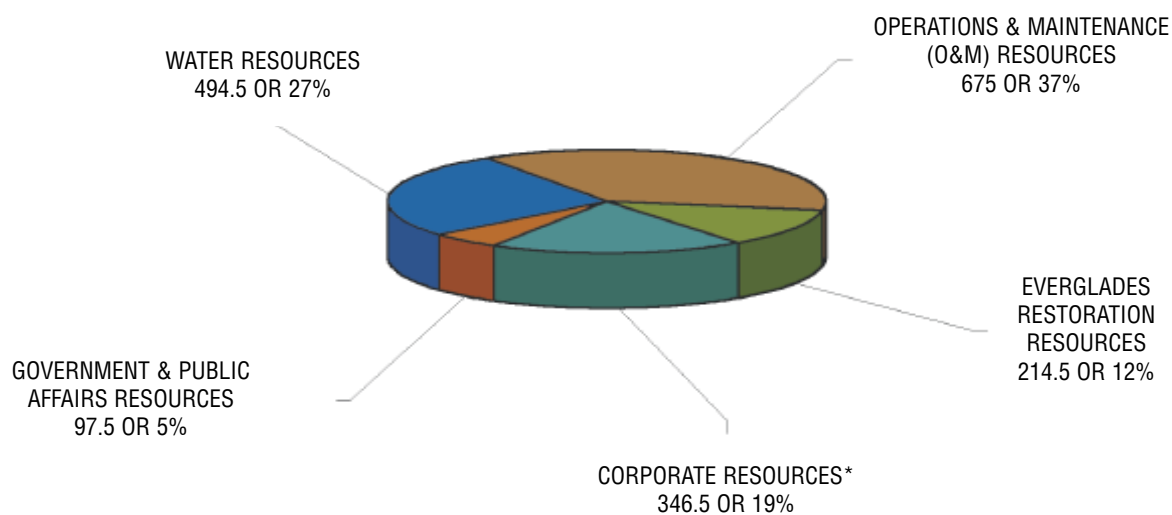
District Budget Overview by Resource Area

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

By Resource Area	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
Water Resources	\$140,186,062	\$167,539,953	\$141,888,138	\$(25,651,815)	-15.3%
Operations & Maintenance	168,921,952	207,060,171	194,800,206	(12,259,965)	-5.9%
Everglades Restoration	454,797,006	788,690,974	2,467,990,954	1,679,299,980	212.9%
Corporate Resources	103,853,045	130,520,996	120,579,826	(9,941,170)	-7.6%
Government & Public Affairs	62,641,963	65,297,990	49,158,495	(16,139,495)	-24.7%
Total	\$930,400,028	\$1,359,110,084	\$2,974,417,619	\$1,615,307,535	118.9%

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.

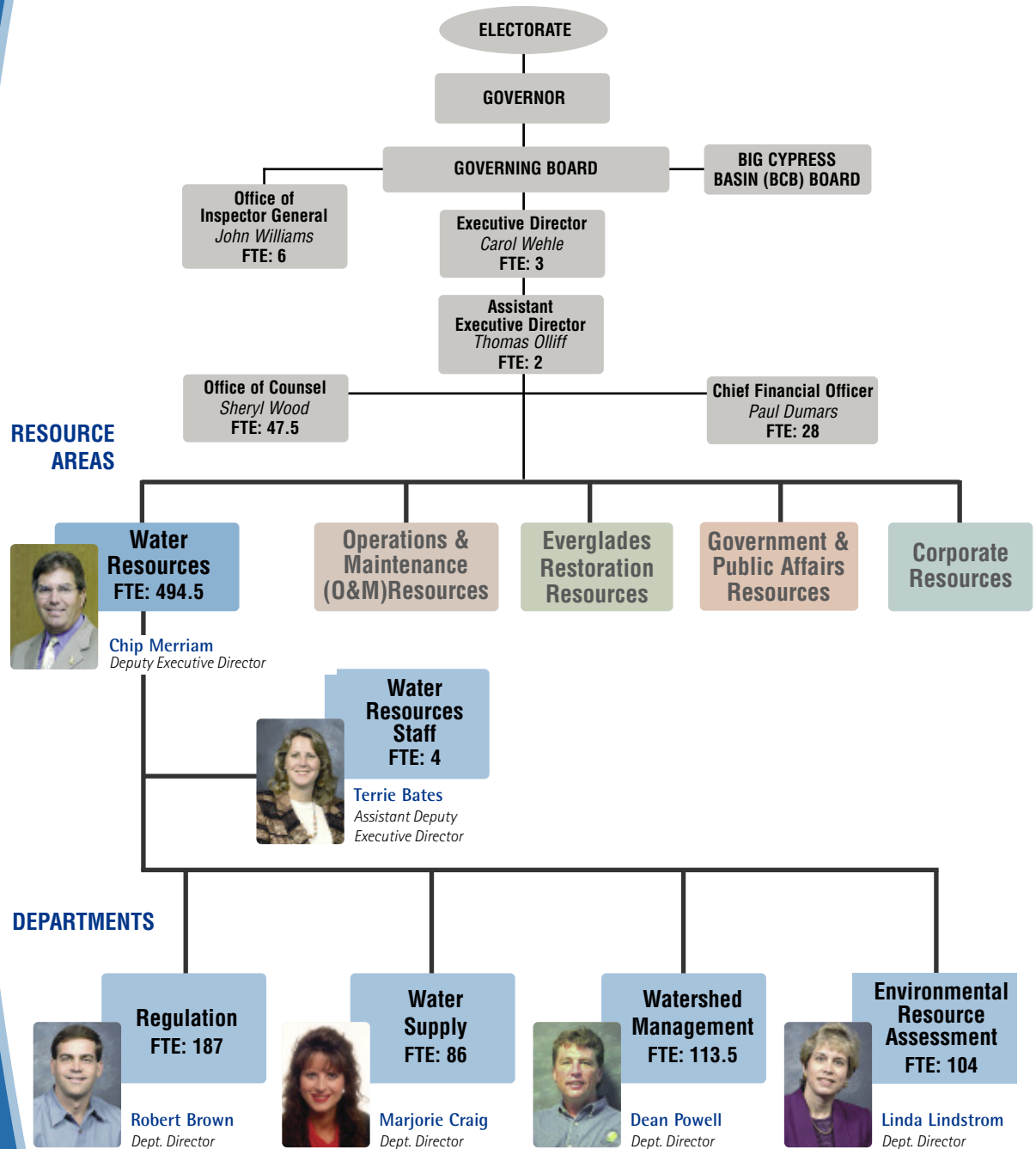
Personnel by Resource Area



**Corporate Resources includes 39 FTE's from the Executive Office and 47.5 from the Office of Counsel.*

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

		Water Resources Programs						
District Departments		Coastal Watersheds	District Everglades	Lake Okeechobee	Kissimmee Watershed	Modeling & Scientific Support	Regulation	Water Supply
Water Resources	Environmental Resource Assessment	x	x	x	x	x		x
	Regulation	x	x	x			x	
	Water Resources Staff	x	x	x	x	x	x	x
	Water Supply		x	x		x	x	x
	Watershed Management	x	x	x	x			x
O & M	Central Field Operations		x		x			
	North Field Operations				x			
	Operations & Maintenance Staff		x	x	x		x	x
	Operations Control		x	x				
	SCADA & Hydrological Management	x	x	x	x	x	x	x
	South Field Operations							
Everglades Restoration	ER Engineering	x	x	x	x			
	ER Staff Office	x	x	x				
	Everglades Construction	x	x		x			
	Everglades Planning	x		x				x
	Everglades Policy	x		x				x
	Hydrological & Environmental Sys Modeling	x	x	x	x	x	x	x
	Land Acquisition		x	x	x			
Govt. & Public Affairs Resources	Creative Services							x
	Government & Public Affairs							
	Intergovernmental Programs	x						
	Media Relations							x
	Board & Executive Services							
	Ombuds & Open Government							
	Legislative Affairs							
	Service Centers	x		x	x	x	x	x
Corporate Resources	Corporate Resources Staff							
	Executive Offices	x	x	x	x			
	Finance & Administration		x					
	Human Resources							
	Information Technology	x	x	x	x	x	x	
	Office of Council		x	x	x			x
	Office of Inspector General	x						
	Procurement							

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.

Explanation of FY2009 Funding Decrease

The total FY2009 adopted budget for the Water Resources Resource Area is \$141.9 million. As reflected in the following resource area variance table, the FY2009 total is approximately \$25.6 million less than the FY2008 amended budget. This 15.3 percent decrease in budgeted funds is primarily due to a reduction in state funding for Alternative Water Supply projects and local water resource cooperative projects.

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.

FY2008 to FY2009 Resource Area Variance

	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$39,315,284	\$45,576,423	\$48,278,359	\$2,701,936	5.9%
Operating/Self Insurance	4,237,548	2,029,600	2,058,128	28,528	1.4%
Contracts	88,427,307	106,270,068	67,876,846	(38,393,222)	-36.1%
Capital	8,205,923	13,663,862	23,674,805	10,010,943	73.3%
Total	\$140,186,062	\$167,539,953	\$141,888,138	\$(25,651,815)	-15.3%
By Fund					
District (DIST)	\$56,082,815	\$73,559,501	\$60,566,277	\$(12,993,224)	-17.7%
Okeechobee Basin (OKEE)	10,774,826	16,045,259	19,128,076	3,082,817	19.2%
Big Cypress Basin (BIGC)	373,190	-	30,690	30,690	N/A
Save Our Rivers (SORO)	5,888,999	4,827,021	607,245	(4,219,776)	-87.4%
State Appropriations Non-Land	27,266,317	24,223,063	10,850,454	(13,372,609)	-55.2%
External Grant	174,145	353,458	600,000	246,542	69.8%
STA O&M	1,994,191	2,303,228	1,765,371	(537,857)	-23.4%
Everglades License Tag	186,695	240,035	777,362	537,327	223.9%
Lake Okeechobee Trust	11,447,425	6,931,708	3,451,351	(3,480,357)	-50.2%
Okeechobee Basin (CAPO)	326,518	10,000,000	10,000,000	-	0.0%
Everglades Trust	18,555,663	18,070,732	17,912,572	(158,160)	-0.9%
FEMA	314,725	644,434	443,964	(200,470)	-31.1%
Florida Bay	1,369,921	1,459,468	1,007,906	(451,562)	-30.9%
CERP - Ad Valorem	5,430,632	3,257,046	10,504,466	7,247,420	222.5%
Save Our Everglades Trust (HB221)	-	5,625,000	4,242,404	(1,382,596)	-24.6%
Total	\$140,186,062	\$167,539,953	\$141,888,138	\$(25,651,815)	-15.3%

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 heading for an explanation of the District's matrix organizational structure.

COASTAL WATERSHEDS

Program Budget: \$47.6 Million

Full-Time Equivalents: 50

Program Description

The Coastal Watersheds program develops scientific and technical information for the protection and restoration of coastal bodies of water. This work provides the



Loxahatchee River

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 criteria 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.

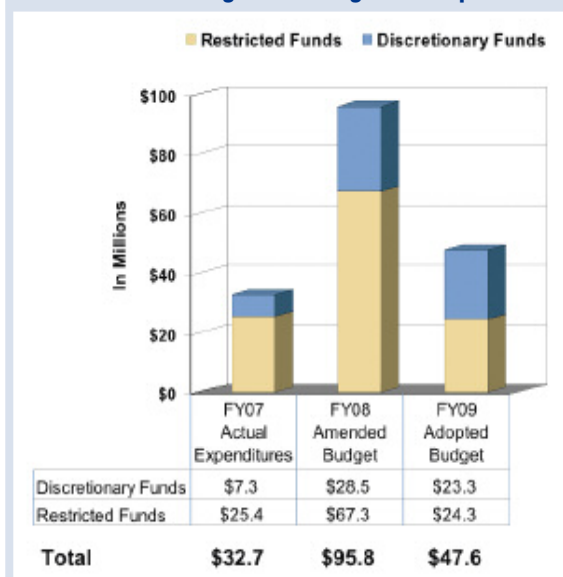
Watersheds are lands over which water flows until it meets and drains into a stream, river, lake, bay or an ocean.

Program Activities/Functions

- Publish and implement 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

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Coastal Watersheds program (combined discretionary and restricted funds) is \$47.6 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$48.3 million lower than the FY2008 amended budget. This is a 50 percent decrease in budgeted funds.

Discretionary Funds

Coastal Watersheds' discretionary funds total \$23.3 million, which is \$5.3 million lower than the FY2008 amended budget total. This portion of the FY2009 program budget reflects funding reduction for local water resources cooperative projects. Discretionary funds decreased 18 percent.

Restricted Funds

The Coastal Watersheds program's FY2009 restricted funds total \$24.3 million, which is \$43.0 million lower than the FY2008 amended budget amount. Reduction in state appropriated funds for Northern Everglades Restoration and local water resources projects contributed to a lower budget for Coastal Watersheds in FY2009. Non-recurring funding in the amount of \$27.6 million was used last year to acquire land for the C-43 Water Quality Project and accounts for the majority of the restricted funds variance. Restricted funds decreased 64 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>St. Lucie/Indian River Lagoon</u>					
Discretionary Funds	\$878,788	\$6,559,129	\$6,493,232	\$(65,897)	-1.0%
Restricted Funds	3,489,148	17,822,596	9,493,202	(8,329,394)	-46.7%
Subtotal All Sources	4,367,936	24,381,725	15,986,434	(8,395,291)	-34.4%
<u>Loxahatchee River/Estuary</u>					
Discretionary Funds	1,086,602	840,250	489,862	(350,388)	-41.7%
Restricted Funds	2,990,760	4,304,684	1,665,715	(2,638,969)	-61.3%
Subtotal All Sources	4,077,362	5,144,934	2,155,577	(2,989,357)	-58.1%
<u>Lake Worth Lagoon</u>					
Discretionary Funds	20,530	165,099	175,077	9,978	6.0%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	20,530	165,099	175,077	9,978	6.0%
<u>Biscayne Bay</u>					
Discretionary Funds	458,612	299,204	393,261	94,057	31.4%
Restricted Funds	2,481,827	215,000	379,063	164,063	76.3%
Subtotal All Sources	2,940,439	514,204	772,324	258,120	50.2%
<u>Florida Bay & Florida Keys</u>					
Discretionary Funds	473,677	146,886	2,133,322	1,986,436	1352.4%
Restricted Funds	1,441,678	944,061	1,081,316	137,255	14.5%
Subtotal All Sources	1,915,354	1,090,947	3,214,638	2,123,691	194.7%
<u>Estero Bay</u>					
Discretionary Funds	309,629	109,343	83,588	(25,755)	-23.6%
Restricted Funds	1,219,252	1,382,645	300,000	(1,082,645)	-78.3%
Subtotal All Sources	1,528,882	1,491,988	383,588	(1,108,400)	-74.3%
<u>Naples Bay</u>					
Discretionary Funds	170,098	198,763	273,913	75,150	37.8%
Restricted Funds	6,559,658	6,992,232	5,030,768	(1,961,464)	-28.1%
Subtotal All Sources	6,729,756	7,190,995	5,304,681	(1,886,314)	-26.2%
<u>Lower Charlotte Harbor</u>					
Discretionary Funds	39,958	115,255	70,728	(44,527)	-38.6%
Restricted Funds	339,002	466,138	-	(466,138)	-100.0%
Subtotal All Sources	378,959	581,393	70,728	(510,665)	-87.8%
<u>Caloosahatchee River/Estuary</u>					
Discretionary Funds	1,053,512	16,291,276	7,084,336	(9,206,940)	-56.5%
Restricted Funds	1,624,253	34,337,812	5,112,212	(29,225,600)	-85.1%
Subtotal All Sources	2,677,765	50,629,088	12,196,548	(38,432,540)	-75.9%
<u>Stormwater Management</u>					
Discretionary Funds	1,532,653	2,171,338	222,849	(1,948,489)	-89.7%
Restricted Funds	5,242,988	644,434	1,043,964	399,530	62.0%
Subtotal All Sources	6,775,640	2,815,772	1,266,813	(1,548,959)	-55.0%
<u>Program Support</u>					
Discretionary Funds	1,286,231	1,644,599	5,836,184	4,191,585	254.9%
Restricted Funds	42,188	202,657	217,947	15,290	7.5%
Subtotal All Sources	1,328,419	1,847,256	6,054,131	4,206,875	227.7%
<u>Program Total</u>					
Discretionary Funds	7,310,288	28,541,142	23,256,352	(5,284,790)	-18.5%
Restricted Funds	25,430,755	67,312,259	24,324,187	(42,988,072)	-63.9%
Program Total	\$32,741,043	\$95,853,401	\$47,580,539	\$(48,272,862)	-50.4%

Coastal Watersheds Program

Key FY2008 Accomplishments

- Completed land acquisition for C-43 Water Quality Improvement Facility in support of the Northern Everglades Estuary Protection Program – Caloosahatchee Estuary
- Completed final draft of Caloosahatchee River Watershed Protection Plan
- Completed final draft of St. Lucie River Watershed Protection Plan
- Completed research studies in support of the Caloosahatchee River and St. Lucie River Watersheds Protection Plans: benthic flux study, nutrient limitation study, and estuarine turbidity maximum. Findings were reported in the South Florida Environmental Report. Also completed statistical power analysis on the existing water quality and seagrass monitoring programs, modeling of reservoir treatment efficiency for the River Watershed Protection Plans, and experimental planting of wild celery upstream of S79
- Completed sixteen St. Lucie River and Indian River Lagoon initiative projects for habitat restoration, flood protection, water quality and hydrologic improvement projects
- Completed development of reservoir and stormwater treatment area operations model, which has allowed for an estimate of submarine discharge into the estuary and a user manual of the watershed
- Completed seven Loxahatchee River Preservation Initiative Projects
- Completed development and application of surface and groundwater integrated model in the Northwest Fork and completed Wash model upgrade
- Completed final report on C-51 sediment removal pilot project
- Completed ten stormwater/water quality improvement projects with direct and indirect benefits to Biscayne Bay
- Completed three research projects in Biscayne Bay: indicator species habitat; data analysis to determine qualitative and statistical relationships between existing ecological, hydrologic and water quality data from Biscayne Bay; and preliminary nutrient limitation assessment. Completed habitat suitability model
- Completed six stormwater/water quality improvement projects in the Florida Keys
- Completed study of salinity effects on seagrass reproduction in Florida Bay; findings will be incorporated into the seagrass community model, along with new experimental data on algal nutrient preferences and kinetics that will enable prediction of algal bloom effects on seagrass productivity and distribution in response to freshwater inputs
- Completed Lighthouse Point Stormwater Master Plan, and City of Weston stormwater improvements
- Completed twenty-two habitat restoration, water quality, and stormwater improvement efforts on the Lower West Coast
- Completed LIDAR topographic mapping project in Collier County, Barron River Aerial Topographic Mapping and Survey project, and topographic survey to be used for Spanish Creek restoration

Three-Year Summary of Program Performance Measures

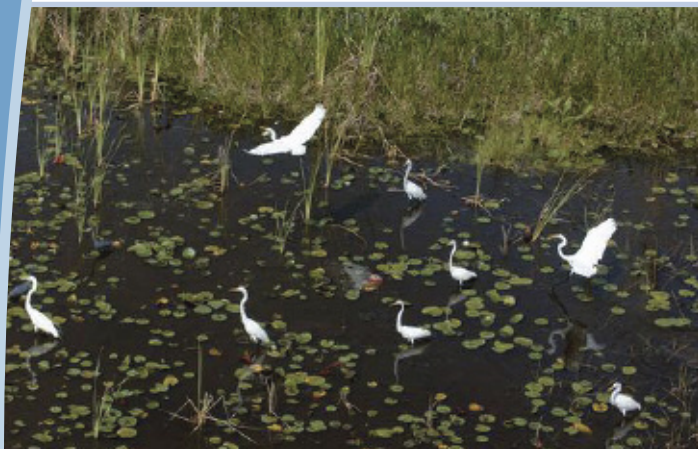
Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
St. Lucie Estuary within desired 30-day moving average salinity range of 8 to 25 parts per thousand 365 days of the year	238 days	293 days	365 days
Increase live American oyster bed in the middle, north and south St. Lucie Estuary to 367 acres from a baseline of 117 acres	117 acres, per 2003 mapping. Next mapping planned for 2010 Two samplings: South: 0-50 live oysters /.25 mile ² North: 0-50 live oysters /.25 mile ² Central: 50-100 live oysters /.25 mile ²	117 acres, per 2003 mapping. Next mapping planned for 2010 One sampling: South: 0-50 live oysters /.25 mile ² North: 0-50 live oysters /.25 mile ² Central: 100-150 live oysters /.25 mile ²	117 acres, per 2003 mapping. Next mapping planned for 2010 Two samplings: South: 0-50 live oysters /.25 mile ² North: 0-50 live oysters /.25 mile ² Central: 100-150 live oysters /.25 mile ²
Restore 125 acres of tidal marsh habitat and add 16 acres of oyster reef in Lake Worth Lagoon by 2014	0 acres of tidal marsh habitat 0 acres of oyster reef	0 acres of tidal marsh habitat 0 acres of oyster reef	8.5 acres of tidal marsh habitat 6 acres of oyster reef
Increase area of Florida Keys served by habitat and/or water quality improvement projects by 100 acres per year	Not measured in FY2007	515 acres served (0.6% of the watershed)	615 acres served (0.7% of the watershed)
Increase areal extent of watershed treated to improve habitat and water quality in Estero Bay consistent with Surface Water Improvement and Management Plan	3,120 acres served (1.1% of watershed)	10,125 acres served (3.4% of watershed)	18,745 acres served (6.3% of watershed)
Increase percentage of watershed treated to improve habitat and water quality in Naples Bay consistent with Surface Water Improvement and Management Plan	3.8% of watershed treated (2,950 acres served)	7.5% of watershed treated (5,672 acres served)	19.1% of watershed treated (14,704 acres served)
Provide 400 acres of suitable oyster habitat in the Caloosahatchee Estuary with at least 100 acres of living oyster reefs	18.37 acres, per 2004 mapping. Next mapping planned for 2009	18.37 acres, per 2004 mapping. Next mapping planned for 2009	20 acres
Return viable seagrass in lower Caloosahatchee River and recover the 38% lost in San Carlos Bay since 1982	Not measured in FY2007 3.5% seagrass acreage increase from 2004 to 2006	Data collected report will be available December 2008. Contact Seán Sculley at ssculley@sfwmd.gov for figures starting January 1, 2009	Next measure scheduled for 2010
Meet mean monthly flow of 300 cubic feet per second for Caloosahatchee River Estuary	Met MFL in 1 of 12 months	Met MFL in 4 of 12 months	Meet MFL in 12 of 12 months

Program Budget: \$381.4 Million

Full-Time Equivalents: 165

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



Water Conservation Area One: Wading Birds

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 EFA was amended to include the Conceptual Plan for Achieving Long-Term Water Quality Goals as an appropriate strategy for the Everglades Protection Area.

The District Everglades program also funds research to support restoration of water quality, hydrology and ecology of the Everglades.

Strategic Priority

Implementing the Long-Term Plan to achieve water quality standards

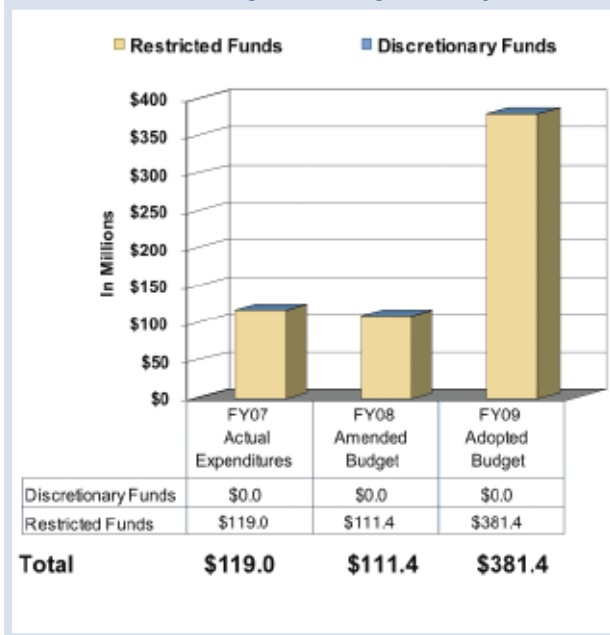
Florida's Everglades is often referred to as the "River of Grass."

Program Activities/Functions

- Implement the Long-Term Plan
- Complete design and construction of flow capable Stormwater Treatment Areas and construction of pump stations
- Implement recommendations of the South Florida Environmental Report
- Conduct research on the hydrology, water quality and ecology of the Everglades
- Properly operate and maintain Stormwater Treatment Area facilities to ensure compliance with treatment objectives, as well as permit requirements

Explanation of FY2009 Funding Increase

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the District Everglades program is \$381.4 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$270 million higher than the FY2008 amended budget. This 242 percent increase 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

FY2009 restricted funds are equivalent to the total of \$381.4 million allocated for the District Everglades program. Projects designed to expand and improve the stormwater treatment areas in Palm Beach and Hendry counties are included in the FY2009 budget. The funding increases in FY2009 are primarily for Compartments B and C buildout projects. These STAs will reduce stormwater runoff pollution levels flowing from the Everglades Agricultural Area before entering the Everglades.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>LTP - Expedited</u>					
Discretionary Funds	\$0	\$0	\$0	\$0	N/A
Restricted Funds	73,304,416	60,651,555	333,282,896	272,631,341	449.5%
Subtotal All Sources	73,304,416	60,651,555	333,282,896	272,631,341	449.5%
<u>LTP STA Operation & Maintenance</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	12,583,401	25,210,714	23,446,385	(1,764,329)	-7.0%
Subtotal All Sources	12,583,401	25,210,714	23,446,385	(1,764,329)	-7.0%
<u>LTP STA Enhancements</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	12,764,332	579,487	-	(579,487)	-100.0%
Subtotal All Sources	12,764,332	579,487	-	(579,487)	-100.0%
<u>Everglades Source Control</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	95,740	3,530,567	4,612,542	1,081,975	30.6%
Subtotal All Sources	95,740	3,530,567	4,612,542	1,081,975	30.6%
<u>LTP STA Optimization & Performance</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	1,822,718	4,906,363	5,631,033	724,670	14.8%
Subtotal All Sources	1,822,718	4,906,363	5,631,033	724,670	14.8%
<u>LTP Recovery of Impacted Areas</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	4,341,801	1,976,501	2,139,536	163,035	8.2%
Subtotal All Sources	4,341,801	1,976,501	2,139,536	163,035	8.2%
<u>LTP Adaptive Implementation</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	503,838	260,000	260,000	-	0.0%
Subtotal All Sources	503,838	260,000	260,000	-	0.0%
<u>LTP: Program Management</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	1,081,946	2,754,018	1,965,587	(788,431)	-28.6%
Subtotal All Sources	1,081,946	2,754,018	1,965,587	(788,431)	-28.6%
<u>Everglades Research and Evaluation</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	6,890,127	6,463,432	6,451,310	(12,122)	-0.2%
Subtotal All Sources	6,890,127	6,463,432	6,451,310	(12,122)	-0.2%
<u>Program Support</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	5,604,111	5,052,413	3,596,517	(1,455,896)	-28.8%
Subtotal All Sources	5,604,111	5,052,413	3,596,517	(1,455,896)	-28.8%
<u>Program Total</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	118,992,430	111,385,050	381,385,806	270,000,756	242.4%
Program Total	\$118,992,430	\$111,385,050	\$381,385,806	\$270,000,756	242.4%

District Everglades Program

Key FY2008 Accomplishments

- Completed Compartments B and C buildout final design
- Submitted intermediate design for Compartment B buildout pump station
- Submitted intermediate design for Compartment C buildout pump station
- Village of Wellington initiated Acme Basin B design and permitting for Pump Station 9 and Section 24
- 9,404 acres mowed in the STAs
- Over 1.3 million acre/ft. of water was treated by the STAs. Inflow concentrations averaged 158 ppb and outflow concentrations averaged 25 ppb. Almost 500,000 pounds of phosphorus were removed
- Treated 11,500 acres of SAV and 4,500 acres of emergent vegetation in the STAs
- Completed conversion of vegetation in STA-3,4 cell 1-B from emergent to submerged vegetation
- Performed ongoing maintenance of 24 pump stations, 276 structures, 175.5 miles of levees and 172.6 miles of canals
- Completed construction of STA-3,4 recreation facility
- Completed processing of 280 hydro-meteorological stations in the STAs
- Completed Annual Financial Report for the EFA and presented it in South Florida Environmental Report as per Everglades Forever Act
- Avian Protection Plan for the STAs, a first of its kind in the nation, approved by U.S. Fish & Wildlife Service
- Completed final burn for Fire Project (accelerated recovery of impacted areas in WCAs), completed all sampling and preparing draft final report
- Tree island program surveyed elevations and found that the average elevation difference between the maximum tree island elevation and the surrounding marsh-slough was 0.60, 0.75, and 0.85 meters at central WCA-3A, southern WCA-3A, and WCA-3B, respectively. Low elevated tree islands in southern WCA-3A are subjected to abnormally long hydroperiods
- Tree island research program found that seedling density is higher on short hydroperiod tree islands than on long hydroperiod islands. Tree island research also suggested that sap flow measures are a sensitive tool for determining short-term plant responses to stress caused by high water levels. This finding may help develop a method for real-time evaluation of tree island stress in order to make operational recommendations
- Completed the 2007 Wading Bird Report – Approximately 19,000 nests were initiated, representing a 50% decline from last year. Poor reproductive effort can be attributed to a combination of dry conditions in the preceding years and unfavorable hydrologic conditions during nesting
- The WCA-1 vegetation map has been completed with an overall map accuracy of 93.2 percent. The map can be used to depict overall vegetation categorization for the area and specifically for cattail, tree islands, and the exotics Lygodium and Melaleuca

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Additional 11,531 acres of total Stormwater Treatment Area effective treatment area by December 2010	5,274 acres cumulatively of completed construction of additional treatment area	5,274 acres cumulatively of completed construction of additional treatment area 6,257 acres of Stormwater Treatment Area effective treatment area under development (in design or under construction)	11,531 acres cumulatively of completed construction of additional treatment area
Achieve water quality standards in the Everglades Protection Area and maintain compliance with the federal Everglades Settlement Agreement	In compliance	In compliance	In compliance
Maintain compliance with all state and federal Stormwater Treatment Area permit requirements	In compliance	In compliance	In compliance
100% of critical Stormwater Treatment Area facilities and structures maintained in accordance with standard operating procedures to meet the goals of the Long-Term Plan	100% maintained	100% maintained	100% maintained
Consistently achieve phosphorus target loads and concentrations for all basins ultimately flowing into the Everglades Protection Area	C-139 Basin: Did not achieve compliance Everglades Agricultural Basin: 18% reduction in phosphorus. In compliance	C-139 Basin: In compliance Everglades Agricultural Basin: 44% reduction in phosphorus. In compliance	C-139 Basin Target: In compliance, meaning no increase in phosphorus concentration relative to base period Everglades Agricultural Basin Target: 25% reduction in phosphorus concentration relative to base period. Target must be missed 3 years in a row to be out of compliance
Develop and achieve sustainable restoration targets for wading bird populations	Three-year running average number of nesting pairs - Surveyed: Great Egret = 6,600 Snowy Egret & Tricolored Herons = 4,400* White Ibis = 21,133 Wood Stork = 633 * Tricolored Herons excluded due to incomplete survey	Three-year running average number of nesting pairs - Surveyed: Great Egret = 5,869 Snowy Egret & Tricolored Herons = 3,778 White Ibis = 17,541 Wood Stork = 552	Three-year running average number of nesting pairs - Targets developed: Great Egret = 4,000 Snowy Egret & Tricolored Herons = 20,000 White Ibis = 25,000 Wood Stork = 2,500

KISSIMMEE WATERSHED

Program Budget: \$7.4 Million

Full-Time Equivalents: 26

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



Restored Section of Kissimmee River

protection, habitat and aquatic vegetation management, and recreational use of the Kissimmee River, Chain of Lakes and Lake Okeechobee. These efforts are part of the Kissimmee Chain of Lakes Long Term Management Plan. Watershed modeling tools are applied in support of

decision making and to develop integrated management solutions.

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.

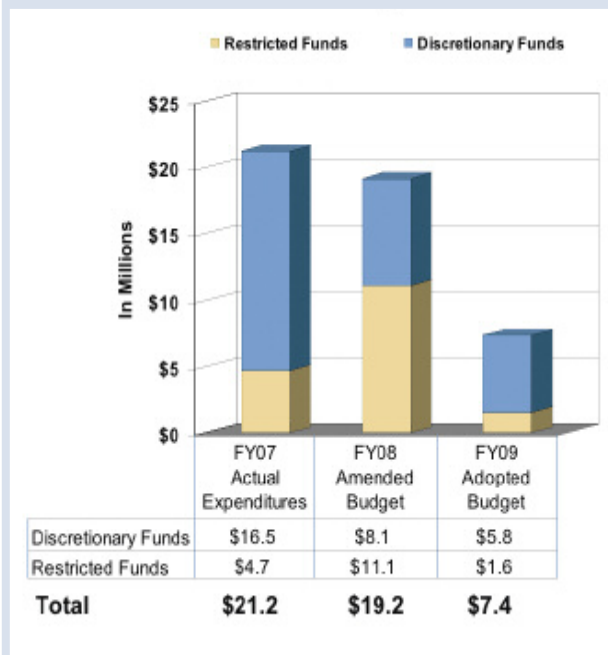
The Kissimmee watershed is the headwaters of the Kissimmee-Okeechobee-Everglades system. It is the largest source of surface water draining into Lake Okeechobee.

Program Activities/Functions

- Complete land condemnation processes
- Finalize land acquisition certification and cost crediting with U.S. Army Corps of Engineers (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
- Reestablish ecological integrity to the Kissimmee River / floodplain ecosystem

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Kissimmee Watershed program is \$7.4 million, which is approximately \$11.8 million lower than the FY2008 amended budget. This 61 percent decrease in budgeted funds is described in more detail below.

Discretionary Funds

Kissimmee Watershed's discretionary funds total \$5.8 million, which is \$2.2 million lower than the FY2008 amended budget amount. The decrease is primarily due to reduction in discretionary funds allocated to local water resource partnerships. Discretionary funds decreased 27 percent.

Restricted Funds

FY2009 restricted funds for this program total \$1.6 million. The decrease of \$9.6 million in funding is related to less land acquisition activities in the Kissimmee Watershed program, because most of the required project lands have been obtained. Restricted funds decreased 86 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>River & Headwaters Revitalization</u>					
Discretionary Funds	\$11,549,776	\$4,169,477	\$4,071,617	\$(97,860)	-2.3%
Restricted Funds	2,670,949	-	307,245	307,245	N/A
Subtotal All Sources	14,220,725	4,169,477	4,378,862	209,385	5.0%
<u>Watershed Projects</u>					
Discretionary Funds	311,350	542,528	449,743	(92,785)	-17.1%
Restricted Funds	124,454	353,458	600,000	246,542	69.8%
Subtotal All Sources	435,804	895,986	1,049,743	153,757	17.2%
<u>Upper Basin Restoration</u>					
Discretionary Funds	3,809,752	1,639,328	67,822	(1,571,506)	-95.9%
Restricted Funds	950,000	-	-	-	N/A
Subtotal All Sources	4,759,752	1,639,328	67,822	(1,571,506)	-95.9%
<u>River Restoration Mitigation</u>					
Discretionary Funds	1,589	1,436,737	757,854	(678,883)	-47.3%
Restricted Funds	-	10,810,000	659,900	(10,150,100)	-93.9%
Subtotal All Sources	1,589	12,246,737	1,417,754	(10,828,983)	-88.4%
<u>Program Support</u>					
Discretionary Funds	868,579	285,069	509,582	224,513	78.8%
Restricted Funds	1,002,020	-	-	-	N/A
Subtotal All Sources	1,870,599	285,069	509,582	224,513	78.8%
<u>Program Total</u>					
Discretionary Funds	16,541,047	8,073,139	5,856,618	(2,216,521)	-27.5%
Restricted Funds	4,747,423	11,163,458	1,567,145	(9,596,313)	-86.0%
Program Total	\$21,288,470	\$19,236,597	\$7,423,763	\$(11,812,834)	-61.4%

Kissimmee Watershed Program Key FY2008 Accomplishments

- Initiated Phase IVB construction of the Kissimmee River Restoration Project, which will backfill 4 miles of C-38, recarve 4 miles of river channel, and reestablish flow to 6 miles of continuous river channel
- Mean annual dry season density of long-legged wading birds (excluding cattle egrets) on the restored floodplain was 34.7 birds per square kilometer, exceeding the performance measure target of ≥ 30.6 birds per square kilometer
- Completed plans and initiated baseline monitoring for ecological evaluation of the Phase II/III component of Kissimmee River Restoration Project
- Completed plans for Phase II/III expansion of the Kissimmee River hydrologic monitoring network
- Recalibrated the surface water and groundwater model developed for the Kissimmee Basin Modeling and Operations Study to address peer review recommendations
- Completed alternative formulation and evaluation of eight restoration plans for the Three Lakes Wildlife Management Area
- Initiated the Kissimmee Chain off Lakes Surface Water Availability Study to identify potential surface water withdrawal opportunities compatible with the protection of water for fish and wildlife resources

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Mean annual dry season density of long-legged wading birds (excluding cattle egrets) on the restored floodplain ≥ 30.6 birds per square kilometer	11.0 (± 2.1) birds/km ²	34.7 (± 6.4) birds/km ²	≥ 30.6 birds/km ²
Mean annual relative abundance of fishes in the restored river channel $\leq 1\%$ bowfin, $\leq 3\%$ Florida gar, $\geq 16\%$ redbreast sunfish, and $\geq 58\%$ centrarchids (basses and sunfishes)	1.7% bowfin, $\leq 8.5\%$ Florida gar, $\geq 0\%$ redbreast sunfish, and $\geq 63.8\%$ centrarchids (basses and sunfishes)	Not sampled in FY08	$\leq 1\%$ bowfin, $\leq 3\%$ Florida gar, $\geq 16\%$ redbreast sunfish, and $\geq 58\%$ centrarchids (basses and sunfishes)
Mean daytime concentration of dissolved oxygen (DO) in the Kissimmee River channel at 0.5 – 1.0 meter depth of 3-6 milligrams/liter (mg/L) during the wet season and 5-7 mg/L during the dry season.	Dry season DO was 5.7 mg/L (met target of 5-7 mg/L) Wet season DO was 2.7 (almost met target of 3-5 mg/L)	Dry season DO was 5.3 mg/L (met target of 5-7 mg/L) Wet season DO was 2.7 (almost met target of 3-5 mg/L)	Dry season DO target of 5-7 mg/L) Wet season DO target of 3-5 mg/L
Mean daily DO concentrations greater than 2 mg/L 90% of the time. DO concentrations within 1 meter of the channel bottom > 1 mg/L more than 50% of the time	DO concentrations > 2 mg/L for 87% of the time DO near channel bottom not evaluated	DO concentrations > 2 mg/L for 81% of the time DO near channel bottom not evaluated	Mean daily DO concentrations > 2 mg/L 90% of the time. DO concentrations within 1 meter of the channel bottom > 1 mg/L more than 50% of the time
Zero days that discharge equals 0 cubic feet per second for restored channels of the Kissimmee River	WY2007 had 152 days when the discharge at S65 was 0 cfs	WY2008 had 179 days when the discharge at S65 was 0 cfs	WY2009 target of 0 days when the discharge at S65 is 0 cfs
Annual prolonged recession events reestablished with an average duration ≥ 173 days, and with peak stages in the wet season receding to a low stage in the dry season at a rate not to exceed 1.0 feet per 30 days	WY2007 contained two recession events. The first lasted for 36 days and had a recession rate of 2.2 ft/30 days. The second lasted 248 days and had a recession rate of 1.0 ft/30 days	Three recession events began in WY2008. The first lasted 37 days with a recession rate of 3 ft/30 days. The second lasted 125 days with a recession rate of 0.48 ft/30 days. The third lasted 57 days with a recession rate of 3 ft/30 days	Annual prolonged recession events reestablished with an average duration ≥ 173 days, and with peak stages in the wet season receding to a low stage in the dry season at a rate not to exceed 1.0 feet per 30 days

LAKE OKEECHOBEE

Program Budget: \$90.2 Million
Full-Time Equivalents: 45



Regional Phosphorous Source Control Prototype

Program Description

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 levels 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.

In 2007, the program was further extended under the Northern Everglades and Estuaries Protection legislation. This legislation requires the development of a Technical Plan for identifying Phase II of the Lake Okeechobee Construction Project and the establishment of both water quality and water storage needs for the benefit of the Northern Everglades.

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.

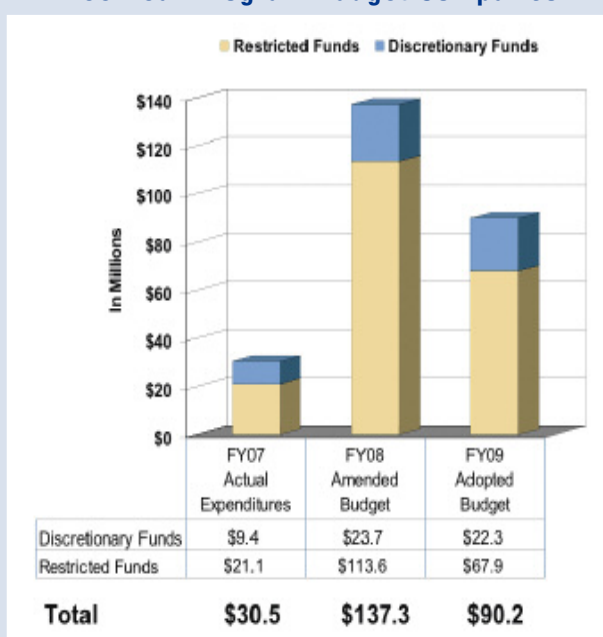
Lake Okeechobee & its watershed are key components of South Florida's ecosystem. Spanning 730 square miles, Lake Okeechobee is the second largest freshwater lake located wholly within the U.S.

Program Activities/Functions

- Implement the source control programs under the Northern Everglades and Estuaries Protection legislation and regulatory programs for Environmental Resources Permit and Works of the District
- Achieve through a phased implementation of the storage and water quality treatment features as identified in Phase II Lake Okeechobee Watershed Protection Plan
- Continue to evaluate and implement cost-effective alternate water storage projects on public and private lands
- Strive for optimal lake levels in conjunction with U.S. Army Corps of Engineers
- Control exotic species to maintenance levels
- Assess Lake Okeechobee's ecological condition and program progress on an annual basis

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Lake Okeechobee program is \$90.2 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$47.1 million lower than the FY2008 amended budget. This is a 34 percent decrease in budgeted funds.

Discretionary Funds

The Lake Okeechobee program's FY2009 discretionary funds total \$22.3 million, which is \$1.4 million lower than the FY2008 amended budget amount. This funding decrease reflects the reduced amount of intergovernmental agreements. Discretionary funds decreased 6 percent compared to the prior year.

Restricted Funds

FY2009 restricted funds for this program total \$67.9 million. The decrease of \$45.7 million in funding reflects reductions in prior year state Lake Okeechobee Fast Track (LOFT) dollars due to FY2008 expenditures towards land acquisition and the design of new LOFT projects. Restricted funds decreased 40 percent from the prior year.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>LOWPP Construction Projects</u>					
Discretionary Funds	\$9,571	\$35,761	\$5,754,280	\$5,718,519	15990.9%
Restricted Funds	3,446,305	82,772,886	55,602,955	(27,169,931)	-32.8%
Subtotal All Sources	3,455,876	82,808,647	61,357,235	(21,451,412)	-25.9%
<u>Interagency Support</u>					
Discretionary Funds	104,724	120,914	232,308	111,394	92.1%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	104,724	120,914	232,308	111,394	92.1%
<u>Watershed Protection Plan</u>					
Discretionary Funds	6,144,395	20,121,353	13,163,278	(6,958,075)	-34.6%
Restricted Funds	11,040,241	13,390,579	2,512,832	(10,877,747)	-81.2%
Subtotal All Sources	17,184,636	33,511,932	15,676,110	(17,835,822)	-53.2%
<u>LOWPP Alternative Storage & or Disposal Options</u>					
Discretionary Funds	860,575	1,232,826	135,626	(1,097,200)	-89.0%
Restricted Funds	2,262,786	10,403,091	5,941,351	(4,461,740)	-42.9%
Subtotal All Sources	3,123,361	11,635,917	6,076,977	(5,558,940)	-47.8%
<u>Regulation Schedule Operations Planning</u>					
Discretionary Funds	573,464	254,678	644,803	390,125	153.2%
Restricted Funds	3,556,207	6,764,967	3,833,100	(2,931,867)	-43.3%
Subtotal All Sources	4,129,671	7,019,645	4,477,903	(2,541,742)	-36.2%
<u>Regulatory Source Control Programs</u>					
Discretionary Funds	574,997	902,781	1,301,107	398,326	44.1%
Restricted Funds	233,970	270,000	-	(270,000)	-100.0%
Subtotal All Sources	808,967	1,172,781	1,301,107	128,326	10.9%
<u>Program Support</u>					
Discretionary Funds	1,154,796	1,013,291	1,073,480	60,189	5.9%
Restricted Funds	568,900	-	-	-	N/A
Subtotal All Sources	1,723,696	1,013,291	1,073,480	60,189	5.9%
<u>Program Total</u>					
Discretionary Funds	9,422,522	23,681,604	22,304,882	(1,376,722)	-5.8%
Restricted Funds	21,108,409	113,601,523	67,890,238	(45,711,285)	-40.2%
Program Total	\$30,530,931	\$137,283,127	\$90,195,120	\$(47,088,007)	-34.3%

Lake Okeechobee Program Key FY2008 Accomplishments

- Lake conditions are being monitored in response to continued low lake levels triggering different in-lake restoration projects, exotics control and water allocations:
 - Removed vegetated organic material from 230 acres in the Worm Cove/Horse Island/Indian Prairie/Harney Pond areas of the Lake Okeechobee NW Marsh, in the summer of 2008, exposing sand and promoting the revegetation of native plant species
 - Provided financial assistance to the cities of Belle Glade and Pahokee to remove hurricane accumulated sediments in their marinas and restore the design elevations
 - Relocated 1500 native pond apple trees from canal banks in the construction footprint of the EAA Reservoir to an existing mature stand on Torry Island in Lake Okeechobee
 - Removed 5,000 (50 tons) discarded tires from the interior of Kreamer Island in Lake Okeechobee as part of the low lake level restoration efforts that made access possible for their removal due to the continuing drought
 - Cultivated apple snail eggs at Harbor Branch Oceanographic Institute to potentially transplant into the lake
 - Treated thousands of acres of torpedo grass in the lake
 - Operated temporary pumps providing water supply to the users south of the lake
- Lake Okeechobee Fast Track/LOER projects preliminary design for Lakeside Ranch stormwater treatment area was completed; intermediate design for Lakeside Ranch was initiated. Acquired Land for Brady Ranch

- Completed pre-final design for Lakeside Ranch stormwater treatment area (Phase I – North STA)
- Lake Okeechobee Construction Project Phase II Technical Plan was completed and submitted to the legislature on 2/1/08
- A Deep Injection Well Feasibility Study for the LOER initiative was completed
- A new monitor well is currently under construction on the Taylor Creek property and the system design will be finalized in late 2008
- An exploratory well has been constructed and a conceptual design study is underway for Seminole Brighton ASR
- The Taylor Creek Algal Turf Scrubber® (ATS™) nutrient recovery facility is operational. This facility was designed to treat 15 MGD of water rerouted from Taylor Creek, a tributary to Lake Okeechobee
- The US Army Corps of Engineers approved an Interim Lake Okeechobee Regulation Schedule in April 2008 (LORS2008)
- Final design and permitting has been completed for the four additional pilot projects under the Florida Ranchlands Environmental Services Program. Three of the projects are currently under construction
- Three Dairy Best Available Technology (BATs) project sites were completed and continue to reduce 66 – 100% of phosphorus loading using stormwater retention/detention for reuse and chemical treatment
- The Lamb Island Tributary Stormwater Treatment Project continues to provide wetland treatment of stormwater from on-site and off-site sources
- Hybrid Wetlands Treatment Technology five sites were completed, constructed, and operated for optimization in FY2008 with promising results
- Nubbin Slough Area A – Project completed providing enhancement of thirty acres of previously drained isolated wetlands
- Four public workshops and several stakeholder meetings were held to get public input for the Chapter 40E-61 Lake Okeechobee Works of the District Rule revision

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Meet the Total Maximum Daily Load target of 140 metric tons phosphorus load by 2015	598 metric tons of phosphorus	558 metric tons of phosphorus	491 metric tons of phosphorus
Construct additional water storage within Lake Okeechobee Watershed ranging between 900,000 and 1.3 million acre feet	Indicator not in place	Cumulatively 21,054 acre feet of storage	Cumulatively 39,000 acre-feet of storage
Increase public, private and tribal water storage to 450,000 acre-feet by 2013	Indicator not in place	Cumulatively 107,000 acre-feet in project storage through multiple agency and program efforts since FY2006	Cumulatively 127,000 acre-feet in project storage
Maintain Lake Okeechobee level in the desired range of 12.5 ft. to 15.5 ft. (NGVD)	15 days in desired range (due to drought)	35 days in desired range (due to drought)	365 days in desired range
Achieve an annual average of 40,000 acres of mixed submerged aquatic vegetation at least 20,000 acres should be higher plants	August 2007 - Total 28,189 acres of mixed submerged aquatic vegetation and 494 acres being higher plants	August 2008 - Total 35,834 acres of mixed submerged aquatic vegetation and 10,335 acres being higher plants	Achieve an annual average of 40,000 acres of mixed submerged aquatic vegetation and 20,000 acres being higher plants
Control exotic species to maintenance levels or greater	Indicator not in place	October 2007: 12,035 acres of exotic species in Lake Okeechobee Marsh (which covers 107,000 acres) - Exotic species coverage = 11%	Less than 10% coverage by exotic species in Lake Okeechobee Marsh

MODELING & SCIENTIFIC SUPPORT

Program Budget: \$17.0 Million

Full-Time Equivalents: 105

Program Description

The South Florida Water Management District's (District) programs depend on scientific support and computer modeling for all aspects of water management.

The Modeling & Scientific Support program includes the development, implementation and migration of the next-generation Regional Simulation Model (RSM) to complement current regional simulation models; improved practices for all model development and implementation; modeling support to water resource programs; and modeling oversight, peer review, scope review, model library and data set creation.



Monitoring Water Quality

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.

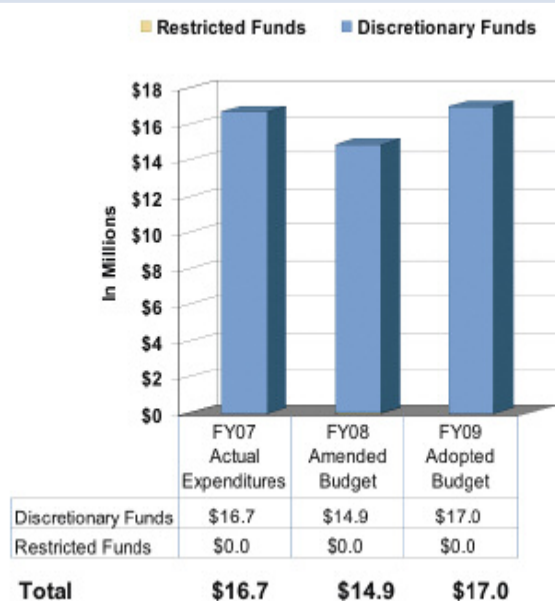
Models help scientists and planners measure the possible effects of a variety of impacts on various complex systems. Water quality monitoring programs provide data for legal mandates, such as the Everglades Forever Act, and memoranda of agreement with other agencies and public groups.

Program Activities/Functions

- Continuously identify opportunities to improve modeling processes and practices
- Develop, maintain and apply a suite of modeling tools to address water resource planning and operational issues
- Maintain National Environmental Laboratory Accreditation Program certification and operate sampling, laboratory and reporting infrastructure according to standards
- Track all required monitoring and reporting with the Compliance Monitoring Tracking System
- Develop and implement the Water Quality Monitoring Strategic and Re-engineering Plan
- Investigate and incorporate new monitoring technologies, techniques and process improvements
- Participate in state laboratory round-robin studies, and national and international performance and proficiency tests
- Update and implement quality management plans annually
- Continually maintain critical datasets for quality and accessibility
- Complete development and implementation of Scientific Data Management Procedures and establish data governance system
- Coordinate and manage sulfur-related studies and data collection collaboratively with stakeholder groups

Explanation of FY2009 Funding Increase

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Modeling & Scientific Support program is \$17 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$2 million higher than the FY2008 amended budget. This is a 14 percent increase in budgeted funds.

Discretionary Funds

The program's FY2009 discretionary funds total the entire \$17 million budgeted for Modeling & Scientific Support, which is \$2 million higher than the FY2008 amended budget amount. The majority of the additional funding will be used for the design and permitting of the planned new chemistry laboratory facility in Palm Beach County. \$4.7 million is budgeted for Modeling and \$10.3 million is budgeted for Water Quality Monitoring.

Restricted Funds

No restricted funds are budgeted for this program.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
Regional Modeling					
Discretionary Funds	\$6,081,975	\$5,037,714	\$4,735,657	\$(302,057)	-6.0%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	6,081,975	5,037,714	4,735,657	(302,057)	-6.0%
Water Quality Monitoring & Assessment					
Discretionary Funds	10,461,600	9,056,568	10,321,802	1,265,234	14.0%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	10,461,600	9,056,568	10,321,802	1,265,234	14.0%
Program Support					
Discretionary Funds	199,949	841,911	1,947,843	1,105,932	131.4%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	199,949	841,911	1,947,843	1,105,932	131.4%
Program Total					
Discretionary Funds	16,743,524	14,936,193	17,005,302	2,069,109	13.9%
Restricted Funds	-	-	-	-	N/A
Program Total	\$16,743,524	\$14,936,193	\$17,005,302	\$2,069,109	13.9%

Modeling & Scientific Support Program Key FY2008 Accomplishments

- Completed appraisal for Capability Maturity Model Integration Level II Process Areas. Finalized the seven Level II Process Areas approved for use by the Hydrologic and Environmental Systems Modeling Department
- Completed final Regional Simulation Model (RSM) runs, performance measure graphics and documentation of Northern Everglades basins for the March 1, 2008 Governor's briefing on restoration options for Lake Okeechobee Phase II Technical Plan
- Completed RSM model runs, performance measure graphics and draft documentation in support of the St. Lucie and Caloosahatchee River Watersheds component of Northern Everglades initiative (Rivers Watershed Protection Plan) for the Governor's briefing on restoration options
- Completed calibration and validation of the RSM for the Biscayne Bay watershed
- Completed calibration and verification of the RSM for the Glades-Lower East Coast Service Area, including Peer Review by the Interagency Modeling Center
- Provided the ability to plug reservoirs, storm water treatment areas, and ASRs into the RSM for the Northern Everglades Basin model
- Completed RSM water quality feature enhancements for overland flow, canal transport, groundwater, and agriculture, and tested several of these features in Water Conservation Area 2A (WCA 2A)
- Water quality monitoring and assessment operations supporting multiple water resources programs consistently met data quality objectives and schedules and were 100% compliant with all mandated monitoring requirements
- Pursuant to Chapter 2005-36, Laws of Florida, and Subsection 373.036(7), Florida Statutes, successfully completed production of the 2008 South Florida Environmental Report (SFER) which was delivered ahead of schedule on February 27, 2008. The report contains the annual reporting requirements for most permits
- Completed land use/concurrency study and a topographic/ underground survey of Field Operations Center property for the new lab facility

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Compliance with industry standards and best practices	Completed: - Upgrade to Level II for all Capability Maturity Model Integration (CMMI) process areas - Documentation of all CMMI Level II process areas	Completed: - Appraisal for CMMI Level II process areas - Finalized the seven Level II process areas and approved for use by Hydrologic and Environmental Systems Modeling	Complete: - Implementation of CMMI Level II processes - Implementation of model development lifecycle and model implementation/application lifecycle - Prepare for CMMI Level II appraisal
Compliance with all legally-mandated and permit-required water quality monitoring and reporting obligations	100% compliance as of September 2007	100% compliance as of September 2008	100% compliance as of September 2009
Water quality data meet or exceed state and national standards for quality	Indicator not in place	95% of data met State and National Environmental Laboratory Accreditation Program standards	95% of all data meet State and National Environmental Laboratory Accreditation Program standards
Responsive and sound technical analyses to meet legal challenges and make informed management decisions	Indicator not in place	Survey instrument developed for application to FY2009 and beyond	Average score of 4.5 on client survey based on positive answer equivalencies: 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree
District-wide implementation of Enterprise Scientific Data Management Policy and Procedures	- Of 112 defined data management accountabilities, none acknowledged as being fulfilled - Developed Enterprise Scientific Data Management Policy	- Of 112 defined data management accountabilities, none acknowledged as being fulfilled - Governing Board adopted Enterprise Scientific Data Management Policy - Developed Enterprise Scientific Data Management Procedures	- Of 112 data management accountabilities, 61 acknowledged as being fulfilled - Adopt Enterprise Scientific Data Management Procedures
All data gaps identified in Sulfur Action Plan filled and Sulfur White Paper management questions addressed	Indicator not in place	Sulfur Action Plan and Sulfur White Paper completed None of 15 data gaps and management questions addressed cumulatively	2 of 15 data gaps and management questions addressed cumulatively

REGULATION

Program Budget: \$19.6 Million

Full-Time Equivalents: 193

Program Description

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



Palm Beach County Homes Near Wetlands

The 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, quantity or environmental effects. 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.

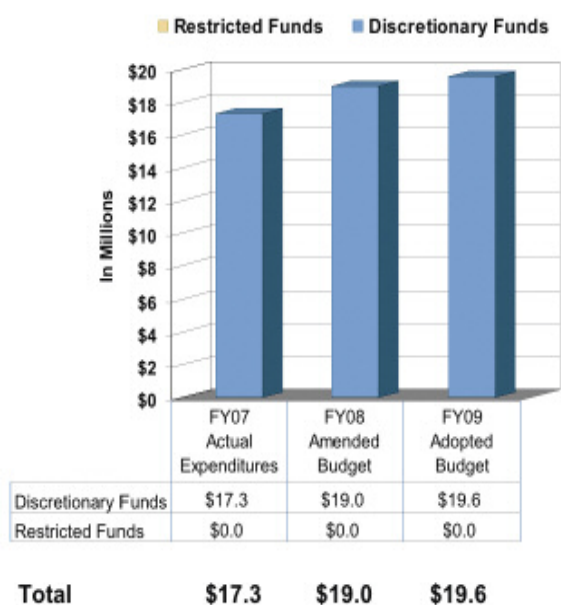
Land alteration activities or works affecting water resources are regulated under permits.

Program Activities/Functions

- Adhere to all permit rules and criteria in the review and issuance of permits
- Continue “e-Permitting” and electronic document management to increase efficiency of application submittal and review
- Consistently address backlog of construction certifications until complete
- Continue to improve automated processes to capture field data in a more efficient manner

Explanation of FY2009 Funding Increase

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Regulation program is \$19.6 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$0.6 million higher than the FY2008 amended budget. This is a 3 percent increase in budgeted funds.

Discretionary Funds

The program's FY2009 discretionary funds total \$600,000 higher than the FY2008 amended budget and it represents almost all of the \$19.6 million budgeted for the Regulation program. This increase is primarily due to increases in personnel services and vehicles replacement. Overall, discretionary funds have increased 3 percent.

Restricted Funds

The Regulation program's FY2009 restricted funds total \$33.3 thousand, which is \$20,000 lower than the FY2008 amended budget amount. These funds consist of a small percent of the Big Cypress Basin's budget earmarked for Regulation program support. Restricted funds decreased 38 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
Environmental Resource Permitting					
Discretionary Funds	\$11,054,058	\$12,461,698	\$12,548,169	\$86,471	0.7%
Restricted Funds	398	25,500	11,000	(14,500)	-56.9%
Subtotal All Sources	11,054,456	12,487,198	12,559,169	71,971	0.6%
Water Use Permitting					
Discretionary Funds	5,166,772	5,400,984	5,325,875	(75,109)	-1.4%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	5,166,772	5,400,984	5,325,875	(75,109)	-1.4%
Program Support					
Discretionary Funds	1,127,140	1,137,853	1,735,513	597,660	52.5%
Restricted Funds	4,076	27,886	22,268	(5,618)	-20.1%
Subtotal All Sources	1,131,216	1,165,739	1,757,781	592,042	50.8%
Program Total					
Discretionary Funds	17,347,970	19,000,535	19,609,557	609,022	3.2%
Restricted Funds	4,474	53,386	33,268	(20,118)	-37.7%
Program Total	\$17,352,444	\$19,053,921	\$19,642,825	\$588,904	3.1%

Regulation Program Key FY2008 Accomplishments

- Environmental Resource Permit (ERP) Applications Processed – 1,673
 - e-Permitting Submittal Summary
 - 99 new application submittals received
 - 429 additional information records received
- Water Use Permit (WU) Applications Processed – 3,037
 - e-Permitting Submittal Summary
 - 101 new application submittals received
 - 134 additional information records received
- Processed Basin Renewal Applications for Kissimmee Basins A, B, and C
- Conducted 11,148 inspections (includes surveillance, complaints, environmental, above-ground impoundment, etc.)
- Processed, reviewed and accepted over 1,663 Construction Completion Certifications
- Monitored 366 projects in the Above Ground Impoundment Program
- ERP and Water Use Enforcement
 - Initiated 294 new cases
 - Collected \$1,037,874 in penalties and costs
 - Implemented and processed over 100 cases as part of an inter-departmental enforcement program to address existing water users lacking permits
 - Initiated enforcement on over 25 permits failing to convert/transfer or provide certification
- Water Shortage Enforcement
 - Initiated 463 new cases
 - Collected \$409,202 in penalties and costs
 - Implemented a warning-based enforcement program that resulted in a repeat offense rate less than 6%
 - Implemented an on-line water shortage education and audit program
- Staff completed a major Water Use rule update to protect the water resources of the Central Florida Coordination Area (Orange, Osceola and Polk counties, within District boundaries) from rapidly increasing withdrawals of groundwater

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
100% of all Environmental Resource Permit applications processed consistent with adopted rules and criteria	100%	99.93% (1 permit defaulted out of 1,465 permits issued)	100%
100% of all Water Use Permit applications processed consistent with adopted rules and criteria	100%	99.96% (1 permit defaulted out of 2,382 permits issued)	100%
100% of Request for Additional Information letters issued on time (includes both Environmental Resource and Water Use Permits)	100%	99.56% (17 Request for Additional Information Letters not issued on time)	100%
100% of all permit applications processed with adopted rules and criteria within time defined by statute (includes both Environmental and Water Use Permits)	100%	100% ERP: Average from receipt of initial application to disposition - 194 Days. Average from receipt of complete application to disposition - 50.75 Days. WU : Average from receipt of initial application to disposition - 163 Days. Average from receipt of complete application to disposition - 39.21 Days.	100%
Construction certifications kept current and backlog processed by 2015	1,576 Current, 722 Backlog Certifications Processed (backlog target = 820)	1,190 Current, 453 Backlog Certifications Processed (backlog target = 820)	1,190 Current, 820 Backlog Certifications Processed (backlog target = 820)
Minimum of 60% active Environmental Resource Permits inspected annually (both environmental and construction). - Achieve 75% compliance rate - Address 100% of major non-compliance issues with written correspondence within 15 working days			
Total Inspections	12,292	12,986	12,986
Environmental	2,552	2,530	2,530
Applications Inspected	1,112	1,420	1,420
Percent Compliance	65%	63%	63%
Construction	7,519	7,555	7,555
Applications Inspected	2,161	2,091	2,091
Percent Compliance	77%	87%	87%
Total Compliance Percentage	73%	80%	80%
Total number of non-compliance letters sent on time	1,375 letters sent on time (100%)	1,136 letters sent on time (100%)	100% sent on time
Net increase of wetland function			
Total Acres reviewed	9,911	10,134	10,134
Total wetland acres permitted to be impacted	2,209	1,253	1,253
Total wetland acres preserved	3,209	1,221	1,221
Total wetland acres created/restored	1,289	194	194
Total wetland acres enhanced	3,088	2,337	2,337
Total acres upland compensation	75	104	104
Total number of mitigation bank credits	778	494	494
100% of basin renewals implemented on schedule	100% of scheduled Basin Renewal Packets sent out (449)	100% of scheduled Basin Renewal Packets sent out (472)	100% of scheduled Basin Renewal Packets sent out (409)

WATER SUPPLY

Program Budget: \$39.9 Million

Full-Time Equivalents: 68

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



Hillsboro Aquifer Storage Recovery

water resource projects. 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 (Chapter 373, Florida Statutes). Development of alternative water supplies and water conservation are encouraged through a combination of strategies, including regulatory and financial incentives.

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

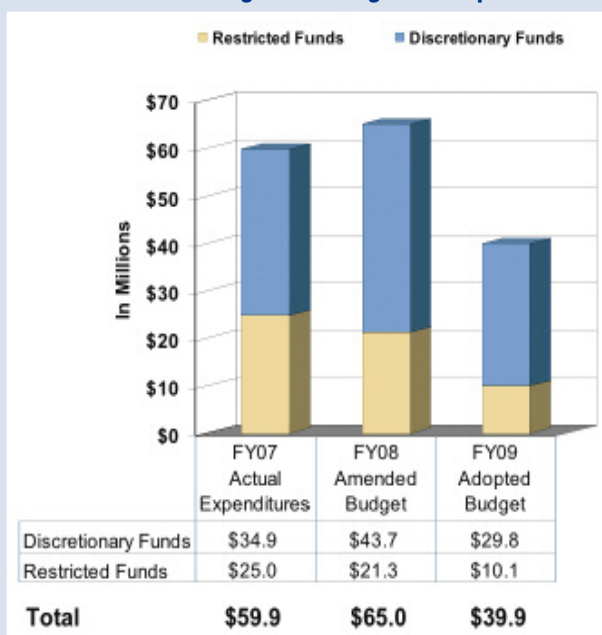
Meet the current and future demands of water users and the environment by implementing regional water supply plans

Program Activities/Functions

- Implement recommendations of the water supply plans
- Provide financial and regulatory incentives, plus technical assistance, to help water suppliers develop alternative sources, including reuse, brackish water sources and Aquifer Storage and Recovery
- Provide funding and regulatory incentives to encourage water conservation
- Ensure continuing consistency among water use permitting, water supply planning, Alternative Water Supply project funding and environmental restoration
- Evaluate ground and surface water data and conduct numerical modeling to assist in determining water source availability
- Strengthen the linkage between land use and water supply planning through review of Comprehensive Plans
- Adopt rules to protect water resources and maximize efficient use of water supplies including Minimum Flows and Levels and water reservations

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Restricted Funds

FY2009 restricted funds for this program total \$10.1 million. The decrease of \$11.2 million in funding reflects the reduction of state appropriations which funded the Alternative Water Supply program in FY2008. Overall, restricted funds decreased 53 percent.

Total Budget

The total FY2009 adopted budget for the Water Supply program is \$39.9 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$25.2 million lower than the FY2008 amended budget. This is a 39 percent decrease in budgeted funds.

Discretionary Funds

The Water Supply program's FY2009 discretionary funds total \$29.8 million, which is \$13.9 million lower than the FY2008 amended budget amount. Less District funds were required to match state appropriation for the Alternative Water Supply (AWS) program this year, however additional funding was allocated to water conservation projects. Discretionary funds decreased 32 percent compared to the prior year.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>Planning</u>					
Discretionary Funds	\$6,718,397	\$1,536,638	\$1,445,840	\$(90,798)	-5.9%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	6,718,397	1,536,638	1,445,840	(90,798)	-5.9%
<u>Implementation Projects</u>					
Discretionary Funds	7,379,145	1,873,396	1,610,304	(263,092)	-14.0%
Restricted Funds	2,840,779	-	-	-	N/A
Subtotal All Sources	10,219,924	1,873,396	1,610,304	(263,092)	-14.0%
<u>Rulemaking</u>					
Discretionary Funds	873,098	615,344	1,197,898	582,554	94.7%
Restricted Funds	-	100,000	-	(100,000)	-100.0%
Subtotal All Sources	873,098	715,344	1,197,898	482,554	67.5%
<u>Conservation</u>					
Discretionary Funds	2,074,386	1,904,685	3,036,736	1,132,051	59.4%
Restricted Funds	74,310	100,933	102,032	1,099	1.1%
Subtotal All Sources	2,148,696	2,005,618	3,138,768	1,133,150	56.5%
<u>Alternative Water Supply</u>					
Discretionary Funds	15,728,219	32,702,466	17,207,186	(15,495,280)	-47.4%
Restricted Funds	22,122,770	21,134,083	9,999,166	(11,134,917)	-52.7%
Subtotal All Sources	37,850,989	53,836,549	27,206,352	(26,630,197)	-49.5%
<u>Resource Evaluation</u>					
Discretionary Funds	2,736	3,462,059	4,039,024	576,965	16.7%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	2,736	3,462,059	4,039,024	576,965	16.7%
<u>Program Support</u>					
Discretionary Funds	2,166,964	1,635,105	1,255,967	(379,138)	-23.2%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	2,166,964	1,635,105	1,255,967	(379,138)	-23.2%
<u>Program Total</u>					
Discretionary Funds	34,942,944	43,729,693	29,792,955	(13,936,738)	-31.9%
Restricted Funds	25,037,859	21,335,016	10,101,198	(11,233,818)	-52.7%
Program Total	\$59,980,803	\$65,064,709	\$39,894,153	\$(25,170,556)	-38.7%

Water Supply Program

Key FY2008 Accomplishments

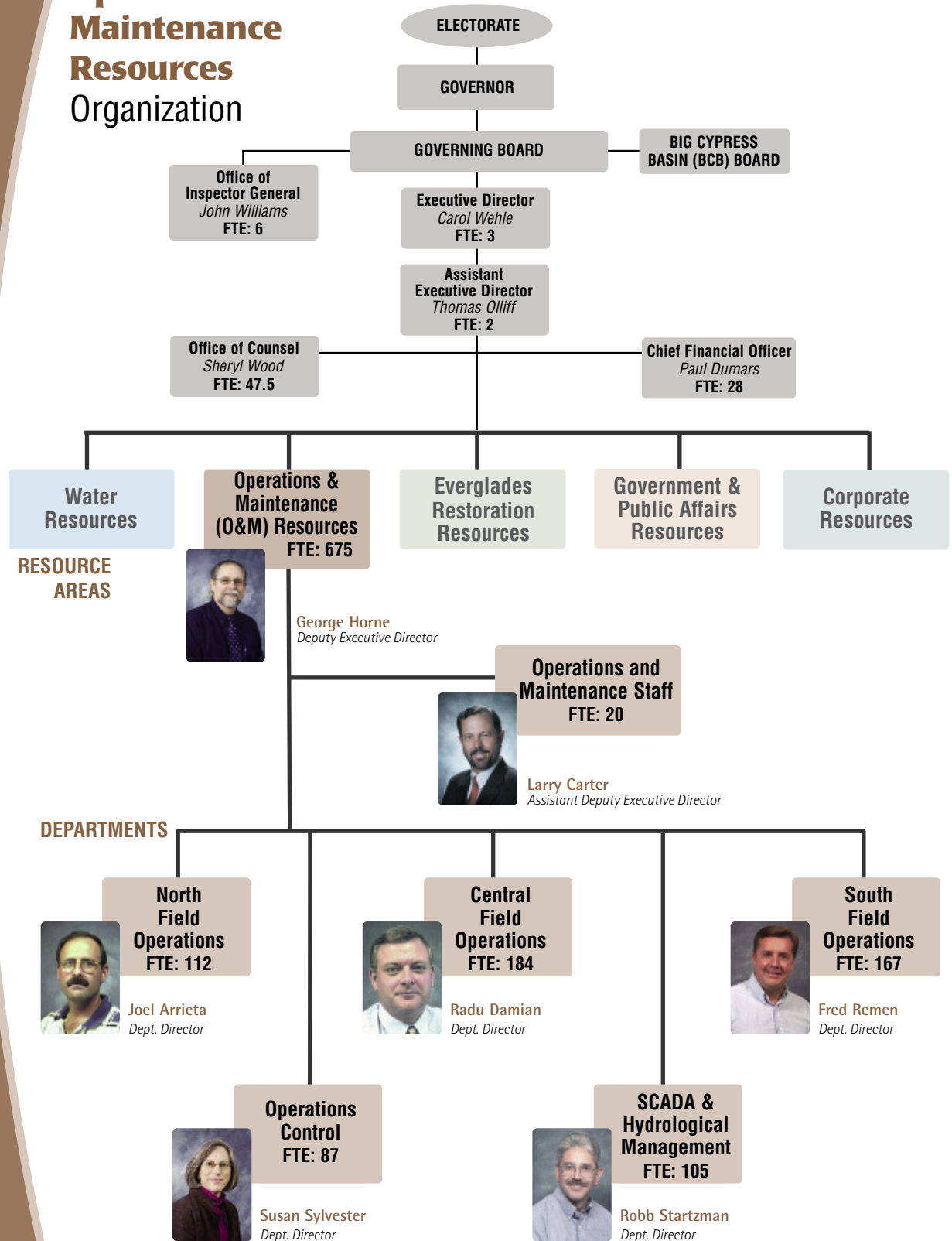
- Implemented the Water Shortage Program in response to drought conditions in Lake Okeechobee, the Everglades, and other basins throughout the District. Water Shortage management required significant increase in coordination and communication with all water users including public water supply utilities, 298 Districts, and golf courses
- Worked with Lake Okeechobee area utilities to ensure the utilities had the ability to take water from the lake, despite the low lake levels. Coordinated District assistance for timely completion of the new Regional Water Treatment Plant
- Managed Alternative Water Supply Program totaling \$45.9M in grants to 69 partners to support the development of 81 million gallons of water a day (MGD). The District received and is in the process of reviewing 62 proposals for the Alternative Water Supply Program for Fiscal Year 2009
- Staff completed feasibility study for sub-regional water supply projects in Broward and Miami-Dade counties, and started work on the Kissimmee Basin Wholesale Feasibility Study. Completed work with St. Lucie County and the City of Fort Pierce to review potential advantages and disadvantages to merging water treatment facilities
- The District funded 17 projects in the Water Savings Incentive (WaterSIP) program during FY2008 for \$400,000. These projects have a potential estimated water savings of 311 million gallons per year (MGY). Staff received 52 Water Savings Incentive program (WaterSIP) proposals and the selection process is underway with potential funding of \$1 million during FY2009
- The District initiated rule development to amend Chapter 40E-24, F.A.C., Mandatory Year-Round Landscape Irrigation Measures for Lee, Collier and Charlotte counties, and to implement the rule amendments District-wide. Seven rule development workshops have been conducted
- The District convened a Water Conservation Summit to gather information and input from local, state and national experts on the components of an achievable, meaningful and lasting water conservation program. The Summit was the kick-off for a stakeholder-driven process to develop a comprehensive and enduring water conservation program for South Florida. The District convened a stakeholder group, consisting of 21 representatives from 13 interest groups, to provide input and recommendations on a long-term water conservation program. The stakeholder group met monthly to assist the District in the development of the water conservation program. The Comprehensive Conservation Program will be presented for approval to the Governing Board in August
- The District developed and adopted a Central Florida Coordination Rule in conjunction with St. Johns River Water Management District and Southwest Florida Water Management District, and issued five water use permits consistent with the Central Florida Coordination Area rule
- Staff also completed peer review of East Central Florida Transient Model to better manage groundwater resources in Central Florida
- Funded and worked with Palm Beach County to accelerate the construction of the 10 million gallons per day Lake Region Water Treatment Plant; the water plant started delivering water in March 2008, five months ahead of schedule, to the lake communities of South Bay, Belle Glade, and Pahokee that were at risk due to low Lake Okeechobee water levels

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Completion and application of data gathering and model runs in compliance with District Annual Work Plan schedule	Completed 100% of planned work each quarter, including Peer Review of East Central Florida Transient Model	Completed 100% of planned work each quarter, including calibration of East Central Florida Transient Model and Peer Review of Lower West Coast Floridan Aquifer System Model	Complete 100% of planned work each quarter
Plan review, development and implementation schedules maintained	Completed Update to Lower East Coast Water Supply Plan	Reviewed facility work plans within mandatory timeframes	Review facility work plans within mandatory timeframes
Reservations, Minimum Flows and Levels and other rules completed on schedule	Exceeded scheduled protections by completing Regional Water Availability Rule (i.e., Water Reservations for Water Conservation Areas 1, 2, and 3, Everglades National Park, and Loxahatchee River basins)	Completed revision to Lake Okeechobee Water Shortage Management Rule Reviewed Facility Work Plans reviewed within mandatory timeframes	Publish Picayune Strand Water Reservation Rule Complete rule development for Biscayne Bay Complete rule development for Kissimmee River and selected lakes in upper Kissimmee chain
Alternative water supply capacity and reclaimed water use increased consistent with adopted regional water supply plans	65 MGD of AWS capacity created No target previous established. However, brackish water/seawater capacity was 142 MGD Use of reclaimed water: 30% of wastewater reused. No volume in previously established targets	82 MGD of AWS capacity created No target previous established. However, brackish water/seawater capacity was 207 MGD Use of reclaimed water: 30% of wastewater reused. No volume in previously established targets	Create 40 MGD of AWS capacity. Assumed \$36M in total funding from State and District Brackish water/seawater capacity: 170 MGD Use of reclaimed water: 28% of wastewater (231 MGD) reused
Conservation levels achieved meet or exceed targets within adopted regional water supply plans	1.95 MGD of Conservation Savings	1.73 MGD of Conservation Savings	1.73 MGD of Conservation Savings

OPERATIONS & MAINTENANCE

Operations & Maintenance Resources Organization



Operations & Maintenance Resource Area

Organization/Program Budget Matrix

Operations & Maintenance (O&M) Resource Area Programs								
District Departments			O&M	LAND STEWARDSHIP				
Water Resources	Environmental Resource Assessment	x						
	Regulation	x						
	Water Resources Staff							
	Water Supply							
	Watershed Management							
O & M	Central Field Operations	x	x					
	North Field Operations	x	x					
	Operations & Maintenance Staff	x	x					
	Operations Control	x	x					
	SCADA & Hydrological Management	x						
	South Field Operations	x	x					
Everglades Restoration	ER Engineering	x	x					
	ER Staff Office	x						
	Everglades Construction	x	x					
	Everglades Planning	x						
	Everglades Policy	x						
	Hydrological & Environmental Sys Modeling	x	x					
Govt. & Public Affairs Resources	Land Acquisition	x	x					
	Creative Services							
	Government & Public Affairs							
	Intergovernmental Programs							
	Media Relations							
	Board & Executive Services							
	Ombuds & Open Government							
	Legislative Affairs							
Corporate Resources	Service Centers	x	x					
	Corporate Resources Staff							
	Executive Offices							
	Finance & Administration	x						
	Human Resources							
	Information Technology	x						
	Office of Council	x						
	Office of Inspector General							
	Procurement							

Each 'x' indicates a budget allocation from a District Department to a Operations & Maintenance 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.

Explanation of FY2009 Funding Decrease

The total FY2009 adopted budget for the Operations and Maintenance Resource Area is \$194.8 million. As reflected in the following resource area variance table, the FY2009 total is approximately \$12.3 million less than the FY2008 amended budget. This 5.9 percent decrease in budgeted funds is primarily due to the completion of emergency structural repairs done in FY2008 as a result of low water levels during drought.

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; plant management for hazardous, exotic and aquatic plants, and other land management activities.

FY2008 to FY2009 Resource Area Variance

	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$50,428,322	\$55,882,642	\$59,239,146	\$3,356,504	6.0%
Operating/Self Insurance	18,104,849	24,438,045	21,871,979	(2,566,066)	-10.5%
Contracts	39,585,451	36,965,916	47,837,343	10,871,427	29.4%
Capital	60,803,330	79,370,957	50,449,127	(28,921,830)	-36.4%
Reserves	-	10,402,611	15,402,611	5,000,000	48.1%
Total	\$168,921,952	\$207,060,171	\$194,800,206	\$(12,259,965)	-5.9%
By Fund					
District (DIST)	\$15,073,698	\$13,014,155	\$12,628,860	\$(385,295)	-3.0%
Okeechobee Basin (OKEE)	65,404,753	89,112,402	77,669,161	(11,443,241)	-12.8%
Big Cypress Basin (BIGC)	2,709,366	4,141,507	3,398,326	(743,181)	-17.9%
Save Our Rivers (SORO)	2,446,992	3,365,085	18,177,685	14,812,600	440.2%
State Appropriations Non-Land	67,231	-	-	-	N/A
Invasive Plant Control	4,892,353	5,001,812	4,017,996	(983,816)	-19.7%
Melaleuca Management	5,277,092	4,000,000	1,750,000	(2,250,000)	-56.3%
Wetlands Mitigation	-	-	3,907,917	3,907,917	N/A
External Grant	373,150	2,162,250	-	(2,162,250)	-100.0%
STA O&M	12,318,722	13,824,059	16,743,951	2,919,892	21.1%
Okeechobee Basin (CAPO)	42,718,372	58,000,572	47,257,081	(10,743,491)	-18.5%
Everglades Trust	12,432,727	11,520,303	6,688,672	(4,831,631)	-41.9%
FEMA	3,767,112	256,542	256,542	-	0.0%
CERP - Ad Valorem	1,018,724	2,398,984	2,248,015	(150,969)	-6.3%
CERP - Federal	421,663	262,500	56,000	(206,500)	-78.7%
Total	\$168,921,952	\$207,060,171	\$194,800,206	\$(12,259,965)	-5.9%

OPERATIONS & MAINTENANCE

Program Budget: \$167.7 Million

Full-Time Equivalents: 606

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.



S-84 Water Control Structure

This system is made up of the Central and Southern Florida (C&SF) project and Big Cypress Basin and includes more than 500 water control structures, 60 pump stations, 2,000 automated remote terminal units and 25 weather stations.

Major components of this program are operations, maintenance and refurbishment of the infrastructure, flood mitigation, water supply, environmental enhancement, hydrological basin management and Stormwater Treatment Area operations and maintenance. Staff members are located in eight field stations, the Field Operations Center and at the District Headquarters.

Strategic Priority

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

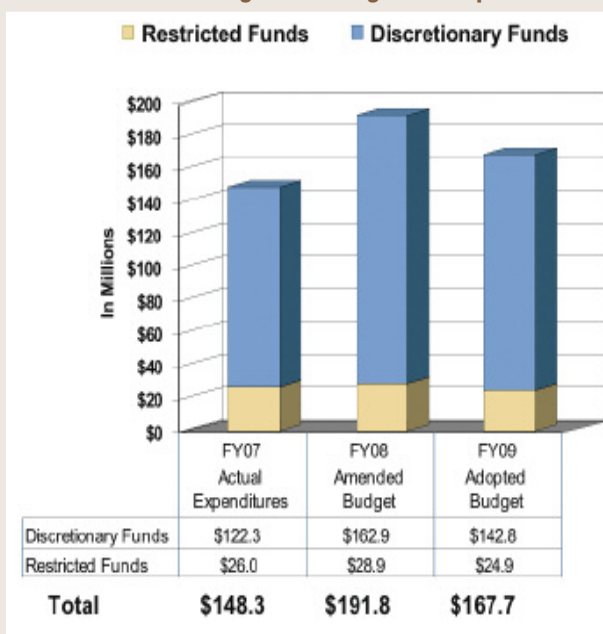
South Florida's primary 1,969-mile canal system is made up of the Central and Southern Florida Project and the Big Cypress Basin.

Program Activities/Functions

- Refurbish infrastructure to design conditions
- Operate within environmental regulations
- Maintain stages within operating criteria
- Maintain structures and pump stations to meet operational demands
- Maintain canals and levees to U.S. Army Corps of Engineers (USACE) regulation
- Maintain all vehicles and equipment in a safe and acceptable condition
- Maintain Supervisory Control and Data Acquisition (SCADA) infrastructure to District standards
- Manage natural resources effectively
- Control vegetation that impedes system effectiveness
- Manage Rights-of-Way in compliance with District policy and USACE requirements
- Maintain infrastructure to District standards of safety, health and operation according to intended utilization

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Operations and Maintenance (O&M) program is \$167.7 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$24.1 million lower than the FY2008 amended budget. This is a 13 percent decrease in budgeted funds.

Discretionary Funds

The O&M program's FY2009 discretionary funds total \$142.8 million, which is \$20.1 million lower than the FY2008 amended budget amount. Funding decreases were a result of the completion of non-recurring projects including emergency structural repairs due to low water levels and Miami River dredging. Also, less funding was available for future capital projects in FY2009. Discretionary funds decreased 12 percent compared to the prior year.

Restricted Funds

FY2009 restricted funds for this program total \$24.9 million. The decrease of \$4.0 million in funding represents the reduction of grant funds from other agencies for Miami River dredging and Coral Gables projects. Restricted funds decreased 14 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>Capital Projects</u>					
Discretionary Funds	\$46,194,606	\$77,296,931	\$55,119,319	\$(22,177,612)	-28.7%
Restricted Funds	11,492,704	14,103,377	13,063,311	(1,040,066)	-7.4%
Subtotal All Sources	57,687,310	91,400,308	68,182,630	(23,217,678)	-25.4%
<u>Environmental Compliance</u>					
Discretionary Funds	143,827	333,042	327,757	(5,285)	-1.6%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	143,827	333,042	327,757	(5,285)	-1.6%
<u>Movement of Water</u>					
Discretionary Funds	8,139,602	12,721,784	16,897,494	4,175,710	32.8%
Restricted Funds	6,161	86,024	27,175	(58,849)	-68.4%
Subtotal All Sources	8,145,763	12,807,808	16,924,669	4,116,861	32.1%
<u>Structure & Pump Station</u>					
<u>Maintenance & Refurbishment</u>					
Discretionary Funds	14,956,862	16,148,588	14,522,305	(1,626,283)	-10.1%
Restricted Funds	186,865	287,084	363,411	76,327	26.6%
Subtotal All Sources	15,143,727	16,435,672	14,885,716	(1,549,956)	-9.4%
<u>Canal/Levee Maintenance</u>					
Discretionary Funds	14,762,326	12,949,200	11,986,551	(962,649)	-7.4%
Restricted Funds	1,501,783	1,676,956	1,494,262	(182,694)	-10.9%
Subtotal All Sources	16,264,109	14,626,156	13,480,813	(1,145,343)	-7.8%
<u>Customer Equipment Maintenance</u>					
Discretionary Funds	3,629,490	2,751,184	2,737,114	(14,070)	-0.5%
Restricted Funds	18,901	58,082	30,790	(27,292)	-47.0%
Subtotal All Sources	3,648,391	2,809,266	2,767,904	(41,362)	-1.5%
<u>Electronics/Communications & Control</u>					
Discretionary Funds	13,192,142	11,157,004	11,131,423	(25,581)	-0.2%
Restricted Funds	257,320	220,000	253,063	33,063	15.0%
Subtotal All Sources	13,449,462	11,377,004	11,384,486	7,482	0.1%
<u>Exotic/Aquatic Plant Control</u>					
Discretionary Funds	7,191,727	7,370,592	5,950,473	(1,420,119)	-19.3%
Restricted Funds	12,272,969	11,439,835	8,733,960	(2,705,875)	-23.7%
Subtotal All Sources	19,464,696	18,810,427	14,684,433	(4,125,994)	-21.9%
<u>Right-of-Way Management</u>					
Discretionary Funds	1,829,237	1,543,885	1,720,317	176,432	11.4%
Restricted Funds	53,620	250,633	142,034	(108,599)	-43.3%
Subtotal All Sources	1,882,857	1,794,518	1,862,351	67,833	3.8%
<u>General Maintenance</u>					
Discretionary Funds	2,061,774	2,855,747	2,733,895	(121,852)	-4.3%
Restricted Funds	86,838	73,321	131,402	58,081	79.2%
Subtotal All Sources	2,148,612	2,929,068	2,865,297	(63,771)	-2.2%
<u>Water Management System.</u>					
<u>NAVD88 Conversion</u>					
Discretionary Funds	2,573,013	1,577,033	1,695,370	118,337	7.5%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	2,573,013	1,577,033	1,695,370	118,337	7.5%
<u>Program Support</u>					
Discretionary Funds	7,643,017	16,214,295	18,000,298	1,786,003	11.0%
Restricted Funds	143,320	704,555	624,732	(79,823)	-11.3%
Subtotal All Sources	7,786,337	16,918,850	18,625,030	1,706,180	10.1%
<u>Program Total</u>					
Discretionary Funds	122,317,622	162,919,285	142,822,316	(20,096,969)	-12.3%
Restricted Funds	26,020,481	28,899,867	24,864,140	(4,035,727)	-14.0%
Program Total	\$148,338,104	\$191,819,152	\$167,686,456	\$(24,132,696)	-12.6%

Operations & Maintenance Program

Key FY2008 Accomplishments

- Capital projects completed in FY2008 include: S-13A Replacement, S-71 Lake Okeechobee Structure Stability, S-72 Lake Okeechobee Structure Stability, Manatee Gate Modifications and Bank Stabilization projects on L-62, L-63S, L-62N, L-64 and L-65
- Continued construction of Saint Cloud Field Station, which replaces the failing Kissimmee Field Station
- Inspected and assessed 139 culverts, locks, spillways, weirs and pump stations under the Structure Inspection Program
- Surveyed and assessed 220 miles of canal under the Canal Conveyance Capacity Program
- Inspected ten District bridges and provided load ratings under the Bridge Inspection Program
- Performed eight miles of tree clearing at Golden Gate Main and Cypress Canals
- Installed SCADA on 10 sites at Stormwater Treatment Area 6
- Treated 23,613 acres of aquatic and 60,212 acres of terrestrial vegetation
- Instrumentation Maintenance and Data Collection group responded to 1,261 malfunction requests and resolved 1,194
- Completed stabilization of S-65E Lake Okeechobee Structure and also the banks of Canal 24

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Compliance with current fiscal year budget-driven segment of 50-year Plan	88%	93%	90%
95% compliance with permit requirements	58%	70%	95%
99% flood protection achieved for rainfall events within project design standards	64%	98%	99%
99% of planned structure maintenance performed on schedule	93%	91%	99%
90% canals/levees passing US Army Corps of Engineers inspection	100%	100%	90%
80% design conveyance capable	100%	99%	80%
99% of planned vehicle maintenance performed on schedule	100%	100%	99%
90% compliance with electronic communication installation and maintenance schedule	94%	100%	90%
90% of land at an acceptable level of exotics infestation	90%	89%	90%
90% of canals at an acceptable level of aquatic plant infestation	90%	89%	90%
75% of Right-Of-Way permit compliance or resolution: - Percentage of encroachments resolved - Percentage resolution of issues with initially non-compliant permittees - Percentage of permits resolved	92%	100%	92%
95% of planned maintenance performed on schedule	92%	88%	95%

LAND STEWARDSHIP

Program Budget: \$22.8 Million

Full-Time Equivalents: 43



Water Conservation Area 2A: Controlled Cattail Burn

Program Description

The Land Stewardship program manages and restores conservation lands owned or controlled by the South Florida Water Management District (District) in an environmentally-acceptable manner while providing compatible public use.

Additionally, the program conducts management activities on water resource properties prior to construction, including lands acquired for future Comprehensive Everglades Restoration Plan (CERP) projects, and manages public recreation on these properties prior to and after construction.

The Land Stewardship program activities include developing and implementing land management plans, controlling exotic vegetation, conducting prescribed burns to mimic natural fire regimes, restoring native communities, employing multiple-use practices, managing interim agricultural uses through reservations or lease agreements and providing nature-based recreation on public lands.

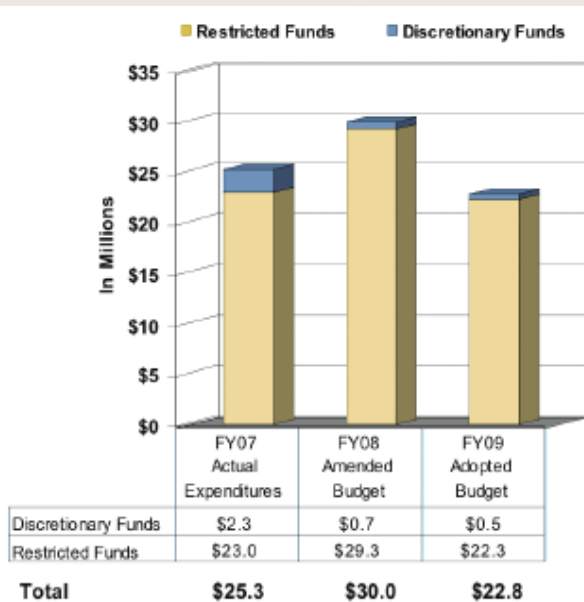
Lands are protected, enhanced, restored and preserved for the use and enjoyment of existing and future generations.

Program Activities/Functions

- 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 FY2009 Funding Decrease

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Land Stewardship program is \$22.8 million, approximately \$7.2 million lower than the FY2008 amended budget. This 24 percent decrease in budgeted funds is described in more detail below.

Discretionary Funds

The Land Stewardship program FY2009 discretionary funds total \$0.5 million, which is \$0.2 million lower than the FY2008 amended budget amount. The reduction in budgeted funds is due mainly to the relocation of staff time to projects in other programs such as Comprehensive Everglades Restoration Plan and Operations & Maintenance. Discretionary funds decreased 27 percent.

Restricted Funds

FY2009 restricted funds for this program total \$22.3 million. The decrease of \$7 million in funding is attributed primarily to funds allocation in FY2008 for Pennsuco land acquisition and long term management authorized by the Lake Belt Committee. Restricted funds decreased 24 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
Land Stewardship					
Discretionary Funds	\$167,585	\$285,570	\$162,349	\$(123,221)	-43.1%
Restricted Funds	10,133,097	20,460,263	14,366,944	(6,093,319)	-29.8%
Subtotal All Sources	10,300,682	20,745,833	14,529,293	(6,216,540)	-30.0%
Interim Land Management					
Discretionary Funds	20,413	276,492	30,996	(245,496)	-88.8%
Restricted Funds	612,072	1,583,722	740,045	(843,677)	-53.3%
Subtotal All Sources	632,485	1,860,214	771,041	(1,089,173)	-58.6%
Program Support					
Discretionary Funds	2,143,047	194,350	354,988	160,638	82.7%
Restricted Funds	12,261,880	7,206,794	7,200,409	(6,385)	-0.1%
Subtotal All Sources	14,404,927	7,401,144	7,555,397	154,253	2.1%
Program Total					
Discretionary Funds	2,331,045	756,412	548,333	(208,079)	-27.5%
Restricted Funds	23,007,049	29,250,779	22,307,398	(6,943,381)	-23.7%
Program Total	\$25,338,094	\$30,007,191	\$22,855,731	\$(7,151,460)	-23.8%

Land Stewardship Program

Key FY2008 Accomplishments

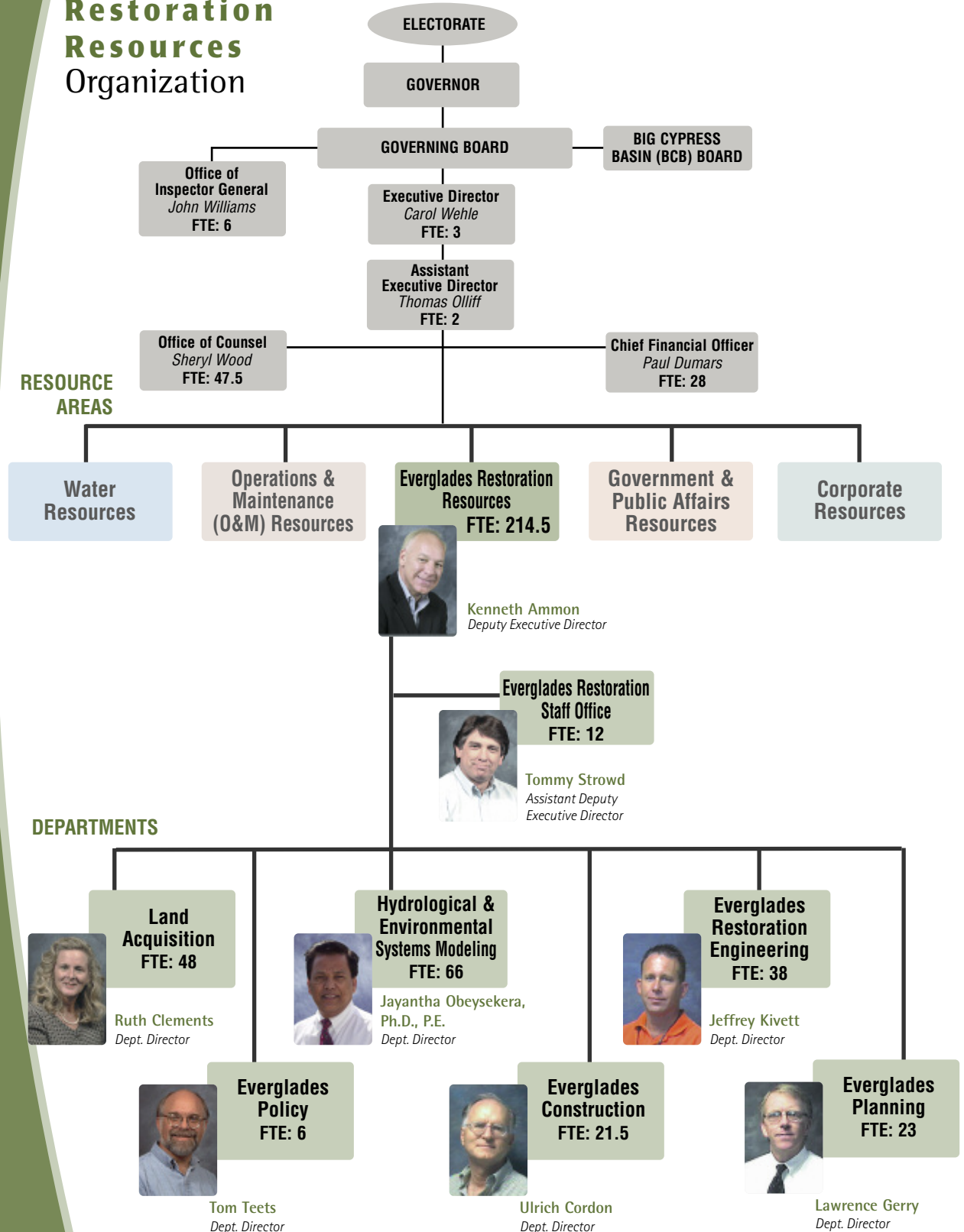
- Over 61,000 acres of exotics treated
- Over 15,000 acres prescribe burned
- Two hydrologic restoration projects completed resulting in 1500 acres of wetlands enhancements
- STA 1E catch and release program initiated
- Completed DuPuis boardwalk in July 2008
- One trailhead at Chandler Slough completed
- Installed two equestrian and three hunter trailheads at Allapattah
- Grand opening of STA1E, STA3/4 and STA1W recreation areas

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
73% of conservation land at an acceptable level of exotic infestation	tracking method not in place	73%	73%
95% of lands burned according to recommended burn frequency	tracking method not in place	91%	95%
80% of Land Stewardship infrastructure projects completed on schedule and within budget	tracking method not in place	100%	80%
100% of unrestricted District lands opened to the public	100%	100%	100%
80% of recreation capital projects completed on schedule and within budget	77%	83%	80%
100% photo documented database by 2017; 180 more ecological photo point monitoring locations by 2017	100%	100%	100%
100% Land Management Plans developed/updated per land management review team recommendations at five-year intervals	100%	100%	100%
100% of submitted restoration credit release requests approved by permitting agencies	100%	100%	100%
Minimum of two formal inspections conducted annually on all leased and vacant lands to document compliance and illegal activity plans-of-action developed 100% of time within 30 days of problem identification	tracking method not in place	100%	100%
100% of Water Resource Development project plans to include associated recreation	100%	100%	100%

EVERGLADES RESTORATION RESOURCES

Everglades Restoration Resources Organization



Everglades Restoration Resource Area

Organization/Program Budget Matrix

Everglades Restoration Resources Area Program

District Departments

CERP

Water Resources	Environmental Resource Assessment	x						
	Regulation	x						
	Water Resources Staff							
	Water Supply	x						
	Watershed Management	x						
O & M	Central Field Operations	x						
	North Field Operations	x						
	Operations & Maintenance Staff							
	Operations Control	x						
	SCADA & Hydrological Management	x						
	South Field Operations							
Everglades Restoration	ER Engineering	x						
	ER Staff Office	x						
	Everglades Construction	x						
	Everglades Planning	x						
	Everglades Policy	x						
	Hydrological & Environmental Sys Modeling	x						
	Land Acquisition	x						
Govt. & Public Affairs Resources	Creative Services	x						
	Government & Public Affairs							
	Intergovernmental Programs	x						
	Media Relations							
	Board & Executive Services							
	Ombuds & Open Government							
	Legislative Affairs							
	Service Centers	x						
Corporate Resources	Corporate Resources Staff							
	Executive Offices	x						
	Finance & Administration							
	Human Resources							
	Information Technology							
	Office of Council	x						
	Office of Inspector General							
	Procurement							

Each 'x' indicates a budget allocation from a District Department to a Everglades Restoration 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.

Explanation of FY2009 Funding Increase

The total FY2009 adopted budget for the Everglades Restoration Resource Area is \$2.5 billion. As reflected in the following resource area variance table, the FY2009 total is approximately \$1.7 billion more than the FY2008 amended budget. This 212.9 percent increase in budgeted funds is primarily due to the potential acquisition of 187,000 acres of land and associated assets within the Everglades Agricultural Area (EAA) for Everglades Restoration.

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.

FY2008 to FY2009 Resource Area Variance

	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$20,803,738	\$21,889,921	\$23,178,184	\$1,288,263	5.9%
Operating/Self Insurance	3,222,997	10,036,629	8,009,593	(2,027,036)	-20.2%
Contracts	72,227,057	117,733,453	17,956,391	(99,777,062)	-84.7%
Capital	216,494,962	596,642,902	2,284,758,368	1,688,115,466	282.9%
Debt Service	142,048,252	42,388,069	134,088,418	91,700,349	216.3%
Total	\$454,797,006	\$788,690,974	\$2,467,990,954	\$1,679,299,980	212.9%
By Fund					
District (DIST)	\$6,739,289	\$16,347,634	\$17,534,641	\$1,187,007	7.3%
Okeechobee Basin (OKEE)	4,437,635	2,998,115	7,975,917	4,977,802	166.0%
Big Cypress Basin (BIGC)	143,330	160,823	604,946	444,123	276.2%
Save Our Rivers (SORO)	15,705,082	13,859,307	1,620,870	(12,238,437)	-88.3%
State Appropriations Non-Land	507,621	-	700,000	700,000	N/A
Wetlands Mitigation	2,314,639	10,287,707	3,452,644	(6,835,063)	-66.4%
External Grant	59,985	15,000	15,000	-	0.0%
STA O&M	-	-	21,748	21,748	N/A
Lake Belt Mitigation	1,478,836	3,509,000	-	(3,509,000)	-100.0%
Lake Okeechobee Trust	3,506,199	39,747,886	11,675,370	(28,072,516)	-70.6%
Okeechobee Basin (CAPO)	9,777,000	10,573,800	75,000	(10,498,800)	-99.3%
Big Cypress Basin (CAPB)	-	-	82,500	82,500	N/A
Florida Forever (CAPS)	4,777,889	63,850,000	18,746,741	(45,103,259)	-70.6%
Everglades Trust	17,905,495	64,288,956	111,016,781	46,727,825	72.7%
Florida Bay	92,771	239,768	-	(239,768)	-100.0%
CERP - Ad Valorem	95,193,392	130,381,565	210,763,806	80,382,241	61.7%
Federal Land Acquisition	3,464,000	-	-	-	N/A
Save Our Everglades Trust (HB221)	74,388,491	153,558,327	109,748,490	(43,809,837)	-28.5%
CERP - Federal	232,586	5,899,561	412,500	(5,487,061)	-93.0%
CERP - Other Creditable Funds	14,746,240	2,208,128	-	(2,208,128)	-100.0%
Acceler8 - ECP	56,820,011	-	244,700,000	244,700,000	N/A
Acceler8 - CERP	142,506,514	270,765,397	1,728,844,000	1,458,078,603	538.5%
Total	\$454,797,006	\$788,690,974	\$2,467,990,954	\$1,679,299,980	212.9%

COMPREHENSIVE EVERGLADES RESTORATION PLAN

Program Budget: \$2.1 Billion
Full-Time Equivalents: 111



Sugar cane fields near Lake Okeechobee – River of Grass

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.

The District is the CERP implementing agency for the state of Florida and in partnership with the U.S. Army Corps of Engineers (USACE). The CERP program is working to improve the quantity, quality, timing and distribution of water delivered to freshwater and coastal systems in South Florida. Thousands of acres of uplands, wetlands, and coastal habitat will be restored as a result of completing key projects including the C-44 Reservoir/Stormwater Treatment Area, C-43 Reservoir, Picayune Strand Restoration, C-111 Spreader Canal, Biscayne Bay Coastal Wetlands and Indian River Lagoon – South Allapattah 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 which spans three 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

Acquiring land and planning projects to revive the River of Grass. Restore the Everglades by advancing construction schedules of existing key projects

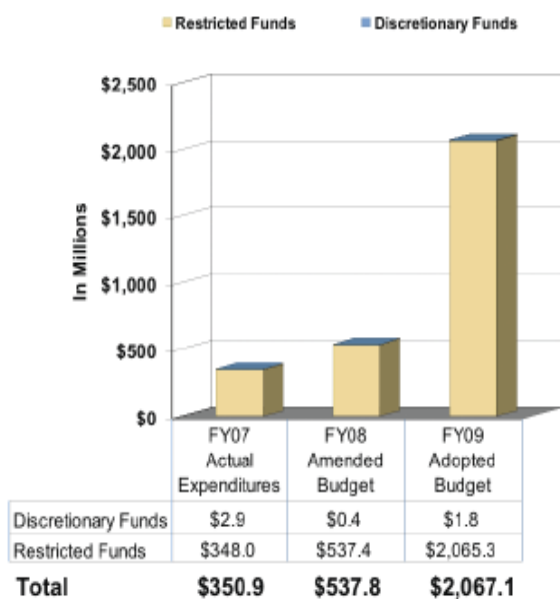
The Comprehensive Everglades Restoration Plan (CERP), spanning three decades, is the largest ecosystem restoration project in the world.

Program Activities/Functions

- 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
- Implement new and improved restoration technologies

Explanation of FY2009 Funding Increase

Three-Year Program Budget Comparison



Total Budget

The total FY2009 adopted budget for the Comprehensive Everglades Restoration Plan (CERP) program is \$2.1 billion. As reflected in the program variance table on the following page, the FY2009 total is approximately \$1.5 billion higher than the FY2008 amended budget of \$537.8 million. This is a 284 percent increase in budgeted funds.

Discretionary Funds

The CERP program's discretionary funds total \$1.8 million. Funding is reserved to provide outreach and support projects to help stimulate economic growth in the Glades area.

Restricted Funds

The program is funded mostly through restricted funds in FY2009. The purchase of 187,000 acres of land within the Everglades Agricultural Area (EAA) and its associated assets is the primary reason for this funding increase. The financing of the acquisition is contingent upon the District's ability to secure \$1.7 billion worth of Certificate of Participation (COPs) proceeds. On the whole, restricted funds increased 284 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>CERP Projects</u>					
Discretionary Funds	\$0	\$417,800	\$0	\$(417,800)	-100.0%
Restricted Funds	109,774,334	117,862,168	29,964,344	(87,897,824)	-74.6%
Subtotal All Sources	109,774,334	118,279,968	29,964,344	(88,315,624)	-74.7%
<u>CERP Program Elements</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	14,692,071	11,021,905	12,563,654	1,541,749	14.0%
Subtotal All Sources	14,692,071	11,021,905	12,563,654	1,541,749	14.0%
<u>Expedited CERP Projects</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	211,629,050	376,935,353	130,276,864	(246,658,489)	-65.4%
Subtotal All Sources	211,629,050	376,935,353	130,276,864	(246,658,489)	-65.4%
<u>Feasibility Studies</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	2,531,612	1,399,784	253,426	(1,146,358)	-81.9%
Subtotal All Sources	2,531,612	1,399,784	253,426	(1,146,358)	-81.9%
<u>Critical Restoration Projects</u>					
Discretionary Funds	83,429	-	-	-	N/A
Restricted Funds	5,117,833	5,986,868	9,279,858	3,292,990	55.0%
Subtotal All Sources	5,201,262	5,986,868	9,279,858	3,292,990	55.0%
<u>CERP Support</u>					
Discretionary Funds	-	-	-	-	N/A
Restricted Funds	3,043,537	16,808,041	6,306,474	(10,501,567)	-62.5%
Subtotal All Sources	3,043,537	16,808,041	6,306,474	(10,501,567)	-62.5%
<u>C-111 Modified Water Deliveries Project</u>					
Discretionary Funds	2,770,995	-	-	-	N/A
Restricted Funds	1,247,716	7,338,656	681,261	(6,657,395)	-90.7%
Subtotal All Sources	4,018,711	7,338,656	681,261	(6,657,395)	-90.7%
<u>River of Grass</u>					
Discretionary Funds	-	-	1,801,025	1,801,025	N/A
Restricted Funds	-	-	1,875,931,617	1,875,931,617	N/A
Subtotal All Sources	-	-	1,877,732,642	1,877,732,642	N/A
<u>Program Total</u>					
Discretionary Funds	2,854,424	417,800	1,801,025	1,383,225	331.1%
Restricted Funds	348,036,153	537,352,775	2,065,257,498	1,527,904,723	284.3%
Program Total	\$350,890,577	\$537,770,575	\$2,067,058,523	\$1,529,287,948	284.4%

Comprehensive Everglades Restoration Plan (CERP) Program

Key FY2008 Accomplishments

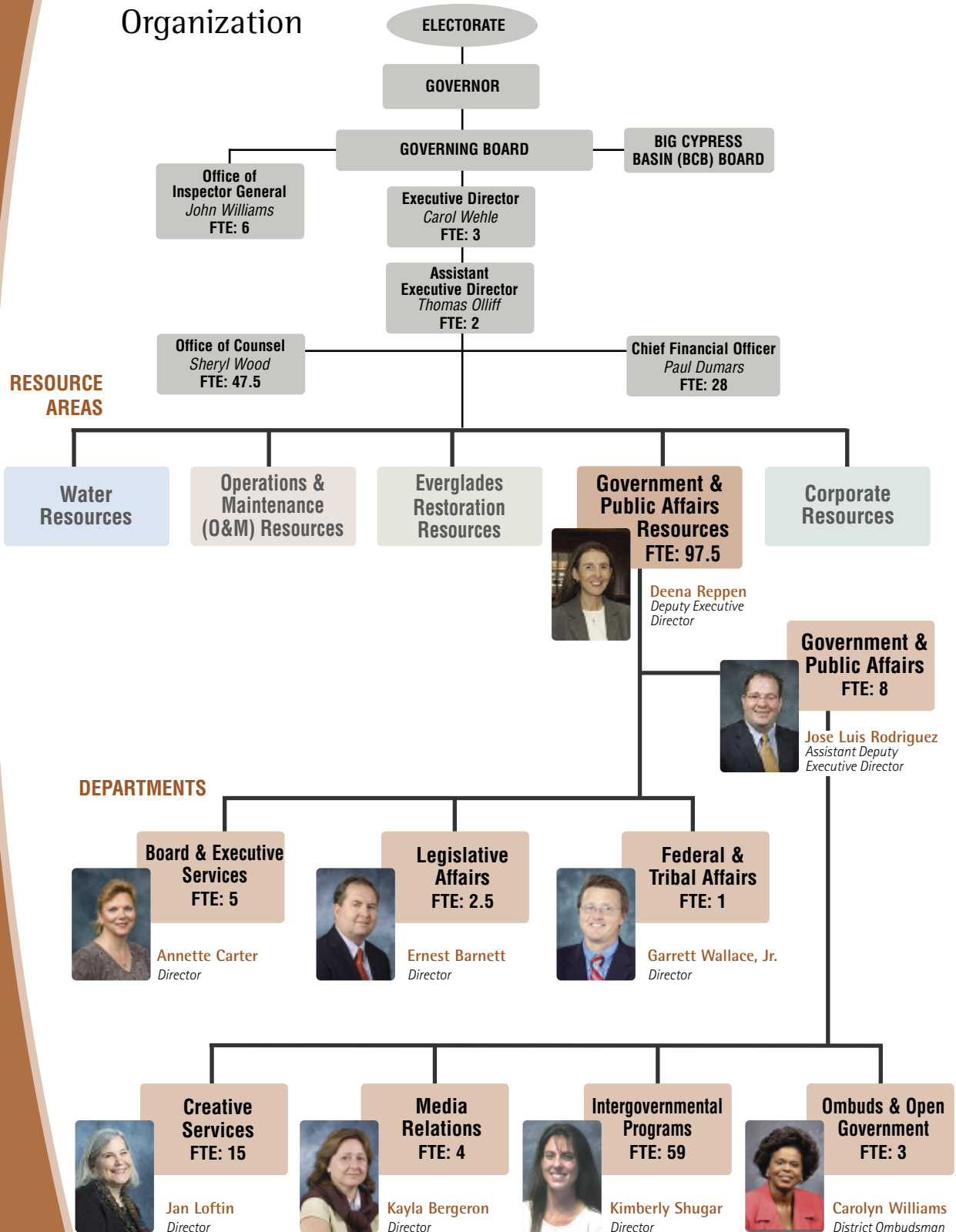
- Completed 15+ miles of the seepage canal (100%), 20% of aggregate production construction, and 90% design of the pump stations for the EAA A-1 Reservoir/future STA
- Completed the designs of the Cutler Wetland C-1 Flowway, the Deering estate, and the L-31E Culverts, for the Biscayne Bay Coastal Wetlands
- Design for the C-111 Spreader Canal project is 30% complete. The initial planning and design focus is to reduce seepage losses from Taylor Slough and damaging pulse discharges from S-197
- Completed pump station designs for Picayune Strand Hydrologic Restoration. The first three phases of demolition, canal filling and road removal were completed for the Picayune Strand Prairie Canal restoration area
- Completed the design for the C-43 West Storage Reservoir
- Improved hydrology on approximately 2,000 acres at the Allapattah Ranch Natural Area, a component of the Indian River Lagoon – South, in order to restore the natural habitat
- Acquired 1,815 acres for the C-23-24 Reservoir project

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
12 restoration plans complete by 2018	5	5	7
6 project designs complete by 2018	2	7	9
151,000 acres of land acquired for Comprehensive Everglades Restoration Plan by 2018; 216,000 acres acquired by end of program	217,584	229,094	233,894
Construction completed: 608,000 acre-feet of water storage flow ready by 2018	45,000	45,000	45,000
Construction completed: 6,300 acres of water quality treatment flow ready by 2018	0	0	0
Construction completed: 156,000 acres of natural area projects completed by 2018	0	0	0
100% of ecological baseline complete by 2018	36%	36%	45%
100% of system-wide restoration assessments complete by 2018	16%	22%	36%

Government & Public Affairs Resources

Government & Public Affairs Organization



Government and Public Affairs Resource Area

Organization/Program Budget Matrix

		District Programs Supported by Government & Public Affairs Resource Area									
District Departments		Mission Support	Coastal Watersheds	Lake Okeechobee	Kissimmee Watershed	Modeling & Scientific	Regulation	Water Supply	O&M	Land Stewardship	CERP
Govt. & Public Affairs Resources	Creative Services	X						X			X
	Government & Public Affairs	X									
	Intergovernmental Programs	X	X								
	Media Relations	X						X			X
	Board & Executive Services	X									
	Ombuds & Open Government	X									
	Legislative Affairs	X									
	Service Centers	X	X	X	X	X	X	X	X	X	X

Each 'x' indicates a budget allocation from a Government & Public Affairs Department to a District 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.

Explanation of FY2009 Funding Decrease

The total FY2009 adopted budget for the Government & Public Affairs Resource Area is \$49.2 million. As reflected in the following resource area variance table, the FY2009 total is approximately \$16.1 million less than the FY2008 amended budget. This 24.7 percent decrease in budgeted funds is primarily due to less state and District funding for local water resources projects.

Government and Public Affairs is responsible for carrying out the agency's long-standing commitment to public information and involvement, community and governmental outreach, and open government to ensure the South Florida taxpayers receive the highest level of service.

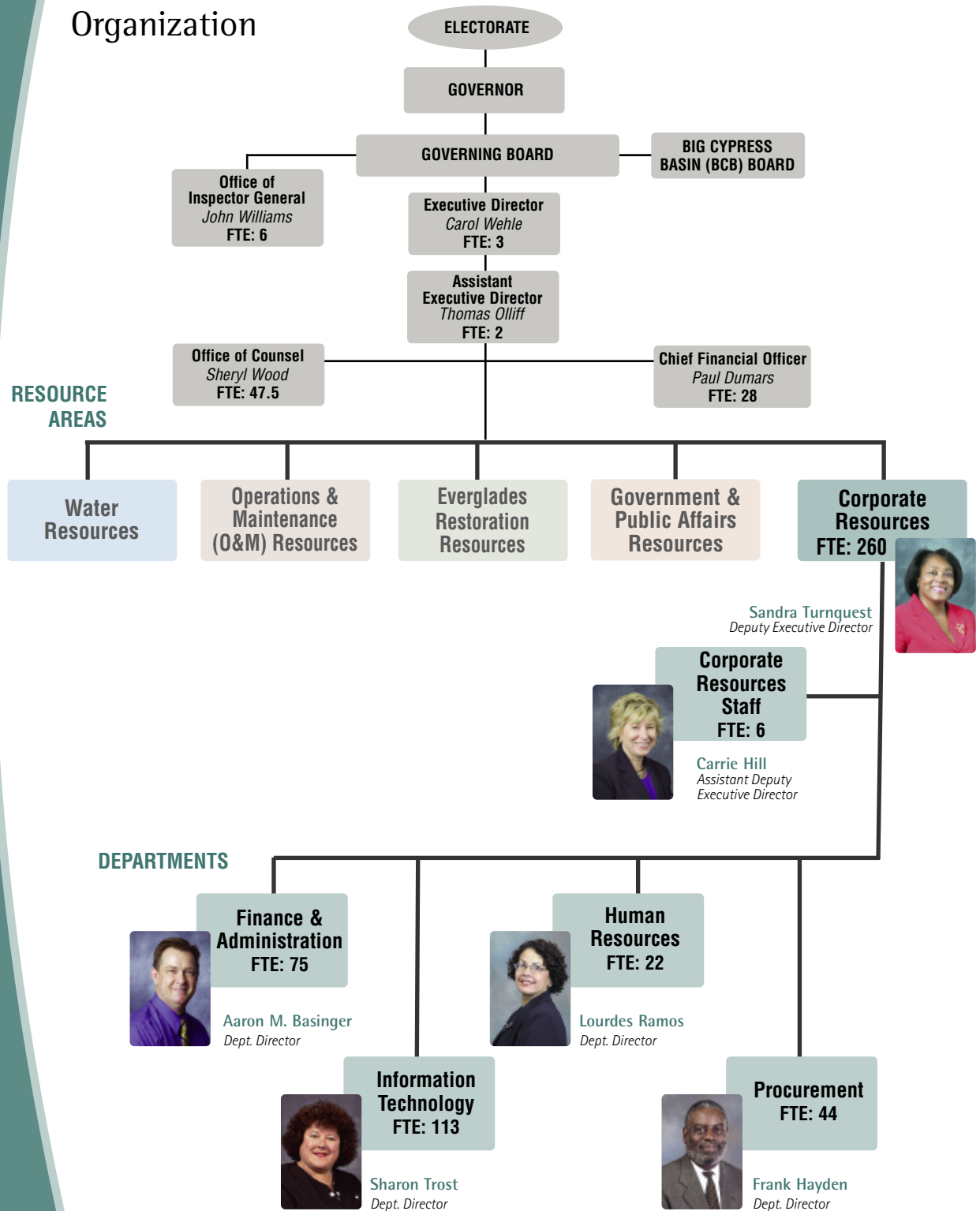
Staff in this resource area supports all programs.

FY2008 to FY2009 Resource Area Variance

	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$12,115,543	\$9,099,036	\$9,940,734	\$841,698	9.3%
Operating/Self Insurance	2,247,999	2,735,537	1,750,848	(984,689)	-36.0%
Contracts	42,138,644	45,465,002	22,028,306	(23,436,696)	-51.5%
Capital	6,139,777	7,998,415	15,438,607	7,440,192	93.0%
Total	\$62,641,963	\$65,297,990	\$49,158,495	\$(16,139,495)	-24.7%
By Fund					
District (DIST)	\$9,970,223	\$6,955,299	\$8,152,808	\$1,197,509	17.2%
Okeechobee Basin (OKEE)	17,339,308	13,599,264	9,728,883	(3,870,381)	-28.5%
Big Cypress Basin (BIGC)	10,304,129	10,725,431	9,029,047	(1,696,384)	-15.8%
Save Our Rivers (SORO)	373,888	12,016	2,200	(9,816)	-81.7%
State Appropriations Non-Land	11,922,742	14,725,473	6,165,823	(8,559,650)	-58.1%
Snook Tag Revenue	182,609	200,000	185,000	(15,000)	-7.5%
External Grant	2,817,030	2,347,000	1,300,000	(1,047,000)	-44.6%
Alternative Water Supply	400,000	-	-	-	N/A
Lake Okeechobee Trust	1,127,787	2,780,324	-	(2,780,324)	-100.0%
Okeechobee Basin (CAPO)	976,775	-	-	-	N/A
Big Cypress Basin (CAPB)	6,046,505	7,926,415	14,000,000	6,073,585	76.6%
Florida Forever (CAPS)	232,196	-	-	-	N/A
Everglades Trust	-	5,000	-	(5,000)	-100.0%
CERP - Ad Valorem	948,772	1,821,768	594,734	(1,227,034)	-67.4%
Save Our Everglades Trust (HB221)	-	4,200,000	-	-	0.0%
Total	\$62,641,963	\$65,297,990	\$49,158,495	\$(16,139,495)	-24.7%

CORPORATE RESOURCES

Corporate Resources Organization



Corporate Resources

Organization/Program Budget Matrix

Corporate Resources Program

District Departments		Mission Support						
Water Resources	Environmental Resource Assessment							
	Regulation							
	Water Resources Staff							
	Water Supply							
	Watershed Management							
O & M	Central Field Operations	x						
	North Field Operations	x						
	Operations & Maintenance Staff	x						
	Operations Control							
	SCADA & Hydrological Management							
	South Field Operations							
Everglades Restoration	ER Engineering							
	ER Staff Office							
	Everglades Construction							
	Everglades Planning							
	Everglades Policy							
	Hydrological & Environmental Sys Modeling							
Govt. & Public Affairs Resources	Land Acquisition							
	Creative Services	x						
	Government & Public Affairs	x						
	Intergovernmental Programs	x						
	Media Relations	x						
	Board & Executive Services	x						
	Ombuds & Open Government	x						
	Legislative Affairs	x						
Corporate Resources	Service Centers	x						
	Corporate Resources Staff	x						
	Executive Offices	x						
	Finance & Administration	x						
	Human Resources	x						
	Information Technology	x						
	Office of Council	x						
	Office of Inspector General	x						
	Procurement	x						

Each 'x' indicates a budget allocation from a District Department to a Corporate 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.

Explanation of FY2009 Funding Decrease

The total FY2009 adopted budget for the Corporate Resources Resource Area is \$120.6 million. As reflected in the following resource area variance table, the FY2009 total is approximately \$9.9 million less than the FY2008 amended budget. This 7.6 percent decrease in budgeted funds is primarily due to cost cutting in administrative expenses, reduced funding for systems implementation and programming contractors, as well as the substantial completion of B-1 roof improvements.

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, procurement and general services. Finance & Administration, also within Corporate Resources, is responsible for development of the agency's fiscal policies.

FY2008 to FY2009 Resource Area Variance

	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$37,621,642	\$43,579,041	\$42,743,967	\$(835,074)	-1.9%
Operating/Self Insurance	15,144,769	36,193,222	23,560,923	(12,632,299)	-34.9%
Contracts	41,072,636	37,508,268	29,816,780	(7,691,488)	-20.5%
Capital	10,013,997	2,950,609	16,786,077	13,835,468	468.9%
Reserves	-	10,289,856	7,672,079	(2,617,777)	-25.4%
Total	\$103,853,045	\$130,520,996	\$120,579,826	\$(9,941,170)	-7.6%
By Fund					
District (DIST)	\$89,612,096	\$98,482,612	\$87,617,509	\$(10,865,103)	-11.0%
Okeechobee Basin (OKEE)	3,279,924	14,819,885	11,535,694	(3,284,191)	-22.2%
Big Cypress Basin (BIGC)	-	790,546	740,551	(49,995)	-6.3%
Save Our Rivers (SORO)	1,321	154,163	9,000	(145,163)	-94.2%
District (CAPD)	4,333,513	1,455,016	-	(1,455,016)	-100.0%
Okeechobee Basin (CAPO)	23,851	520,360	250,000	(270,360)	-52.0%
Big Cypress Basin (CAPB)	13,412	-	-	-	N/A
Florida Forever (CAPS)	16,166	-	-	-	N/A
Everglades Trust	608,348	1,023,418	1,409,833	386,415	37.8%
Florida Bay	6,520	-	900	900	N/A
CERP - Ad Valorem	5,957,894	1,583,937	13,930,000	12,346,063	779.5%
Self Insurance	-	11,691,059	5,086,339	(6,604,720)	-56.5%
Total	\$103,853,045	\$130,520,996	\$120,579,826	\$(9,941,170)	-7.6%

MISSION SUPPORT

Program Budget: \$113.7 Million

Full-Time Equivalents: 416

Program Description

The Mission Support program delivers critical business support services which enable the South Florida Water Management District (District) and its



*National Purchasing Institute 2008 Excellence
Procurement Award*

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, media relations, records management, performance management, Service

Center operations, as well as intergovernmental planning all reside within the Mission Support program. Additionally, the legislative affairs, Federal and Tribal Affairs, emergency and security management, internal audit, public information management and ombudsman functions are provided through Mission Support.

Strategic Priority

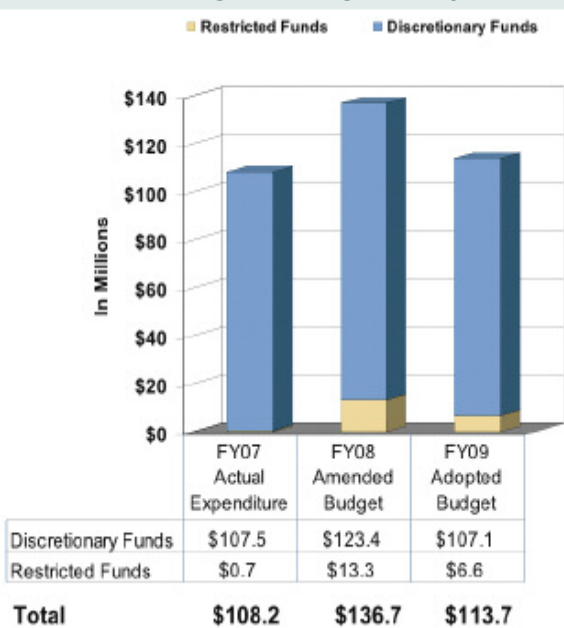
**Retain and recruit
a high-quality,
diverse workforce by
continuing to
recognize the value of
employees**

Program Activities/Functions

- Attract, retain and develop a high-performance, team-oriented, diverse workforce; and continue to recognize the value of employees
- Implement recommendations of the Information Technology Department's management and customers
- Prepare District-wide financial statements in conformity with Generally Accepted Accounting Principles (GAAP)
- Inform, invite, train and assist qualified businesses of the Small Business Enterprise (SBE) program to register with the District and compete for agency contracts
- Provide and enforce project management methodology and training on methodology
- Implement protective measures for District's critical infrastructure
- Ensure administrative budget and spending in compliance with target
- Provide excellent customer service
- Implement Governor, Legislative and Governing Board direction to ensure continual and improved customer service and open government

Explanation of FY2009 Funding Decrease

Three-Year Program Budget Comparison



Restricted Funds

FY2009 restricted funds for this program total \$6.6 million. The decrease of \$6.7 in funding is due partly to the resolution of a one time general liability claims bill which was paid in FY2008. Restricted funds decreased 51 percent.

Total Budget

The total FY2009 adopted budget for the Mission Support program is \$113.7 million. As reflected in the program variance table on the following page, the FY2009 total is approximately \$23 million lower than the FY2008 amended budget. This is a 17 percent decrease in budgeted funds.

Discretionary Funds

The Mission Support program's discretionary funds total \$107.1 million, which is \$16.3 million lower than the FY2008 amended budget amount. This reflects a decrease in project costs associated with Information Technology (IT), SAP implementation and facilities maintenance. The successful completion and implementation of the project systems module in SAP in FY2008 resulted in a lower SAP budget for the current fiscal year. The decrease in facilities maintenance reflects completion of the B-1 roofing improvements at the West Palm Beach headquarters. The final payment was made on the debt services for the B-2 construction project which also explains the lower budget. Costs cutting measures in administrative, travel, training, and facilities improvements are also reflected in the FY2009 budget. Discretionary funds decreased 13 percent.

FY2008 to FY2009 Program Variance

Program Element	FY2007 Actual Expenditures	FY2008 Amended Budget	FY2009 Adopted Budget	Variance \$	Variance %
<u>Business Administration</u>					
Discretionary Funds	\$87,862,756	\$111,088,841	\$99,222,910	\$(11,865,931)	-10.7%
Restricted Funds	744,402	13,272,097	6,566,834	(6,705,263)	-50.5%
Subtotal All Sources	88,607,157	124,360,938	105,789,744	(18,571,194)	-14.9%
<u>Major Projects</u>					
Discretionary Funds	19,596,452	12,339,230	7,899,657	(4,439,573)	-36.0%
Restricted Funds	-	-	-	-	N/A
Subtotal All Sources	19,596,452	12,339,230	7,899,657	(4,439,573)	-36.0%
<u>Program Total</u>					
Discretionary Funds	107,459,208	123,428,071	107,122,567	(16,305,504)	-13.2%
Restricted Funds	744,402	13,272,097	6,566,834	(6,705,263)	-50.5%
Program Total	\$108,203,610	\$136,700,168	\$113,689,401	\$(23,010,767)	-16.8%

Mission Support Program Key FY2008 Accomplishments

- Implemented end-to-end e-mail e-discovery process for Public Records and Office of Counsel litigation; thereby streamlining the public records and litigation information requests at the District
- Acquisition, installation, and implementation of Oracle Identity Management (to be in production with the Phase 1 targeted applications in early FY2009). By next January, staff will be able to use a single user sign-on for key District applications, (Exchange, SAP, portal, ESS, etc) instead of several different passwords
- Successful completion of the SAP ERP 6 upgrade
- Successfully upgraded the SAP environments (sandbox, development, QA and production) to a new operating system (Solaris 10) and database management system (Oracle 10G). This was a major infrastructure upgrade that supported Finance's need to run SAP ERP 2005. In addition, the Citrix infrastructure supporting SAP was upgraded
- Implemented 5 new agenda builders for the Governing Board and WRAC agendas, dramatically reducing manpower required to produce these agendas compared to the past
- In response to Governor's Executive Order #2007-01-Customer Service Initiative, HR Solutions implemented 30 sessions customer service training meeting their target of 50% of employees trained in FY2008
- Delivered 34 Project Management seminars for a total of 523 participants
- Implemented six Supervisory training sessions (113 participants). In its second year of implementation, this program is now standard offering as part of our career development program and annual training plan
- Thirteen (13) interns participated in the new program and were provided with a variety of learning opportunities including project management duties, environmental assessment, and simulation model development. 100% of the participants indicated that the internship met or exceeded their expectations both technically and professionally
- Obtained Achievement of Excellence in Procurement Award from the National Purchasing Institute
- Conducted emergency procurements for the drought emergency and emergency structure repairs. Issued first construction Request for quotes containing incentive payment language for early completion of work

- Successfully completed negotiation of 104 General Engineering & Professional Services (GEPS) contracts, and established a new GEPS website providing procedures to project managers including enhanced involvement of Contract Specialists in the GEPS negotiations
- Issued newly revised and updated Procurement Manual and placed on lweb as a resource for all staff
- Continued to meet Strategic Plan goal of having Procurement staff obtain State certifications, as well as, industry recognized professional development designations. Staff obtained certifications and designations: Florida Certified Purchasing Manager, Florida Certified Contract Manager, Florida Certified Contract Negotiator, and Certified Professional Public Buyer
- Developed District's first Water Shortage Emergency Annex which was presented to and approved by MAT
- Developed District's first Debris Management Plan which was approved by the Federal Emergency Management Agency (FEMA) and developed Debris Operations Suggested Operating Procedures
- Revised Emergency Operations Center Suggested Operating Procedures which was presented to and approved by MAT
- Received Certificate of Achievement of Excellence in Financial Reporting for our fiscal year 2006 Comprehensive Annual Financial Report (CAFR) and the Certificate was presented to the Governing Board at their February 14th 2008 meeting
- Received an unqualified opinion from auditors on the District's FY2007 CAFR and Single Audit. (March)
 - Audit Management Letters contained no material weaknesses, current year comments, or reportable conditions
 - The Comprehensive Annual Financial Report (CAFR), along with the Management Letter and Single Audit Report, were accepted by the Audit Committee and Governing Board and submitted to GFOA for review
- The Budget Division received the Government Finance Officers Association (GFOA) Award for Distinguished Budget Presentation with Special Recognition for Capital Reporting for the District's FY2008 Budget Document
- The District was profiled on Channel 12 News for its energy and water conservation efforts. The news report aired several times and highlighted many of the Districts "Green" initiatives such as:
 - Retrofitting air conditioner chillers
 - Installing high efficiency lighting
 - Replacing inefficient plumbing fixtures
 - Using native landscaping and efficient irrigation systems
 - Installing motion sensors in conference room lights
 - Converting 37 percent of the District's fleet to hybrid / alternative fuel vehicles
 - Burning ultra-low sulfur fuel at our pump stations
 - Replacing the District's headquarters roof with a reflecting roof membrane
 - Encouraging the use of paper products and washable plates in our Cafeteria in lieu of Styrofoam
- PMI Award Dinner: The District received the Chapter Award for the Project of the Year; the e-Permitting Project
- Designed and conducted the Water Conservation Summit and subsequent stakeholder meetings to develop the District's Comprehensive Water Conservation Program, adopted by the Governing Board in September 2008
- Coordinated 25 press events and wrote and distributed more than 250 news releases, statements, opinion pieces, advisories and letters to the editor
- Influenced and assisted in the passage of major environmental legislation (Everglades restoration bonds, Florida Forever Successor Program, Ocean Outfalls) and secured \$128.9 million in state appropriations during a challenging fiscal year

Three-Year Summary of Program Performance Measures

Objectives/Performance Measures Criteria	FY2007 Performance	FY2008 Performance	FY2009 Target Performance
Greater than 90% of employees retained beyond introductory period	93% of employees retained beyond introductory period	91% of employees retained beyond introductory period	Greater than 90% of employees retained beyond introductory period
99.99% critical Information Technology system availability	99.90%	99.99%	99.99%
Information Technology Department 8% or less of Operating Budget	2.16%	1.96%	0.71%
Greater than 98% Information Technology Help Desk customer satisfaction	97%	97%	98%
BUSINESS SUPPORT			
Current ratio of three or greater to one (assets to liabilities)	3.67	3.92	3.5
Discretionary budget to actual expenditure variance not greater than 15 percent	63%	88%	85%
Unqualified (positive) opinion in District's financial audit	Received Unqualified Opinion	Pending audit	Unqualified opinion
5% or greater of contract dollars to Small Business Enterprise vendors	SBE Expenditure Percentage: 4.9%	SBE Expenditure Percentage: 5.8%	SBE Expenditure Percentage: 5+%
95% of managers of key projects following project management standards for reporting	95%	95%	95%
100% compliance with the Security Plan schedule	100% Compliance	100% Compliance	100% Compliance
EXECUTIVE OFFICES			
Less than 10% total budget for administration	9.87%	8.94%	3.54%
Positive Customer Service Survey Response	79% positive customer service survey responses	91% positive customer service survey responses	Continue with trend of >90% positive customer service survey responses
Less than 1% of total District budget devoted to the Office of Counsel	0.76%	0.79%	0.37%
90% of citizen correspondence responded to within 14 working days of receipt	57%	62%	90%

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 FY2009, 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.

FY2009 Status

During 2008 the District evaluated performance of planned projects and reported on accomplishments and concerns for major projects. The Strategic Plan was updated to reflect changes in priorities, projects and timeline for 2008-2018

2. Capital Projects Plan

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

FY2009 Status

The five-year Capital Improvements Plan is updated each year. A summary of the FY2009 plan is included in the Long-Range Plans section of this document.

3. Fiscal Plan

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

FY2009 Status

A financial plan has been prepared that includes projected revenues and expenditures for District programs over the next 5 years. A summary of this plan is included in the Long-Range Plans section of this document. Also developed were work plans that include projects, objectives and success indicators tied to the FY2009 budget. These plans are updated annually to reflect strategic priorities of the Governing Board.

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.

FY2009 Status

The FY2009 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.

FY2009 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.

FY2009 Status

Projected FY2009 property tax revenue represents 17.6 percent of the total budget. State and federal revenues, permit fees, the Everglades Agricultural Area privilege tax, grants, debt proceeds and other sources make up the remaining 82.4 percent. Although millage rates were held steady for FY2009, tax revenues are projected to decrease because of tax reform, declining real estate market conditions and other economic factors.

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.

FY2009 Status

Cash flow projections are done 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).

FY2009 Status

The Budgetary and Financial Control Policy was last revised October, 2005. The District adopts and controls 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.

FY2009 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 and again in October 2008. 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.

The District shall generally target its debt burden at the following benchmark levels, which are self-imposed boundaries and not statutorily established levels of acceptance:

- The net debt per capita shall not exceed \$350.
- Debt service shall not exceed 30 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.

FY2009 Status

The last revision to the debt policy was adopted in October 2008. 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.

FY2009 Status

For FY2009, the economic stabilization reserve is \$25.4 million, the reserve for encumbrances is \$88.8 million and the contingency reserve budget is \$7.7 million.

Other Financial Principles**12. Procurement and Contracting**

- The District shall promote maximum value for products and services acquired through an open, competitive and accountable process.
- The District shall maintain procedures for centralized procurement and contracting to guard against fraud, waste and favoritism.
- The District shall prescribe standards, specifications, coordination and operating procedures for fair and open competition, 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.



Achievement Award presented for the District's FY2007 Comprehensive Annual Financial Report, which was submitted to the Government Finance Officer's Association in FY2008.

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 District's annual budget is prepared and submitted in accordance with F.S. 200.065 and 373.536. The District's fiscal year, created under the provisions of F.S. 373.536, extends from October 1 of one year through September 30 of the following year.

The millage rate is levied pursuant to F.S. 200.065. Ad valorem tax levels do not exceed the statutory 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 public hearings 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 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.

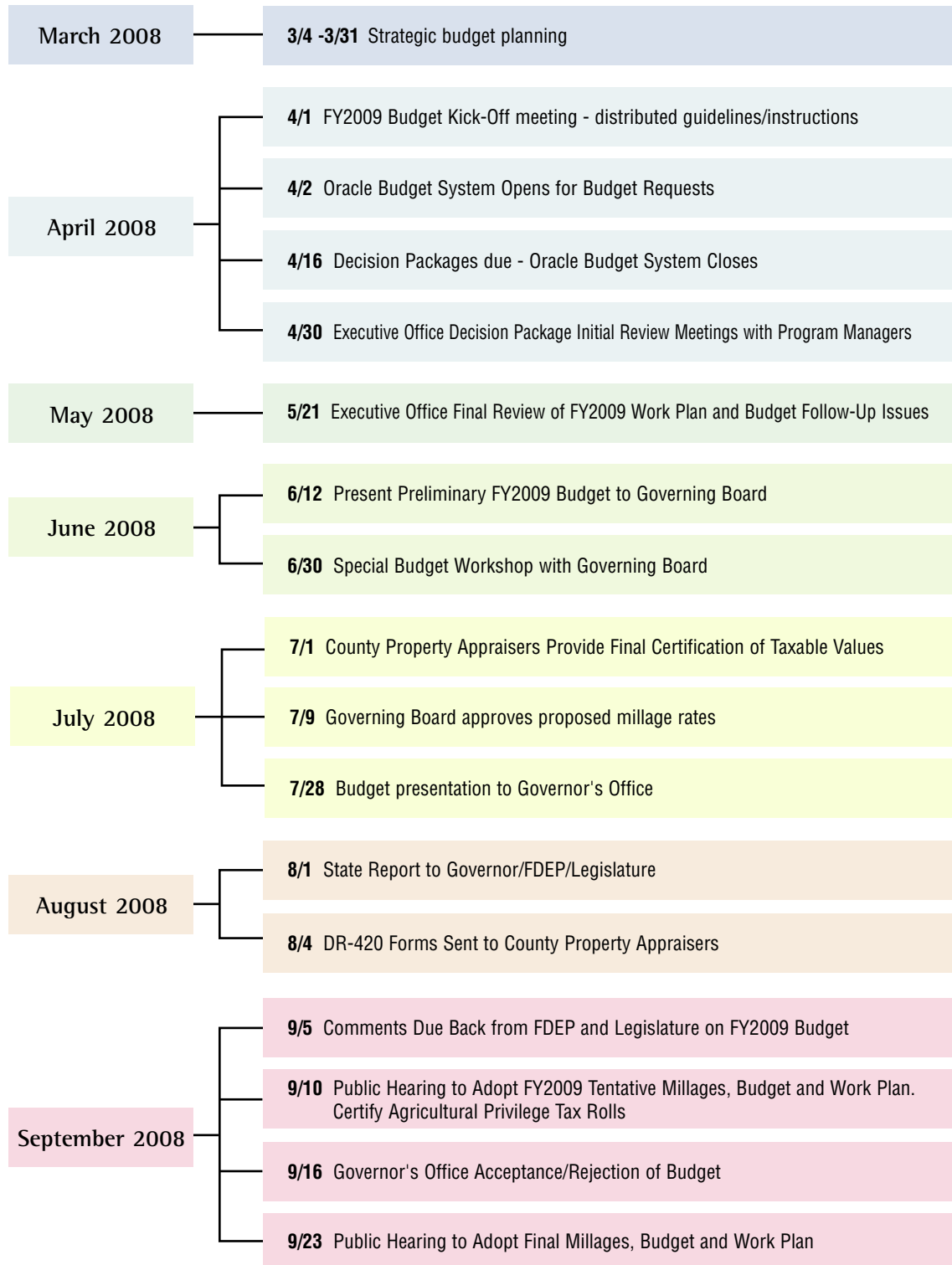
The final adopted budget for the District is the operating and fiscal guide for the ensuing year. Transfers of funds, however, may be made within the budget by the Governing Board at a public meeting.

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 millage rate that generates the same tax revenue as last year, exclusive of new construction.

FY2009 Budget Development Calendar



Summary of Budget Development Guidelines

The South Florida Water Management District adhered to the following general budget parameters and guidelines during the development of its Fiscal Year 2009 budget:

- District millage rates were reduced between 6.36 and 7.02 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. Additional debt is planned for the potential purchase of land for Everglades restoration.
- Existing staff was examined and redirected as needed, based on strategic priorities. Full-time permanent staffing levels increased from 1,808 to 1,828 Full-Time Equivalent (FTE) positions. 20 FTEs were approved for District Everglades, Modeling and Scientific Support Regulation, Operations and Maintenance and Everglades Restoration to perform core long-term work currently being performed by contractors.
- No performance-based (merit) salary increases for employees in the FY2009 budget.
- 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.
- Conferences, training and travel budget was reduced by 30 percent from the prior year.
- 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

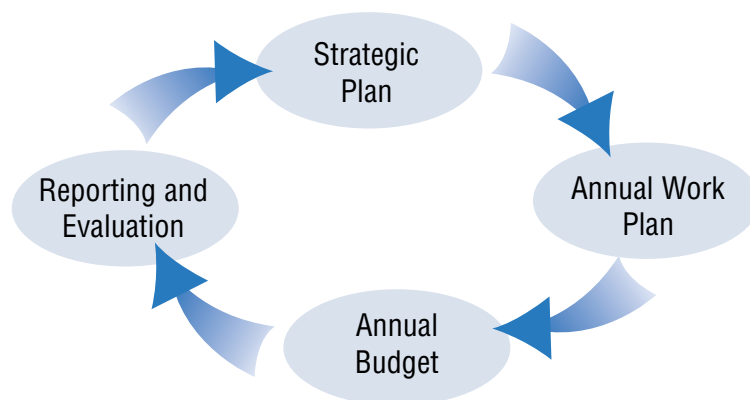
The South Florida Water Management District's (District) broad mission and mandates were organized into 11 programs for which long- and short-term goals, and success indicators were established. The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. This 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 semi-annually 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 2008. 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 FY2009 budget:

Strategic planning meetings were 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 (FY2009) and future years (through 2018) was presented to the Governing Board. The financial projection became the framework for discussion and decision-making in strategic planning.

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 10th, and the final rates and budget on September 23rd.

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

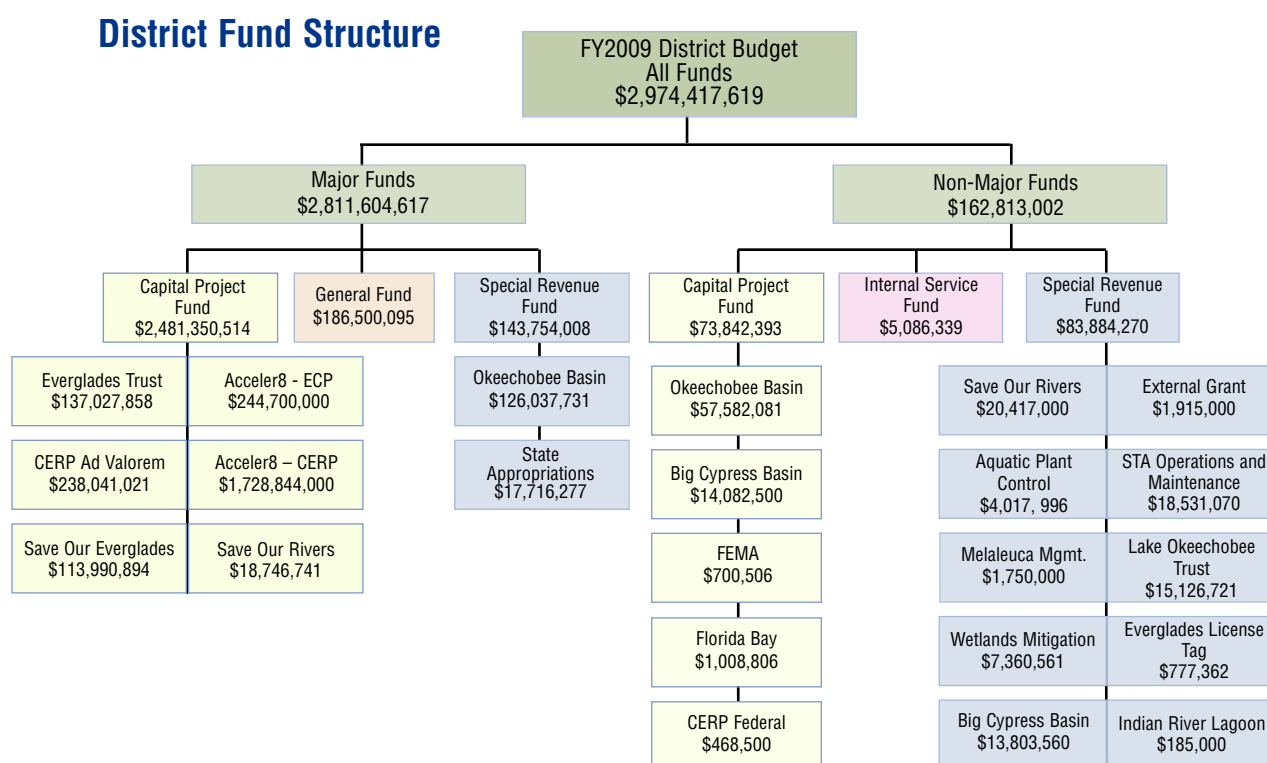
The primary authority for operation of the South Florida Water Management District (District) programs comes from Chapter 373 of the Florida Statutes. The agency works in concert with the State of Florida to accomplish the region's water management objectives. Accordingly, the District's budget includes 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.



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 - CERP

This fund accounts for revenues from debt issued to support the accelerated construction of Comprehensive Everglades Restoration Plan (CERP) projects.

Acceler8 – ECP

This fund accounts for revenues from debt issued to support the Everglades Construction Project (ECP).

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 Forever Trust fund.

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.

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

Program By Resource Area	FUND TYPE										
	Major Funds									Non-Major Funds	All Funds
	General	Okeechobee Basin	State Appropriations	Everglades Restoration Trust	CERP Ad Valorem	Acceler8 CERP	Acceler8 ECP	Save Our Rivers	Save Our Everglades Trust	Other Gvt. Funds	Total
<u>Water Resources</u>											
District Everglades Program	\$0	\$0	\$0	\$117,377,374	\$0	\$0	\$244,700,000	\$0	\$0	\$19,308,432	\$381,385,806
Water Supply	29,189,775	603,180	8,331,330	-	-	-	-	-	-	1,769,868	\$39,894,153
Kissimmee Watershed	-	5,531,618	-	-	-	-	-	659,900	-	1,232,245	\$7,423,763
Regulation	19,581,481	28,076	-	-	-	-	-	-	-	33,268	\$19,642,825
Lake Okeechobee	-	12,304,882	-	-	-	-	-	3,833,100	47,905,897	26,151,241	\$90,195,120
Coastal Watersheds	15,391,969	7,864,383	8,684,947	-	-	-	-	-	8,084,997	7,554,243	\$47,580,539
Modeling & Scientific Support	17,005,302	-	-	-	-	-	-	-	-		\$17,005,302
<u>Operation & Maintenance Resources</u>											
Operations & Maintenance	11,885,728	83,679,507	-	-	-	-	-	-	-	72,121,221	\$167,686,456
Land Stewardship	182,649	365,684	-	-	-	-	-	840,000	-	21,467,398	\$22,855,731
<u>Everglades Restoration Resources</u>											
Comprehensive Everglades Restoration Plan	969,859	831,166	700,000	19,650,484	238,041,021	1,728,844,000	-	13,413,741	58,000,000	6,608,252	\$2,067,058,523
<u>Corporate Resources</u>											
Mission Support	92,293,332	14,829,235	-	-	-	-	-	-	-	6,566,834	\$113,689,401
Total	\$186,500,095	\$126,037,731	\$17,716,277	\$137,027,858	\$238,041,021	\$1,728,844,000	\$244,700,000	\$18,746,741	\$113,990,894	\$162,813,002	\$2,974,417,619

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

Due to legislative action, ad valorem tax revenue is no longer tied to increase in value of the existing tax roll. Growth in ad valorem revenue is now tied to percentage change in per capita Florida personal income plus growth in revenue tied to new construction tax roll value. The ad valorem property tax revenue projections were initially based on these assumptions, while keeping millage rates at existing levels. Any potential increases were calculated for counties located within the District's jurisdiction, per the November 2007 Ad Valorem Estimating Conference forecast for FY2009. However, during the budget development process, the Governing Board chose to maintain current millage rates and not add any percentage increase in per capita personal income. 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 FY2009, 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 and 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 in ad valorem tax roll which were analyzed along with tax reform legislation by budget staff. 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 FY2008, the District continued its performance management cycle, which includes development of a Strategic Plan and an annual Work Plan, implementation of an annual budget process, and reporting and evaluation. As part of the strategic-priority-setting process, the District updated its 5-year financial forecast, based on the established revenue assumptions. This forecast projects anticipated revenues for ad valorem and other discretionary funds from FY2009 through FY2013. 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. FY2009 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.

FY2009 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 FY2009 estimated revenue totaled \$2.974 billion. When compared to the FY2008 amended budget of \$1.359 billion, revenues increased overall by \$1.615 billion. This increase is due largely to the potential issuance of Certificates of Participation (COPs) for the acquisition of United States Sugar Corporation for Everglades restoration.

The following pages contain detailed explanations of the FY2009 revenue projections by category, with comparisons to the FY2008 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

FY2008 Amended / FY2009 Adopted Budgets	FY2008 Amended Budget	FY2009 Adopted Budget	FY2009 Over or (Under) FY2008	Percent Change
SOURCES:				
Ad Valorem Property Taxes	\$549,484,359	\$525,229,365	(\$24,254,994)	-4.4%
Agricultural Privilege Taxes	11,600,000	11,600,000	-	0.0%
Intergovernmental	354,208,143	179,647,654	(174,560,489)	-49.3%
Investment Earnings	9,105,000	9,031,806	(73,194)	-0.8%
Licenses, Permits & Fees	5,043,985	4,164,550	(879,435)	-17.4%
Other - Miscellaneous	15,784,518	12,176,339	(3,608,179)	-22.9%
Other Financing Sources	-	1,700,000,000	1,700,000,000	100.0%
Fund Balance - Designated	413,884,079	532,567,905	118,683,826	28.7%
TOTAL APPROPRIATED SOURCES OF FUNDS	\$1,359,110,084	\$2,974,417,619	\$1,615,307,535	118.9%
USES:				
Land Stewardship	\$30,007,191	\$22,855,731	(\$7,151,460)	-23.8%
District Everglades	111,385,050	381,385,806	270,000,756	242.4%
Operations & Maintenance	191,819,152	167,686,456	(24,132,696)	-12.6%
Water Supply	65,064,709	39,894,153	(25,170,556)	-38.7%
Kissimmee Watershed	19,236,597	7,423,763	(11,812,834)	-61.4%
Regulation	19,053,921	19,642,825	588,904	3.1%
Lake Okeechobee	137,283,127	90,195,120	(47,088,007)	-34.3%
Coastal Watersheds	95,853,401	47,580,539	(48,272,862)	-50.4%
Mission Support	136,700,168	113,689,401	(23,010,767)	-16.8%
Comprehensive Everglades Restoration Plan	537,770,575	2,067,058,523	1,529,287,948	284.4%
Modeling and Scientific Support	14,936,193	17,005,302	2,069,109	13.9%
TOTAL APPROPRIATED USES OF FUNDS	\$1,359,110,084	\$2,974,417,619	\$1,615,307,535	118.9%

Taxes: \$536.8 Million

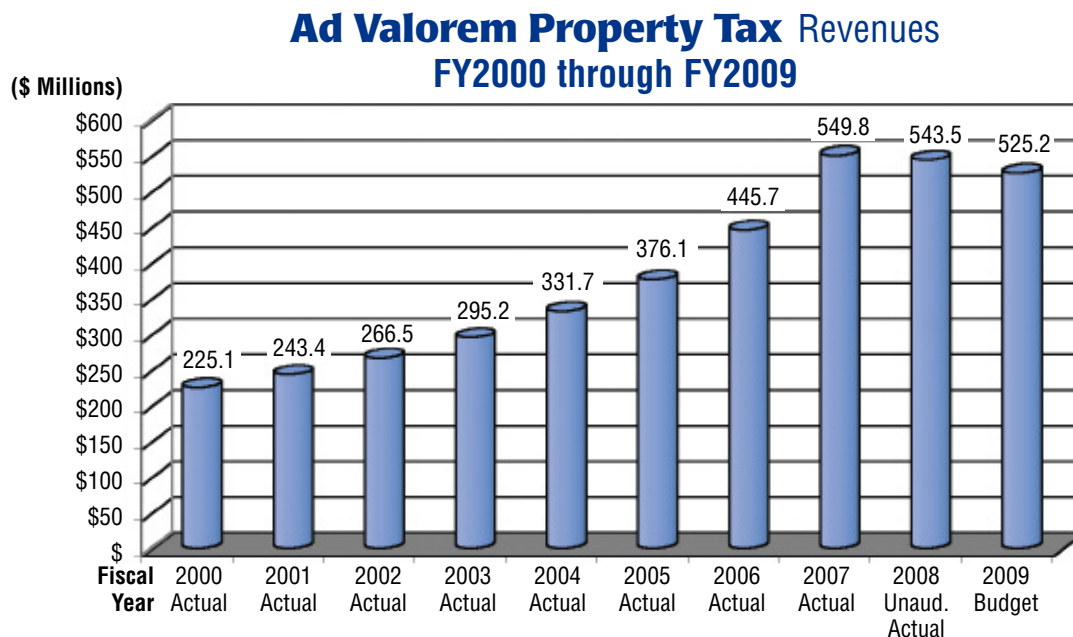
Ad Valorem Property Taxes: \$525.2 Million

Ad valorem property taxes continue to be the District's primary source of revenue. For FY2009, property taxes are anticipated to yield approximately \$525.2 million, which is \$24.3 million or 4.4 percent less than the FY2008 budget of \$549.5 million. This decrease is due to the passage of Amendment 1 which lowered District's ad valorem revenue.

Decrease/Increase	FY2008	FY2009	Percent
Ad valorem property taxes (millions)	\$549.5	\$525.2	-4.4%
Assessed property value (billions)	\$936.1	\$894.7	-4.4%

FY2009 property tax revenue projections were initially based on the assumption that growth in ad valorem revenue will be tied to percentage change in per capita Florida personal income and increase in new construction while maintaining existing millage rates. However, the Governing Board action to maintain existing millage rates resulted in the District not using any percentage increase in per capita personal income. Based on this action along with the passage of Amendment 1, staff projects lower ad valorem property tax revenue for FY2009. In FY2007 and FY2008, taxable property values within the District increased by 24.6 percent and 10.7 percent, respectively.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY2000 through FY2009:



For FY2008, 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 (FY1999 through FY2008), 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 FY1999 and FY2008:

Ad Valorem Property Tax Collections

Percent of Levy Collected FY1999 through FY2008				
Fiscal Year	District-wide	Okeechobee Basin	Big Cypress Basin	Everglades Restoration
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%
2008	95.81%	95.73%	96.60%	95.75%

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.

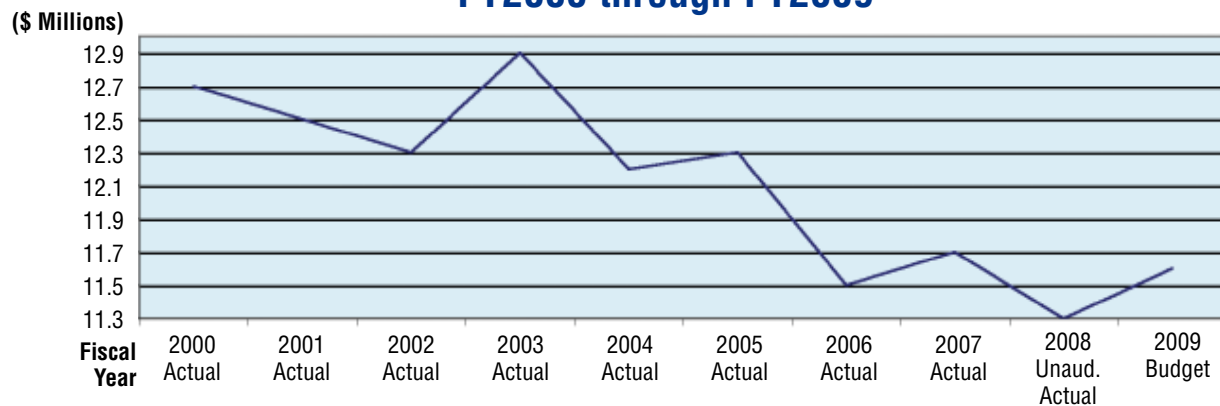
Agricultural Privilege Taxes: \$11.6 Million

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 FY2009, 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 FY2009, projected agricultural privilege tax revenues are expected to generate approximately \$11.6 million, which is the same as the FY2008 budget. Any changes in the funding level are usually directly related to a change in acres in the EAA and C-139 basin from the previous year's tax rolls. Acres are sometimes taken off the tax rolls due to construction and change in property status to non-agricultural use tax classification.

Agriculture Privilege Tax Revenues FY2000 through FY2009



Intergovernmental: \$179.6 Million

The overall net decrease of \$174.6 million in intergovernmental funding for FY2009, from the FY2008 amended budget amount of \$354.2 million, is primarily due to decreases in state appropriations and changes in existing and new grants, and cooperative agreements. Additionally, the District adopted budget was amended in FY2008 to include most of the State's FY2009 Florida Forever appropriated funds. (The District's fiscal year begins in October where as the State's starts in July). As a result, the adopted FY2009 budget includes less Florida Forever funding than the prior year.

Appropriations: \$168.5 Million

In FY2009, the District anticipates receiving a total of \$168.5 million from the trust funds and state appropriations listed below:

Florida Forever Program Funds: \$18.7 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 \$18.7 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 \$45.1 million decrease from the FY2008 amended budget of \$63.9 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 \$36.75 million from the State is added to the District's current year budget in July.

Save Our Everglades Trust Fund (SOETF): \$114.0 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. In FY2009 the legislature appropriated a total of \$50 million for the SOETF.

The District's total SOETF budget for FY2009 is \$114 million, which is a \$47.8 million decrease from the FY2008 budget of \$161.8 million. Of this amount, \$47 million represents the District's share of the \$50 million State appropriation of SOETF for FY2009 (\$3 million goes to fund the Best Management Practices Program, administered by the Florida Department of Agriculture and Consumer Services). The \$47 million will be used in its entirety to fund the construction of the C-111 Spreader Canal project. The remaining \$67 million represents the re-budgeting of prior year SOETF funding. This includes \$11 million of prior year appropriations to fund the CERP program. As with the \$47 million of new funding, this amount will also be applied to construction and land acquisition for the C-111 Spreader Canal project. The remainder of the prior year funding, \$56 million, represents the balance of the District's FY2008 appropriation of SOETF for Northern Everglades projects. Of this total, \$47.9 million will be used to fund Lake Okeechobee restoration and \$8.1 million will go towards St. Lucie and Caloosahatchee estuaries restoration.

Special Legislative Appropriations: \$17.4 Million

This revenue estimate of \$17.4 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 \$3.8 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 (\$4.8 million of prior year appropriations were also budgeted). In addition, the Florida legislature allocated funding from General Appropriations as follows: \$1.3 million for *St. Lucie River Issues Team projects*, \$1.4 million for *Indian River Issues Team*, \$1.3 million for *Loxahatchee River Preservation Initiative*, \$0.5 million for various water restoration projects, and budgeting \$4.3 million of prior year appropriations for *Lake Okeechobee Northern Everglades projects*.

This group of revenues decreased approximately \$56.8 million from the FY2008 amended budget of \$74.2 million, because of reductions in state funding for local water resources, alternative water supply and Lake Okeechobee projects.

Water Management Lands Trust Fund (WMLTF): \$18.4 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 FY2009 revenue projection of \$18.4 million assumes the District will receive \$17.7 million in new revenue and \$0.7 million in prior-year trust fund balances. The basis for an increase in budgeted revenue of \$0.3 million was attributed to a higher available trust fund balance than last year. The projected revenue assumption for the FY2009 budget was based on continuation of state funding at current levels and availability of remaining WMLTF balances.

Grants and Cooperative Agreements: \$11.1 Million

The District anticipates receiving a total of \$11.1 million in funding from federal, state and local grant and cooperative agreement sources. This FY2009 projection represents a \$25 million decrease from the FY2008 amended budget of \$36.2 million. The FY2008 budget was amended by approximately \$20 million to acquire the Caloosahatchee facility in Lee County and Pal Mar property and to increase funds for wetland reserve and mitigation projects and Florida Inland Navigation District (FIND) dredging projects.

Federal: \$1.2 Million

Approximately \$1.2 million in funding is expected from federal government agencies. This FY2009 budget projection is \$7.4 million lower than the \$8.6 million FY2008 amended budget total. This projection assumes the continuation of existing grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): \$0.7 Million

\$0.7 million Federal Emergency Management Agency (FEMA) revenue is included in the FY2009 budget. This projection is based on estimates of the on-going work to be accomplished in the next fiscal year and represents a decrease of \$0.2 million from the FY2008 amended budget of \$0.9 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 enhancement and mapping projects in Highlands and Polk counties.

U.S. Department of Agriculture (USDA): \$0.5 Million

Funding from the U.S. Department of Agriculture (USDA) is anticipated at approximately \$0.5 million for FY2009, a decrease of \$7.2 million from the FY2008 amended budget total of \$7.7 million. Budget projections are based on current agreements between the District and the USDA, and the estimated workload for the fiscal year.

The FY2009 budget reflects approximately \$0.5 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: \$8.6 Million

A total of \$8.6 million in revenue is projected from state government agencies for FY2009, a \$3 million decrease compared with the FY2008 amended budget of \$11.6 million. This projection assumes the use of remaining prior-year balances and that new revenue will be obtained from grants or cooperative agreements.

Invasive Plant Management Grants: \$6.0 Million

Grant revenues of \$6.0 million to be used for exotic and aquatic plant management from the Florida Department of Environmental Protection (FDEP) are projected for FY2009. 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 appropriations from the FDEP. This projection assumes that the FDEP funding will be approximately \$3.2 million lower than the FY2008 amended budget of \$9.2 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: \$0.6 Million

Each year, the District applies for, and receives, grants from a variety of different state sources. In the FY2009 budget, a state grant of approximately \$0.6 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: \$1.3 Million

Estimated revenues from local sources total approximately \$1.3 million for FY2009, which is \$14.7 million lower than the FY2008 amended budget amount of \$16 million. This decrease relates primarily to amounts received in the prior year for the Miami River Dredging project and the Caloosahatchee facility. 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): \$1.3 Million

The District expects to receive \$1.3 million from the Florida Inland Navigation District (FIND) as reimbursement for the Manatee Pocket-Dredging Grant.

Investment Earnings: \$9 Million

Investment earnings revenue for FY2009 is estimated at \$9.0 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 ongoing basis. This projection is \$0.1 million lower for FY2009 than the FY2008 amended budget amount of \$9.1 million due to the above-mentioned factors.

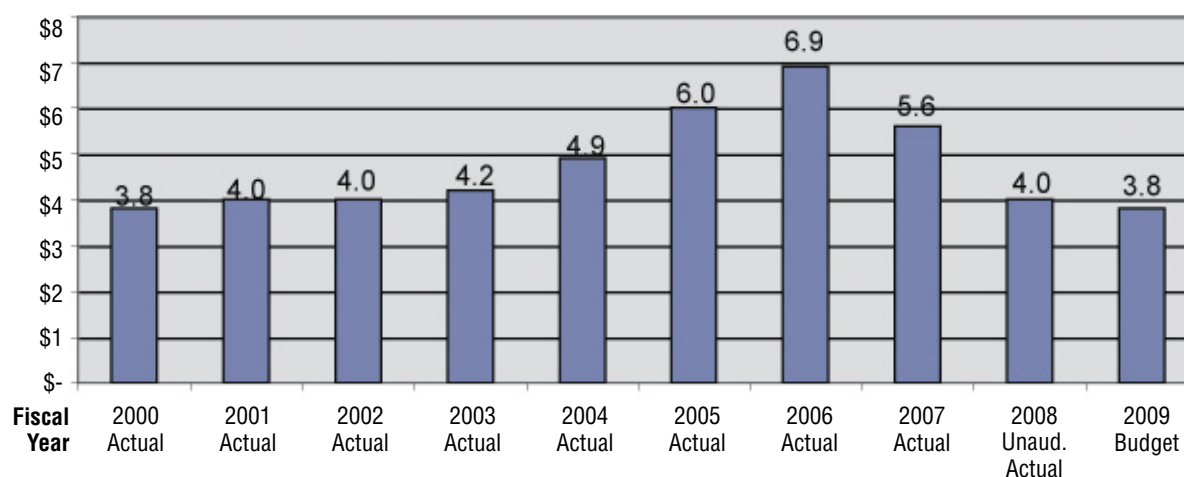
Licenses, Permits and Fees: \$4.2 Million

Anticipated revenues from this category total \$4.2 million for FY2009, \$0.8 million lower than the FY2008 amended budget amount of \$5 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 \$3.8 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 FY2008 amended budget and is directly related to sales volume.

Permit Revenues FY2000 through FY2009

(\$ Millions)



Other Miscellaneous Revenue: \$12.2 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 \$12.2 million for FY2009. This represents a decrease of \$3.6 million from the previous fiscal year total of \$15.8 million.

Decreases in self insurance premiums of \$1.1 million and leases and easement sale of \$2.6 million, netted against an increase of \$0.1 million for indirect cost reimbursement resulting in an overall net decrease in this revenue category. The projected self-insurance premium cost of \$5.1 million is based on cost allocation formulas that distribute insurance and administrative expenses to user departments within the District.

Lease revenues of \$2.1 million, which decreased from the amended FY2008 budget of \$4.1 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 \$4.7 million is an estimate based on applying the District's current indirect rate to CERP direct salaries.

Other Financing Sources: \$1.7 Billion

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

The District could potentially acquire the land and assets of the United States Sugar Corporation for an estimated \$1.75 billion during FY2009. Of this amount, \$1.7 billion would be financed through a second COPs issuance in FY2009 (the District issued its first COPs in FY2007). The proposed acquisition of the US Sugar property is seen as a major milestone in the protection and restoration of the Everglades.

In FY2009, the revenue projection of approximately \$1.7 billion assumes that the District will utilize COPs (revenue bonding) in the full amount towards the purchase of United States Sugar Corporation for Everglades restoration.

Fund Balance: \$532.6 Million

The last revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. The revenue projection of \$532.6 million assumes this amount will be available from fund balances as a designated financing source for the FY2009 budget. This projected amount is \$118.7 million higher than the FY2008 amended budget of \$413.9 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 proceeds in the amount of \$273.5 million is mainly responsible for this net increase in fund balance.

Summary of Estimated Financial Sources and Uses

Actual FY2007 through Projected FY2009

SOURCES	Major Funds								
	General Fund			Okeechobee Basin			State Appropriations		
Revenue Type	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected
Ad Valorem Property Taxes	\$229,241,081	\$226,661,845	\$218,947,030	\$229,311,863	\$226,395,979	\$218,973,772	\$0	\$0	\$0
Agriculture Privilege Taxes									
Intergovernmental Revenue	193,542	621,793	-	136,188	231,362	-	51,191,903	16,754,824	13,157,761
Investment Earnings	7,101,632	5,188,733	2,900,000	7,508,791	5,903,176	3,200,000	-	286,375	-
Licenses, Permits and Fees	5,406,659	3,893,872	3,665,550	139,828	100,525	83,000	-	-	-
Other	9,585,261	1,718,776	5,075,000	574,308	2,183,008	-	-	10,560	-
Other Financing Sources									
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$251,528,175	\$238,085,019	\$230,587,580	\$237,670,978	\$234,814,050	\$222,256,772	\$51,191,903	\$17,051,759	\$13,157,761
Fund Balance Designated	\$5,723,236	\$15,246,896	\$31,634,451	\$1,889,274	\$38,956,711	\$16,467,355	\$14,035,200	\$4,658,333	\$4,558,516
Total Sources and Balances	\$257,251,411	\$253,331,915	\$262,222,031	\$239,560,252	\$273,770,761	\$238,724,127	\$65,227,103	\$21,710,092	\$17,716,277
Operating Transfers (Net)	(\$55,125,065)	(\$44,717,628)	(\$75,721,936)	(\$102,435,011)	(\$130,059,090)	(\$112,686,396)	-	-	-
GRAND TOTAL SOURCES	\$202,126,346	\$208,614,287	\$186,500,095	\$137,125,241	\$143,711,671	\$126,037,731	\$65,227,103	\$21,710,092	\$17,716,277

USES	General Fund			Okeechobee Basin			State Appropriations		
District Programs									
Land Stewardship	242,562	323,347	182,649	2,082,069	983,031	365,684	-	-	-
District Everglades	-	-	-	-	111	-	113,582	46,972	-
Operations and Maintenance	13,275,805	13,248,269	11,885,728	65,973,291	77,356,684	83,679,507	900,000	43,500	-
Water Supply	28,170,947	27,259,192	29,189,775	4,761,997	1,962,626	603,180	21,429,687	22,402,125	8,331,330
Kissimmee Watershed	224,700	294,283	-	9,376,333	6,367,569	5,531,618	950,000	552,637	-
Regulation	17,218,581	18,330,482	19,581,481	129,389	206,414	28,076	-	-	-
Lake Okeechobee	1,056,247	4,035	-	8,039,757	6,678,190	12,304,882	160,925	-	-
Coastal Watersheds	3,435,283	4,419,053	15,391,969	3,248,384	6,458,407	7,864,383	15,702,095	17,067,693	8,684,947
Mission Support	95,500,471	94,390,295	92,293,332	7,625,225	11,797,136	14,829,235	-	-	-
Comprehensive Everglades Restoration Plan	-	-	969,859	-	-	831,166	507,621	250,000	700,000
Modeling and Scientific Support	16,743,524	15,504,162	17,005,302	-	-	-	-	-	-
GRAND TOTAL USES	\$175,868,120	\$173,773,118	\$186,500,095	\$101,236,445	\$111,810,168	\$126,037,731	\$39,763,910	\$40,362,927	\$17,716,277
SOURCES OVER USES	\$26,258,226	\$34,841,169	\$0	\$35,888,796	\$31,901,503	\$0	\$25,463,193	(\$18,652,835)	\$0

Negative "Sources Over Uses" balances are shown for FY08 State Appropriation and Save Our Everglades Trust because revenues will be received in a future year, and for FY08 Acceler8 - Everglades Construction, revenues were recognized in the prior year.

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

Actual FY2007 through Projected FY2009

SOURCES	Major Funds								
	Everglades Trust			Florida Forever Trust Fund			CERP - Ad Valorem		
Revenue Type	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected
Ad Valorem Property Taxes	\$73,220,971	\$72,377,727	\$69,990,187	\$0	\$0	\$0	\$0	\$0	\$0
Agriculture Privilege Taxes	11,661,037	11,262,609	11,600,000	-	-	-	-	-	-
Intergovernmental Revenue	1,836,844	1,520,014	2,000,000	4,953,070	54,236,563	18,746,741	43,322	63,038	-
Investment Earnings	4,138,150	4,148,503	1,300,000	766,784	593,940	-	1,342,793	1,738,995	500,000
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other	3,007	729,206	-	1,254,109	1,224,754	-	589,149	693,258	-
Other Financing Sources									
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$90,860,009	\$90,038,059	\$84,890,187	\$6,973,963	\$56,055,257	\$18,746,741	\$1,975,264	\$2,495,291	\$500,000
Fund Balance Designated	\$9,241,875	\$23,910,702	\$71,668,741	-	-	-	\$21,360,175	\$13,674,407	\$95,190,753
Total Sources and Balances	\$100,101,884	\$113,948,761	\$156,558,928	\$6,973,963	\$56,055,257	\$18,746,741	\$23,335,439	\$16,169,698	\$95,690,753
Operating Transfers (Net)	(\$3,331,978)	(\$17,127,287)	(\$19,531,070)	-	-	-	\$147,011,548	\$125,268,893	\$142,350,268
GRAND TOTAL SOURCES	\$96,769,906	\$96,821,474	\$137,027,858	\$6,973,963	\$56,055,257	\$18,746,741	\$170,346,987	\$141,438,591	\$238,041,021

USES	Everglades Fund			Florida Forever Trust Fund			CERP - Ad Valorem		
District Programs									
Land Stewardship	\$0	\$0	\$0	96,000	\$0	\$840,000	\$0	\$0	\$0
District Everglades	47,559,228	59,259,722	117,377,374	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-	-	3,343	-
Water Supply	-	-	-	-	-	-	-	-	-
Kissimmee Watershed	-	-	-	3,623,278	5,296,468	659,900	-	-	-
Regulation	-	-	-	-	-	-	-	-	-
Lake Okeechobee	-	-	-	-	66,900	3,833,100	-	-	-
Coastal Watersheds	-	-	-	232,196	-	-	-	-	-
Mission Support	12,896	-	-	-	-	-	-	-	-
Comprehensive Everglades Restoration Plan	1,930,108	-	19,650,484	1,074,777	49,297,202	13,413,741	108,549,414	89,178,711	238,041,021
Modeling and Scientific Support	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$49,502,232	\$59,259,722	\$137,027,858	\$5,026,251	\$54,660,570	\$18,746,741	\$108,549,414	\$89,182,054	\$238,041,021
SOURCES OVER USES	\$47,267,674	\$37,561,752	\$0	\$1,947,712	\$1,394,687	\$0	\$61,797,573	\$52,256,537	\$0

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

Actual FY2007 through Projected FY2009

Sources	Major Funds								
	Acceler8 - Everglades Construction			Acceler8 - CERP			Save Our Everglades Trust		
Revenue Type	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected
Ad Valorem Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agriculture Privilege Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	73,241,362	92,048,681	113,990,894
Investment Earnings	2,714,703	-	-	17,133,092	15,650,681	-	1,766,939	-	-
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	23	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	66,468,265	-	-	479,651,735	-	1,700,000,000	-	-	-
Bond Premium	3,164,550	-	-	22,836,187	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$72,347,518	\$0	\$0	\$519,621,014	\$15,650,681	\$1,700,000,000	\$75,008,324	\$92,048,681	\$113,990,894
Fund Balance Designated	-	-	\$12,771,100	-	\$270,368,446	\$260,772,900	\$37,693,475	-	-
Total Sources and Balances	\$72,347,518	\$0	\$12,771,100	\$519,621,014	\$286,019,127	\$1,960,772,900	\$112,701,799	\$92,048,681	\$113,990,894
Operating Transfers (Net)	(\$12,189,636)	-	\$231,928,900	(\$10,953,739)	\$396,951	(\$231,928,900)	(\$37,150,575)	\$1,578,422	-
GRAND TOTAL SOURCES	\$60,157,882	\$0	\$244,700,000	\$508,667,275	\$286,416,078	\$1,728,844,000	\$75,551,224	\$93,627,103	\$113,990,894

USES	Acceler8 - Everglades Construction			Acceler8 - CERP			Save Our Everglades Trust		
District Programs									
Land Stewardship	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Everglades	56,820,012	871,368	244,700,000	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-	-	10,000,000	-
Water Supply	-	-	-	-	-	-	-	-	-
Kissimmee Watershed	-	-	-	-	-	-	-	-	-
Regulation	-	-	-	-	-	-	-	-	-
Lake Okeechobee	-	-	-	-	-	-	223,593	3,860,733	47,905,897
Coastal Watersheds	-	-	-	-	-	-	-	28,329,550	8,084,997
Mission Support	-	-	-	-	-	-	-	-	-
Comprehensive Everglades Restoration Plan	-	-	-	142,506,514	126,999,766	1,728,844,000	74,164,899	53,688,652	58,000,000
Modeling and Scientific Support	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$56,820,012	\$871,368	\$244,700,000	\$142,506,514	\$126,999,766	\$1,728,844,000	\$74,388,492	\$95,878,935	\$113,990,894
SOURCES OVER USES	\$3,337,870	(\$871,368)	\$0	\$366,160,761	\$159,416,312	\$0	\$1,162,732	(\$2,251,832)	\$0

Negative "Sources Over Uses" balances are shown for FY08 State Appropriation and Save Our Everglades Trust because revenues will be received in a future year, and for FY08 Acceler8 - Everglades Construction, revenues were recognized in the prior year.

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

Actual FY2007 through Projected FY2009

Sources	NON-Major Funds			ALL FUNDS		
	Other Governmental Funds					
Revenue Type	FY07 Actual	FY08 Unaudited Actual	FY09 Projected	FY07 Actual	FY08 Unaudited Actual	FY09 Projected
Ad Valorem Property Taxes	\$18,075,833	\$18,073,597	\$17,318,376	\$549,849,748	\$543,509,148	\$525,229,365
Agriculture Privilege Taxes	-	-	-	\$11,661,037	11,262,609	11,600,000
Intergovernmental Revenue	73,210,377	72,462,320	32,149,258	204,806,608	237,938,595	180,044,654
Investment Earnings	5,033,623	4,785,312	1,131,806	47,506,507	38,295,715	9,031,806
Licenses, Permits and Fees	2,567,450	1,472,797	19,000	8,113,937	5,467,194	3,767,550
Other	13,376,939	16,814,217	7,101,339	25,382,796	23,373,779	12,176,339
Other Financing Sources	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	546,120,000	-	1,700,000,000
Bond Premium	-	-	-	26,000,737	-	-
Capital Leases	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Sources	\$112,264,222	\$113,608,243	\$57,719,779	\$1,419,441,370	\$859,847,040	\$2,441,849,714
Fund Balance Designated	\$60,029,447	\$47,068,584	\$39,504,089	\$149,972,682	\$413,884,079	\$532,567,905
Total Sources and Balances	\$172,293,669	\$160,676,827	\$97,223,868	\$1,569,414,052	\$1,273,731,119	\$2,974,417,619
Operating Transfers (Net)	\$74,174,456	\$64,659,739	\$65,589,134	\$0	\$0	\$0
GRAND TOTAL SOURCES	\$246,468,125	\$225,336,566	\$162,813,002	\$1,569,414,052	\$1,273,731,119	\$2,974,417,619

USES	Other Governmental Funds			ALL FUNDS		
District Programs						
Land Stewardship	22,917,462	23,233,621	21,467,398	\$25,338,093	\$24,539,999	\$22,855,731
District Everglades	14,499,608	14,381,131	19,308,432	118,992,430	74,559,304	381,385,806
Operations and Maintenance	68,189,008	76,876,415	72,121,221	148,338,104	177,528,211	167,686,456
Water Supply	5,618,172	2,727,886	1,769,868	59,980,803	54,351,829	39,894,153
Kissimmee Watershed	7,114,159	7,095,598	1,232,245	21,288,470	19,606,555	7,423,763
Regulation	4,474	32,635	33,268	17,352,444	18,569,531	19,642,825
Lake Okeechobee	21,050,409	47,549,933	26,151,241	30,530,931	58,159,791	90,195,120
Coastal Watersheds	10,123,085	20,430,823	7,554,243	32,741,043	76,705,526	47,580,539
Mission Support	5,065,018	10,312,568	6,566,834	108,203,610	116,499,999	113,689,401
Comprehensive Everglades Restoration Plan	22,157,244	12,406,111	6,608,252	350,890,577	331,820,442	2,067,058,523
Modeling and Scientific Support	-	-	-	16,743,524	15,504,162	17,005,302
GRAND TOTAL USES	\$176,738,639	215,046,721	\$162,813,002	\$930,400,029	\$967,845,349	\$2,974,417,619
SOURCES OVER USES	\$69,729,486	\$10,289,845	\$0	\$639,014,023	\$305,885,770	\$0

Changes in Fund Balances

Actual Unaudited FY2008 through Projected FY2009

CHANGES IN FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund	Florida Forever Trust Fund	CERP Ad Valorem
FY2008						
Actual Beginning Fund Balance 10/01/07	\$64,046,233	\$80,374,752	\$35,920,023	\$74,842,036	\$14,221,284	\$82,027,984
Total Revenues	238,085,019	234,814,050	17,051,759	90,038,059	56,055,257	2,495,291
Total Expenditures	(173,773,118)	(111,810,168)	(40,362,927)	(59,259,722)	(54,660,570)	(89,182,054)
Total Other Financing Sources (Uses)	(44,717,628)	(130,059,090)	-	(17,127,287)	-	125,268,893
Actual Unaudited Ending Fund Balance 9/30/08	\$83,640,506	\$73,319,544	\$12,608,855	\$88,493,086	\$15,615,971	\$120,610,114
FY2009						
Projected Beginning Fund Balance 10/01/08	\$83,640,506	\$73,319,544	\$12,608,855	\$88,493,086	\$15,615,971	\$120,610,114
Total Revenues	230,587,580	222,256,772	13,157,761	84,890,187	18,746,741	500,000
Total Expenditures	(186,500,095)	(126,037,731)	(17,716,277)	(137,027,858)	(18,746,741)	(238,041,021)
Total Other Financing Sources (Uses)	(75,721,936)	(112,686,396)	-	(19,531,070)	-	142,350,268
Projected Ending Fund Balance 9/30/09	\$52,006,055	\$56,852,189	\$8,050,339	\$16,824,345	\$15,615,971	\$25,419,361
Projected Dollar Change in Fund Balance	\$(31,634,451)	\$(16,467,355)	\$(4,558,516)	\$(71,668,741)	-	\$(95,190,753)
Projected Percentage Change in Fund Balance	-37.8%	-22.5%	-36.2%	-81.0%	0.0%	-78.9%

CHANGES IN TOTAL FUND BALANCES	Acceler8 Everglades Construction	Acceler8 CERP	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2008					
Actual Beginning Fund Balance 10/01/07	\$13,810,269	\$377,651,947	\$2,462,533	\$138,543,841	\$883,900,902
Total Revenues	-	15,650,681	92,048,681	113,608,243	859,847,040
Total Expenditures	(871,368)	(126,999,766)	(95,878,935)	(215,046,721)	(967,845,349)
Total Other Financing Sources (Uses)	-	396,951	1,578,422	64,659,739	-
Actual Unaudited Ending Fund Balance 9/30/08	\$12,938,901	\$266,699,813	\$210,701	\$101,765,102	\$775,902,593
FY2009					
Projected Beginning Fund Balance 10/01/08	\$12,938,901	\$266,699,813	\$210,701	\$101,765,102	\$775,902,593
Total Revenues	-	1,700,000,000	113,990,894	57,719,779	2,441,849,714
Total Expenditures	(244,700,000)	(1,728,844,000)	(113,990,894)	(162,813,002)	(2,974,417,619)
Total Other Financing Sources (Uses)	231,928,900	(231,928,900)	-	65,589,134	-
Projected Ending Fund Balance 9/30/09	\$167,801	\$5,926,913	\$210,701	\$62,261,013	\$243,334,688
Projected Dollar Change in Fund Balance	\$(12,771,100)	\$(260,772,900)	-	\$(39,504,089)	\$(532,567,905)
Projected Percentage Change in Fund Balance	-98.7%	-97.8%	0.0%	-38.8%	-68.6%

General Fund

The projected fund balance is estimated to decrease by 37.8 percent or \$31.6 million by the end of FY2009. Fund balance will be used primarily to improve Information Technology infrastructure, build a new laboratory facility and fund ongoing alternative water supply construction projects.

Okeechobee Basin

There is an anticipated fund balance decrease by 22.5 percent or \$16.5 million by the end of FY2009. This balance will be used to fund future projects, create a fuel reserve and build a number of monitoring sites along the Kissimmee River.

State Appropriations

The projected fund balance is estimated to decrease by 36.2 percent or \$4.6 million by the end of FY2009. 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 a Comprehensive Everglades Restoration Plan project in North Palm Beach and 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 81.0 percent or \$71.7 million by the end of FY2009. This balance will be used primarily for Everglades Agricultural Area Compartments B and C buildouts that are part of the Long-term Plan projects.

CERP – Ad Valorem

The projected fund balance is estimated to decrease by 78.9 percent or \$95.2 million by the end of FY2009. Fund balance will be used primarily to help pay for the proposed acquisition of United States Sugar Corporation lands for Everglades restoration.

Acceler8 Everglades Construction Project

There is an anticipated fund balance decrease by 98.7 percent or \$12.8 million by the end of FY2009. This balance will be used for the construction of Compartments B and C buildouts that are part of the Long-term Plan Acceler8 projects.

Acceler8 CERP

There is an anticipated fund balance decrease by 97.8 percent or \$260.8 million by the end of FY2009. This balance will also be used for the construction of Compartments B and C buildouts that are part of the Long-term Plan Acceler8 projects.

Other Governmental Funds

The estimated decrease of 38.8 percent or \$39.5 million in these other funds is attributable to Lake Okeechobee dredging, construction of a stormwater treatment area and other restoration projects, wetland mitigation activities and Big Cypress Basin projects.

Debt Summary

At the end of fiscal year 2008, the District's combined outstanding debt from bonds and bank loans was \$592,553,160.

This amount consists of:

\$17,495,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2002

\$28,830,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2003

\$7,783,160 - Commercial Bank Debt



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.

\$538,445,000 - 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 outstanding principle on these bonds totaled \$46,325,000 at the end of FY2008.

The District began FY2008 with three outstanding bank loans: the first, in the amount of \$4,827,374, was obtained to fund the conversion of a telemetry system from analog to digital. The second, for \$8 million, was obtained to fund the implementation of the agency's new financial system. The third bank loan, for \$9 million, helped fund the construction of an office building at the West Palm Beach

headquarters. This loan was paid off during FY2008. The outstanding balances on the two remaining bank loans totaled \$7,783,160 at the end of FY2008.

In November 2006, the District issued \$546.1 million in Certificates of Participation 2006 ("Series 2006 Certificates") to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. The outstanding balance at the end of FY2008 was \$538,445,000.

Certificates of Participation

COPs are statutorily authorized tax exempt certificates showing participation through ownership of an undivided proportionate "share" of lease payments for a capital facility of a government agency. A typical COPs transaction involves the following:

- A not-for-profit tax-exempt corporation is formed by a government agency for the purpose of leasing a capital facility to the government agency.
- The corporation sells interests (certificates of participation) in the lease payments to be made for the capital project that the corporation leases back to the government agency. With these proceeds, the corporation acquires and/or constructs the capital facility.

- Annual lease payments (debt service) are made by the government agency solely from its “legally available revenue” to the corporation, which the corporation then uses to make payments to the certificate holders.
- After the certificates have been entirely repaid, the local government typically has the option to purchase the capital project it has been leasing for a nominal cost from the corporation.

(COPS can only be used to finance capital costs related to construction or acquisition and may not be used to finance ongoing operating costs).

Financial Ratings

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.

The District's current debt and its impact on the FY2009 operating budget is shown in the following table:

Impact on Current Operating Budget

Existing Debt	Original Issue	Outstanding as 9/30/2008	Fiscal Year of Maturity	Principal Due in FY2009	Interest Due in FY2009	Total FY2009 Requirement
Major Fund - Acceler8 [COPs]						
COPs	546,120,000	538,445,000	2037	9,015,000	26,268,594	35,283,594
Major Fund - Okeechobee Basin						
Bank Loan	4,827,374	2,068,874	2011	689,625	63,620	753,245
Non-Major Funds						
2002 Refunding	23,810,000	17,495,000	2016	1,935,000	609,614	2,544,614
2003 Refunding	34,550,000	28,830,000	2016	3,040,000	1,330,557	4,370,557
Bank Loan	8,000,000	5,714,286	2013	1,142,857	216,000	1,358,857
Sub-Total	66,360,000	52,039,286		6,117,857	2,156,171	8,274,028
Total	617,307,374	592,553,160		15,822,482	28,488,385	44,310,867

Future Debt and Implications for the Budget

As of this writing, the District is in the process of negotiating the acquisition of the land and assets of the U. S. Sugar Corporation, at an estimated cost of \$1.75 billion. This acquisition, unprecedented for the District in its size and scope, would be considered a major milestone in the protection and restoration of the Everglades. Depending on the outcome of negotiations, it is estimated that up to \$1.7 billion of the cost could be financed through the issuance of a second COP in FY2009. The District is statutorily authorized to use COPs as a financing mechanism, pursuant to Section 373.584 of the Florida Statutes.

The annual debt service on the resulting COP issuance could be as much as \$108 million. As with the first COPs, issued in November 2006, the District would fund the debt service on this COP issuance using both the ad valorem property tax revenues committed to CERP annually, and the millage that is levied within the Okeechobee Basin to implement the provisions of the Everglades Forever Act.

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:	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		41,350,000	6,916,989	48,266,989
Bank Loans:	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		5,950,678	434,896	6,385,575
COPs:	2010-2037	529,430,000	450,415,736	979,845,736
Total - All Debt		576,730,678	457,767,621	1,034,498,300

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 PLANS

Budget 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	Program Goal	FY2009 Full-Time Employees	FY2009 Budget (In Millions)
Coastal Watersheds	To restore coastal watersheds and receiving water bodies through local initiatives and partnerships and applied scientific research	50	\$47.6
Comprehensive Everglades Restoration Plan	To restore, preserve and protect the South Florida ecosystem through implementation of the Comprehensive Everglades Restoration Plan and other related federal water resources projects	111	\$2,067.1
District Everglades	To restore Everglades water quality, hydrology and ecology	165	\$381.4
Kissimmee Watershed	To restore ecological integrity to the Kissimmee River and its floodplain ecosystem and integrate Kissimmee watershed management strategies with those of Lake Okeechobee protection and water supply development	26	\$7.4
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	45	\$90.2
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	43	\$22.8
Modeling and Scientific Support	To provide technically sound modeling and water quality monitoring and assessment services of the highest quality standards in support of District water resource programs	105	\$17.0
Operations & Maintenance	To minimize damage from flooding, provide adequate regional water supply, and protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system	606	\$167.7
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	193	\$19.6
Water Supply	To 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	68	\$39.9
Mission Support	To provide the District with optimum support and logistical functions	416	\$113.7
TOTAL		1,828	\$2.974 Billion

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 five-year financial forecast (Fiscal Year 2009 through Fiscal Year 2014) which will be used to guide the agency through the preparation of its Fiscal Year 2010 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 five-year forecast centers around revenue sources over which the District can exercise spending discretion. This represents mostly ad valorem revenues, but also includes other revenue sources, such as investment earnings, permit and lease fees. The goal was to map out a strategy for prioritizing the expenditure of discretionary funds over the next five years.

Preparing the financial forecast for the period of FY2009 through FY2014 was particularly challenging, due to growing weakness in the state and local economies which will directly impact District ad valorem revenues: a saturated housing inventory which continues to grow, fueled by difficulties in the credit markets; rising unemployment; and a general economic slowdown. Additionally, unprecedented levels of foreclosures are projected to continue in the sixteen counties comprising the District, prolonging the correction in real estate values. The magnitude of the decrease in housing values, which will ultimately be reflected in the District's tax roll, is subject to much speculation and interpretation. However, the data examined indicates that the District will experience some reduction to its tax base over the next few years.

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 State of Florida's Save Our Everglades and Florida Forever Trust Funds. 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 five-year forecast focuses on discretionary 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 five-year forecast period.

Projections of discretionary ad valorem revenue were arrived at by examining separately the different components of the tax roll, particularly homesteaded and non – homesteaded residential property, which make up roughly 2/3 of the District's tax base. Estimated levels of new construction were also factored into the

calculation. Finally, the total ad valorem revenue projection was adjusted by estimated growth in per capita personal income, as projected by the Revenue Estimating Conference (State of Florida Office of Economic and Demographic Research). Other revenues such as investment earnings, permit fees, and lease revenues were also considered in the projection of discretionary revenues.

Expenditures

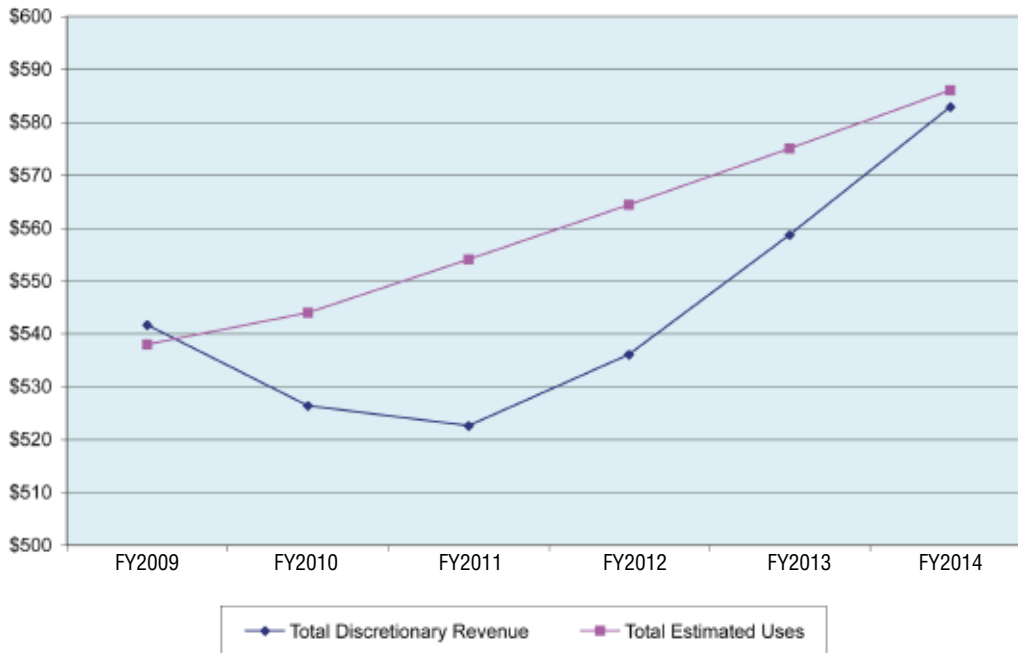
It was assumed that current levels of effort would be maintained for those programs supported by the revenue sources identified. Expenditures were examined at the program level. In order to build the projections using the best available data, baseline projections of program expenditures were arrived at by applying the escalation rate of 3.0 percent, to approximate the U.S. Department of Labor Consumer Price Index data. Personnel was escalated at an annual rate of 3.0 percent, to factor in projected increases in specific fringe benefits components. The projection assumed maintaining constant levels of projected debt service, reserves, and Operations and Maintenance capital improvement projects.

Use of Discretionary Funds FY2009 through FY2014

The five-year financial forecast focused on discretionary revenues, as identified above, and those expenditures supported by those funds. As in prior years, the goal was to determine how much funding, if any, could reasonably be expected to support new programs and initiatives after funding current service and staffing levels. This was particularly important in a declining economic environment in which current baseline operating and other costs could outpace revenues. It is hoped that this information will assist policymakers in providing 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. However, although not reflected in this projection, certain activities currently being funded by dedicated sources may have to be funded out of discretionary funds in future years in the event that such revenue sources are reduced.

The graph below reflects a five-year projection of District discretionary funds, compared against a projection of expenditures supported by those funds. The graph shows that in a declining economic environment during which the District would experience negative ad valorem revenue growth, projected increases in current operating and other baseline program costs would result in budget deficits over the next several years. The gap is expected to narrow in the late stages of the forecast period, with an expected turnaround in the economy and the housing market.

Five-Year Financial Forecast (in \$ Millions)



Projected Discretionary Revenues and Expenditures (in \$ Millions)

Sources:	FY09 (Budget)	FY10	FY11	FY12	FY13	FY14
Ad Valorem Revenue Baseline	525.2	525.2	525.2	525.2	525.2	525.2
Cumulative Estimated Ad Valorem Growth	-	-20.0	-23.7	-10.5	11.5	35.0
Other Discretionary Revenue	12.8	12.3	12.3	12.6	13.2	13.8
Subtotal: Ad Valorem and Related Revenue	538.0	517.6	513.8	527.3	549.9	574.1
Everglades Property Lease Revenue	3.7	8.8	8.8	8.8	8.8	8.8
Total Discretionary Revenue	541.7	526.4	522.6	536.1	558.7	582.9
Uses:						
Personnel Costs (3.0% / Year)	175.2	180.5	185.9	191.4	197.2	203.1
Debt Service on Existing Certificates of Participation	35.3	35.3	35.3	35.3	35.3	35.3
Remaining Identified Debt Service Funds	3.8	-	-	-	-	-
Everglades Acquisition Planned Debt Service	105.0	105.0	105.0	105.0	105.0	105.0
Continuation of FY09 Baseline Operating / Other Costs (3.0% / Year)	150.3	154.8	159.5	164.2	169.2	174.2
O & M Capital Projects	45.3	45.3	45.3	45.3	45.3	45.3
Reserves	23.1	23.1	23.1	23.1	23.1	23.1
Total Estimated Uses	538.0	544.0	554.0	564.4	575.1	586.0
Annual Surplus/(Deficit)	3.7	-17.6	-31.4	-28.3	-16.4	-3.1

Summary

It is anticipated that the current downturn in the economy in general and the real estate market in particular will continue to result in decreases in ad valorem revenue for the District. In developing this forecast, it was assumed that declining ad valorem revenues would be mitigated by a per capita personal income growth adjustment, as allowed by tax reform enacted in 2008. However, annual discretionary revenue, composed primarily of ad valorem funds, is expected to decline by \$15.3 million in FY2010, from \$541.7 million to \$526.4 million. Another, smaller decrease in discretionary revenue of \$3.8 million is anticipated for FY2011 before revenues start to recover in FY2012. This analysis shows that the District may not return to current (FY2009) levels of discretionary revenue until FY2013, when total discretionary revenue is projected to reach \$558.7 million.

In contrast, at present service levels, personnel, operating, capital and other costs supported by these revenues are expected to continue to increase each year, surpassing available discretionary funds and resulting in a cumulative deficit of \$96.8 million over the forecast period.

At the start of each budget development cycle, this financial forecast is updated with new information and presented to management and the Governing Board. The financial forecast is relied on by District policymakers to make informed decisions regarding which projects or activities can be funded during each particular year and at what levels. It is understood that for management to deal effectively with projected decreases in ad valorem revenues, it must strive to:

- Target the use of discretionary funds to strategic programs and project priorities
- Control contractual service costs by aligning them with the District's strategic direction and properly estimating annual funding requirements
- Pursue alternative revenue sources such as local government partnership agreements, increased lease revenues, and expanded permit fees.

Capital Improvements Program Overview

The Capital Improvements Program (CIP) provides a formal mechanism for making decisions on capital projects and the budget. It also supports the District's mission by providing a framework for allocating resources between District programs, based on improvement or refurbishment, construction and land acquisition priorities. All of the projects illustrated in the District's CIP are non-routine projects. The plan for this program includes a five-year financial schedule of expenditures and revenues for approved capital projects in the current fiscal year and a four-year capital project forecast. The FY2009 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 the District programs as listed below:

- Coastal Watersheds
- Lake Okeechobee
- Kissimmee Watershed
- Everglades Restoration
- Mission Support
- Modeling & Scientific Support
- Land Stewardship
- Operations & Maintenance (O&M)

The FY2009 capital budget totals \$2.247 billion, which is \$1.428 billion or 174.2 percent greater than last year's capital budget of \$819.5 billion. The increase resulted from net increases and decreases in all eight of the programs, but the most significant increase is attributed to Everglades Restoration because of the proposed River of Grass land acquisition which is 78 percent of the capital budget. Also, the Modeling and Scientific Support program reflects an increase of \$1.6 million for the new Chemistry Lab facility projected to be completed in FY2011. The Land Stewardship program increase of \$3.5 million over the FY2008 CIP is attributable to the Orange County Land Acquisition, Shingle Creek Phase II and III Land /Associated Costs, and a slight increase in funding for recreation projects.

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

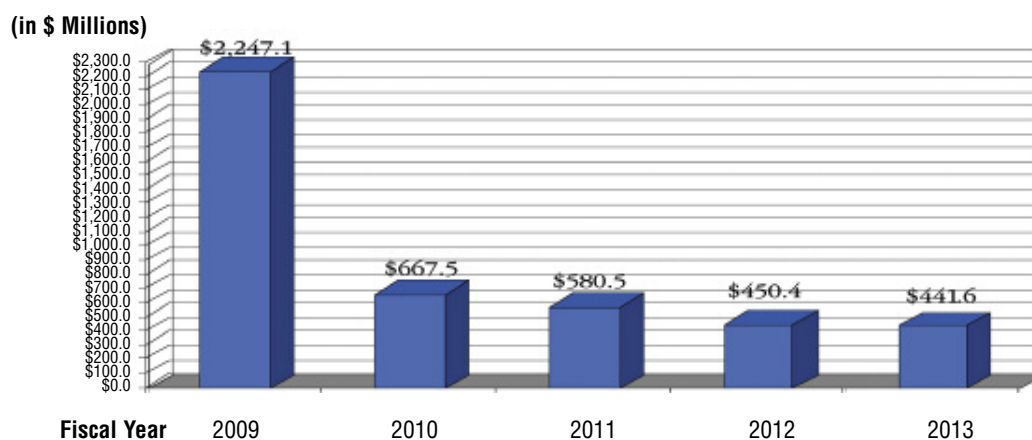
Although there was a significant increase in the FY2009 CIP there were decreases within five of the programs: Coastal Watersheds, Lake Okeechobee, Kissimmee Watershed, Mission Support and Operations & Maintenance. The overall reason for the decrease within these programs is reprioritization of funds, schedules and scopes changes to various projects in the FY2009 budget due to reductions in ad valorem and state funds resulting from tax reform and declining economic conditions within the state of Florida. However, the decrease within the Coastal Watersheds and Lake Okeechobee programs CIP's is due to the accomplishment of large purchases of the land for the C-43 water quality project and the Lakeside Ranch Stormwater Treatment Area that were in the FY2008 CIP. The remaining costs for these projects are for engineering, design and anticipated additional operating costs.

The Capital Improvements Plan has been included in Volume II of the District's 2009 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, 2009.

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 "2009 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	\$8.2	\$0.0	\$0.0	\$73.0	\$7.0
Lake Okeechobee	70.8	1.0	14.8	93.7	40.4
Kissimmee Watershed	0.7	0.7	14.3	-	-
Everglades Restoration	2,104.1	592.9	482.7	219.4	332.6
Mission Support	0.3	1.2	0.2	0.1	0.1
Modeling & Scientific Support	1.6	8.0	2.5	-	-
Land Stewardship	4.6	12.0	12.4	10.8	10.3
Operations & Maintenance	56.8	51.7	53.6	53.3	51.2
Total	\$2,247.1	\$667.5	\$580.5	\$450.4	\$441.6

The FY2009-FY2013 CIP represents \$4.387 billion in District-related project. As reflected in the chart on this page, the total FY2009 budgeted capital expenditures are \$2.247 billion, which represents 75.5 percent of the total District budget of \$2.974 billion. Everglades Restoration has the largest share of the overall FY2009 capital budget at \$2.104 billion or 93.6 percent. Everglades Restoration has the majority of the CIP funding and 70.7 percent of the District FY2009 budget largely because of the River of Grass land acquisition. 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 2009-2013

Coastal Watersheds Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Save Our Everglades Trust Fund	\$3,429,510	\$0	\$0	\$73,000,000	\$7,000,000
Ad Valorem Sources	4,747,834	-	-	-	-
TOTAL	\$8,177,344	\$0	\$0	\$73,000,000	\$7,000,000
EXPENDITURES					
Caloosahatchee River Basin Water Quality Treatment & Testing Area (C-43 Water Quality Project)	\$8,177,344	\$0	\$0	\$73,000,000	\$7,000,000
TOTAL	\$8,177,344	\$0	\$0	\$73,000,000	\$7,000,000

Lake Okeechobee Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Ad Valorem	\$11,375,000	\$1,000,000	\$1,856,592	\$1,882,290	\$1,908,759
Florida Forever	3,833,100	-	12,950,000	28,858,400	31,500,000
Water Management Lands Trust Fund	75,000	-	-	-	-
Save Our Everglades Trust Fund	43,100,674	-	-	63,000,000	7,000,000
Lake Okeechobee Trust Fund	12,427,281	-	-	-	-
TOTAL	\$70,811,055	\$1,000,000	\$14,806,592	\$93,740,690	\$40,408,759
EXPENDITURES					
Dredging	\$5,521,796	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Lakeside Ranch STA Phases I & II	57,106,159	-	856,592	63,882,290	7,908,759
Brady Ranch STA	2,200,000	-	-	-	-
Herbert Hoover Dike Rehabilitation	3,983,100	-	6,000,000	6,000,000	6,000,000
Northern Everglades Land Acquisition	-	-	6,950,000	22,858,400	25,500,000
Lemkin Creek	2,000,000	-	-	-	-
TOTAL	\$70,811,055	\$1,000,000	\$14,806,592	\$93,740,690	\$40,408,759

Kissimmee Watershed Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Florida Forever	\$659,900	\$678,400	\$14,288,400	\$0	\$0
TOTAL	\$659,900	\$678,400	\$14,288,400	\$0	\$0
EXPENDITURES					
Kissimmee River Restoration Mitigation	\$659,900	\$678,400	\$14,288,400	\$0	\$0
TOTAL	\$659,900	\$678,400	\$14,288,400	\$0	\$0

Everglades Restoration (CERP & District Everglades)

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Save Our Everglades Trust Fund	\$58,000,000	\$180,000,000	\$180,000,000	\$39,000,000	\$171,000,000
Ad Valorem Sources - CERP	165,972,959	96,024,512	96,049,682	100,575,606	100,755,028
Ad Valorem - Big Cypress Basin	3,000,000	-	-	-	-
Ad Valorem - ECP	60,200,743	55,102,490	40,177,690	60,251,643	60,838,797
Debt Proceeds - CERP Construction	1,728,844,000	-	-	-	-
State Appropriations	700,000	-	-	-	-
Water Management Lands Trust Fund	50,000	51,750	53,561	55,436	57,376
Florida Forever Trust Fund	13,413,741	30,821,600	4,261,600	2,641,600	-
Prior Year Balance Designated- EFA	-	60,077,058	162,166,389	16,919,001	-
Debt Proceeds - EFA	73,903,556	170,796,444	-	-	-
TOTAL	\$2,104,084,999	\$592,873,854	\$482,708,922	\$219,443,286	\$332,651,201
EXPENDITURES					
Southern Crew / Imperial River Flowway CRP	\$4,591,980	\$3,544	\$3,650	\$3,760	\$3,873
Lake Trafford Restoration CRP	3,000,000	-	-	-	-
C-43 Basin Storage Reservoir - Part 1	148,250	-	-	-	171,000,000
C-44 Reservoir and STA	-	115,000,000	180,000,000	43,500,000	4,635,000
Indian River Lagoon - So.- C-23/C-24 Land Acquisition	290,201	91,435,440	36,503	37,598	56,446
Everglades Agricultural Area Storage Reservoirs	28,894,000	51,750	53,561	55,436	57,376
North Palm Beach County - Part 1	5,176,000	4,421,600	4,261,600	2,641,600	-
Biscayne Bay Coastal Wetlands	7,350,631	-	-	-	-
Advanced Work on C-111 Spreader Canal	75,344,110	800,000	824,000	848,720	874,182
River of Grass Land Acquisition	1,750,000,000	-	-	-	-
LTP EAA STA Compartment B Design Construction & Buildout	35,428,119	119,720,219	75,827,319	11,694,380	3,693,845
LTP EAA STA Compartment C Design Construction & Buildout	47,013,490	111,153,283	86,339,070	12,610,629	3,913,744
Advanced Work On LTP ACME Basin	9,709,800	10,000,000	-	-	-
Rotenberger Pump Station Design & Construction	100,000	2,000,000	31,500	32,445	33,418
Hydropattern Restoration Design & Construction	-	1,234,600	1,243,300	13,930,300	14,294,900
Other Long-Term Plan Projects	2,950,000	2,965,000	-	-	-
Debt Service - COPs #1	15,770,708	15,770,708	15,770,708	15,770,708	15,770,708
Debt Service - COPs #2	79,414,820	79,414,820	79,414,820	79,414,820	79,414,820
Debt Service on LTP Projects	38,902,890	38,902,890	38,902,890	38,902,890	38,902,890
TOTAL	\$2,104,084,999	\$592,873,854	\$482,708,922	\$219,443,286	\$332,651,201

Mission Support Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Ad Valorem Sources	\$318,000	\$1,225,000	\$245,000	\$115,000	\$100,000
TOTAL	\$318,000	\$1,225,000	\$245,000	\$115,000	\$100,000
EXPENDITURES					
General Building & Improvements	\$318,000	\$1,225,000	\$245,000	\$115,000	\$100,000
TOTAL	\$318,000	\$1,225,000	\$245,000	\$115,000	\$100,000

Modeling & Scientific Support

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Ad Valorem Sources	\$1,600,000	\$8,000,000	\$2,500,000	\$0	\$0
TOTAL	\$1,600,000	\$8,000,000	\$2,500,000	\$0	\$0
EXPENDITURES					
Chem Lab Facility	\$1,600,000	\$8,000,000	\$2,500,000	\$0	\$0
TOTAL	\$1,600,000	\$8,000,000	\$2,500,000	\$0	\$0

Land Stewardship Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
Wetland Mitigation	\$3,514,000	\$0	\$0	\$0	\$0
Florida Forever	840,000	-	-	-	-
Lake Belt Mitigation	-	10,000,000	10,000,000	10,000,000	10,000,000
Water Management Lands Trust Fund	219,448	1,978,602	2,438,444	790,895	275,281
TOTAL	\$4,573,448	\$11,978,602	\$12,438,444	\$10,790,895	\$10,275,281
EXPENDITURES					
Recreation Projects Land	\$1,173,448	\$1,727,602	\$1,785,914	\$636,789	\$119,552
Cypress Creek Restoration	-	200,000	600,000	100,000	100,000
Orange County Land Acquisition	1,400,000	21,000	21,630	22,279	22,947
Lake Belt Land/Lake Belt Associated Costs/Restoration	-	10,000,000	10,000,000	10,000,000	10,000,000
Shingle Creek Phase II & III Land/Associated Costs	2,000,000	30,000	30,900	31,827	32,782
TOTAL	\$4,573,448	\$11,978,602	\$12,438,444	\$10,790,895	\$10,275,281

Operations & Maintenance Program

REVENUES	FY2009	FY2010	FY2011	FY2012	FY2013
FEMA Revenues	\$256,542	\$420,000	\$2,100,000	\$2,100,000	\$0
Ad Valorem - Big Cypress Basin	11,000,000	6,500,000	6,000,000	6,000,000	6,000,000
Ad Valorem Sources	45,600,000	44,799,799	45,510,000	45,223,800	45,208,980
TOTAL	\$56,856,542	\$51,719,799	\$53,610,000	\$53,323,800	\$51,208,980
EXPENDITURES					
Lake Trafford Off Road Vehicle Park Construction	\$500,000	\$1,000,000	\$500,000	\$0	\$0
Golden Gate Weir #3 Relocation	4,100,000	-	-	-	-
Golden Gate Canal Weir #6 and #7 Retrofit	1,000,000	2,000,000	-	-	-
Henderson Creek Diversion	200,000	1,000,000	2,500,000	-	-
Faka Union Canal Weir #6 & #7 Retrofit	-	-	-	3,000,000	-
BCB Field Station	2,100,000	2,500,000	1,000,000	-	-
BCB Administration Bldg	3,100,000	-	-	-	-
Cypress Canal Weir #4A1 Retrofit	-	-	2,000,000	-	-
Miller Weir #3 Rehabilitation	-	-	-	3,000,000	-
Golden Gate Canal Weir #4 Retrofit	-	-	-	-	4,000,000
Henderson Creek Weir #2 Retrofit	-	-	-	-	2,000,000
Communication & Control Systems	1,125,000	1,500,000	2,510,000	1,560,000	7,844,000
Pump Station Modification/Repair	13,059,160	14,758,400	13,200,000	13,809,200	14,030,000
Project Culvert Replacement/Modification	-	-	-	-	1,132,000
Structure/Bridge/Modification/Repair	18,755,382	14,792,000	21,600,000	28,154,600	19,322,980
O&M Facility Construction/Improvements	4,724,000	-	-	-	80,000
Pump Station Refurbishment	300,000	-	-	-	-
Canal/Levee Maint/Canal Conveyance	7,893,000	14,169,399	10,300,000	3,800,000	2,800,000
TOTAL	\$56,856,542	\$51,719,799	\$53,610,000	\$53,323,800	\$51,208,980
TOTAL CAPITAL EXPENDITURES	\$2,247,081,288	\$667,475,655	\$580,597,358	\$450,413,670	\$441,644,221

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, the District's financial forecast and within Project Systems (PS), a newly implemented module within our current financial management system Systems, Applications, and Products for Data Processing (SAP). 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 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.

Everglades Restoration (CERP & District Everglades)

Scheduled expenditures for the CERP program reflect the implementation plan developed jointly between the District, state 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.

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 0.1 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:

FY2009-FY2013 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) and other project costs (land, surveys, existing facility acquisition, professional services). 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.

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.

Capital Project Description Form

PROGRAM: Comprehensive Everglades Restoration Plan (CERP)

ACTIVITY: P117

Project Title: CERP - North Palm Beach County - Part 1

Type: Comprehensive Everglades Restoration Plan Project

Physical Location: Palm Beach County

Square Footage/Physical Description: This project includes six separable elements including Pal-Mar and J.W. Corbett Wildlife Management Area Hydropattern Restoration, L-8 Basin Modifications, C-51 and L-8 Reservoir, Lake Worth Lagoon Restoration, C-17 Backpumping and Treatment, and C-51 Backpumping and Treatment. These separable elements have been combined into a single project to address the interdependencies and tradeoffs between the different elements and provide a more efficient and effective design of the overall project..

Expected Completion Date: December 2015

Historical Background/Need for Project: The Comprehensive Everglades Restoration Plan provides a framework and guide to restore, protect and preserve the water resources of Central and Southern Florida, including the Everglades. The goal of CERP is to capture fresh water that now flows unused to the ocean and the gulf and redirect it to areas that need it most. The majority of the water will be devoted to environmental restoration. The remaining water will benefit cities and farmers by enhancing water supplies for the South Florida economy.

The Plan was approved in the Water Resources Development Act (WRDA) of 2000. The following Restudy Components are addressed by this project: Lake Worth Lagoon Restoration - OPE; C-17 Backpumping and Treatment - X; C-51 Backpumping and Treatment - Y; Pal Mar and Corbett Wildlife Area Hydropattern Restoration - OPE; L-8 Basin - K P1; C-51 & Southern L-8 Reservoir - GGG. Implementing this project will provide hydrologic connections between the Corbett Wildlife Management Area and the Moss property, the C-18 Canal, the Indian Trail Improvement District and the L-8 borrow canal. This project will increase water supply availability and flood protection for North Palm Beach County areas, and provide for water quality improvements. Further, this project is needed to reestablish sea grasses and benthic communities in the Lake Worth Lagoon and increase water supplies to the Grassy Waters Preserve and Loxahatchee Slough.

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

Area(s) of Responsibility: Water Supply 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: \$16,500,200 (*See Note 2*)
3. Anticipated Additional Operating Costs/Initial: \$0 (*See Note 3*)
4. Anticipated Additional Operating Costs/Continuing: \$0 (*See Note 4*)

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

FY2009	FY2010	FY2011	FY2012	FY2013
\$5,176,000	\$4,421,600	\$4,261,600	\$2,641,600	\$0

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

\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----

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.

Also, the District implemented Project Systems (PS) that is being used to plan all capital projects and forecast future needs. PS is a structured standardized way for the District to manage project information to optimize reporting, planning and scheduling of resources, time, costs, and budget. Within PS project managers are required to submit a project definition, description, project start and finish dates, funding coding structure, responsible party, and use a standardized detailed work breakdown structure (WBS) that includes phases and components for: initiation, planning, execution, engineering design, construction and closeout.

The District is currently working on developing a standardized report on all the projects that are within PS and provide an analysis of the status of the project in comparison to its plan and budget. These reports identify projects that are not moving forward, those that may be over spending, 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. Individual employee performance plans are tied to the projects and success indicators in the Work Plan.

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 COPs. 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 FY2009, \$303.8 million of projected tax revenues collected will fund approximately 13.5 percent of the District's capital budget.

Federal Sources

Federal Emergency Management Agency Revenues

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

Federal funding sources represent \$0.3 million comprises of less than 0.1 percent of the District's FY2009 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 and Northern Everglades 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.

State funding of \$136.8 million equals 6.1 percent of the District's FY2009 funding sources for capital improvement projects.

Certificates of Participation (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 to expedite construction and land acquisition for Everglades Restoration.

COPs funding of \$1.802 billion comprises 80.2 percent of the District's fund sources for FY2009.

Other Funding Sources

Wetland Mitigation

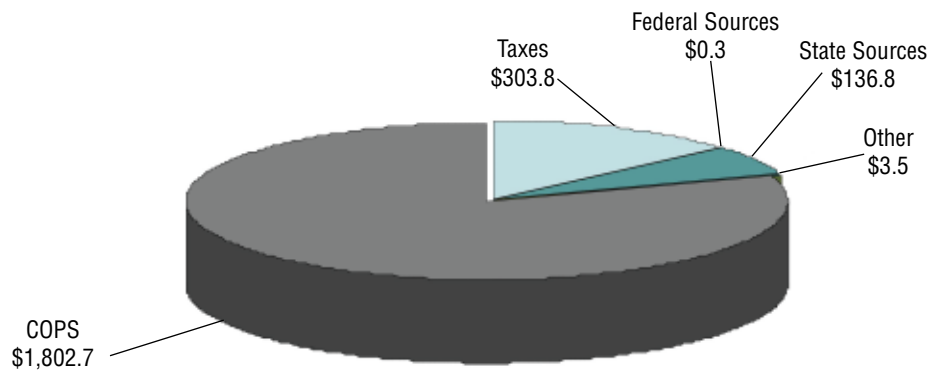
Revenue in the form of fees are collected from private businesses and other governmental agencies when wetlands mitigation permits are issued. These fees pay for land acquisition and long-term land-related management.

Other funding sources of \$3.5 million comprises of less than 0.1 percent of the District's sources for FY2009.

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.

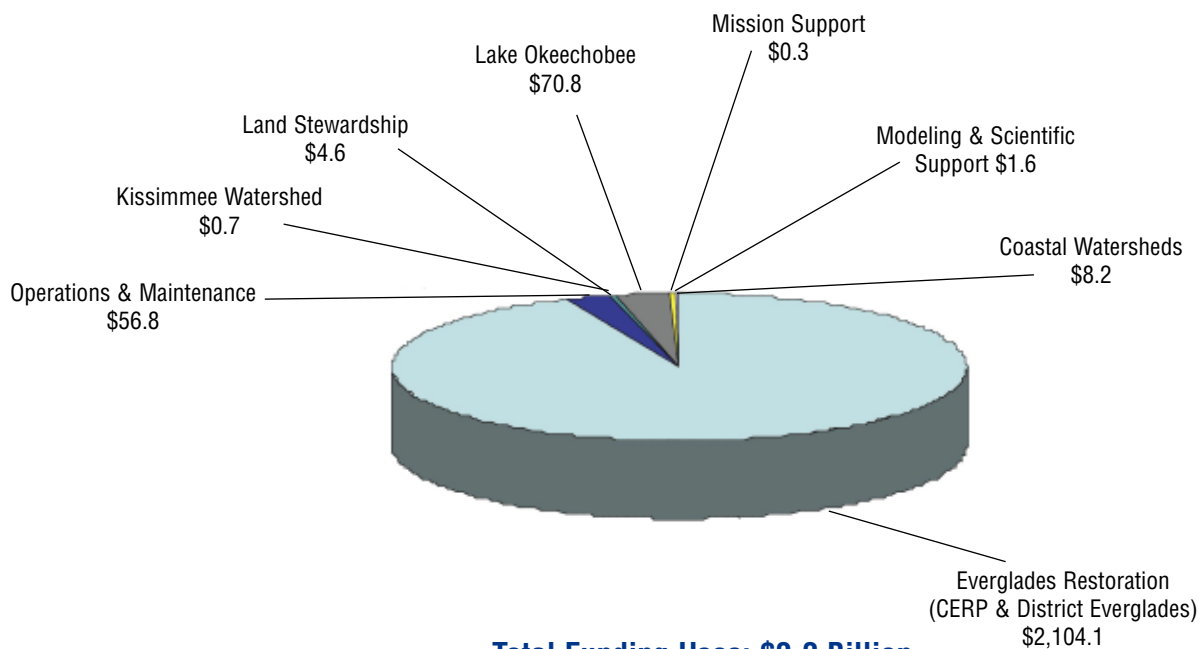
The charts below depict the District's FY2009 CIP funding sources and uses. The estimated funding sources for FY2009 total \$2.2 billion. Descriptions of each source included within the chart categories are provided in the preceding narrative. In FY2009, CIP funds will be used for capital projects in nine District programs. Descriptions for some of the major projects within these programs are presented on the following pages.

FY2009 Funding Sources (in Millions)



Total Funding Sources: \$2.2 Billion

FY2009 Funding Uses (in Millions)



Total Funding Uses: \$2.2 Billion

Major Capital Projects by Program

To review all of the District's capital project descriptions for FY2009, 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 "2009 South Florida Environmental Report" link. Then, click the "Volume II Chapters" link located under the Table of Contents.*

Everglades Restoration (CERP & District Everglades)



Reservoir Site

The adopted Fiscal Year 2009 capital budget for **Everglades Restoration** totals \$2.104 billion. The program is funded by state (3.4 percent) sources; ad valorem taxes (10.9 percent); and, Certificates of Participation (COPs) (85.7 percent). Total operating impact for the FY2009 budget is \$50,000.

Five-year construction and land acquisition expenses are projected to be \$3.731 billion. Operations phase-related costs are estimated at \$28.0 million over the same five year period.

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 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 Restoration projects, Florida will experience the positive benefits derived from restoration efforts sooner and more cost-effectively.

Strategic Priority

Restore the Everglades by:
Acquiring land and planning projects to expand water storage and treatment options south of Lake Okeechobee to revive the River of Grass; Advancing construction schedules of existing key projects; Implementing the Long-Term Plan to achieve water quality standards.

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

C-44 Reservoir and Stormwater Treatment Area (STA)

Martin and St. Lucie counties



C-44 Reservoir and STA Project Area

A component of the larger Indian River Lagoon South Restoration Project, this 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 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.

Projected five-year expenditures for the C-44 Reservoir and Stormwater Treatment Area total \$343.1 million, which includes \$9.1 million in operating costs. The estimated total project cost is \$343.1 million. The project's scheduled completion date is FY2012.

Operating Costs Description	FY2009	FY2010	FY2011	FY2012	FY2013
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control	\$0	\$0	\$0	\$4,500,000	\$4,635,000

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

Hendry and Palm Beach counties



Compartment C Buildout

This 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 Buildout 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 FY2009 capital budget for EAA STA-Compartment B is comprised of \$35.4 million in design and general engineering services to prepare for the aggressive construction plan in FY2010 – FY2012. Projected five-year expenditures total \$246.4 million, which includes \$7.3 million for operating costs. The estimated total project cost is \$316.1 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2009	FY2010	FY2011	FY2012	FY2013
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance	\$0	\$0	\$0	\$3,586,257	\$3,693,845

The FY2009 capital budget for EAA STA-Compartment C is comprised of \$47.0 million in design and general engineering services to prepare for the aggressive construction plan in FY2010 – FY2012. Projected five-year expenditures total \$261.0 million, which include \$7.7 million for operating costs. The estimated total project cost is \$261.0 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2009	FY2010	FY2011	FY2012	FY2013
Fuel, lube, filters, and gaskets; minor and major overhauls; structure, levee and interior maintenance	\$0	\$0	\$0	\$3,799,751	\$3,913,744

Acme Basin B Discharge

Palm Beach and Miami-Dade counties



Acme Basin B Discharge Canal

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 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 FY2009 capital budget for Acme Basin B Discharge is comprised of \$9.7 million in design and general engineering services and a projected construction start date within the first quarter of FY2009. Projected five-year expenditures total \$19.7 million. There are no operating costs for FY2009 or future years because once completed this project will be operated by a third party. The estimated total project cost is \$38.9 million. The scheduled completion date for this project is December 2010.

C-111 Spreader Canal

Miami-Dade County



C-111 Spreader Canal

The C-111 Spreader Canal project is a multi-purpose project that provides for ecosystem restoration of freshwater wetlands, tidal wetlands and near-shore habitat, maintenance of flood protection, and recreation opportunities. Located in south Miami-Dade County, project works include pump stations, culverts, spreader canal, water control structures and a stormwater treatment area. In addition, an existing canal and levee will be degraded to enhance sheetflow across the restored area.

The project will modify the delivery of water to the Southern Glades and Model Lands in order to establish sheet flow and hydropatterns that will sustain the historic flora and fauna of these

areas, eliminate damaging point source discharges of freshwater through C-111 to the estuarine systems of Manatee Bay and Barnes Sound, and maintain levels of flood protection for agricultural and urban areas adjacent to the project area. The C-111 Spreader Canal project will alter the 1994 design for the C-111 project by adding the following enhancements: constructing a 3,200-acre stormwater treatment area; enlarging pump station S-332E from 50 cfs to 500 cfs; extending the spreader canal approximately two miles under U.S. Highway 1 and Card Sound Road, to the Model Lands; and installing culverts under U.S. Highway 1 and Card Sound Road. The project also will fill in the southern reach of the C-111 canal below C-111 Spreader to S-197, remove S-18C and S-197 and backfill C-110.

The FY2009 capital budget for the C-111 Spreader Canal project totals \$75.3 million, for construction and land acquisition. Projected five-year expenditures total \$78.7 million, which include \$3.3 million for operating costs. The project is scheduled for completion in FY2010.

Operating Costs Description	FY2009	FY2010	FY2011	FY2012	FY2013
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control	\$0	\$800,000	\$824,000	\$848,720	\$874,182

River of Grass

Palm Beach, Hendry and Glades counties



River of Grass Site

As of the budget adoption on October 1, 2008, contract negotiations were underway on a potential acquisition of an estimated 180,000 +/- acres of agricultural land owned by the United States Sugar Corporation. The vast tracts of land in the Everglades Agricultural Area would be used to reestablish a part of the historic connection between Lake Okeechobee and America's Everglades through a managed system of storage and treatment and, at the same time, safeguard the St. Lucie and Caloosahatchee rivers and estuaries.

Acquiring the enormous expanse of real estate would offer water managers the opportunity and flexibility to store and clean water on a scale

never before contemplated to protect Florida's coastal estuaries and to better revive, restore and preserve the fabled River of Grass. Subject to independent appraisals and approval by the District's Governing Board, water managers will invest in certificates of participation to finance the acquisition of land and assets.

Benefits from the land acquisition would include:

- Increases in water storage to reduce harmful freshwater discharges from Lake Okeechobee to Florida's coastal rivers and estuaries
- Improvements in the delivery of cleaner water to the Everglades
- Preventing thousands of tons of phosphorus from entering the Everglades
- Eliminating the need for "back-pumping" water into Lake Okeechobee
- Sustainability of agriculture and green energy production

The FY2009 adopted capital budget is \$1.750 billion. The potential acquisition is still under negotiation and subject to changes and final approval by the District's Governing Board.

Lake Okeechobee & Coastal Watersheds Program

The adopted FY2009 capital budget for the **Lake Okeechobee program** totals \$70.8 million. The program is funded by state sources (84 percent) and ad valorem taxes (16 percent). There are no operating impacts for the FY2009 budget.

Five-year construction and land acquisition expenses are projected to be \$220.8 million. Operations phase related costs are estimated to be phased in upon completion of the projects in FY2011 and beyond. The program includes Lake Okeechobee & Estuary Recovery (LOER) 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 FY2009 capital budget for the **Coastal Watersheds program** totals \$8.2 million. The program is funded by state sources (42 percent) and ad valorem taxes (58 percent). There are no operating impacts for the FY2009 budget. Five-year design, engineering and construction expenses are projected to be \$88.2 million.

All project operating cost estimates for these program's 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.

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

A brief description of the major capital project for the Lake Okeechobee program and a detailed explanation of related operating costs follow:

Lakeside Ranch Stormwater Treatment Area (STA)

Martin County



Lakeside Ranch

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. The objective of this project is to aid in phosphorous removal. This project will provide a 2,710 acre stormwater treatment area and a pump station.

The FY2009 capital budget for the Lakeside Ranch STA is comprised of \$57.1 million for general engineering and design in preparation for aggressive construction in FY2010 – FY2013. Projected five-year expenditures total \$129.8 million. Operating costs associated with this project during the five year period are \$2.6 million. 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 FY2011 for Phase 1 and FY2013 for the entire project.

Operating Costs Description	FY2009	FY2010	FY2011	FY2012	FY2013
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control	\$0	\$0	\$856,592	\$882,290	\$908,759

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 counties



C-43 Caloosahatchee River

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 FY2009 capital budget for C-43 Water Quality Project is comprised of \$8.2 million for engineering and design in preparation for an aggressive construction plan beginning in FY2012. Projected five-year expenditures total \$88.2 million. There are no operating costs projected during this five year period. 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 FY2013.

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



Compartment B Buildout

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 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 and weirs, bridges with culverts, spillway structures, and purchasing of 300 – 180,000+/- 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, some 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 new construction or land purchases do require 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 FY2009, District debt payments for land acquisition bonds and construction loans are \$44.3 million.

The following chart, “Estimated FY2009-FY2013 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 FY2009 - FY2013 Capital Improvement Program Operating Cost Impact Detail

DISTRICT PROGRAM / PROJECT TITLE	FUNDING SOURCE	COMPLETION DATE	NEW POSITIONS	FY2009	FY2010	FY2011	FY2012	FY2013	TOTAL FY2009 - FY2013
Lake Okeechobee									
Lakeside Ranch STA Phases I & II	General Ad Valorem Taxes	Sep 2013	-	\$0	\$0	\$856,592	\$882,290	\$908,759	\$2,647,641
TOTAL Lake Okeechobee Program			0	\$0	\$0	\$856,592	\$882,290	\$908,759	\$2,647,641
Everglades Restoration									
C-44 Reservoir and STA	Federal / General Ad Valorem Taxes	Sep 2012	-	\$0	\$0	\$0	\$4,500,000	\$4,635,000	\$9,135,000
Everglades Agricultural Area Storage Reservoir	Federal / General Ad Valorem Taxes	Dec 2010	-	50,000	51,750	53,561	55,436	57,376	\$268,123
Advanced Work on C-111 Spreader Canal	Federal / General Ad Valorem Taxes	Sep 2009	-	-	800,000	824,000	848,720	874,182	\$3,346,902
Southern Crew / Imperial River Flowway CRP	Federal / General Ad Valorem Taxes	Sep 2009	-	-	3,544	3,650	3,760	3,873	\$14,827
Indian River Lagoon - So. - C-23/C-24 Land Acquisition	Federal / General Ad Valorem Taxes	Oct 2022	-	-	35,440	36,503	37,598	56,446	\$165,988
LTP EAA STA Compartment B Design Construction & Buildouts	Ag Tax / ECP Tax	Sep 2012	-	-	-	-	3,586,257	3,693,845	\$7,280,101
LTP EAA STA Compartment C Design Construction & Buildouts	Ag Tax / ECP Tax	Sep 2012	-	-	-	-	3,799,751	3,913,744	\$7,713,494
Rotenberger Pump Station Design & Construction	Ag Tax / ECP Tax	Sep 2010	-	-	-	31,500	32,445	33,418	\$97,363
TOTAL Everglades Restoration			0	\$50,000	\$890,734	\$949,215	\$12,863,967	\$13,267,883	\$28,021,798
Land Stewardship									
Recreation Projects Land	Water Management Lands Trust Fund	Sep 2013	-	\$0	\$117,602	\$125,914	\$126,785	\$109,552	\$479,853
Cypress Creek Restoration	Water Management Lands Trust Fund	Sep 2011	-	-	100,000	100,000	100,000	100,000	\$400,000
Orange County Land Acquisition	Water Management Lands Trust Fund	Sep 2009	-	-	21,000	21,630	22,279	22,947	\$87,856
Shingle Creek Phase II & III Land/Associated Costs	Water Management Lands Trust Fund	Sep 2009	-	-	30,000	30,900	31,827	32,782	\$125,509
TOTAL Land Stewardship Program			0	\$0	\$268,602	\$278,444	\$280,891	\$265,281	\$1,093,218
GRAND TOTAL - CIP Operating Costs			0	50,000	1,159,336	2,084,251	14,027,148	14,441,923	\$31,762,658

Operating costs associated with FY2009 capital projects are estimated to be \$50,000. In FY2009, all operating costs incurred are within Everglades Restoration. Project-related operating costs include spraying of invasive exotic and aquatic plants, mowing, fuel, electricity, road grading, electrical and mechanical parts, oil and lubricants to operate the pumps, maintain the levees and interior maintenance.

Total projected five-year operating costs for all of the District's current capital projects are estimated at approximately \$31.7 million:

(\$ millions)	District Program
\$ 2.6	Lake Okeechobee
\$ 28.0	Everglades Restoration (CERP & District Everglades)
\$ 1.1	Land Stewardship

Although some of the District's capital projects directly impact the current and future operating budget (due to increased expenditures for maintenance, utility costs, and vegetation control), several programs have dedicated funding sources in place to meet their projects' future operating needs. One example is within Everglades Restoration which has Agricultural Privilege and Everglades Construction Project taxes as dedicated funding sources. These funds may only be used for Everglades projects and associated operating costs.

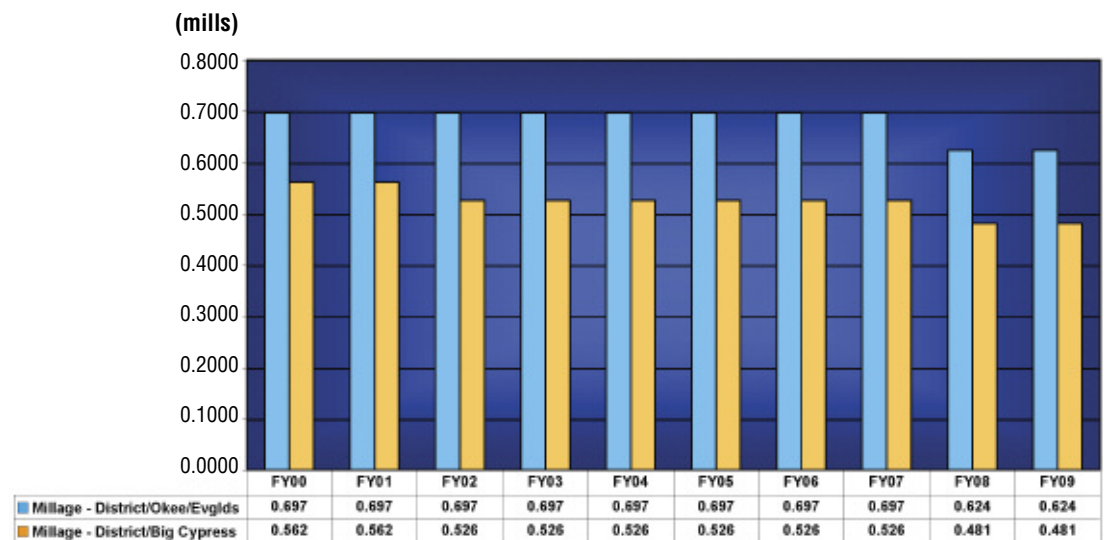
Typical operating costs budgeted may include new FTEs, pump, gate, culvert/riser, canal, levee and interior maintenance; electricity, fuel, lube, filters and gaskets; overhauls; exotic and aquatic vegetation control; and, landscape maintenance. Project Managers/Engineers and functional unit staff determine 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 by 3 percent unless otherwise directed by the project manager as a set cost.

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 FY2009 in conjunction with potentially issuing additional COPs in FY2009 will save taxpayers and 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.

Property Taxes

Ad Valorem Property Tax Millage Rates Fiscal Years 2000-2009



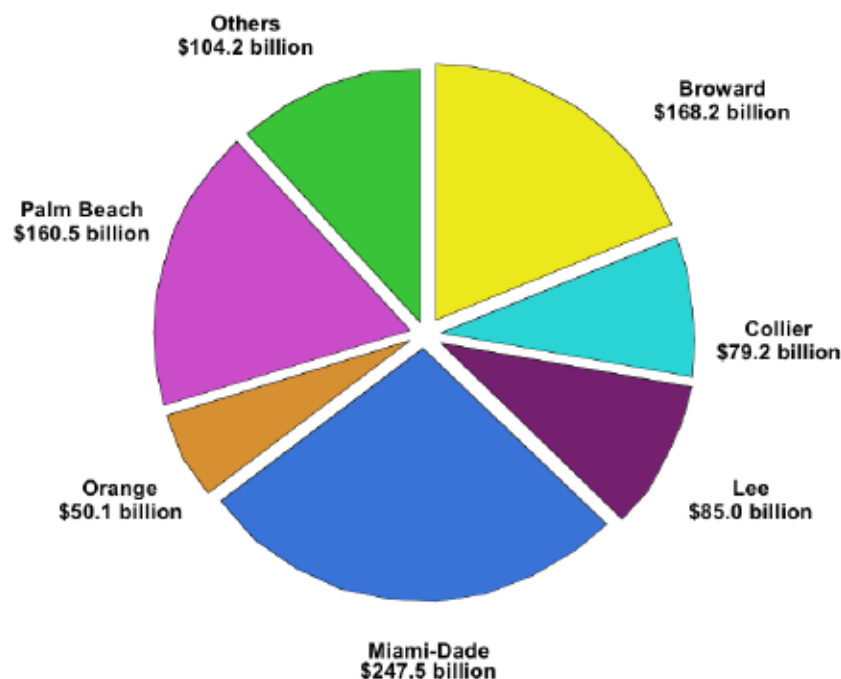
The District's FY2009 adopted millage rates have remained the same as the FY2008 rates. In FY2009, all property owners within the District's boundaries will be assessed the same District-at-large millage rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each the same as FY2008, 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 unchanged from FY2008 and the District-at-Large tax rate of .2549 mills, for a combined tax assessment of .4814 mills.

Adopted Fiscal Year 2009 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 2009 District Tax Base

Total Tax Base by County: \$894.7 Billion



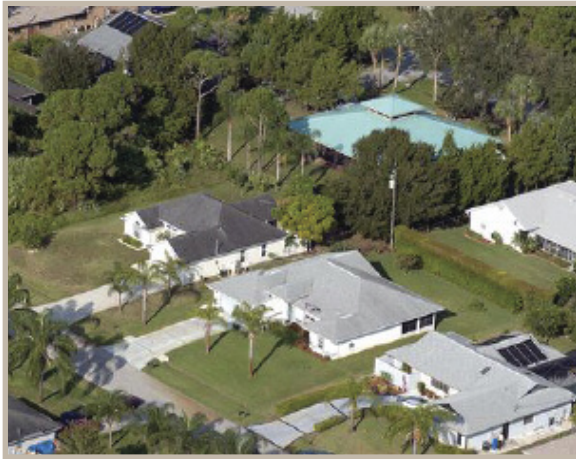
Taxable values for the six largest counties in the District's 16-county jurisdiction represent 88.4 percent of the total tax base. Miami-Dade, Broward and Palm Beach counties comprise 64.4 percent of the total tax base.

District FY2009 Taxable Values

District, Okeechobee Basin and Big Cypress Basin

Counties	FY2008 Taxable Values	FY2009 Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	\$177,045,353,663	\$168,208,428,100	\$168,208,428,100	\$0	-4.99%
Charlotte	211,667,119	159,359,815	159,359,815	-	-24.71%
Collier	82,852,740,143	79,234,004,665	-	79,234,004,665	-4.37%
Glades	744,038,641	696,949,196	696,949,196	-	-6.33%
Hendry	2,832,791,255	2,368,228,038	2,368,228,038	-	-16.40%
Highlands	912,500,693	865,627,288	865,627,288	-	-5.14%
Lee	96,696,583,658	85,044,602,333	85,044,602,333	-	-12.05%
Martin	22,756,027,517	20,590,910,800	20,590,910,800	-	-9.51%
Miami-Dade	247,443,347,081	247,463,592,068	247,463,592,068	-	0.01%
Monroe	29,000,698,180	26,918,163,901	26,918,155,909	7,992	-7.18%
Okeechobee	2,374,177,979	2,071,709,042	2,071,709,042	-	-12.74%
Orange	48,190,827,887	50,065,232,939	50,065,232,939	-	3.89%
Osceola	26,426,229,781	26,340,684,537	26,340,684,537	-	-0.32%
Palm Beach	170,229,136,344	160,520,667,143	160,520,667,143	-	-5.70%
Polk	2,629,283,395	2,400,511,382	2,400,511,382	-	-8.70%
St. Lucie	25,706,847,093	21,793,668,809	21,793,668,809	-	-15.22%
Total Tax Base	\$936,052,250,429	\$894,742,340,056	\$815,508,327,399	\$79,234,012,657	-4.41%

Impact of Taxes



Average Home

Assessed Value	\$250,000
Less Homestead Exemption	(\$50,000)
Taxable Value	\$200,000

The average impact of the District's FY2009 millage rates on a homeowner residing in the Okeechobee Basin or Big Cypress Basin with a home value assessed at \$250,000 (less a \$50,000 homestead exemption) is shown below:

Okeechobee Basin		
(\$200,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2009 Tax Rate District and Okeechobee Basin	0.6240	\$124.80
Adopted FY2008 Tax Rate District and Okeechobee Basin	0.6240	\$124.80
FY2008 - FY2009 Variance	0.0000	\$0.00

Big Cypress Basin		
(\$200,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2009 Tax Rate District and Big Cypress Basin	0.4814	\$96.28
Adopted FY2008 Tax Rate District and Big Cypress Basin	0.4814	\$96.28
FY2008 - FY2009 Variance	0.0000	\$0.00

Taxes paid within the Okeechobee Basin for FY2009 are approximately 62 cents per \$1,000 of taxable value which is the same rate as FY2008. Taxes paid within the Big Cypress Basin for FY2009 are the same at approximately 48 cents per \$1,000 of taxable value.

State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

Taxing Authority Definitions

A sample *Notice of Proposed Property Taxes and Proposed or Adopted Non-Ad Valorem Assessments* (property tax notice) for a typical Palm Beach County resident is displayed on the facing page. Every August, Florida property owners receive similar notices from their respective county property appraisers. (A list of the 16 county appraisers located within the South Florida Water Management District is included in this section after the sample tax notice).

The sample tax notice is for a home assessed at \$334,750 (less a \$50,000 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 Boca Raton, 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 (\$152.23) and Everglades Construction Project (\$25.46), totaling \$177.69. (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 for some agencies because of 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 \$50,000 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 \$334,750, minus a \$50,000 homestead exemption. So, property taxes due in 2008 will be based on a net taxable value of \$284,750 for this year.

Section 7 – 2008 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. 00-00-00-00-00-0000-0000		2008 PROPOSED AD VALOREM TAXES	
LEGAL DESCRIPTION OF PROPERTY: PARCEL IS IN INCORPORATED PALM BEACH COUNTY		<p>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.</p> <p>The purpose of these PUBLIC HEARINGS is to provide an opportunity for the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION.</p> <p>Each taxing authority may AMEND OR ALTER its proposal at the hearing.</p> <p>A PUBLIC HEARING ON THE PROPOSED TAXES AND BUDGET WILL BE HELD:</p>	
Section 1		Section 2	Section 3
TAXING AUTHORITY	YOUR PROPERTY VALUE LAST YEAR	YOUR PROPERTY VALUE THIS YEAR	YOUR TAXES THIS YEAR IF PROPOSED BUDGET CHANGE IS MADE
PB COUNTY	1134.33	1076.67	PALM BEACH COUNTY (561) 355-3996 9/08 6:00 PM 301 N OLIVE AVE 6TH FL WEST PALM BEACH 33401 1163.57
PUBLIC SCHOOLS	1422.90	1517.16	PBC SCHOOL BOARD (561) 434-8837 9/10 5:05 PM 3300 FOREST HILL BLVD WEST PALM BEACH 33406 1511.92
BY STATE LAW	783.90	728.84	9/15 6:00PM 201 W PALMETTO PK RD BOCA RATON 33432 832.95
CITY	906.00	859.95	CITY OF BOCA RATON (561) 393-7850 9/15 6:00PM 201 W PALMETTO PK RD BOCA RATON 33432 907.21
SFHM	160.38	152.23	SO FLA WTR MGT DIST (561) 486-8800 9/10 5:15PM 3301 SUN CLUB ROAD WEST PALM BEACH 33406 162.62
EVERGLADES	26.82	25.46	FL INLAND NAVIG DIST (561) 627-3386 9/03 6:00PM 56 N BROADWAY ST FELLSMERE 32948 27.19
CONST. PROJ.	10.35	9.82	CHILDRENS SV COUNCIL (561) 740-7000 9/11 6:00PM 2300 HIGH RIDGE RD BOYNTON BEACH 33426 178.88
F.I.N.D.	174.69	171.11	PBC HEALTH CARE DIST (561) 659-1270 9/11 6:00 PM 324 DATURA ST STE 401 WEST PALM BEACH 33401 273.39
CHILD SERV	267.00	284.04	GR BOCA BCH PK DIST (561) 417-4599 09/04 5:15PM 300 S MILITARY TRL BOCA RATON 33486 257.53
HEALTH	255.81	231.79	BOCA RATON SCHL DBT 52.54
BOCA BEACH	60.06	52.54	CITY DBT 84.97
COUNTY DBT	85.71	84.97	
SCHOOL DBT			
CITY DBT			
TOTAL AD VALOREM PROPERTY TAXES	5287.95	5194.58	5463.36
COLUMN 1		COLUMN 2	COLUMN 3
SEE REVERSE SIDE FOR EXPLANATIONS			
Section 6		Section 5	
YOUR PROPERTY VALUE LAST YEAR	YOUR PROPERTY VALUE THIS YEAR	BENEFITS APPLIED TO THIS PROPERTY	
325000	351250	HOMESTEAD	
325000	334750	HOMESTEAD/ADOL	
25000	50000	SEE REVERSE SIDE FOR MORE INFORMATION	
300000	284750		
MARKET VALUE	MARKET VALUE		
ASSESSED VALUE	ASSESSED VALUE		
EXEMPTIONS	EXEMPTIONS		
TAXABLE VALUE	TAXABLE VALUE		
<p>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:</p> <p>Residential (561) 355-2000 Commercial (561) 355-4000 Agriculture (561) 355-3040</p> <p>GOVERNMENTAL CENTER - 2ND FLOOR 301 N. OLIVE AVE. WEST PALM BEACH, FLORIDA 33401</p> <p>FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.</p>			
<p>IF THE PROPERTY APPRAISER'S OFFICE IS UNABLE TO RESOLVE THE MATTER AS TO MARKET VALUE OR AN EXEMPTION, YOU MAY FILE A PETITION. PETITION FORMS ARE AVAILABLE FROM THE COUNTY PROPERTY APPRAISER'S OFFICE. YOUR PETITION MUST BE FILED WITH THE CLERK OF THE VALUE ADJUSTMENT BOARD ON OR BEFORE: 15-SEP-08 5:00 PM AT 301 N. OLIVE AVENUE, WEST PALM BEACH, FLORIDA 33401</p> <p>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.</p>			
2008 PROPOSED AND/OR ADOPTED NON-AD VALOREM ASSESSMENTS			
LEVYING AUTHORITY		TELEPHONE NUMBER	RATE
BOCA RATON FIRE OPERATIONS		(561) 393-7700	30.00
SOLID WASTE AUTHORITY		(561) 697-2700	87.00
			87.00
Section 7		TOTAL NON-AD VALOREM 117.00	
DO NOT PAY --- THIS IS NOT A BILL			
<p>00-00-00-00-00-0000-0000 11111 HOMESTEAD</p> <p>MR AND MRS TAXPAYER</p> <p>1 MAIN STREET</p> <p>PALM BEACH COUNTY FL 11111-1111</p> <p>00-00-00-00-00-0000-0000</p> <p>***** THIS IS A SAMPLE PROPERTY SUBJECT TO THE 50H 3% CAP *****</p>			

Property Appraisers

Broward County

Honorable Lori Parrish
115 S Andrews Ave, Room 111
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
239-252-8141

Miami-Dade County

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

Glades County

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

Hendry County

Honorable Kristina A. Kulpa, CFA, ASA
25 E Hickpochee Ave, Room 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 Floor
Ft. Myers, FL 33902-1546
239-339-6100

Martin County

Honorable Laurel Kelly, CFA
1111 SE Federal Hwy, Suite 330
Stuart, FL 34994
772-288-5608

Monroe County

Honorable Ervin A. Higgs, CFA
500 Whitehead St
Key West, FL 33040-1176
305-292-3404

Okeechobee County

Honorable W.C. Sherman
307 NW 5th Ave, Suite A
Okeechobee, FL 34972-4196
863-763-4422

Orange County

Honorable Bill Donegan, CFA
200 S Orange Ave, Suite 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 Floor
West Palm Beach, FL 33401
561-355-2866

Polk County

Honorable Marsha Faux, CFA, ASA
255 N Wilson Ave
Bartow, FL 33830
863-534-4750

St. Lucie County

Honorable Jeff Furst
2300 Virginia Ave, Room 107
Ft. Pierce, FL 34983
772-462-1000

Economic Outlook

The South Florida Water Management District (SFWMD) headquartered in West Palm Beach is a special taxing district with powers derived from the State. 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 percent of the State of Florida, and encompasses in whole or partial sixteen of the State's sixty-seven counties. Under Florida Statutes, these counties are subject to SFWMD ad valorem taxing authority, which normally generates 40 to 50 percent of the District's revenues. However, due to potential issuance of additional debt, only 18 percent of the District's FY2009 budget is funded by ad valorem tax revenues.

It is a challenging task to address the water supply and flood protection needs of over 7 million residents living within the District's jurisdiction, while protecting and restoring the natural water resources of the region. Available revenues 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 ad valorem revenue sources.

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 ad valorem taxes are the primary revenue source for the agency.

The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with California, Arizona and Nevada. The current housing downturn can be attributed to soaring home prices and over supply from investors. The high prices and over supply resulted from the easing of underwriting standards and the increased appetite for risk over the past several years making it less difficult for prospective homebuyers to qualify for a mortgage. In order to afford a home with the record price increases seen throughout the majority of the country in the first half of the decade, homebuyers became increasingly dependant on exotic mortgage products intended to reduce down payments and monthly payments. This caused lenders to qualify borrowers for loans based on "teaser" interest rates and not the fully amortized costs of the mortgage. However, the lender was risking foreclosure if property values did not increase during the initial "teaser" period allowing the borrower to refinance at a better interest rate.

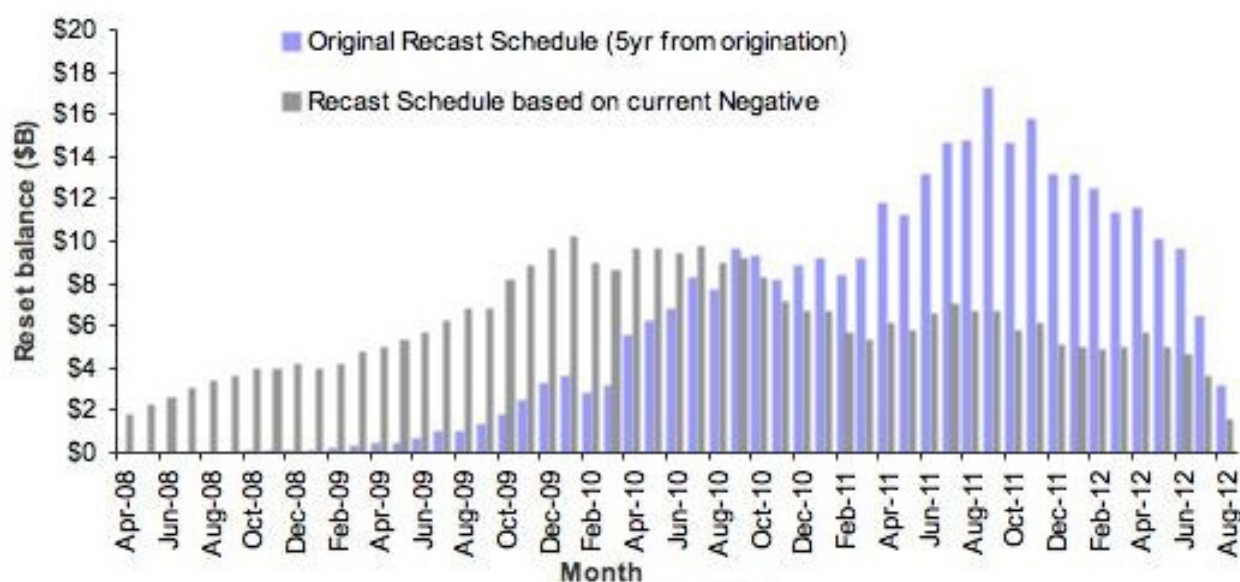
Rate Resets

One of the most prevalent exotic mortgage product was the 2/28 hybrid Adjustable Rate Mortgage (ARM) which locked a buyer into a fixed rate (a “teaser” rate and often much lower) for two years before recasting to the fully amortized rate for twenty-eight years. In 2006 adjustable rate mortgages represented roughly 78 percent of all sub-prime originations. In Florida there are 300,490 sub-prime mortgages and 65.5 percent (191,121) of which are adjustable rate mortgages with 32 percent (63,079) expected to have interest rate resets over the next twelve months. The difference from the “teaser” rate to the fully amortized rate is roughly 3 to 5 percent higher, which represents an increase in the borrower’s monthly mortgage payment.

Another popular exotic mortgage product was the negative amortization loan (also referred to as an Option ARM). A negative amortization mortgage provided homebuyers with an extra payment option each month. In addition to paying the fully amortized payment or only the interest costs, a negative amortization loan actually allowed borrowers to make a “minimum” payment that was less than the interest costs (similar to credit cards). The minimum payment option results in a homebuyer accumulating negative equity in their home, absent an increase in the value of the house.

In 2006 negative amortizing loans represented 26 percent (46 percent if you factor in refinances) of all Alt-A originations. In Florida there are 239,310 Alt-A mortgages and 57.7 percent (138,082) of which are Adjustable Rate Mortgages. The original recast schedule was set for five years, however many loans will recast sooner because most borrowers were only making the “minimum” payment and the mortgage has specific loan caps built-in (See Graph below). Consequently, as loan balances arrive at the built in caps (usually between 110 and 125 percent of the initial loan amount) they will automatically recast to the fully amortized rate (roughly 1 to 2 percent higher). That means that the borrower’s monthly payment will swell to include both principal and interest creating significant payment shock. The situations outlined above lead to massive defaults in the Alt-A and sub-prime segments of the mortgage market.

Option ARM Reset Schedule



SOURCE: Credit Suisse

Foreclosures

Foreclosures have resulted from easy credit due to the lack of underwriting standards and unprecedented home price declines. Foreclosures for Broward, Lee, Miami-Dade, Orange and Palm Beach counties (which represents 80 percent of the District's Tax Base) in September 2008 increased by 331.6 percent (4,223 in 2007 and 18,226 in 2008) compared to September 2007. However, the absolute number of homes entering foreclosure each month does not clearly depict the effect and timing on future housing supply. There are three basic stages of the foreclosure process and it may take anywhere from six to twelve months for a home to move through the entire foreclosure process and finally end up as a unit of inventory.

The first stage of foreclosure begins after a homeowner misses a mortgage payment and the lender begins its collection efforts. This process usually lasts for ninety days and if payment is still not received after ninety days, a Notice of Default (NOD) is filed. The second stage begins approximately ninety days after the notice of default, where a Notice of Trustee Sale (NTS) or Notice of Foreclosure Sale (NFS) is made, which serves as a public announcement of an upcoming auction for the home. The third stage begins three weeks after the notice of trustee sale and a public auction is held for the property. If the home sells at the auction, then the foreclosure is removed from the foreclosure data. However, if the home is not sold in the auction, then the property becomes Real Estate Owned (REO). This is when the property is passed onto the lender and it is the bank's responsibility to sell the home. Since banks are not in the business of selling homes, prices are usually slashed significantly on these homes.

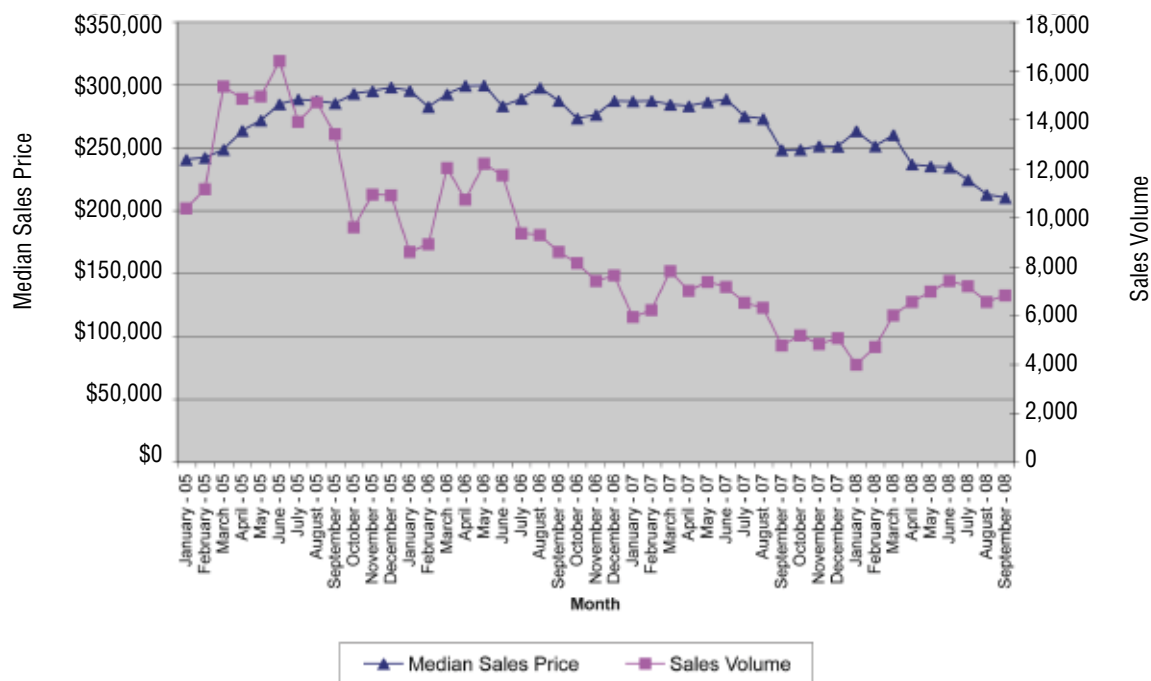


Home Prices

The Federal Housing Finance Agency's House Price Index indicates that home prices have fallen 16.04% in Florida since September 2007. The index is based on single-family properties transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. In addition to the declines that have already occurred there will be further downward pressures added to the housing market that will cause house prices to continue to decline. One such pressure is the interest rate resets that will occur over the next two years causing foreclosures to increase, which will lead to more homes being added to the already over-supplied inventory at discounted prices. Another pressure is the rising unemployment rate. Florida currently has a state-wide unemployment rate of 7 percent, which is the highest it has been since August of 1994. Moreover, when people do not have income they cannot afford their mortgage payments leading to more foreclosures.

Based on the trends in **Graph below** the District can expect a continued decrease in property value during 2009, even though there has been an improvement in the volume of sales from January 2008 to June 2008. There is still a gap between the supply and demand of the South Florida real estate market and 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 the 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



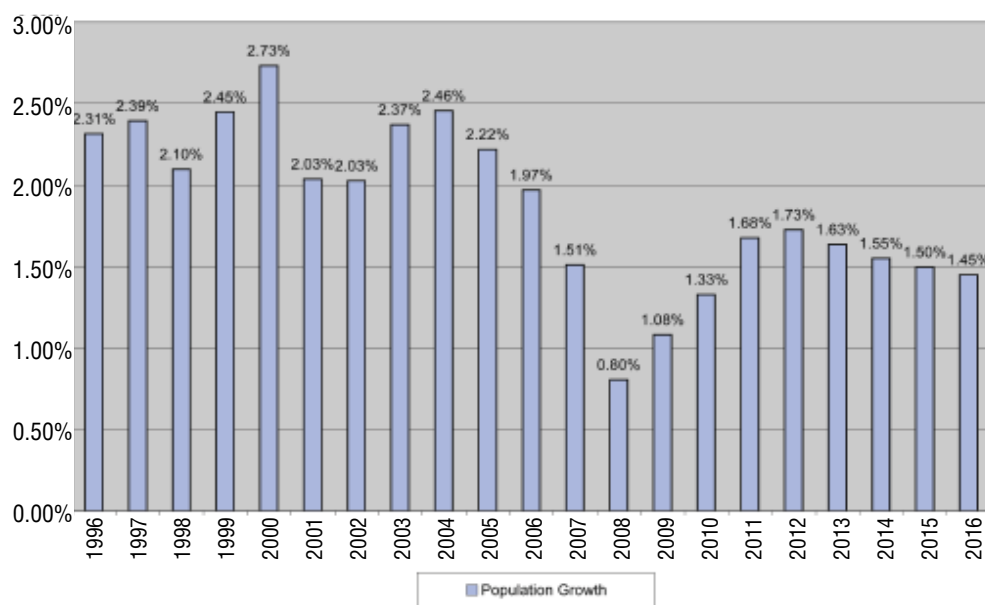
SOURCE: Florida Association of Realtors, Florida Sales Report

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 2007, the population of this agency's jurisdiction increased by 1.51 percent, which is a decrease from the prior year's growth of 1.97 percent. From 2002 to 2007 the population growth across the District averaged 2.09 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 below**). Population growth in Southern Florida is expected to continue, but at a slower pace than previous projections. This will add pressure to the downward price decline of homes because population growth is needed to address the over-supply of homes in South Florida. On a positive note, the slowing of population growth reduces environmental pressure placed on Florida's natural systems which the agency is charged to protect.

SFWMD Population Growth Annual Percent Change



Source: Florida Demographic Estimating Conference, February 2008

Age of Population

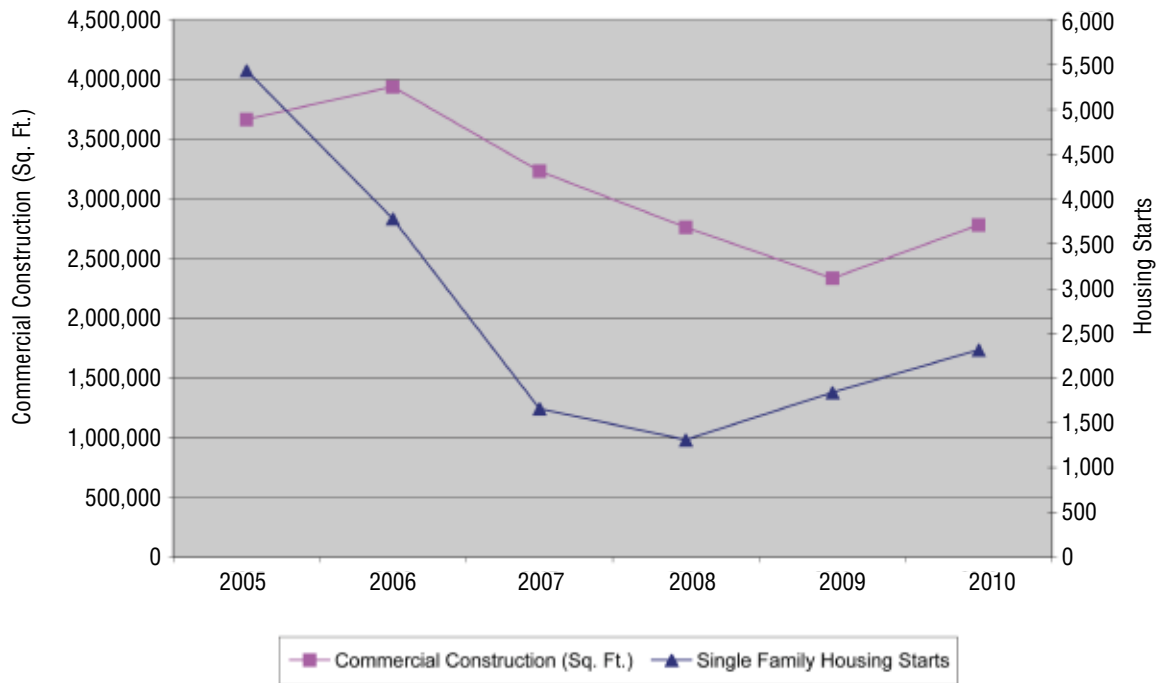
Another significant economic factor is the average age of the population. The median age in 2005 for the sixteen counties under the SFWMD was 41.5 years of age. Average age is projected to only slightly increase to 42.5 years of age by 2010. An aging population and an increasing number of senior citizens 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 due to 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 2008, with a slow recovery during the next two years. While commercial construction will continue to decline during 2009, the market will likely bottom out in 2009 and have a moderate recovery during the following years **(See Graph on next page)**. As a result of the projected decline in commercial construction and weak recovery of residential construction during 2009 there may be a cessation of new construction growth next year, but the data indicates the markets will stabilize and recover in the future. However, increases in interest rates, property taxes and insurance premiums should be closely monitored 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.

Summary

The external economic conditions for the South Florida Water Management District are projected to continue their decline into 2010 and possibly beyond. With the uncertainty of market conditions and future property tax reforms in the near future, the previous statement is made with caution until the full ramifications of each are fully known. The District cannot control the external economic conditions described in this section, but staff will 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



Lake Okeechobee Algae Bloom

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 (CUPs).

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 nearly equal to the total annual 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 overabundant 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 where 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 along the coastline. The altered water levels resulted in a shift in vegetation patterns, and contributed to the loss or degradation of wetlands from excessive flooding, as well as increased the spread of invasive, exotic and nuisance plant species. The District has a variety of programs to monitor changes in water conditions throughout the region which helps to manage water levels in remaining natural areas in a manner that will maintain and restore health and balance to South Florida's natural landscapes.

Flood Protection

The numerous 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 reservoirs or towards 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. During dry periods, the water may be released to tidal areas, natural systems or used for domestic purposes.

Other methods used to protect natural systems include Reservations and Minimum Flows and Levels (MFL) criteria. Reservations are used to protect water in designated locations from being used. MFLs are established by using the most favorable available information to calculate a minimum flow and level for each body of water, 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 benefits. One aspect of this management is to allow periodic flooding to occur. These wet landscapes 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 have adapted to survive and flourish in waters that contain 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 effects. 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 the 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 Chain of 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, commercial agricultural, 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.

Historical Changes in Land Uses

South Florida has undergone significant changes, due in large part to the Central and Southern Florida Flood Control Project (C&SF) 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 felt negative effects.

Since 1940, agricultural and urban land uses have greatly expanded, 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 the ecosystem within these lands, notably within the WCAs, has been disturbed due to construction of canals and levees, artificial management of water levels and nutrient enrichment.

Urban and Agricultural Development

Between the years 1950 and 2000, the population within the District's boundaries increased from 0.8 million to 7.1 million. The 2000 population, which is based on 2001 decennial census 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 region.

Commercial agriculture is another leading source of water use in South Florida. Major crops grown in particular counties are shown in the table on the following page. 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 2000
Citrus	Collier, Hendry, Martin, and St. Lucie	309,568
Vegetables	Collier, Hendry, Miami-Dade, and Palm Beach	138,504
Sugar Cane	Palm Beach, Hendry, and Glades	583,253
Nurseries	Miami-Dade, Broward, Highlands, and Palm Beach	20,929
Sod	Broward, Hendry, Highlands, and Polk	4,017
Other Fruits and Nuts	Miami-Dade	16,627
Other Field Crops	Miami-Dade and Palm Beach	37,305

Note: Source: South Florida Water Management District Regional Water Supply Plans for the Upper East Coast, Kissimmee Basin, Lower East Coast, Lower West Coast Planning Areas. (Updates published 2004 and 2006)

The land use data compiled from previous years indicated the rapid development of agriculture during the period of 1953 to 1973. During that time, agriculture land use grew from 9.5 percent to 27.5 percent. In contrast, from 1973 to 1995, agriculture land use only grew from 27.5 percent to 27.8 percent. Irrigated agricultural land use is expected to decline through 2025. This is shown in the table below, and is based on information obtained from the District's Regional Water Supply Plans.

Projected Changes in Irrigated Agricultural Land Use in Acres from 2000 to 2025

Planning Area	Citrus and Other Fruit	Vegetables	Sugar Cane and Other Field Crops	Sod	Nursery	All Irrigated Crops
Lower West Coast	3,180	-4,095	11,971	1,996	-354	12,698
Lower East Coast	-12,366	-6,083	-51,373	2,428	-4,025	-71,419
Upper East Coast	-21,296	-	-	-	327	-20,969
Kissimmee Basin	-5,629	-	2,100	-	1,287	-2,242
Total District	-36,111	-10,178	-37,302	4,424	-2,765	-81,932

Note: Source: South Florida Water Management District 2004-2006 Regional Water Supply Plans for the Upper East Coast, Kissimmee Basin, Lower East Coast, Lower West Coast planning areas. The estimated total irrigated acreage in the District is 1,300,000 acres.

The overall reduction in irrigated agricultural acreage (82,000 acres) is modest compared to the base of almost 1.3 million acres. Reductions anticipated in the Lower East Coast area are due to conversion of agricultural lands to urban uses and the addition of STAs and reservoirs within the Everglades Agricultural Area. Reductions in the Upper East Coast are due to the expected decline in citrus growing demands related to economic conditions of the industry as well as an increase in urban growth. The decreases in the Upper East Coast do not reflect lands which will be utilized by the CERP programs.

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 during 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 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 ecological system of Everglades National Park.

Furthermore, the remaining Everglades and other parts of the South Florida ecosystem no longer exhibit the functions nor contain the species that have 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, regional canals and other water systems. Surface and ground water levels have lowered throughout most of the region and there is significantly less water flowing through the natural system, relative to historic 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 no longer present. Runoff from agricultural and urban lands may 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 growth. In Lake Okeechobee, Florida Bay, and other major lakes 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 strengthened. The demand for these services has been expressed in federal and state legislation, and in District initiatives. These services include:

- *Land acquisition programs to manage, protect and restore environmentally sensitive lands*
- *Development of Water Reservations and MFLs for water bodies*
- *Establishment of limits on allowable nutrient inputs to the Everglades Protection Area, Lake Okeechobee and other bodies of water*
- *Regulatory activities to monitor, restrict or avoid the adverse effects of drainage, water use and flood protection*
- *Construction projects to provide stormwater treatment areas 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, 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; C-43 (Caloosahatchee River) West Reservoir; Everglades Agricultural Area Reservoir – Phase 1, with Bolles and Cross canals improvements; Everglades Agricultural Area Stormwater Treatment Area Expansion; Water Preserve Areas (includes Fran Reich Preserve, C-9, C-11, Acme Basin B, WCA – 3A/3B); Picayune Strand (Southern Golden Gates Estates) Restoration, Biscayne Bay Coastal Wetlands – Phase 1; and, C-111 Spreader Canal.

ACCRETION

The growth or increase in size caused by gradual external addition, fusion or inclusion.

ACCRUAL

A method of accounting in which revenues are recorded when measurable (known) and earned, and expenses are recognized when goods or services are used. The accrual method of accounting 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

A tax imposed on real and personal property at values certified by the property appraiser in each county.

ADVANCED TREATMENT TECHNOLOGIES (ATT)

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)

A project that searches for new methods to meet the demands for water. The methods include aquifer storage and recovery, and wastewater reuse technologies.

AMENDMENT

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 authorization granted by the Governing Board to make expenditures and to incur obligations for specific purposes as set forth in the budget.

AQUIFER

An underground bed or layer of earth, gravel or porous stone that yields water.

AQUIFER STORAGE AND RECOVERY (ASR)

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

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)

A system that 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 (Ground Water)

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 shelf or flat strip of land adjacent to a canal.

BEST MANAGEMENT PRACTICES (BMP)

The best available techniques or processes that reduce pollutant loading from land use or industry, or that optimize water use.

BOND

A security, usually long-term, representing money borrowed from the investing public.

BORROW

The material for construction of a levee that is obtained by excavation immediately adjacent to the levee. 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 plan for the accomplishment of programs related to established objectives and goals within a definite period. A budget sets forth estimates of resources required and available (usually in comparison with one or more past periods) and shows future requirements.

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)

A budget plan that includes expenditures, anticipated revenues and descriptions for all capital projects over a five-year period.

CAPITAL PROJECT

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 Central and Southern Florida Flood Control Project (C&SF) to restore the greater Everglades and South Florida's ecosystem, while providing for the other water-related needs of the region. The study concluded with the Comprehensive Plan being presented to Congress on July 1, 1999. The recommendations made within the C&SF 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.

CENTRAL AND SOUTHERN FLORIDA FLOOD CONTROL PROJECT (C&SF)

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 1950's by the United States Army Corps of Engineers to provide flood control and improve navigation as well as recreation.

COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)

A program that uses federal appropriations allocated to the state 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 Comprehensive Everglades Restoration Plan also provides for water-related needs to the region, such as water supply and flood protection.

CONSUMPTIVE USE PERMITTING (CUP)

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

Monies set aside, consistent with the District's policy, which can subsequently be appropriated to meet unexpected needs.

CRITICAL RESTORATION PROJECTS (CRP)

Projects that produce immediate and substantial ecosystem restoration, preservation and protection benefits, and are consistent with federal programs, projects and activities.

CULVERT

A drain crossing under a road or a railroad.

D**DATUM**

Any level surface, line, or point used as a reference in measuring elevations.

DEBT PER CAPITA

The amount of net tax-supported debt divided by the population, resulting in a dollar amount of debt per person.

DISBURSEMENT

A cash payment for goods or services procured by the District.

DISCRETIONARY FUNDS

Revenues available for expenditures that are not statutorily or otherwise committed to a specific project. These funds are primarily ad valorem revenue.

DOCUMENTARY TAX STAMP

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 dredging machine, scoop, a series of buckets, suction pipe, or the like to remove sand, silt, mud, etc., from the bottom of a water body.

E**E-PERMITTING**

An on-line alternative to permit application submission, queries and reporting. The District's functionality provided includes on-line Electronic Submittals, Application/Permit Search, Noticing Search, Subscriptions, Agency Comments, and Additional Information.

ECOSYSTEM

A system formed by the interaction of a community of organisms with their environment.

ENCUMBRANCE

The legal obligation of appropriated funds for future expenditures.

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)

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, to ensure that land development projects do not cause adverse environmental effects on water quality and water quantity.

ESTUARY

The part of the mouth or lower course of a river in which the river's current meets the sea's tide.

EVAPORATION

The process by which water is released to the atmosphere as it is converted to vapor from the water surface or movement from a vegetated surface (transpiration).

EVAPOTRANSPIRATION

A combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces.

EVERGLADES AGRICULTURAL AREA (EAA)

An area of histosols (organic 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 Everglades agricultural area 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 corner stone of which is six stormwater treatment areas (constructed wetlands) totaling over 47,000 acres, which use biological processes to reduce the level of phosphorus entering the Everglades.

EVERGLADES NUTRIENT REMOVAL (ENR)

A man-made 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 (EPA)

An area comprised of the Water Conservation Areas and Everglades National Park.

EXOTIC PLANT SPECIES

A non-native species that overthrow native species and become quickly established, especially in areas of disturbance or where the normal hydroperiod has been altered.

EXPENDITURE

The disbursement of appropriated funds to purchase goods or services.

F**FISCAL YEAR (FY)**

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 official compilation of the administrative rules and regulations of the state's agencies.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (FDEP)

The District operates under the general supervisory authority of the Florida Department of Environmental Protection, which includes budgetary oversight.

FLORIDA STATUTES (F.S.)

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 new laws that create, amend or repeal statutory material.

FLOODPLAIN

Land next to a stream or river that is flooded during high-water flows.

FULL-TIME EQUIVALENT (FTE)

A measurement of labor both planned and utilized. One Full-Time Equivalent is equal to one full-time employee who works 40 hours per week for 52 weeks, for a total of 2,080 work hours.

FUND

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 the Budget 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)**

Uniform minimum standards and guidelines for financial accounting and reporting. Currently, the Financial Accounting Standards Board, the Governmental Accounting Standards Board 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.

GOODWILL

An intangible asset of value arising from the reputation of a business and its relations with its customers, distinct from the value of its stock and other tangible assets.

GOVERNING BOARD

Policy setting body for the District. Comprised of nine individuals, each appointed by Florida's Governor and confirmed by the state senate.

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 that of the atmosphere.

H**HISTOSOL**

A worldwide soil type rich in organic matter, as peat, especially prevalent in wet, poorly drained areas.

HOMESTEAD EXEMPTION

A \$50,000 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

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. The information is then made available to the District's 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

Leasing-agency employees who perform project-specific tasks of limited duration.

LEVEE

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 time. For Example: Phosphorus loading into a Water Conservation Area, measured in metric tons per year.

M**MANAGERIAL RESERVES**

Funds earmarked for specific future use.

MARSH

A tract of low wet land, often treeless and periodically inundated, generally characterized by a growth of grasses, sedges, cattails, and rushes.

MINIMUM FLOWS AND LEVELS (MFL)

A calculation that uses the best available information to determine a minimum flow rate and level for each water body, and that reflects seasonal variation when appropriate; Florida Statute requires water management districts to set water levels for each major body of water at which further withdrawals would be detrimental 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 a negative effect altogether by not taking a certain action or parts of an action; (2) minimizing negative effects by limiting the degree or magnitude of an action and its implementation; (3) rectifying adverse effects by repairing, rehabilitating, or restoring the affected environment; (4) reducing or eliminating a negative effect over time by preservation and maintenance operations during the life of an action; and (5) compensating for an adverse effect 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 represent a process which could be based upon empirical or mathematical functions.

MODIFIED ACCRUAL

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 a plan.

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 the local mean sea level at any particular place.

NAVIGATIONAL LOCK

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.

OPERATING BUDGET

A comprehensive plan, expressed in financial terms, by which an operating program is funded for a single fiscal year. It includes estimates of: (1) the services, activities and sub activities comprising the District’s operation; (2) the resultant expenditure requirements; and (3) the resources available for the support.

P**PERFORMANCE MEASURES**

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 in microbes and plants.

PHOSPHORUS TRANSPORT MODEL (PTM)

A model that estimates the effectiveness of phosphorus load-reduction strategies. The information obtained from the model is used by District programs to meet their respective goals.

POLLUTANT LOAD REDUCTION GOAL (PLRG)

A goal to establish the desired levels of nutrient and sediment loads for healthy seagrass growth and distribution.

PROCUREMENT

The purchasing of a good or service 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

Man-made 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 373.0631, Florida Statutes, providing an evaluation of available water supply and projected demands, at the regional scale. The planning process forecasts future demand for 20 years and recommends projects to meet identified needs.

RESERVES

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

Revenues committed to a project or program, or that are restricted in purpose by law. For Example: State appropriations for stormwater projects and Federal Emergency Management Agency 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

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 the desalinization of water using applied pressure to drive the source water through a semi-permeable membrane.

ROOKERY

A breeding place or colony of sociable birds or animals.

ROLLED-BACK RATE

A millage rate that generates the same tax revenue as last year, exclusive of new construction. The rolled-back rate controls 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. Occasionally referred to as overland flow.

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

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 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 may include stockholders, bond holders, directors, management, customers, suppliers, employees, and the community.

STATUTE

A law enacted by a legislature and expressed in a formal document.

STORAGE AREA NETWORK (SAN)

A group of servers that have been linked together to maximize available disk space.

STORMWATER

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 rooftops.

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)

A project that 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.

SUBSTRATE

In biology, a surface on which an organism grows or is attached.

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)

A system that gathers data from remote locations to control equipment and conditions. The Supervisory Control and Data Acquisition System includes hardware and software components. The hardware gathers and feeds data into a computer that has Supervisory Control and Data Acquisition System software installed. The computer then processes the data, records and logs all events, and provides a warning when conditions become hazardous.

SURFACE WATER IMPROVEMENT AND MANAGEMENT (SWIM)

A comprehensive state-wide program established in 1987 by Florida law. Surface Water Improvement and Management 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

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

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 water body.

TRUTH-IN-MILLAGE (TRIM)

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. For Example: Improving efficiency in water use, and reducing losses of water and the waste of water.

WATER CONSERVATION AREA (WCA)

Part of the original Everglades ecosystem that is now diked and hydrologically controlled for flood control and water supply purposes. The Water Conservation Areas 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 AREA (WPA)

Multi-purpose water-holding areas located along the western border of Southeast Florida's urbanized corridor.

WATER RESERVATIONS

State law on water reservations, in Section 373.233(4), Florida Statutes, defines water reservations as follows: The Governing Board or the department, by regulation, may reserve from use by permit applications, 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

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.

WETLANDS

Those areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soils. Florida wetlands generally include swamps, marshes, bayheads, bogs, cypress domes and strands, sloughs, wet prairies, and other similar areas.

Acronyms and Abbreviations

AID	Acme Improvement District
Alt-A	Alternative A-paper Mortgage
AOR	Area of Responsibility
ARDAS	Automated Remote Data Acquisition System
ARM	Adjustable Rate Mortgage
ASR	Aquifer Storage and Recovery
ATS	Algal Turf Scrubber
ATT	Advanced Treatment Technologies
AWS	Alternative Water Supply
BAT	Best Available Technology
BCB	Big Cypress Basin
BMP	Best Management Practice
C&SF	Central and Southern Florida Flood Control Project
CAFR	Comprehensive Annual Financial Report
CERP	Comprehensive Everglades Restoration Plan
CES	Center for Environmental Studies
cfs	Cubic feet per second
CIAP	Costal Impact Assistance Program
CIP	Capital Improvements Program
CMMi	Capability Maturity Model Integration
COPs	Certificates of Participation
CREW	Corkscrew Regional Ecosystem Watershed
CRP	Critical Restoration Project
CUP	Consumptive Use Permitting
CZM	Coastal Zone Management
DED	Deputy Executive Director
District	South Florida Water Management District
DO	Dissolved Oxygen
DWMP	District Water Management Plan
EAA	Everglades Agricultural Area
ECP	Everglades Construction Project
EDMS	Enterprise Data Management Strategy
EFA	Everglades Forever Act
EIS	Environmental Impact Statement
EMA	Environmental Monitoring and Assessment
ENR	Everglades Nutrient Removal
EPA	Everglades Protection Area
ER	Everglades Restoration
ERC	Environmental Regulation Commission
ERP	Environmental Resource Permit
ESS	Employee Self Service
F.A.C.	Florida Administrative Code
FCD	Central and Southern Florida Flood Control District
FDEP	Florida Department of Environmental Protection
FDOT	Florida Department of Transportation
FEMA	Federal Emergency Management Agency
FFA	Florida Forever Act
FFWCC	Florida Fish and Wildlife Conservation Commission
FHA	Federal Housing Administration
FIND	Florida Inland Navigational District

F.S.	Florida Statutes
ft	feet
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GEPS	General Engineering and Professional Services
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GPA	Government and Public Affairs
HR	Human Resources
IRL	Indian River Lagoon
IT	Information Technology
IWR	Initial Water Reservations
LIDAR	Light Detection and Ranging
LOER	Lake Okeechobee and Estuary Recovery
LOFT	Lake Okeechobee Fast Track
LOPP	Lake Okeechobee Protection Plan
LORS2008	Lake Okeechobee Regulation Schedule 2008
LOWPP	Lake Okeechobee Watershed Protection Plan
LTP	Long-Term Plan
MAT	Management Action Team
MFL	Minimum Flows and Levels
MGD	Million Gallons per Day
mg/L	Milligrams per Liter
MGY	Million Gallons per Year
MIL	Mobile Irrigation Lab
mill	one mill equals \$1.00 of tax for each \$1000 of property value
NAVD 88	North American Vertical Datum (1988)
NFS	Notice of Foreclosure Sale
NGVD	National Geodetic Vertical Datum
NOD	Notice of Default
NTC	Notice of Trustee Sale
NW	Northwest
O&M	Operations and Maintenance
PLRG	Pollutant Load Reduction Goal
PMI	Project Management Institute
PMP	Project Management Plans
ppb	parts per billion
PS	Project Systems
PTM	Phosphorus Transport Model
QA	Quality Assurance
RECOVER	Restoration Coordination and Verification
REO	Real Estate Owned
RO	Reverse Osmosis
RSM	Regional Simulation Model
SAN	Storage Area Network
SAP	Systems, Applications and Products in Data Processing
SAV	Submerged Aquatic Vegetation
SBE	Small Business Enterprise
SCADA	Supervisory Control and Data Acquisition System
SFER	South Florida Environmental Report
SFWMD	South Florida Water Management District

SOETF	Save Our Everglades Trust Fund
SOR	Save Our Rivers
STA	Stormwater Treatment Area
STRIVE	Structure Information Verification
SWIM	Surface Water Improvement and Management
TMDL	Total Maximum Daily Load
TRIM	Truth-in-Millage
USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture
USDA-NRCS	United States Department of Agriculture National Resources- Conservation Service
USEPA	United States Environmental Protection Agency
VA	Veterans Affairs
WaterSIP	Water Savings Incentive Program
WBS	Work Breakdown Structure
WCA	Water Conservation Area
WMLTF	Water Management Lands Trust Fund
WPA	Water Protection Area
WRAC	Water Resource Advisory Commission
WRDA	Water Resources Development Act
WU	Water Use
WY2009	Water Year 2009

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.



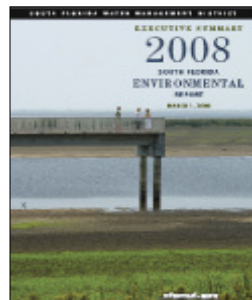
Budget in Brief



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 mission, strategic goals and general operations.

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 next report will include the FY2009 Capital

Improvements Plan and is scheduled for submission to the legislature on March 1, 2009

Fifty-Year Asset Replacement/Refurbishment Plan

The 50-Year Asset Replacement or Refurbishment Plan is developed by the Operations and Maintenance functional unit as a high-level financial plan. The plan identifies C&SF components and related annual financial needs, including staffing and contracts. The document also incorporates smaller plans for the maintenance and replacement of culverts, canals, levees, berms, structures and pump stations.

These documents may be requested through our Web site, located at <http://www.sfwmd.gov>. Click the “Who to Contact” link for instructions.

The documents may also be requested by phone or mail:
1-800-432-2045 (Florida only) or 561-686-8800

South Florida Water Management District
P.O. Box 24680
West Palm Beach, FL 33416-4680