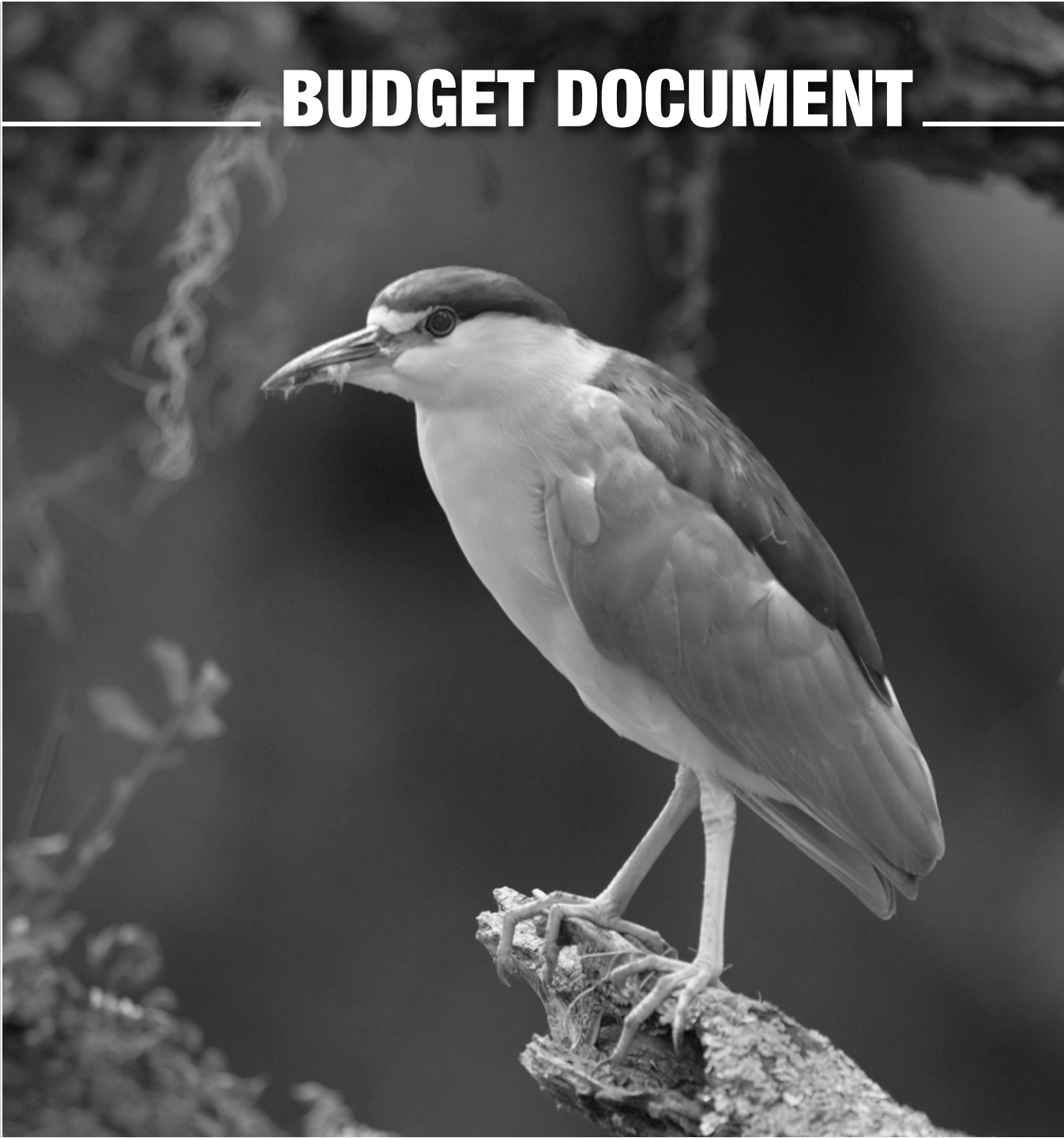


BUDGET DOCUMENT



FISCAL YEAR 2010



GUIDE TO THE BUDGET DOCUMENT

Welcome to the South Florida Water Management District's (District) Fiscal Year 2010 (FY2010) 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 four resource areas and the Executive Summary. District programs are organized by resource area.

Information for each of the District's 4 programs includes an overview of the program, its projects, operations and strategic priority; an explanation of FY2010 funding increases/decreases; a three-year program budget comparison and explanations of significant funding changes; key FY2009 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 PLANNING

This section describes the link between the District's programs and agency goals, and how District programs support mission objectives. The Long-Range Planning section 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.

APPENDIX

The Appendix section contains valuable tax-related background information, including a ten-year tax millage history, the FY2010 District tax base, impact of taxes, a sample tax notice and explanation, and a listing of the Property Appraisers' offices for all 16 counties located within the District's jurisdiction. Additionally, relevant environmental and economic overview information has been included in the Appendix. Reference materials, including a glossary, acronyms and abbreviations, and a list of other related useful documents, are also located within the budget document Appendix.

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SOUTH FLORIDA WATER MANAGEMENT DISTRICT

October 2009

To the Residents of Central and Southern Florida:

In developing the FY2009-2010 budget, the Governing Board and staff undertook a thoughtful and thorough analysis of both existing commitments and future needs to ensure that we continue to fulfill our mission-critical responsibilities in service to the people and environment of South Florida. Given these challenging economic times, we evaluated the agency's statutory and legal mandates, assessed flood control and infrastructure improvement needs and analyzed the status of agency-wide projects and processes.

As a result of this intensive effort, the adopted \$1.5 billion budget successfully funds the agency's critical flood control and water supply missions as well as its continued progress to restore the South Florida ecosystem, including America's Everglades. Because of the Governing Board's strong commitment to sound fiscal management, we are able to carry out our core water management responsibilities for the District's 7.5 million residents, and, at the same time, we are able to move forward with the unprecedented opportunity to acquire land to revive the *River of Grass* – without any increase in tax rates. Despite many economic challenges, we have managed to maintain reduced millage rates for three consecutive years.

This budget includes \$536.5 million in Certificates of Participation funding for the proposed initial acquisition of 73,000 acres of land from the United States Sugar Corporation for the purpose of Everglades restoration. Carefully evaluated and subject to financing, the pending acquisition provides outstanding opportunities to integrate existing restoration programs with broader, more far-reaching water storage and treatment options. A full 75 percent of the FY2010 budget is dedicated to this and to environmental restoration projects benefiting the Everglades, the Kissimmee River, Lake Okeechobee and coastal watersheds.

The South Florida Water Management District remains committed to identifying and implementing strategies that increase efficiency, ensure accountability and keep the focus on our resource protection and restoration mission responsibilities.

Sincerely,

A handwritten signature in black ink that reads "Carol Ann Wehle". The signature is fluid and cursive.

Carol Ann Wehle
Executive Director

EXECUTIVE SUMMARY

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, State Legislature and the public. The District's approved budget for FY2010 is \$1.5 billion, an increase of approximately \$0.2 billion from the FY2009 amended budget of \$1.3 billion. This increase is directly attributable to plans for land acquisition to be financed through certificates of participation proceeds. The capital and operating budget, without the River of Grass land purchase, shows a net decrease of about \$0.3 billion from the prior year.

Budget Development Issues and Constraints

The District's annual budget is funded by a combination of ad valorem (property) taxes, and by other sources such as federal, state and local revenue; licenses; permit fees; grants; agricultural taxes; investment income; and bond proceeds. The agency is a special taxing district with the authority to collect ad valorem taxes from property owners within its 16-county jurisdiction.

In developing the FY2010 budget, the reality of world, national and local economic conditions was a major factor. Real estate foreclosures have increased, unemployment has risen, construction activity is at a low, and overall real estate values have fallen – all at rates or to levels not seen in many years. Declining tax roll values and sluggish new growth translated to a second year of reduced revenue for government agencies, including the SFWMD.

Each year, 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 emphasis on fiscal responsibility.

In looking forward in this continued environment of reduced revenue, the Governing Board considered existing commitments as well as future issues. During the annual strategic planning and budget development process, the Board reviewed the agency's statutory and legal mandates; water management system operations and maintenance requirements; permit monitoring and assessment mandates; as well as a thorough analysis of agency-wide projects and processes, status and future funding implications.

In light of realistic revenue projections, the Governing Board directed staff to take additional actions to increase efficiencies, and to revisit and prioritize spending to maximize use of available resources. The Board also determined that the FY2010 budget would be based on continuation millage rates – with no increases in tax rates.

Reduced Ad Valorem/State Revenues

About 30 percent of the total FY2010 budget comes from property taxes. The adopted FY2010 budget reflects an approximately 12.4 percent decrease in ad valorem revenues due primarily to a decline in property values. In order to maintain existing millage rate levels, the budget was reduced in alternative water supply, water quality projects for estuaries, Everglades Stormwater Treatment Areas and Long-Term Plan activities.

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 also lower. For FY2010, 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 remained at \$47 million and the District is considering alternative financing for land acquisition in FY2010.

Alternative Financing for Potential Major Land Purchase

To continue meeting legislative mandates and directives, while actively pursuing the historic River of Grass land acquisition opportunity, the District continues to identify and utilize alternative funding sources. As a result, the District's overall budget shows a net increase because it includes \$536.5 million in anticipated proceeds from certificates of participation (COPs) which are expected to be issued in FY2010. This amount is for the potential purchase of approximately 73,000 acres of land for Everglades Restoration. The annual debt service on this COP issuance is expected to be \$45.7 million. 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 ad valorem property tax revenues.

Adequate Reserves

Two years ago, the District established specific reserves as part of preparation for future hurricane season events. For FY2010, the Governing Board continued to underscore the importance of that financial commitment to ensuring that the regional flood control network and other facilities would continue to operate under emergency situations. The District's FY2010 budget includes \$10.4 million in reserves for hurricane response and \$6.5 million for 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. In comparison, District reserves are at about the same level as last year, with an additional \$1.5 million for STA pump operations.

Staffing Level Considerations

In order to continue to carry out the agency's myriad of water management responsibilities, full-time staffing and workload requirements are diligently analyzed each year. For FY2010, it was determined that replacing some contractors with Full-Time Equivalent (FTE) employees was a good business decision. These staff are focused on long-term mission critical work.

The approved budget includes an additional 14 new staff positions, bringing its FTE total to 1,842. These new positions will primarily support water quality monitoring and water use permitting activities. These employees will replace the need for some outside contractors working on core, long-term functions, at an estimated \$0.2 million savings and cost-avoidance to the District this year.

Regulatory and Legislative Issues

The 2009 Legislative session approved a bill authorizing substantive legislative committee chairs to provide input on proposed water management district budgets. The bill also provides a limitation on certain bonding for water management districts; authorizes the Joint Legislative Budget Commission to approve bonding exceeding such limitation; and exempts certain outstanding bonds from such limitation and its calculation. This legislative change limits the District's annual debt service for revenue bonds *issued after January 1, 2009* to an amount not to exceed 20 percent of annual ad valorem tax revenues of the District, unless otherwise approved by the Joint Legislative Budget Commission. Debt service on the planned COPs issuance for River of Grass acquisition in FY2010 is expected to be \$45.7 million, which is 9.9 percent of projected ad valorem for the year and falls within the limits specified. For future budget years, since ad valorem revenue fluctuates, this ratio will be re-calculated to determine what debt service amount is feasible for any additional revenue bonds under consideration.

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 FY2010 are shown below.

Restore the Northern and Southern Everglades by:

- Expanding and improving water storage capacity and water quality treatment
- Completing construction of existing key projects
- Implementing the Long-Term Plan to achieve water quality standards

The Everglades restoration budget is \$1.1 billion which represents about 75 percent of the District's adopted budget. This amount includes \$536.5 million of proceeds expected to be received from a new Certification of Participation issuance for the River of Grass land acquisition, and \$152 million from the first issuance in November 2006 which will be used for Stormwater Treatment Area construction.

Refurbish, replace and improve the regional water management system by:

- Implementing the 50-Year Plan
- Incorporating new structures into the system

\$60 million of ad valorem has been allocated to regional water management infrastructure refurbishment. This amount is part of the Operations and Maintenance Program budget of \$198.9 million, which represents 13 percent of the budget.

Meet the current and future demands of water users and the environment by:

- Implementing regional water supply plans
- Using reservation and allocation authority to protect water for the natural system
- Encouraging alternative water supply development
- Increasing water conservation
- Utilizing regulatory and compliance authority

This priority supports development of water supply projects in cooperation with utilities, local government and the state. The water supply budget is \$42 million, including \$12.7 million for alternative water supply projects and \$5.9 million for water use permitting, which represents about 3 percent of the total budget.

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

Continue to develop and implement strategies designed to hire and retain a high-performance, team-oriented, diverse workforce that is engaged, motivated and focused on achieving agency goals.

Conclusion

With unlimited resources, many thousands of projects could potentially be implemented to benefit the residents and natural areas of our region. The reality, however, is that available resources are always limited – and even more so during economic downturns. Consequently, conservative financial policies and wise decision making continues to guide the South Florida Water Management District in directing resources toward the highest priorities that provide the greatest possible benefits.

Faced with declining revenues and other challenges in planning the fiscal year 2010 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. Although spending levels will be less for some projects, activities critical to the District's mission remain intact.

It is vital for the agency to operate as efficiently and prudently as possible while continuing to accomplish critical flood protection, water supply and restoration work. As part of an ongoing effort, the District has taken responsible steps to reduce operational, administrative and energy consumption expenses.

The Governing Board thoroughly evaluated the agency's statutory and legal mandates, assessed flood control and infrastructure improvement needs and analyzed the status of agency-wide projects and processes. Because the agency consistently adheres to such conservative fiscal management policies, this budget allows the agency to weather the current financial situation, implement its core responsibilities and proceed with the *River of Grass* land acquisition – without raising ad valorem tax rates.

While debt issuance in this economy is a serious challenge, procuring additional funding in this manner will allow the District to continue with this high priority restoration.

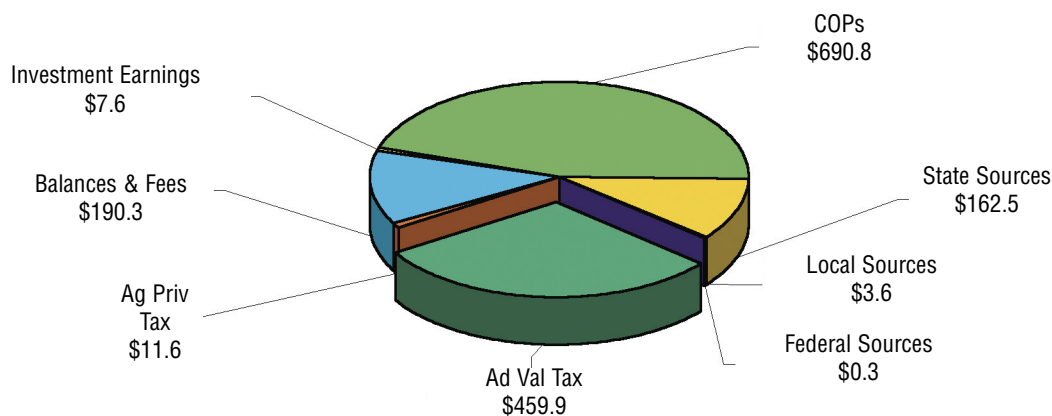
As a result of this historic opportunity, a full 75 percent of the FY2010 budget is dedicated to the pending acquisition and to environmental restoration projects benefiting the Everglades, the Kissimmee River, Lake Okeechobee and coastal watersheds. The budget also provides for the District to begin work on or complete a host of other key projects to benefit South Florida's environment and residents.

Adequate staffing and reserves are in place to support continuation of the District's mission and accomplishment of major priorities. The annual budget funds the agency's flood control and water supply missions as well as its continued progress to restore the South Florida ecosystem, which includes America's Everglades.

The District's budget development objective each year 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.

Where the Money Comes From

(\$ Millions)



The pie chart above depicts the South Florida Water Management District's Fiscal Year 2010 revenue sources. Estimated revenue sources for FY2010 total \$1.5 billion.

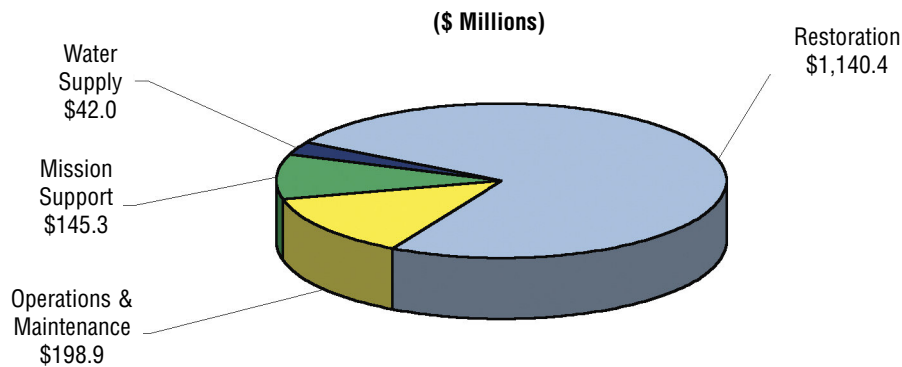
Tax revenues are one of the District's largest sources of funds. \$459.9 million from Ad Valorem property taxes and \$11.6 million from Agricultural Privilege taxes combine to represent 31 percent of the District's funds this year. Ad Valorem property taxes are determined by applying the District's Governing 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.

\$690.8 million (45 percent) of District revenues is expected proceeds from Certificates of Participation (COPs), with \$536.5 million planned new issuance for the proposed acquisition of land 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 \$166.4 million (11 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 Martin and St. Lucie counties.

The remaining \$197.9 million (13 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 financial policies and the investment of funds not immediately needed for cash flow demands of current operations.

Where the Money Goes



The pie chart above depicts the South Florida Water Management District's Fiscal Year 2010 expenditures by program. Estimated expenditures for FY2010 total \$1.5 billion.

Key Program Highlights

This overview of District program budget allocations and key objectives include information published in the South Florida Water Management District's *FY2009-10 Budget in Brief* and *Work Plan* documents.

Restoration Program

- Complete construction of C-43 Water Quality Treatment Facility test cells; Acme Basin B; 19 miles of canals/levees and 20 water control structures for the Stormwater Treatment Area Compartments B and C Build-outs
- Complete acquisition of approximately 73,000 acres from the U.S. Sugar Corporation
- Complete Lake Trafford dredging
- Continue construction for Lakeside Ranch Stormwater Treatment Area Phase I; complete final design for Phase II
- Begin construction of C-111 spreader canal northern and southern structures
- Complete design and begin construction of the Biscayne Bay Coastal Wetlands Phase 1
- Complete design and begin construction of the new laboratory facility
- Complete final Project Implementation Reports (PIR) for North Palm Beach Part 1, C-111 Spreader Canal Phase I, Biscayne Bay Coastal Wetlands Phase 1, Melaleuca Eradication and Other Exotic Plants; complete draft PIR for Lake Okeechobee Watershed
- Complete rulemaking for St. Lucie Estuary water reservation
- Continue implementation of Best Management Practices and Alternative Storage projects

Operations and Maintenance Program

- Continue infrastructure refurbishments for the regional water management system
- Maintain 79,000 acres of levees and canal banks
- Inspect 1,662 miles of canal and levees twice a year
- Treat 87,000 acres of exotic aquatic and terrestrial vegetation annually
- Apply prescribed fire to 16,000 acres of public lands

Water Supply Program

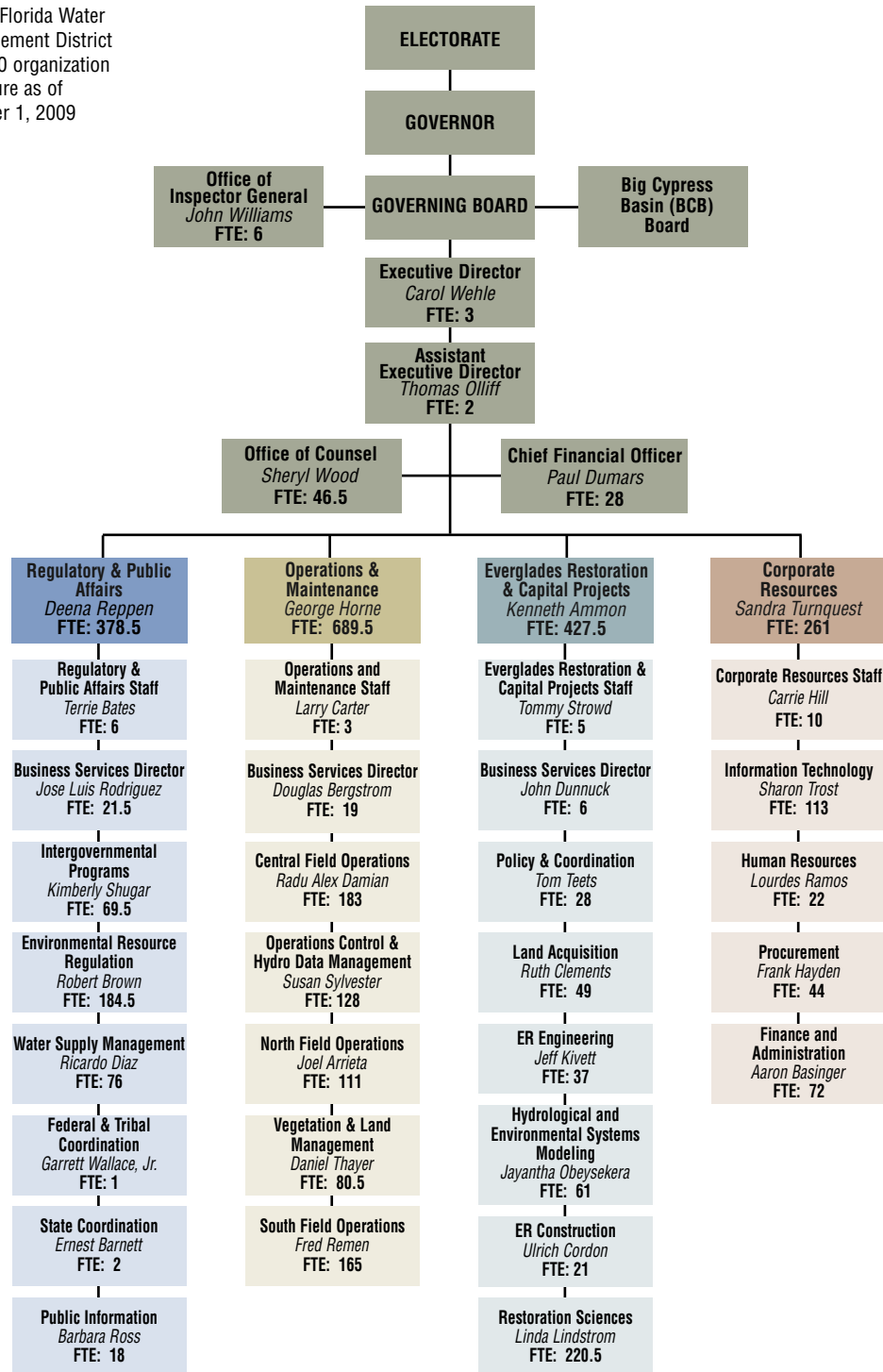
- Implement alternative water supply projects with local partners
- Coordinate Central Florida Interagency Water Supply Plan
- Initiate next round of Regional Water Supply plan updates
- Implement short-term components of the Comprehensive Water Conservation Program
- Develop and implement agricultural permitting and compliance teams
- Complete an average of 2,125 environmental resource permit compliance investigations per quarter
- Complete the review of an average of 250 water use permit applications per quarter for compliance

Mission Support Program

- Complete implementation of SAP Public Budget Formulation module
- Replace Emergency Operations Center (EOC) generator system and maintain functionality of EOC at all times
- Complete redesign of external Web site
- Implement succession plan and define critical competencies for identified key positions

Organization

South Florida Water
Management District
FY2010 organization
structure as of
October 1, 2009



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
Term:
April 2007–March 2011



Jerry Montgomery
Vice Chair

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



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



Kevin Powers
Member at-large

County Served:
*Martin, St. Lucie, Palm Beach,
Broward, Miami-Dade and
Monroe*
Term:
July 2009–March 2013



Joe Collins
Member at-large

Counties Served:
*Collier, Lee, Charlotte, Hendry,
Highlands, Glades, Okeechobee,
Orange, Polk and Osceola*
Term:
July 2009–March 2013



Shannon A. Estenoz

County Served:
Broward
Term:
April 2007–March 2010



Patrick J. Rooney, Jr., Esq.

County Served:
Palm Beach
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 1,842 and a budget of \$1.5 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



Deena Reppen
Regulatory & Public Affairs



Kenneth G. Ammon
*Everglades Restoration
& Capital Projects*



George L. Horne
Operations & Maintenance

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 FY2010 compared to the two prior years. 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.

The Mission Support program shows an increase in full-time positions from the previous fiscal year due to Corporate Resources and Regulation and Public Affairs staff budgeting their time to the program instead of specific projects in other programs. The increase is comprised mainly of additional financial, outreach and project support staff.

District Personnel By Program

Program Name	FY2008 Positions FTE	FY2009 Positions FTE	FY2010 Positions FTE
Operations & Maintenance	644	649	652
Restoration	494	502	500
Water Supply	255	261	265
Mission Support	415	416	425
Total	1,808	1,828	1,842

District Staffing Levels

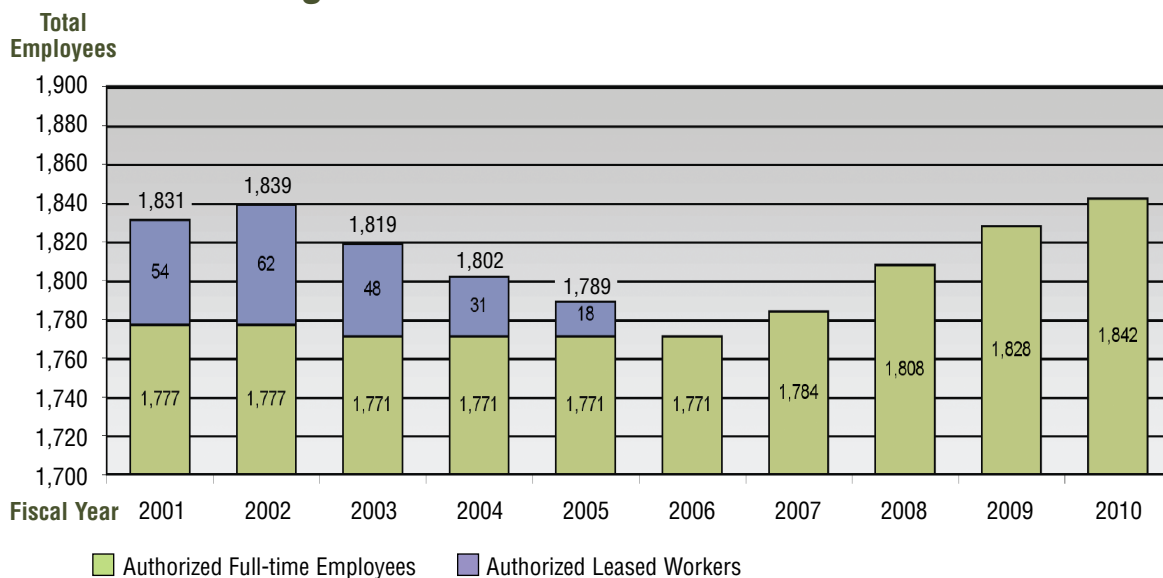
During 2000 through 2008, in order to accomplish the work expected, outsourcing was encouraged. For shorter term objectives such as some construction projects, outsourcing makes sense. However, for ongoing core functions that can be performed at a lower cost and with better quality control within the agency outsourcing becomes inefficient causing the taxpayer to pay more for that service. During the FY2010 budget development process the District evaluated contractors 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 dollars for contractors performing these functions were redirected to pay Full-Time Equivalent (FTE) positions. This conversion resulted in an estimated \$250,000 savings to taxpayer in FY2010 alone.

In FY2010, the District plans to convert fourteen contractor positions into new staff positions, increasing its Full-Time Equivalent (FTE) employees to a total of 1,842. Positions are being added to support critical needs throughout a few of the District's Programs. The fourteen new FTEs will be filled throughout the year.

Ten of the converted positions will be in the Restoration Program 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, four of the converted positions will be in the Water Supply Program for water use permit compliance in order to enhance on-site monitoring to proactively evaluate and prevent wetland impacts and saltwater intrusion issues associated with large water withdrawals, ultimately increasing protection of our water resources.

District Staffing Trend



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.

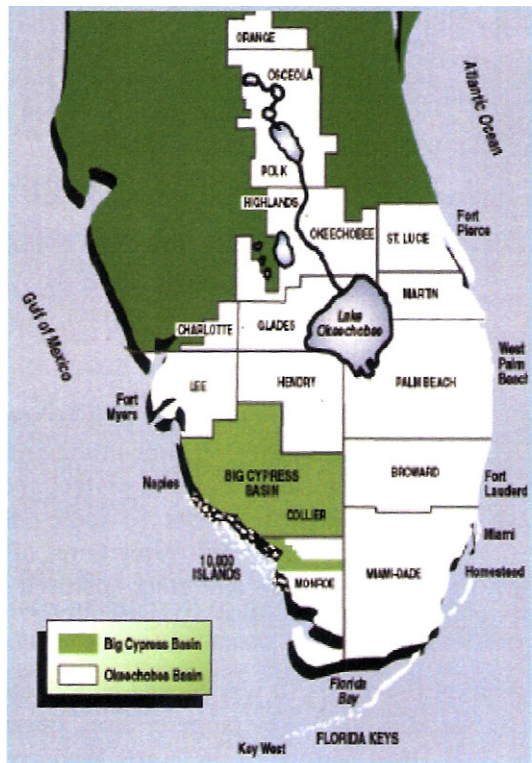
In 1949, the Central and Southern Florida Flood Control District (FCD) was created by Florida's legislature to act as the local

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 2009, 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.

District Functions and Major Responsibilities



The District's service locations

The South Florida Water Management District (District) operates and maintains the 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 2010 staffing level totals 1,842 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 501 water control structures; manages 50 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 southernmost 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 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.

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, 2010 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.



Resource Area

Each section contains a resource area organizational chart, budget variances from the prior year and the primary program. *It is important to note that resource area budget totals do not equal the sum of the resource area's program budget total 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 FY2010 Funding Increase/Decrease

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

Key FY2009 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.

(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 four main Resource Areas and the Executive Office:

-  **Regulatory and Public Affairs**
-  **Operations and Maintenance (O&M)**
-  **Everglades Restoration & Capital Projects**
-  **Corporate Resources**
-  **Executive Office**

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:

During the fiscal year, an outreach specialist's time (and associated cost) may be allocated to multiple programs. He or she may spend hours working on events to do with the development and establishment of environmental regulation, contribute time and expertise for a display on the Everglades Restoration 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 Regulatory and Public Affairs Resource Area. However, this same individual is represented in both Restoration and Water Supply programs. This is why FTE and budget totals will differ at the program and resource area levels.

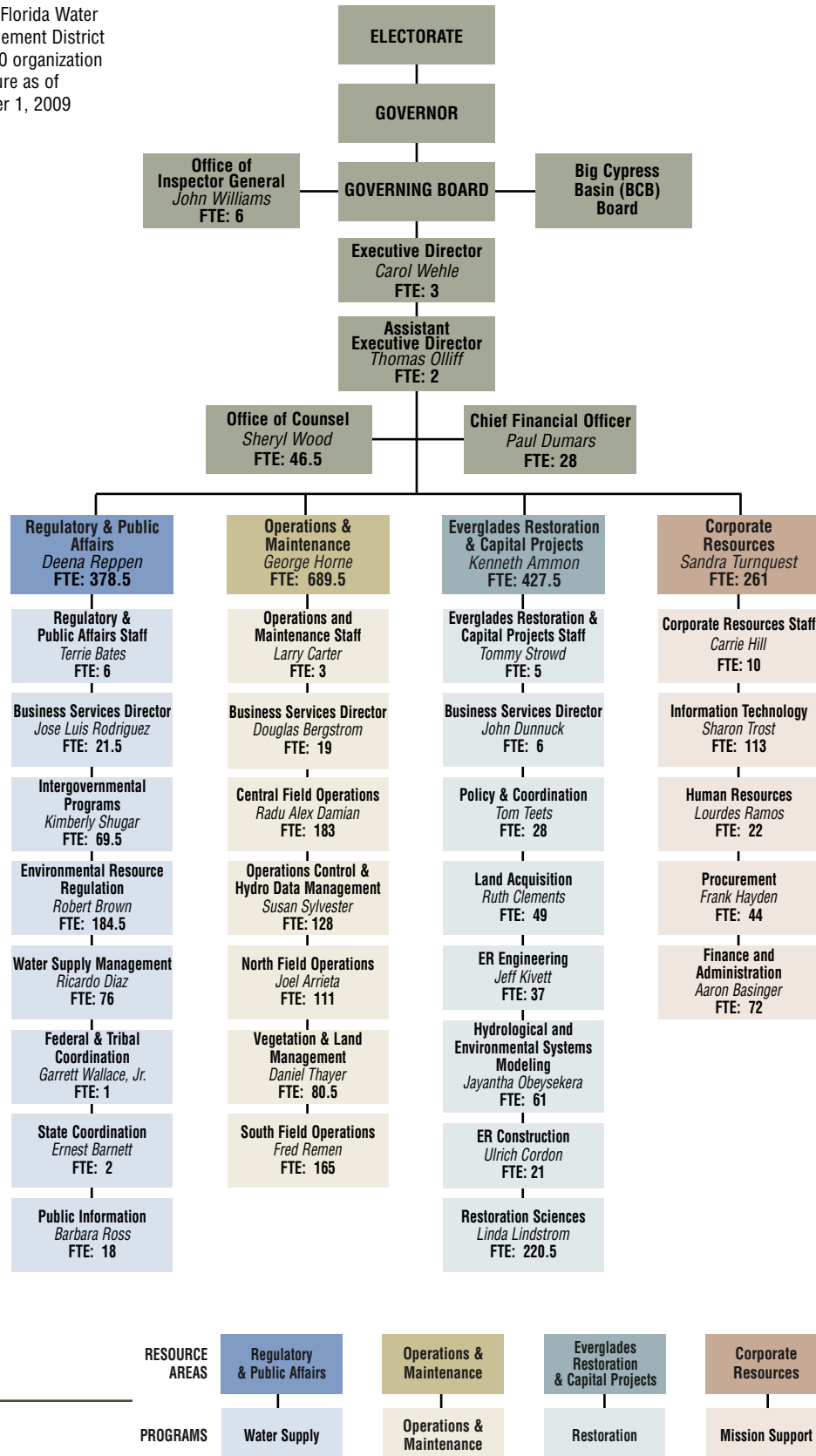
District Budget Overview by Resource Area

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

Resource Area	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
Executive Office	\$22,183,897	\$31,762,718	\$22,021,294	\$(9,741,424)	-30.7%
Corporate Resources	69,825,238	88,817,108	112,256,607	23,439,499	26.4%
Regulatory & Public Affairs	144,572,951	114,985,060	96,321,312	(18,663,748)	-16.2%
Operations & Maintenance	201,783,734	206,519,244	216,828,015	10,308,771	5.0%
Everglades Rest. & Capital Projects	526,801,991	836,459,729	1,079,157,548	242,697,819	29.0%
Total	\$965,167,811	\$1,278,543,859	\$1,526,584,776	\$248,040,917	19.4%

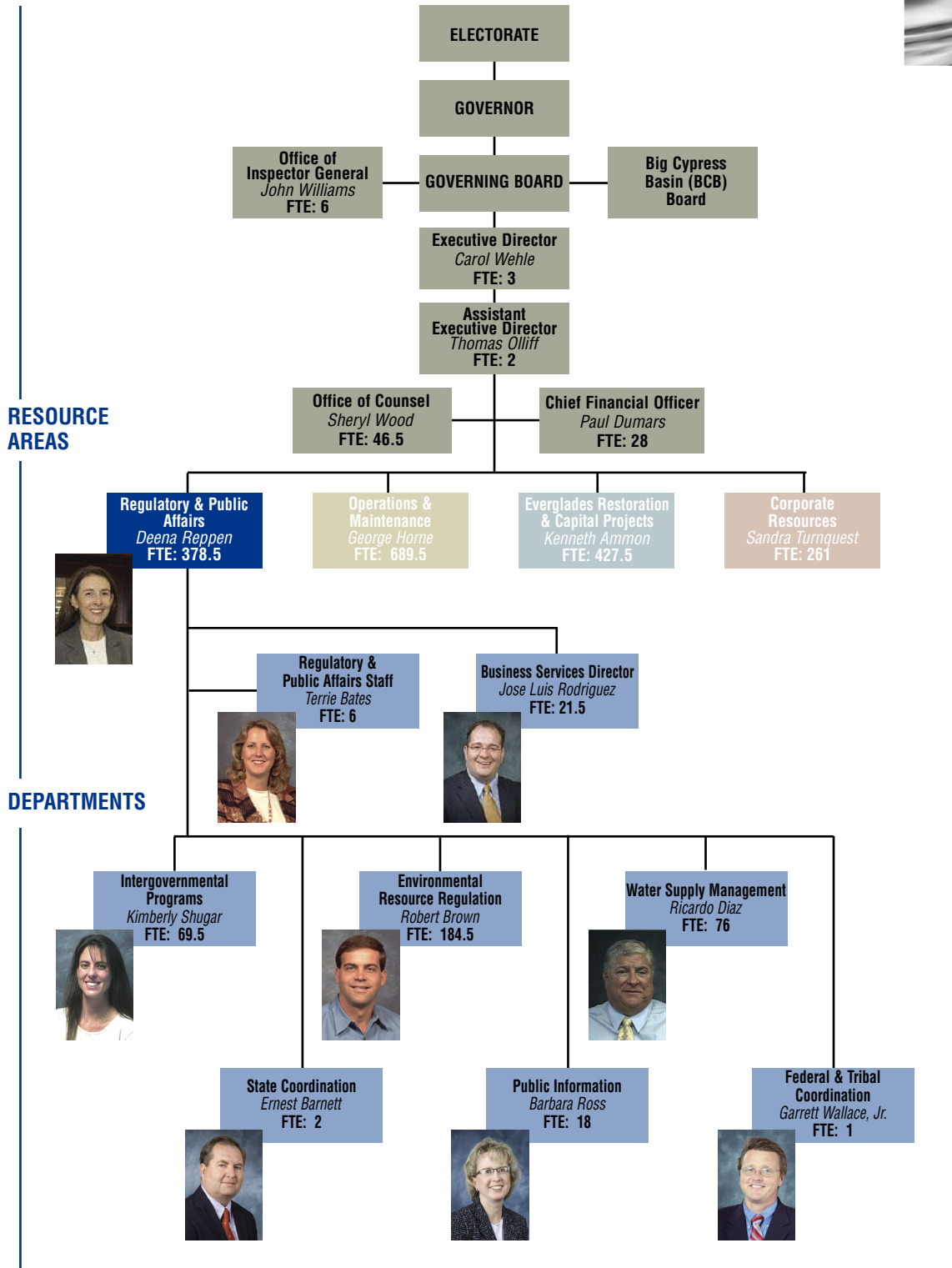
Organization

South Florida Water
Management District
FY2010 organization
structure as of
October 1, 2009



REGULATORY & PUBLIC AFFAIRS

Organization



FY2009 to FY2010 Resource Area Variance

	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$36,067,862	\$37,696,551	\$39,071,915	\$1,375,364	3.6%
Operating/Self Insurance	3,761,896	2,377,135	1,926,410	(450,725)	-19.0%
Contracts	100,568,761	56,551,767	49,350,692	(7,201,075)	-12.7%
Capital	4,174,432	18,359,607	5,972,295	(12,387,312)	-67.5%
Total	\$144,572,951	\$114,985,060	\$96,321,312	\$(18,663,748)	-16.2%
By Fund					
District (DIST)	\$52,168,137	\$53,283,225	\$45,943,601	\$(7,339,624)	-13.8%
Okeechobee Basin (OKEE)	20,065,325	11,217,633	9,887,320	(1,330,313)	-11.9%
Big Cypress Basin (BIGC)	10,338,500	9,029,624	8,084,083	(945,541)	-10.5%
Save Our Rivers (SORO)	2,065,447	2,200	-	(2,200)	-100.0%
State Appropriations Non-Land	36,396,487	16,032,704	11,885,048	(4,147,656)	-25.9%
Snook Tag Revenue	59,692	185,000	-	(185,000)	-100.0%
External Grant	1,553,086	1,500,000	3,650,000	2,150,000	143.3%
Lake Okeechobee Trust	1,849,336	1,741,351	2,148,321	406,970	23.4%
Okeechobee Basin (CAPO)	2,131,296	-	-	-	N/A
Big Cypress Basin (CAPB)	2,195,685	14,000,000	7,880,295	(6,119,705)	-43.7%
Everglades Trust	3,175,702	3,221,071	3,531,392	310,321	9.6%
FEMA	250,896	778,964	252,852	(526,112)	-67.5%
Florida Bay	-	-	21,058	21,058	N/A
CERP - Ad Valorem	2,323,362	3,683,288	577,426	(3,105,862)	-84.3%
Save Our Everglades Trust (HB221)	10,000,000	310,000	2,459,916	2,149,916	693.5%
Total	\$144,572,951	\$114,985,060	\$96,321,312	\$(18,663,748)	-16.2%



WATER SUPPLY

Program Description

The Water Supply program is responsible for the District's evaluation of long-term water supply needs, including the planning and development of needed water resource development projects and the use of regulatory authority to help manage and protect South Florida's water resources for people and the environment. Four regional water supply plans are developed and implemented to meet the water supply needs of present and future populations, agriculture and natural systems, pursuant to the requirements of the Florida Water Resources Act. Development of alternative water supplies and water conservation are encouraged through a combination of strategies, including regulatory and financial incentives. Local government comprehensive plan amendments are reviewed to ensure consistency of water supplies with projected needs.



Indian River Lagoon

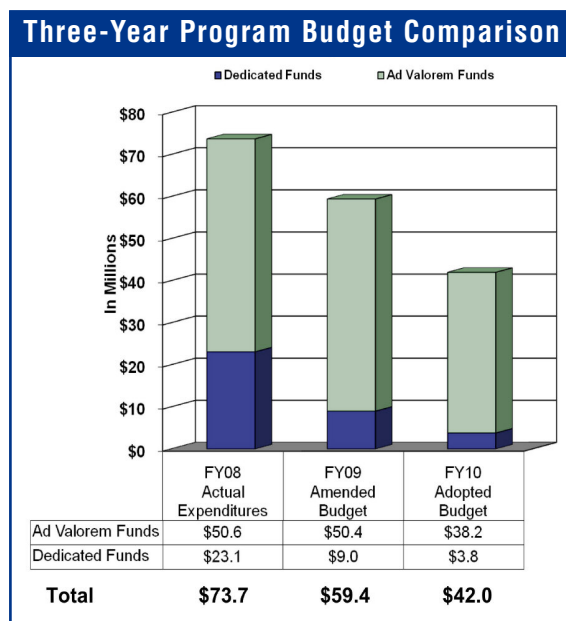
Regulatory responsibilities involve implementing the District's permitting authority to regulate the management and storage of surface waters through Environmental Resource Permits (ERPs), the consumptive use of water through Water Use Permits, and the construction, repair and abandonment of wells through Water Well Construction Permits. Linked with the ERP program is the sovereign submerged lands authority. Environmental Resource Permits ensure that proposed surface water management systems, including wetland dredging or filling, do not cause adverse water quality, water quantity or environmental impacts.

Water Use Permits ensure that proposed uses are reasonable- beneficial, will not interfere with any presently existing legal users and are consistent with the public interest. Water Well Construction Permits ensure that groundwater resources are protected from contamination as a result of well construction activities.

Program Activities/Functions:

- 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
- Adhere to all permit rules and criteria in the review and issuance of permits

Explanation of FY2010 Funding Decrease



Total Budget

The total FY2010 adopted budget for the Water Supply program is \$42.0 million. As reflected in the program variance table on the following page, the FY2010 total is approximately \$17.4 million lower than the FY2009 amended budget. This is a 29.3 percent decrease in budgeted funds.

Ad Valorem Funds

The Water Supply program's FY2010 ad valorem funds total \$38.2 million, which is \$12.2 million lower than the FY2009 amended budget amount. Less District funds were required to match state appropriation for the Alternative Water Supply (AWS) program this year. Also, less funds were available for water conservation activities. Ad valorem funds decreased 24.2 percent compared to the prior year.

Dedicated Funds

FY2010 dedicated funds for this program total \$3.8 million. The decrease of \$5.2 million in funding reflects the reduction of state appropriations which funded the AWS program in FY2009. Overall, dedicated funds decreased 58.2 percent.

FY2009 to FY2010 Program Variance

Program	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
Water Supply					
Ad Valorem Funds	\$31,806,821	\$31,562,823	\$17,934,235	\$(13,628,588)	-43.2%
Dedicated Funds	23,114,530	8,971,330	3,750,250	(5,221,080)	-58.2%
Subtotal All Sources	54,921,351	40,534,153	21,684,485	(18,849,668)	-46.5%
Regulation					
Ad Valorem Funds	18,779,430	18,866,181	20,292,944	1,426,763	7.6%
Dedicated Funds	-	-	-	-	-
Subtotal All Sources	18,779,430	18,866,181	20,292,944	1,426,763	7.6%
Program Total					
Ad Valorem Funds	50,586,251	50,429,004	38,227,179	(12,201,825)	-24.2%
Dedicated Funds	23,114,530	8,971,330	3,750,250	(5,221,080)	-58.2%
Program Total	\$73,700,781	\$59,400,334	\$41,977,429	\$(17,422,905)	-29.3%

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.

FY2009 Water Supply Program Accomplishments

- Successfully implemented all delegation provisions of Senate Bill 2080 through the establishment of a monthly noticing and meeting process that provides enhanced opportunities for public comment on pending Consumptive Use and Environmental Resource Permit applications
- Converted more than 280,000 microfiche (sheets of microfilm) containing 9.1 million documents to electronic format for posting to e-Permitting allowing the public access to this information from the web
- Administered the Alternative Water Supply Program totaling \$27.4 million in grants to 38 partners to support the development of 27 million gallons per day (MGD) of alternative water supply
- Funded 44 projects with \$1 million in the Water Savings Incentive (WaterSIP) program during fiscal year 2009. These projects have a potential estimated water savings of 550 million gallons per year (MGY)
- Developed standard protocols and managed the collection of wetland assessment data in support of the Central Florida Coordinating Area (CFCA) rulemaking project. The work has helped to coordinate the data collection and reporting across the three Water Management Districts in the upper Kissimmee basin
- Activated 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, law and code enforcement of local governments, 298 Districts, agriculture, nurseries, and golf courses
- Organized a Water Conservation Workshop and Vendor Fair in partnership with the American Water Works Association (AWWA). The event included nearly 100 attendees and ten vendors discussing conservation programs for entities from small local governments to bulk purchasers of water from large utilities

Three-Year Summary of Program Performance Measures

Water Supply Program

Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Water Supply				
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 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	On schedule for 3 out of 5 Resource Evaluation Deliverables & Milestones at end of FY2009 - East Central Florida Transient Model >30 days behind schedule - Lower East Coast recalibration >60 days behind schedule	Complete 100% of planned work each quarter
Plan review, development and implementation schedules maintained	Reviewed facility work plans within mandatory timeframes	Review facility work plans within mandatory timeframes	Preliminary and adopted facility work plans submitted by local governments reviewed within required timeframes and appropriate comments provided Regional water supply plan updates proceeding on schedule	Review facility work plans within mandatory timeframes
Reservations, Minimum Flows and Levels and other rules completed on schedule	Completed revision to Lake Okeechobee Water Shortage Management Rule Reviewed Facility Work Plans 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 lakes	Picayune Strand and Fakahatchee Estuary Water Reservation Rules adopted by the Governing Board Rule development for Biscayne Bay postponed. Completed peer reviews for two Water Reservations: Kissimmee River (and selected lakes in the upper Kissimmee chain) and North Fork of the St. Lucie River.	Initiate rule making for two Water Reservations: Kissimmee River (and selected lakes in the upper Kissimmee Basin) and North Fork of the St. Lucie River Develop technical report and complete peer review for the Caloosahatchee estuary and C-43 reservoir Initiate rule development for the Biscayne Bay Restricted Area Rule in support of the CERP Biscayne Bay Coastal Wetlands Project
Alternative water supply capacity and reclaimed water use increased consistent with adopted regional water supply plans	82 MGD of AWS capacity created Brackish water/seawater capacity = 207 MGD 30% of wastewater reused.	Create 40 MGD of AWS capacity Brackish water/seawater capacity = 170 MGD 28% of wastewater (231 MGD) reused	27 MGD of AWS capacity created Brackish water/seawater capacity = 207 MGD 29% (238 MGD) of wastewater reused	Create 2 MGD of AWS capacity Brackish water/seawater capacity = 236 MGD 30% of wastewater (240 MGD) reused
Conservation levels achieved meet or exceed targets within adopted regional water supply plans	1.73 MGD of Conservation Savings	1.73 MGD of Conservation Savings	3.1 MGD of Conservation Savings	1.9 MGD of Conservation Savings (Conservation Plan based)

AWS - Alternative Water Supply, CERP - Comprehensive Everglades Restoration Plan, MGD - Million Gallons per Day

Three-Year Summary of Program Performance Measures Cont.

Water Supply Program

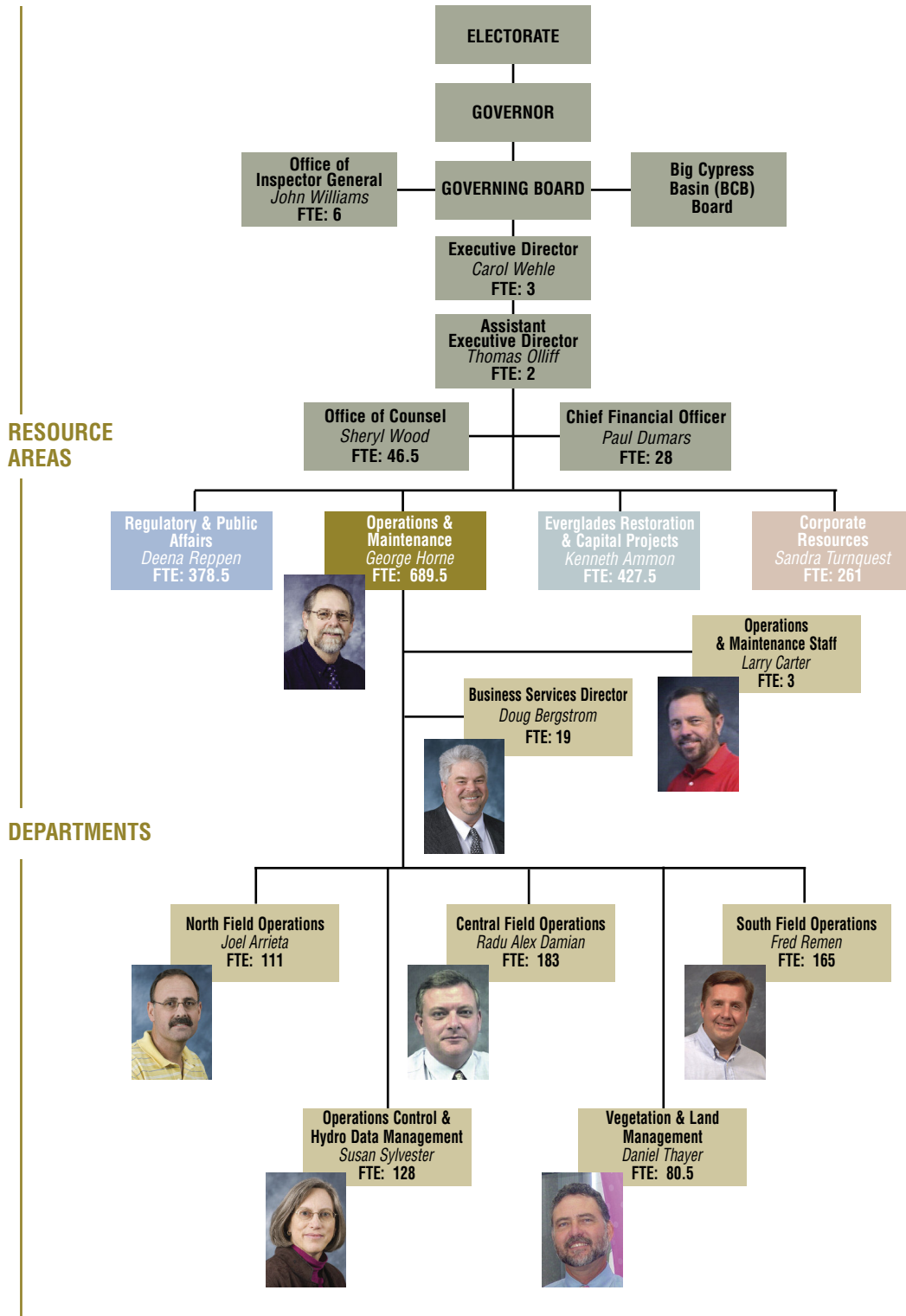
Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Regulation				
100% of all Environmental Resource Permit applications processed consistent with adopted rules and criteria	99.93% (1 permit defaulted out of 1,465 permits issued)	100%	100% (No defaulted permits of the 1,090 permits issued)	100%
100% of all Water Use Permit applications processed consistent with adopted rules and criteria	99.96% (1 permit defaulted out of 2,382 permits issued)	100%	99.57% (8 permits defaulted of the 1,872 permits issued)	100%
100% of Request for Additional Information letters issued on time (includes both Environmental Resource and Water Use Permits)	99.56% (17 Requests for Additional Information Letters not issued on time)	100%	99.83 (5 Requests 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% ERP: Average from receipt of initial application to disposition = 194 days. Average from receipt of complete application to disposition = 51 days. WUP: Average from receipt of initial application to disposition = 163 days. Average from receipt of complete application to disposition = 39 days.	100%	100% ERP: Average from receipt of initial application to disposition = 232 days. Average from receipt of complete application to disposition = 50 days. WUP: Average from receipt of initial application to disposition = 171 days. Average from receipt of complete application to disposition = 46 days.	100%
Construction certifications kept current and backlog processed by 2015	1,190 Current, 453 Backlog Certifications processed	1,190 Current, 820 Backlog Certifications processed	1,726 Current, 1,133 Backlog Certifications processed	1,190 Current, 716 Backlog Certifications processed *
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	12,986	12,986	14,503	14,503
Environmental	2,530	2,530	3,007	3,007
Applications Inspected	1,420	1,420	1,423	1,423
Percent Compliance	63%	63%	72%	72%
Construction	7,555	7,555	7,416	7,416
Applications Inspected	2,091	2,091	2,009	2,009
Percent Compliance	87%	87%	82%	82%
Total Compliance Percentage	80%	80%	77%	77%
Total number of non-compliance letters sent on time	1,136 letters sent on time (100%)	100% sent on time	2,206 letters sent on time (100%)	100% sent on time
Net increase of wetland function				
Total acres reviewed	10,134	10,134	1,225	1,225
Total wetland acres permitted to be impacted	1,253	1,253	263	263
Total wetland acres preserved	1,221	1,221	585	585
Total wetland acres created/restored	194	194	56	56
Total wetland acres enhanced	2,337	2,337	295	295
Total acres upland compensation	104	104	1	1
Total number of mitigation bank credits	494	494	241	241

ERP - Environmental Resource Permit, WUP - Water Use Permit

*Target reduced as total remaining reduced to less than previous annual target

OPERATIONS & MAINTENANCE

Organization



FY2009 to FY2010 Resource Area Variance

	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$56,911,644	\$60,691,675	\$62,891,754	\$2,200,079	3.6%
Operating/Self Insurance	21,349,217	24,148,767	25,438,025	1,289,258	5.3%
Contracts	55,719,781	58,199,457	72,790,355	14,590,898	25.1%
Capital	67,803,092	50,793,127	45,305,270	(5,487,857)	-10.8%
Reserves	-	12,686,218	10,402,611	(2,283,607)	-18.0%
Total	\$201,783,734	\$206,519,244	\$216,828,015	\$10,308,771	5.0%
By Fund					
District (DIST)	\$13,796,450	\$12,628,860	\$16,514,931	\$3,886,071	30.8%
Okeechobee Basin (OKEE)	66,229,589	77,669,161	88,173,582	10,504,421	13.5%
Big Cypress Basin (BIGC)	2,848,770	3,398,326	2,761,067	(637,259)	-18.8%
Save Our Rivers (SORO)	16,980,321	18,269,306	7,412,397	(10,856,909)	-59.4%
State Appropriations Non-Land	-	-	58,614	58,614	N/A
Invasive Plant Control	2,435,129	4,017,996	3,376,015	(641,981)	-16.0%
Melaleuca Management	4,350,061	2,750,000	1,200,000	(1,550,000)	-56.4%
Wetlands Mitigation	3,502,472	8,598,062	5,805,447	(2,792,615)	-32.5%
External Grant	(95)	-	149,000	149,000	N/A
STA O&M	12,041,039	13,743,951	15,222,101	1,478,150	10.8%
Lake Belt Mitigation	33,366	100,000	200,000	100,000	100.0%
Lake Okeechobee Trust Fund	51,168	-	213,788	213,788	N/A
Okeechobee Basin (CAPO)	59,417,173	47,257,081	60,689,467	13,432,386	28.4%
Florida Forever (CAPS)	-	-	820,000	820,000	N/A
Everglades Trust	16,843,792	13,242,337	8,689,808	(4,552,529)	-34.4%
FEMA	235,512	256,542	-	(256,542)	-100.0%
CERP - Ad Valorem	2,756,487	2,248,015	2,741,798	493,783	22.0%
Federal Land Acquisition	-	-	2,800,000	2,800,000	N/A
CERP - Federal	262,500	56,000	-	(56,000)	-100.0%
Permanent Fund	-	2,283,607	-	(2,283,607)	-100.0%
Total	\$201,783,734	\$206,519,244	\$216,828,015	\$10,308,771	5.0%

OPERATIONS & MAINTENANCE

Program Description

Tempering South Florida's weather extremes of flood and drought was the impetus for creation of the agency in 1949. The Operations and Maintenance program continues to carry out that principal directive by conducting activities required to effectively operate, maintain, and manage the primary canals, water control structures and District-owned lands in South Florida as authorized by Chapter 373, Florida Statutes, and by agreement with the U.S. Army Corps of Engineers. Today's expanded water management system is made up of the federally-built Central and Southern Florida Project, the state-built Everglades Construction Project (a series of stormwater treatment areas to improve water quality), other restoration projects and the adopted works of the District in the Big Cypress Basin. This combined system currently includes more than 2,600 miles of canals/levees, about 1,300 water control structures, 63 pump stations and 29 weather stations.



S-65 gate structure

Major components of this program are operations, maintenance and refurbishment of the infrastructure, including incorporating new structures into the system; flood and water supply mitigation; hydrological data collection; vegetation/exotic species management; and land stewardship, including right-of-way protection. To ensure that public lands are protected and preserved for project purposes and for the use and enjoyment of existing and future generations, activities include restoring lands to their natural state and condition, managing them in an

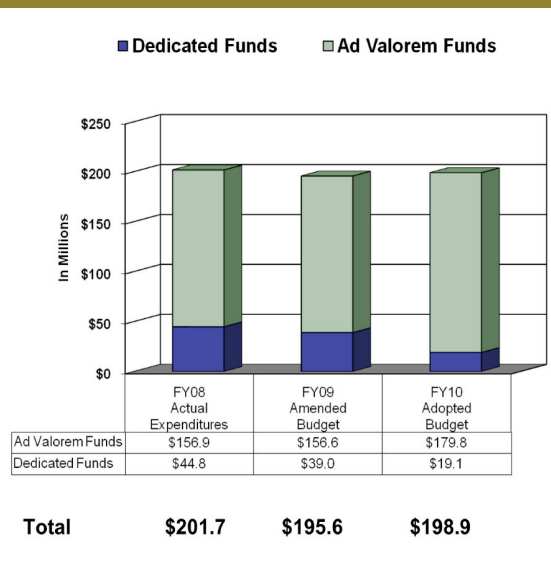
environmentally acceptable manner and providing compatible public recreational opportunities. To help accomplish the broad responsibilities of this "backbone" program, eight field stations are located throughout the 16-county region.

Program Activities/Functions:

- Refurbish infrastructure to design conditions
- Maintain structures and pump stations to meet operational demands
- Maintain canals and levees to U.S. Army Corps of Engineers (USACE) requirements
- Maintain all vehicles and equipment in a safe and acceptable condition
- Maintain Supervisory Control and Data Acquisition (SCADA) infrastructure to District standards
- 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 FY2010 Funding Increase

Three-Year Program Budget Comparison



Total Budget

The total FY2010 adopted budget for the Operations and Maintenance (O&M) program is \$198.9 million. As reflected in the program variance table on the following page, the FY2010 total is approximately \$3.3 million higher than the FY2009 amended budget. This is a 1.7 percent increase in budgeted funds.

Ad Valorem Funds

The O&M program FY2010 ad valorem funds total \$179.8 million, which is \$23.2 million higher than the FY2009 amended budget amount. Additional funds were allocated to projects that refurbish and improve District's capital structures. Ad valorem funds increased 14.8 percent compared to the prior year.

Dedicated Funds

FY2010 dedicated funds for this program total \$19.1 million. The decrease of \$19.9 million in funding represents the reduction of grant funds from other agencies and the state, as well as a reduction of state funding to be used towards vegetation management. Dedicated funds decreased 51.1 percent.

FY2009 to FY2010 Program Variance

Program	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
<u>Operations & Maintenance</u>					
Ad Valorem Funds	\$155,547,729	\$156,064,237	\$168,982,897	\$12,918,660	8.3%
Dedicated Funds	21,573,444	9,607,083	1,821,923	(7,785,160)	-81.0%
Subtotal All Sources	177,121,173	165,671,320	170,804,820	5,133,500	3.1%
<u>Land Stewardship</u>					
Ad Valorem Funds	1,380,388	549,813	10,835,161	10,285,348	1870.7%
Dedicated Funds	23,178,263	29,379,670	17,248,812	(12,130,858)	-41.3%
Subtotal All Sources	24,558,651	29,929,483	28,083,973	(1,845,510)	-6.2%
<u>Program Total</u>					
Ad Valorem Funds	156,928,117	156,614,050	179,818,058	23,204,008	14.8%
Dedicated Funds	44,751,707	38,986,753	19,070,735	(19,916,018)	-51.1%
Program Total	\$201,679,824	\$195,600,803	\$198,888,793	\$3,287,990	1.7%

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

FY2009 O&M Program Accomplishments

- FY2009 Operations & Maintenance capital projects completed in FY2009 include:
St. Cloud Field Station, Survey & Boundary ROW Program, Bridge Inspection Program, Structure Inspection Program, Manatee Pressure Strips at S-25B, C-41A, C-59, C-100, Bank Stabilizations C-24, C-1, & L62, Bank Repairs, S-131 Pump Station Repower, S-129, S-131, S-127, S-133, S-135 & G-36 Bridge Bank Enhancements, Clewiston Field Station B-39 Building and Generator Replacement, C-4 Gravity Wall (Belen), S-63 Concrete Repair, S-62 Scour Repair, G-420 Keel Cooler Replacement, C-24 at S-49 Downstream Bank Stability, S-83 & S-65D Generator Replacement and Engineering Support Services
- Preventive Maintenance for the pump stations and structures were completed as well as the structure gate overhaul
- Exotic control treatments were completed as scheduled
- Storage tank inspections and air permits were completed as scheduled
- Operations Decision Support System contract was executed and the Wave 3 Project Management Plan has been completed. Advanced Data Analysis System (ADAS) final negotiations for the contract were completed and program was initiated
- Tree management projects mostly completed and substituted projects for ones that had a higher priority. Bank stabilization was completed as scheduled
- Mowing has been completed as needed and per the contract
- Equipment and vehicle maintenance were on schedule and completed
- Telemetry maintenance process and updated raw hydrologic data as scheduled
- Right of Way permitting is an on-going process and continued to be on-time during the year
- North American Vertical Datum Conversion Project awarded survey GEPS task orders. Also, complete and deploy Survey Data Entry and retrieval applications
- General maintenance for all of O&M's facilities was performed throughout the year

Three-Year Summary of Program Performance Measures

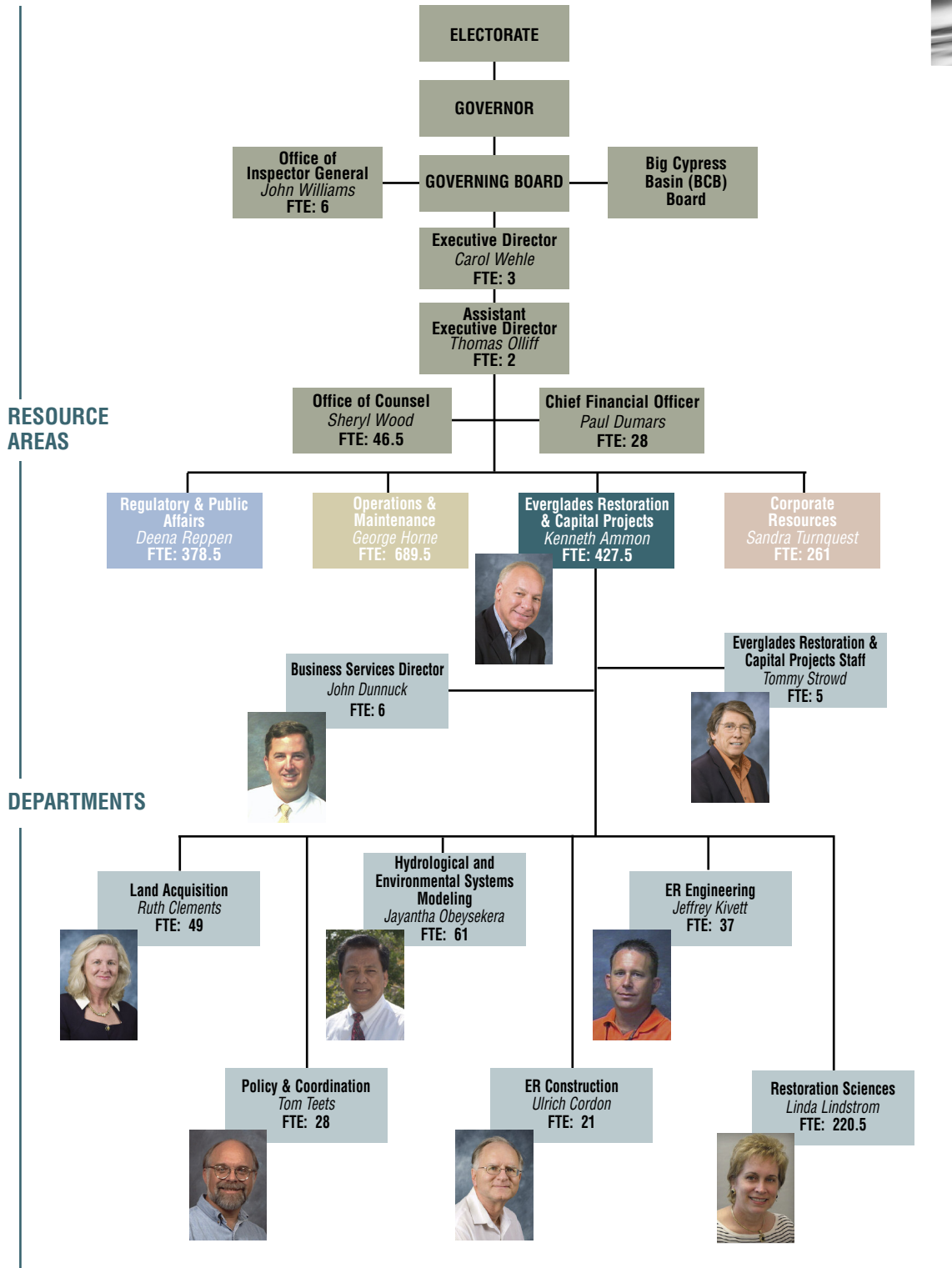
Operations & Maintenance Program

Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Operations & Maintenance				
Compliance with current fiscal year budget-driven segment of 50-year Plan	93%	90%	69%	85%
95% compliance with permit requirements	70%	95%	95%	95%
99% flood protection achieved for rainfall events within project design standards	98%	99%	95%	99%
99% of planned structure maintenance performed on schedule	91%	99%	98%	99%
90% canals/levees passing US Army Corps of Engineers inspection	100%	90%	90%	90%
80% design conveyance capable	99%	80%	89%	90% *
99% of planned vehicle maintenance performed on schedule	100%	99%	100%	99%
90% compliance with electronic communication installation and maintenance schedule	100%	90%	92%	90%
90% of land at an acceptable level of exotics infestation	89%	90%	98%	90%
90% of canals at an acceptable level of aquatic plant infestation	89%	90%	100%	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	100%	75%	99%	92% *
95% of planned buildings and grounds maintenance performed on schedule	88%	95%	95%	95%
Land Stewardship				
73% of conservation land at an acceptable level of exotic infestation	73%	73%	77%	73%
95% of lands burned according to recommended burn frequency	91%	95%	100%	95%
80% of Land Stewardship infrastructure projects completed on schedule and within budget	100%	80%	100%	80%
100% of unrestricted District lands opened to the public	100%	100%	100%	100%
80% of recreation capital projects completed on schedule and within budget	83%	80%	75%	80%
100% photo documented database by 2017; 180 more ecological photo point monitoring locations by 2017	100%	100%	100%	100%
100% Land Management Plans developed/updated per land management review team recommendations at five-year intervals	100%	100%	100%	100%
100% of submitted restoration credit release requests approved by permitting agencies	100%	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	100%	100%	100%	100%
100% of Water Resource Development project plans to include associated recreation	100%	100%	100%	100%

* Target Increased due to superior performance

EVERGLADES RESTORATION & CAPITAL PROJECTS

Organization



FY2009 to FY2010 Resource Area Variance

	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$40,507,562	\$42,485,737	\$43,647,097	\$1,161,360	2.7%
Operating/Self Insurance	8,401,574	12,164,646	10,739,218	(1,425,428)	-11.7%
Contracts	53,409,127	48,854,411	35,441,215	(13,413,196)	-27.5%
Capital	353,029,777	598,866,517	908,335,469	309,468,952	51.7%
Debt Service	71,453,951	134,088,418	80,994,549	(53,093,869)	-39.6%
Total	\$526,801,991	\$836,459,729	\$1,079,157,548	\$242,697,819	29.0%
By Fund					
District (DIST)	\$20,073,415	\$32,970,501	\$28,001,974	\$(4,968,527)	-15.1%
Okeechobee Basin (OKEE)	18,086,045	25,615,243	13,572,584	(12,042,659)	-47.0%
Big Cypress Basin (BIGC)	206,945	635,059	343,501	(291,558)	-45.9%
Save Our Rivers (SORO)	3,961,252	386,494	-	(386,494)	-100.0%
State Appropriations Non-Land	4,079,425	3,269,617	3,984,901	715,284	21.9%
Wetlands Mitigation	13,713	4,029,288	568,122	(3,461,166)	-85.9%
Snook Tag Revenue	68,137	-	364,094	364,094	N/A
External Grant	2,478,311	615,000	214,000	(401,000)	-65.2%
STA O&M	2,032,208	4,787,119	6,101,781	1,314,662	27.5%
Lake Belt Mitigation	4,329,059	-	-	-	N/A
Everglades License Tag Fund	376,198	777,362	200,000	(577,362)	-74.3%
Lake Okeechobee Trust	39,685,922	13,385,370	4,960,124	(8,425,246)	-62.9%
Okeechobee Basin (CAPO)	20,391,841	10,299,800	17,700,000	7,400,200	71.8%
Big Cypress Basin (CAPB)	-	82,500	-	(82,500)	-100.0%
Florida Forever (CAPS)	54,660,570	13,496,741	7,700,000	(5,796,741)	-42.9%
Everglades Trust	38,803,727	119,284,617	57,962,796	(61,321,821)	-51.4%
Florida Bay	1,674,123	1,007,906	1,198,021	190,115	18.9%
CERP - Ad Valorem	94,563,632	218,179,718	122,550,424	(95,629,294)	-43.8%
Federal Land Acquisition	-	-	7,499,406	7,499,406	N/A
Save Our Everglades Trust (HB221)	85,878,935	113,680,894	115,367,755	1,686,861	1.5%
CERP - Federal	5,064,812	412,500	75,000	(337,500)	-81.8%
CERP - Other Creditable Funds	2,208,128	-	-	-	N/A
Acceler8 - ECP	871,368	244,700,000	151,960,397	(92,739,603)	-37.9%
Acceler8 - CERP	127,294,225	28,844,000	538,832,668	509,988,668	1768.1%
Total	\$526,801,991	\$836,459,729	\$1,079,157,548	\$242,697,819	29.0%

RESTORATION

Program Description

Healthy ecosystems provide a wealth of benefits and are critical to the region's quality of life. A wide variety of ecosystem restoration projects and initiatives are under way, many involving partnerships with a broad cross-section of other state, local and federal partners. The Restoration program encompasses the agency's entire range of projects to restore the greater Everglades ecosystem – including the Kissimmee River, Northern Everglades and Estuaries (Lake Okeechobee and the Caloosahatchee and St. Lucie watersheds), the federal-state Comprehensive Everglades Restoration Plan and the District's suite of expedited water quality and restoration projects. District-wide scientific research and monitoring, land acquisition, project planning, engineering/design and construction, along with critical computer modeling efforts and the reservation of water for environmental needs are housed within this program.



Lakeside Ranch

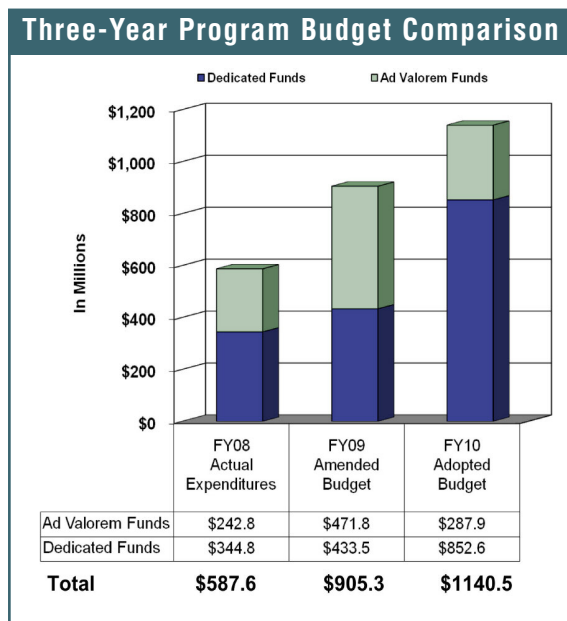
The Restoration program fulfills the District's responsibilities outlined in the Everglades Forever Act and the Federal Settlement Agreement as well as implementation of the Comprehensive Everglades Restoration Plan, which is designed to improve the quantity, quality, timing and distribution of water delivered to freshwater and coastal systems in South

Florida. It includes the development and implementation of all capital projects for the agency – from conception through completion – with the ultimate turnover of high-quality projects to the Operations & Maintenance program.

Program Activities/Functions:

- Complete engineering and project designs
- Construct Everglades restoration projects
- Implement program-level management activities, including adaptive assessment and monitoring
- Publish and implement restoration and protection plans for coastal water bodies and tributary watersheds
- Develop technical criteria for water reservations and Minimum Flows and Levels
- Complete design and construction of flow capable Stormwater Treatment Areas and construction of pump stations
- 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
- 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
- Maintain National Environmental Laboratory Accreditation Program certification and operate sampling, laboratory and reporting infrastructure according to standards

Explanation of FY2010 Funding Increase



Total Budget

The total FY2010 adopted budget for the Restoration program is \$1.14 billion. As reflected in the program variance table on the following page, the FY2010 total is approximately \$235 million higher than the FY2009 amended budget of \$905.3 million. This is a 26 percent increase in budgeted funds.

Ad Valorem Funds

The Restoration program's ad valorem funds total \$287.9 million, which is \$183.9 million lower than the prior year budget. The FY2009 amended budget included project reserves, land acquisition costs for the C-111 Spreader Canal project, Southern Crew Imperial Flowway and River of Grass (including significantly higher debt service amounts for the initial proposed acquisition). Ad valorem funds decreased by 39 percent.

Dedicated Funds

The program is funded mostly through dedicated funds in FY2010. The planned purchase of 73,000 acres of land for Everglades restoration is the primary reason for this funding increase. The District plans to issue Certificates of Participation for about \$536.5 million as funding source for this acquisition. On the whole, dedicated funds increased 96.7 percent.

FY2009 to FY2010 Program Variance

Program	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
<u>CERP</u>					
Ad Valorem Funds	\$103,997,489	\$263,112,447	\$141,157,634	\$(121,954,813)	-46.4%
Dedicated Funds	238,716,862	101,109,020	615,199,380	514,090,360	508.5%
Subtotal All Sources	342,714,351	364,221,467	756,357,014	392,135,547	107.7%
<u>Lake Okeechobee</u>					
Ad Valorem Funds	7,442,137	22,052,217	8,141,693	(13,910,524)	-63.1%
Dedicated Funds	50,764,958	64,495,638	53,091,402	(11,404,236)	-17.7%
Subtotal All Sources	58,207,095	86,547,855	61,233,095	(25,314,760)	-29.2%
<u>Coastal Watersheds</u>					
Ad Valorem Funds	29,368,620	28,134,259	20,297,901	(7,836,358)	-27.9%
Dedicated Funds	48,133,717	20,856,456	23,989,154	3,132,698	15.0%
Subtotal All Sources	77,502,337	48,990,715	44,287,055	(4,703,660)	-9.6%
<u>Kissimmee Restoration</u>					
Ad Valorem Funds	12,927,465	5,856,618	21,915,522	16,058,904	274.2%
Dedicated Funds	5,896,150	1,600,245	8,034,484	6,434,239	402.1%
Subtotal All Sources	18,823,615	7,456,863	29,950,006	22,493,143	301.6%
<u>District Everglades</u>					
Ad Valorem Funds	73,448,450	136,038,444	80,640,966	(55,397,478)	-40.7%
Dedicated Funds	1,294,538	245,477,362	152,241,539	(93,235,823)	-38.0%
Subtotal All Sources	74,742,988	381,515,806	232,882,505	(148,633,301)	-39.0%
<u>Modeling & Scientific Support</u>					
Ad Valorem Funds	15,572,259	16,582,052	15,754,570	(827,482)	-5.0%
Dedicated Funds	-	-	-	-	N/A
Subtotal All Sources	15,572,259	16,582,052	15,754,570	(827,482)	-5.0%
<u>Program Total</u>					
Ad Valorem Funds	242,756,420	471,776,037	287,908,286	(183,867,751)	-39.0%
Dedicated Funds	344,806,225	433,538,721	852,555,959	419,017,238	96.7%
Program Total	\$587,562,645	\$905,314,758	\$1,140,464,245	\$235,149,487	26.0%

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

FY2009 Restoration Program Accomplishments

- Finalized the design for the Decomp Physical Model which will allow the USACE to proceed with the construction of temporary water control structures on the L-67 levee. This project will provide decision critical information regarding how canals, if left in place in the Everglades system, will impact downstream ridge and slough topography
- Completed CERP draft Project Implementation Report (PIR) for C-111 Spreader Canal Western Features and published in Federal Register providing the basis for issuance of construction and operation permit
- C-111 Spreader Canal design completed for construction to begin in FY2010
- Completed design of Biscayne Bay Coastal Wetlands project elements: L-31 Culverts, Deering Estates and Cutler Flow way
- Commenced construction of the \$7.5 million Lake Trafford Dredging project final phase

FY2009 Restoration Program Accomplishments Cont.

- A total of six Everglades Construction Project stormwater treatment areas are now in operation. Combined performance since start-up indicates approximately 1,200 metric tons of phosphorus that would have otherwise gone to the Everglades has been removed by the stormwater treatment areas. Major rehabilitation efforts in STA-5 were completed in FY2009. STA-3/4 continues to perform with outflow concentrations in the 15 to 20 ppb range
- Completed the design, review and construction of the Mobility Impaired Access Facility in Stormwater Treatment Area 5 to allow duck hunting access for disabled veterans. The entire project was completed within 90 days
- Compartment B Buildout – completed designs and executed contracts for construction of civil works for Compartment B North and South Buildout STAs. Completed designs and executed contracts for construction of inflow and outflow pump stations. Engineering during construction work orders negotiated and executed. Completed intermediate design of L6 Levee and Canal improvements revising discharges to Water Conservation Area 2 as required by Everglades Forever Act construction permit. Pumping equipment fabrication contract executed and model design testing completed
- Compartment C Buildout – obtained both state and federal permit authorizations for construction of the Compartment C STA Buildout. Also obtained modification to the 404 permit regarding exotic vegetation removal in the non-effective treatment area
- Completed 57 of 111 prior-year local government projects totaling \$7.8 million
- Coastal Watershed staff co-authored journal articles for various scientific, peer-reviewed publications, including Proceedings of Biogeochemistry of Nutrients and Contaminants Symposium, Florida Scientist, Ecological Indicators, and Journal of Horticulture and Forestry
- Replacement of aging G-85 weir with new S-67 structure, tieback levee, and S-67X structure in Istokpoga Canal, and constructed new boat ramp/park facility on the canal for Kissimmee River access
- Acquired land for the Herbert Hoover Dike refurbishment, with title to two parcels comprising 41 acres. Agreements have been reached and the District's Governing Board has approved two more parcels comprising 3.6 acres
- Delivered a white paper on climate change to the District Leadership Team sub-group
- Received Technical Oversight Committee and FDEP approval to reduce frequency of marsh water quality sampling and to implement “sampling only with recorded flow” demonstration project at WCA 2A structures that will result in more efficient and cost effective monitoring
- Completed required documentation of Standard Operating Procedures for water quality data in support of the Scientific Data Management Policy

Three-Year Summary of Program Performance Measures

Restoration Program

Program Objectives	FY2008	FY2009 Target	FY2009 Actual	FY2010 Target
Coastal Watersheds				
St. Lucie Estuary within desired 30-day moving average salinity range of 8 to 25 parts per thousand 365 days of the year	293 days	365 days	211 days	365 days
Eastern oyster bed in the middle, north and south St. Lucie Estuary increased to 367 acres from a baseline of 117 acres	117 acres, per 2003 mapping. Next mapping planned for 2010 One sampling: South: 5 live oysters /square meter North: 8 live oysters /square meter Central: 32 live oysters /square meter	117 acres, per 2003 mapping. Next mapping planned for 2010 Increase live densities by 25%	117 acres, per 2003 mapping. Next mapping planned for 2010 Two samplings: South: 20 live oysters/ square meter North: 19 live oysters / square meter Central: 326 live oysters / square meter	Mapping planned for 2010 Increase suitable oyster habitat by 22 acres. Increase live densities by 25%
125 acres of tidal marsh habitat restored and 16 acres of oyster reef added in Lake Worth Lagoon by 2014	Restored 0 acres of tidal marsh habitat Added 0 acres of oyster reef	Restore 8.5 acres of tidal marsh habitat Add 6 acres of oyster reef	Restored 8.4 acres tidal marsh habitat Added 6 acres of oyster reef	Restore 13.9 acres tidal marsh habitat Add 9 acres of oyster reef
Area of Florida Keys served by habitat and/or water quality improvement projects increased by 100 acres per year	515 acres served (0.6% of the watershed)	615 acres served (0.7% of the watershed)	655 acres served (0.7% of the watershed)	795 acres served (0.9% of the watershed)*
Areal extent of watershed treated to improve habitat and water quality in Estero Bay increased consistent with its Surface Water Improvement and Management Plan	10,125 acres served (3.4% of watershed)	18,745 acres served (6.3% of watershed)	11,536 acres served (3.9% of watershed)	20,967 acres served (7.1% of watershed)
Percentage of watershed treated to improve habitat and water quality in Naples Bay increased consistent with its Surface Water Improvement and Management Plan	7.5% of watershed treated (5,672 acres served)	19.1% of watershed treated (14,704 acres served)	10.9% of watershed treated (8,404 acres served)	14.8% of watershed treated (11,404 acres served)
Viable seagrass in lower Caloosahatchee River and the 38 percent lost in San Carlos Bay since 1982 recovered	Data collected; report will be available December 2008	38% recovery	108% recovery	Maintain viable seagrass communities in the lower Caloosahatchee River and the recovered areas in San Carlos Bay*
Mean monthly flow of 300 cubic feet per second met for Caloosahatchee River Estuary	Met MFL in 4 of 12 months	Meet MFL in 12 of 12 months	Met MFL for in 10 of 12 months	Meet MFL in 12 of 12 months
Comprehensive Everglades Restoration Plan				
12 restoration plans complete by 2018	5	7	8	10
6 project designs complete by 2018	7	9*	10	11*
151,000 acres of land acquired for Comprehensive Everglades Restoration Plan by 2018 216,000 acres acquired by end of program	229,094	233,894*	232,767	235,267*
Construction completed: 608,000 acre-feet of water storage flow ready by 2018	45,000	45,000	45,000	45,000
Construction completed: 6,300 acres of water quality treatment flow ready by 2018	0	0	0	0
Construction completed: 156,000 acres of natural area projects completed by 2018	0	0	0	0
100% of ecological baseline complete by 2018	36%	45%	45%	49%
100% of system-wide restoration assessments complete by 2018	22%	36%	36%	40%

*Target Increased due to superior performance

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
District Everglades				
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 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	11,473 acres of Stormwater Treatment Area design completed and construction started	11,473 acres of Stormwater Treatment Area under construction (flow capable by December 2010)*
Water quality standards achieved in the Everglades Protection Area and compliance maintained with the federal Everglades Settlement Agreement	In compliance	In compliance	In compliance	In compliance
Compliance maintained with all state and federal Stormwater Treatment Area permit requirements	In compliance	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	100% maintained
Phosphorus target loads and concentrations consistently achieved for all basins ultimately flowing into the Everglades Protection Area	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	C-139 Basin: Out of compliance Everglades Agricultural Basin: 68% reduction in phosphorus. In compliance	C-139 Basin Target: In compliance, meaning no increase in phosphorus load relative to base period Everglades Agricultural Basin Target: 25% reduction in phosphorus load relative to base period. Target must be missed 3 years in a row to be out of compliance
Sustainable restoration targets developed and achieved for wading bird populations	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: Great Egret = 4,000 Snowy Egret & Tricolored Herons = 20,000 White Ibis = 25,000 Wood Stork = 2,500	Three-year running average number of nesting pairs - Surveyed: Great Egret = 6,956 Snowy Egret & Tricolored Herons = 1,723 White Ibis = 23,953 Wood Stork = 1,468	Three-year running average number of nesting pairs - Targets: Great Egret = 4,000 Snowy Egret & Tricolored Herons = 20,000 White Ibis = 25,000 Wood Stork = 2,500
All data gaps identified in Sulfur Action Plan filled and Sulfur White Paper management questions addressed	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	Data gaps and management questions #1, #4 and #7 complete (3 of 15 data gaps and management questions complete)	Complete #3 and #7 (5 of 15 data gaps and management questions complete)

*Target reduced based on permit review

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Kissimmee Watershed				
Mean annual dry season density of long-legged wading birds (excluding cattle egrets) on the restored floodplain ≥ 30.6 birds per square kilometer	49.3 (± 13.3) birds/km ²	≥ 30.6 birds/km ²	21.4 (± 4.9) 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)	Not sampled in FY2008	$\leq 1\%$ bowfin, $\leq 3\%$ Florida gar, $\geq 16\%$ redbreast sunfish, and $\geq 58\%$ centrarchids (basses and sunfishes)	Not sampled in FY2009	$\leq 1\%$ 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.	Wet season DO = 2.7 mg/L Dry season DO = 5.3 mg/L	Wet season DO target = 3-5 mg/L Dry season DO target = 5-7 mg/L	Wet season DO = 3.3 mg/L Dry season DO = 6.6 mg/L	Wet season DO target = 3-5 mg/L Dry season DO target = 5-7 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 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	DO concentrations > 2 mg/L for 80% 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 (cfs) for restored channels of the Kissimmee River	Water Year 2008 had 179 days when the discharge at S-65 was 0 cfs	0 days when the discharge at S-65 is 0 cfs	WY2009 contained 0 days when the discharge at S-65 was 0 cfs	0 days when the discharge at S-65 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	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	WY2009 contained a single recession event which had a duration of 240 days and a recession rate less than 1 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				
Meet the Total Maximum Daily Load target of 140 metric tons phosphorus load by 2015	558 metric tons of phosphorus	491 metric tons of phosphorus	578 metric tons of phosphorus	505 metric tons of phosphorus
Construct additional water storage within Lake Okeechobee Watershed ranging between 900,000 and 1.3 million acre feet	Cumulatively 21,054 acre feet of storage	Cumulatively 39,000 acre-feet of storage	Cumulatively 33,403 acre-feet of storage	Cumulatively 40,000 acre-feet of storage
Increase public, private and tribal water storage to 450,000 acre-feet by 2015	Cumulatively 107,000 acre-feet in project storage	Cumulatively 127,000 acre-feet in project storage	Cumulatively 122,123 acre-feet in project storage	Cumulatively 130,000 acre-feet in project storage
Maintain Lake Okeechobee level in the desired range of 12.5 ft. to 15.5 ft. (NGVD)	35 days in desired range (due to drought)	365 days in desired range	253 days in desired range	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 vascular plants	Total 35,834 acres of mixed submerged aquatic vegetation and 10,335 acres being vascular plants	Achieve an annual average of 40,000 acres of mixed submerged aquatic vegetation and 20,000 acres being vascular plants	Total 51,054 acres of mixed submerged aquatic vegetation and 31,892 acres being vascular plants	Maintain a minimum of 40,000 acres of mixed submerged aquatic vegetation with at least 20,000 acres being vascular plants
Control exotic species to maintenance levels or lower	October 2007: 12,035 acres of exotic species in 107,000 acre Lake Okeechobee Marsh. Exotic species coverage = 11%	Less than 10% coverage by exotic species in Lake Okeechobee Marsh	September 2008: Preliminary estimate of 12,000 acres of exotic species in 107,000 acre Lake Okeechobee Marsh. Exotic species coverage = 11%	Less than 10% coverage by exotic species in Lake Okeechobee Marsh

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

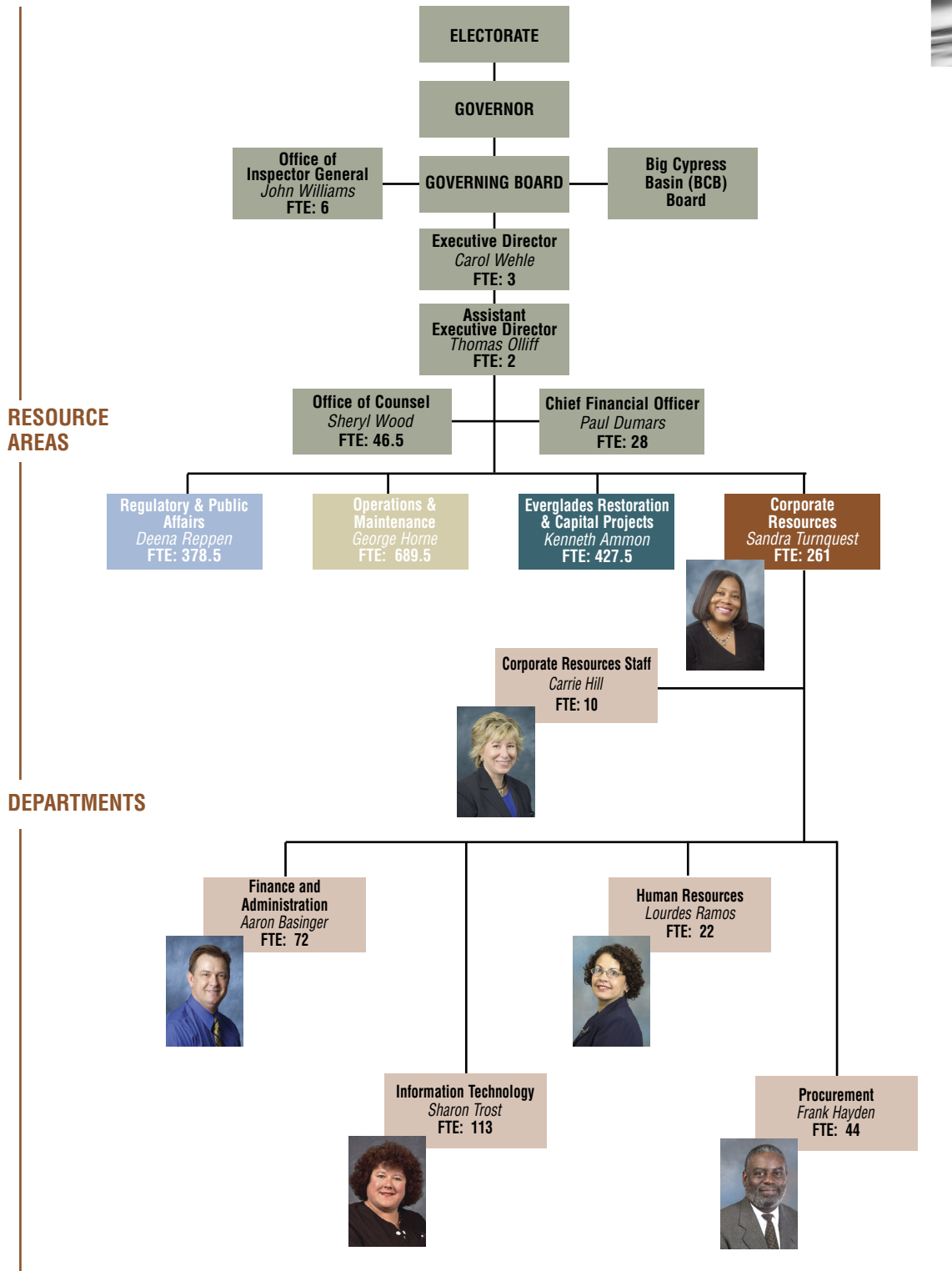
Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Modeling & Scientific Support				
Compliance with industry standards and best practices	Completed: - Appraisal for Capability Maturity Model Integration (CMMI) Level II process areas. - The seven Level II process areas and approved for use by Hydrologic and Environmental Systems Modeling	Complete: - Implementation of CMMI Level II processes. - Implementation of model development lifecycle and model implementation/application lifecycle. - Preparation for CMMI Level II appraisal	- Completed development and began implementation of the model development lifecycle and model implementation/application lifecycle. - Formal process audit reveals greater than 95% compliance in 5 of 7 process areas, with an overall compliance of 85% with CMMI Level II process requirements	- Incorporate FY2009 appraisal recommendations into HESM process improvement plan. - Evaluate process and standards compliance through internal assessments. - Maintain overall compliance of 85% with CMMI Level II process requirements*
Successful application of state-of-the-art modeling tools	95% satisfied in client survey	95% satisfied in client survey	94% satisfied in client survey	95% satisfied in client survey
Compliance with all legally-mandated and permit-required water quality monitoring and reporting obligations	100% compliance as of September 2008	100% compliance as of September 2009	100% compliance as of September 2009	100% compliance as of September 2010
Water quality monitoring networks and operations effectively support District's mission, strategic efforts and legal obligations efficiently and cost effectively	Indicator not in place	4 of 21 reengineering products completed (reengineering cycle has 7 networks with 3 steps/products each). Complete all three major products for WCA-2A and first major product for Southern Coastal	4 of 21 reengineering products completed. Completed products 2 and 3 for WCA-2A and products 1 and 2 for Southern Coastal	4 of 24 reengineering products completed (8 cumulatively)**
Water quality data meet or exceed state and national standards for quality	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	100% of data met State and National Environmental Laboratory Accreditation Program Standards	95% of data meet State and National Environmental Laboratory Accreditation Program standards
Forensic water quality investigations successfully respond to legal challenges and provide vital support for making informed decisions	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	Average Score of 4.96 on the client survey	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 - 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.	- Of 112 data management accountabilities, 65 acknowledged as being fulfilled - Adopted Enterprise Data Management Procedures	- Of 112 data management accountabilities, all 112 acknowledged as being fulfilled

*Target reduced due to policy change.

**Target increased due to addition of one project at three products per project.

CORPORATE RESOURCES

Organization



FY2009 to FY2010 Resource Area Variance

	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$27,431,263	\$29,842,519	\$33,378,353	\$3,535,834	11.8%
Operating/Self Insurance	15,694,137	22,906,786	48,834,103	25,927,317	113.2%
Contracts	19,943,173	23,477,879	19,222,191	(4,255,688)	-18.1%
Capital	6,756,665	1,374,820	1,798,607	423,787	30.8%
Reserves	-	11,215,104	9,023,353	(2,191,751)	-19.5%
Total	\$69,825,238	\$88,817,108	\$112,256,607	\$23,439,499	26.4%
By Fund					
District (DIST)	\$63,498,645	\$72,015,772	\$68,995,383	\$(3,020,389)	-4.2%
Okeechobee Basin (OKEE)	4,002,313	9,770,963	9,481,457	(289,506)	-3.0%
Big Cypress Basin (BIGC)	312,646	740,551	825,381	84,830	11.5%
Save Our Rivers (SORO)	(637)	9,000	-	(9,000)	-100.0%
State Appropriations Non-Land	64	-	-	-	N/A
District (CAPD)	1,550,500	-	-	-	N/A
Everglades Trust	461,707	1,193,583	285,059	(908,524)	-76.1%
Florida Bay	-	900	-	(900)	-100.0%
Self Insurance (SELF)	-	5,086,339	5,238,829	152,490	3.0%
Self Insurance (Health)	-	-	27,430,498	27,430,498	N/A
Total	\$69,825,238	\$88,817,108	\$112,256,607	\$23,439,499	26.4%



MISSION SUPPORT

Program Description

Like any good business or organization, the District constantly looks for opportunities and implements strategies to improve operations, create more accountability and, most importantly, deliver the services and results that customers expect.



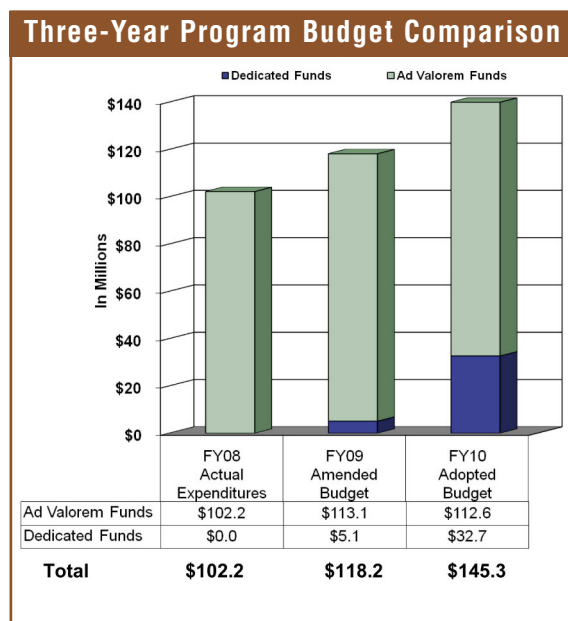
Headquarter Improvements

The Mission Support program comprises the administrative and underlying business functions of the agency, including: executive management; legal; human resources; financial management; procurement; facilities management; records management; safety, security and emergency management; information technology; flight operations; budgeting and performance management; Service Center operations; State, Federal and Tribal affairs; intergovernmental coordination; public information; ombudsman; and internal audit. Key to the success of this program is the commitment to maximize transparency and demonstrate accountability to the public we serve.

Program Activities/Functions:

- Attract, retain and develop a high-performance, team-oriented, diverse workforce; 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 FY2010 Funding Increase



Total Budget

The total FY2010 adopted budget for the Mission Support program is \$145.3 million. As reflected in the program variance table on the following page, the FY2010 total is approximately \$27 million higher than the FY2009 amended budget. This is a 22.9 percent increase in budgeted funds.

Ad Valorem Funds

The Mission Support program's ad valorem funds total \$112.6 million, which is \$0.6 million lower than the FY2009 amended budget amount. This reflects a decrease in project costs associated with Information Technology (IT) and other operating costs. Ad valorem funds decreased 0.5 percent.

Dedicated Funds

FY2010 dedicated funds for this program total \$32.7 million. The increase of \$27.6 million in funding is due to the addition of a new fund for self insurance for health benefits. Dedicated funds increased 542.3 percent.

FY2009 to FY2010 Program Variance

Program	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
<u>Business Administration</u>					
Ad Valorem Funds	\$87,196,343	\$105,241,968	\$99,587,236	\$(5,654,732)	-5.4%
Dedicated Funds	-	5,086,339	32,669,327	27,582,988	542.3%
Subtotal All Sources	87,196,343	110,328,307	132,256,563	21,928,256	19.9%
<u>Major Projects</u>					
Ad Valorem Funds	15,028,216	7,899,657	12,997,746	5,098,089	64.5%
Dedicated Funds	-	-	-	-	N/A
Subtotal All Sources	15,028,216	7,899,657	12,997,746	5,098,089	64.5%
<u>Program Total</u>					
Ad Valorem Funds	102,224,559	113,141,625	112,584,982	(556,643)	-0.5%
Dedicated Funds	-	5,086,339	32,669,327	27,582,988	542.3%
Program Total	\$102,224,559	\$118,227,964	\$145,254,309	\$27,026,345	22.9%

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

FY2009 Mission Support Program Accomplishments

- Completed the re-roofing of the headquarters building with a reflective solar membrane that qualified for a \$25,000 rebate from FPL. This combined with our green initiatives of prior years (such as retrofitting buildings with high efficiency lighting) has led to a multi-year decline in kilowatt usage
- Began the planning and design of the Budget Module of SAP to develop the budget, strategic plan and annual work plan
- Received Government Finance Officers Association national Distinguished Budget Presentation Award with special recognition for communications
- Obtained Unqualified Opinion on District's FY2008 Financial Statements (CAFR)
- Implemented E-recruiting solution Kenexa
- Implemented performance management software and conducted training for 1,000 employees
- Maintained functionality of the Emergency Operations Center at all times
- Reviewed, edited and wrote messaging and supporting materials for District initiatives; collaborated on numerous communication plans including Water Conservation and River of Grass initiatives
- External Web Site Redevelopment - Conducted extensive research, planning, design, content development and initial testing of the multi-phased project in partnership with Information Technology. This is a significant and resource-intensive undertaking to update www.sfwmd.gov with more cutting-edge, multimedia technology and user-friendly navigation

Three-Year Summary of Program Performance Measures

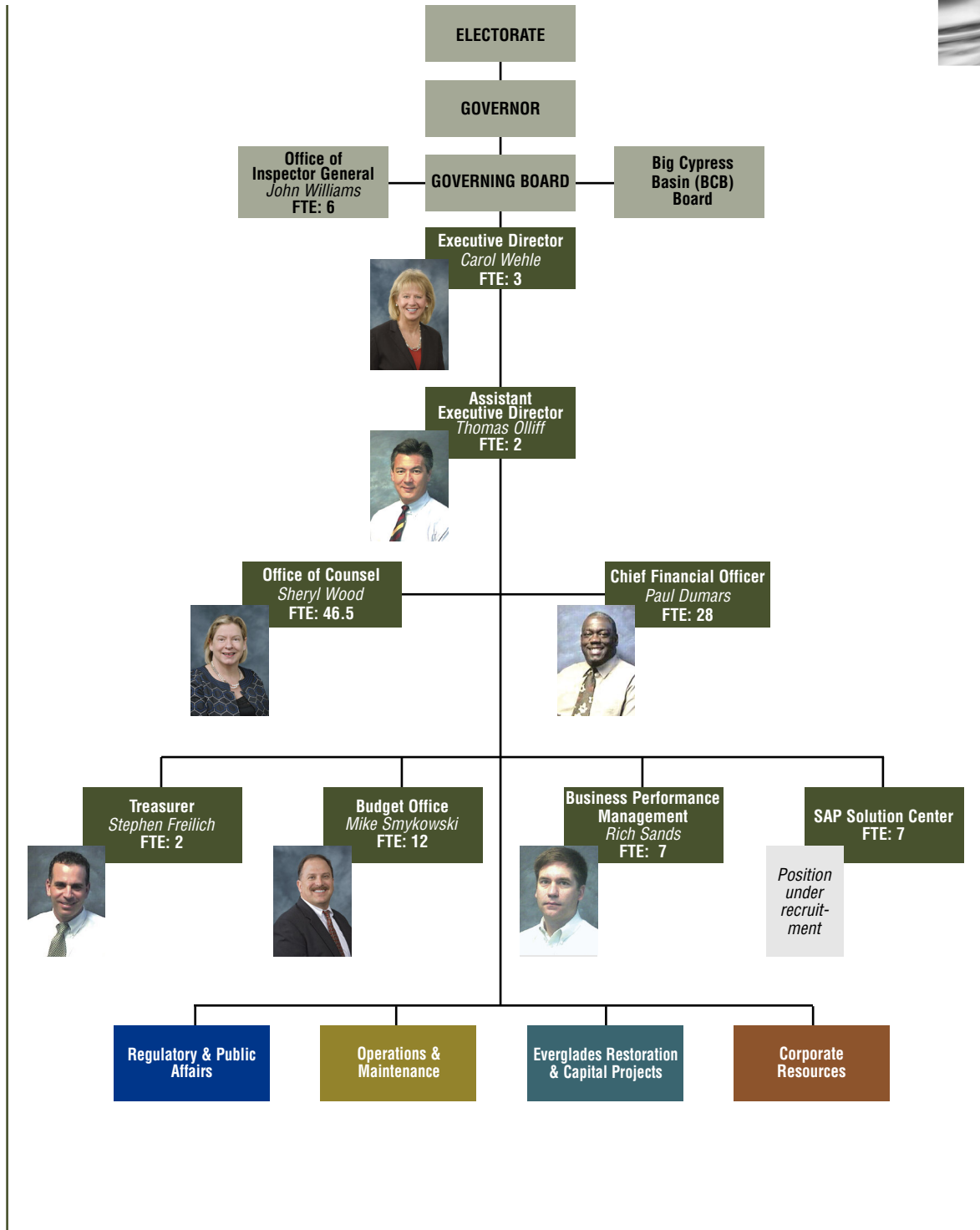
Mission Support Program

Program Objectives	FY2008	FY2009 Target	FY2009	FY2010 Target
Human Resources				
Greater than 90% of employees retained beyond introductory period	91%	>90%	99%	>90%
Information Technology				
99.99% critical Information Technology system availability	99.99%	99.99%	99.99%	99.90% *
Greater than 98% Information Technology Help Desk customer satisfaction	97%	>98%	98%	>96% *
Business Support				
Current ratio of three or greater to one (assets to liabilities)	3.92	3.00	5.78	3.00
Discretionary budget to actual expenditure variance not greater than 15 percent (Expenditure rate = 1-variance)	Expenditure rate = 88%	Expenditure rate >85%	Expenditure rate = 80%	Expenditure rate >85%
Unqualified (positive) opinion in District's financial audit	Unqualified opinion received	Receive unqualified opinion	Pending Audit	Receive unqualified opinion
5% or greater of contract dollars to Small Business Enterprise vendors	5.8%	>5%	11.3%	>5%
95% of managers of key projects following project management standards for reporting	95%	>95%	97%	>95%
Safety, Security & Emergency Management				
100% compliance with the Security Plan schedule	100% Compliance	100% Compliance	100% Compliance	100% Compliance
Executive Offices				
Less than 10% total budget for administration	8.94%	3.54%	7.87%	6.71%
Positive Office of Counsel Client Survey Response	91% positive client service survey responses	>90% positive client service survey responses	96% positive client service survey responses	>90% positive client service survey responses
Less than 1% of total District budget devoted to the Office of Counsel	0.79%	0.37%	0.82%	0.52%
90% of citizen correspondence responded to within 14 working days of receipt	62%	>90%	71%	>90%

*Target reduced based on industry standards

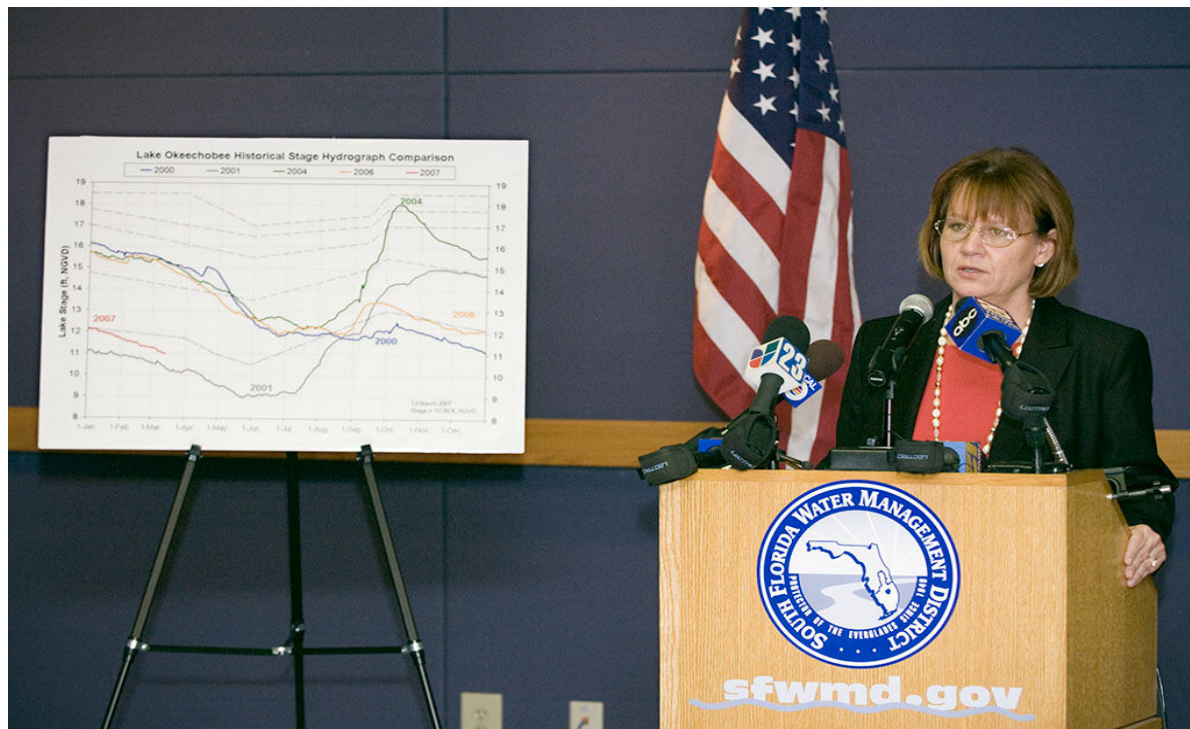
EXECUTIVE OFFICES

Organization



FY2009 to FY2010 Resource Area Variance

	FY2008 Actual Expenditures	FY2009 Amended Budget	FY2010 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$9,029,193	\$10,720,180	\$10,354,614	\$(365,566)	-3.4%
Operating/Self Insurance	324,987	654,137	368,778	(285,359)	-43.6%
Contracts	9,900,498	6,338,901	11,297,902	4,959,001	78.2%
Capital	2,929,219	14,049,500	-	(14,049,500)	-100.0%
Total	\$22,183,897	\$31,762,718	\$22,021,294	\$(9,741,424)	-30.7%
By Fund					
District (DIST)	\$19,893,270	\$15,601,737	\$19,867,098	\$4,265,361	27.3%
Okeechobee Basin (OKEE)	1,654,723	1,764,731	1,459,891	(304,840)	-17.3%
Okeechobee Basin (CAPO)	352,909	250,000	-	(250,000)	-100.0%
Everglades Trust	89,553	216,250	94,305	(121,945)	-56.4%
Florida Bay Fund	3,480	-	-	-	N/A
CERP - Ad Valorem	189,962	13,930,000	600,000	(13,330,000)	-95.7%
Total	\$22,183,897	\$31,762,718	\$22,021,294	\$(9,741,424)	-30.7%



FINANCIAL OVERVIEW

Financial Principles and Policies

Financial planning and management are vital for effective operations. The South Florida Water Management District (District) works continually on improving operations to be a world class financial organization. To achieve this objective, the agency implements well-controlled business practices in business-critical areas:

- Strategic planning and business risk assessment
- Budgetary planning and reporting
- Efficient business processes
- 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 FY2010, 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.

FY2010 Status

During 2009 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 timelines for 2009-2019.

2. Capital Projects Plan

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

FY2010 Status

The five-year Capital Improvements Plan is updated each year. A summary of the FY2010 plan is included in the Long-Range Planning section of this document.

3. Fiscal Plan

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

FY2010 Status

A district-wide Work Plan that includes projects, objectives and success indicators tied to the FY2010 budget was approved by 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.

FY2010 Status

The FY2010 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.

FY2010 Status

Information regarding asset condition, scheduled maintenance, useful life and repair costs were 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

FY2010 Status

Projected FY2010 property tax revenue represents 30.1 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 69.9 percent. Although millage rates were held steady for FY2010, tax revenues are projected to decrease because of 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

FY2010 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).

FY2010 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.

FY2010 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 2009. 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.

Total annual debt service for revenue bonds issued after January 1, 2009 pursuant to s. 373.584 (Senate Bill 2080) and s. 373.563 may not exceed 20 percent of the annual ad valorem tax revenues of the District, unless approved by the Joint Legislative Budget Commission.

FY2010 Status

The last revision to the debt policy was adopted in October 2009. 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.

FY2010 Status

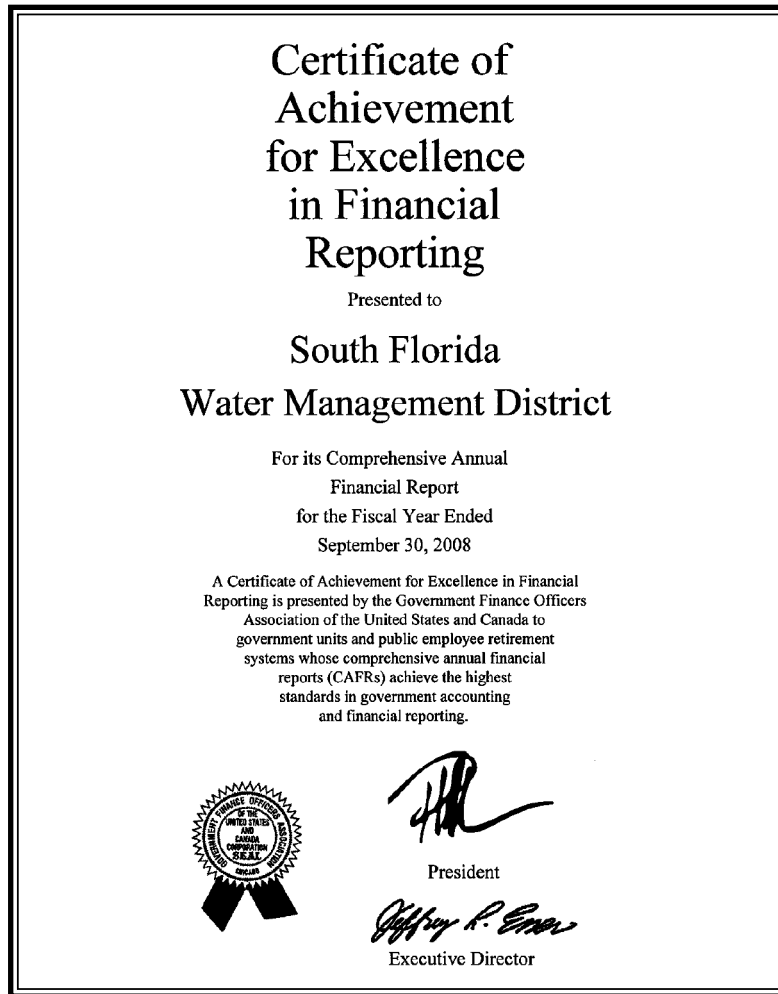
For FY2010, the economic stabilization reserve is \$25.6 million, the reserve for encumbrances is \$83.4 million and the contingency reserve budget is \$7.7 million.

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.



2008 Financial Reporting Award

14. Independent Audit

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

15. Internal Audit

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

16. Business Ethics

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

Basis of Accounting and Budgeting

The South Florida Water Management District uses the modified accrual basis of accounting for both accounting and budgeting purposes. 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.

It should be noted that compensated absences are treated differently in the budget than they are in the *Comprehensive Annual Financial Report*. 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, 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.

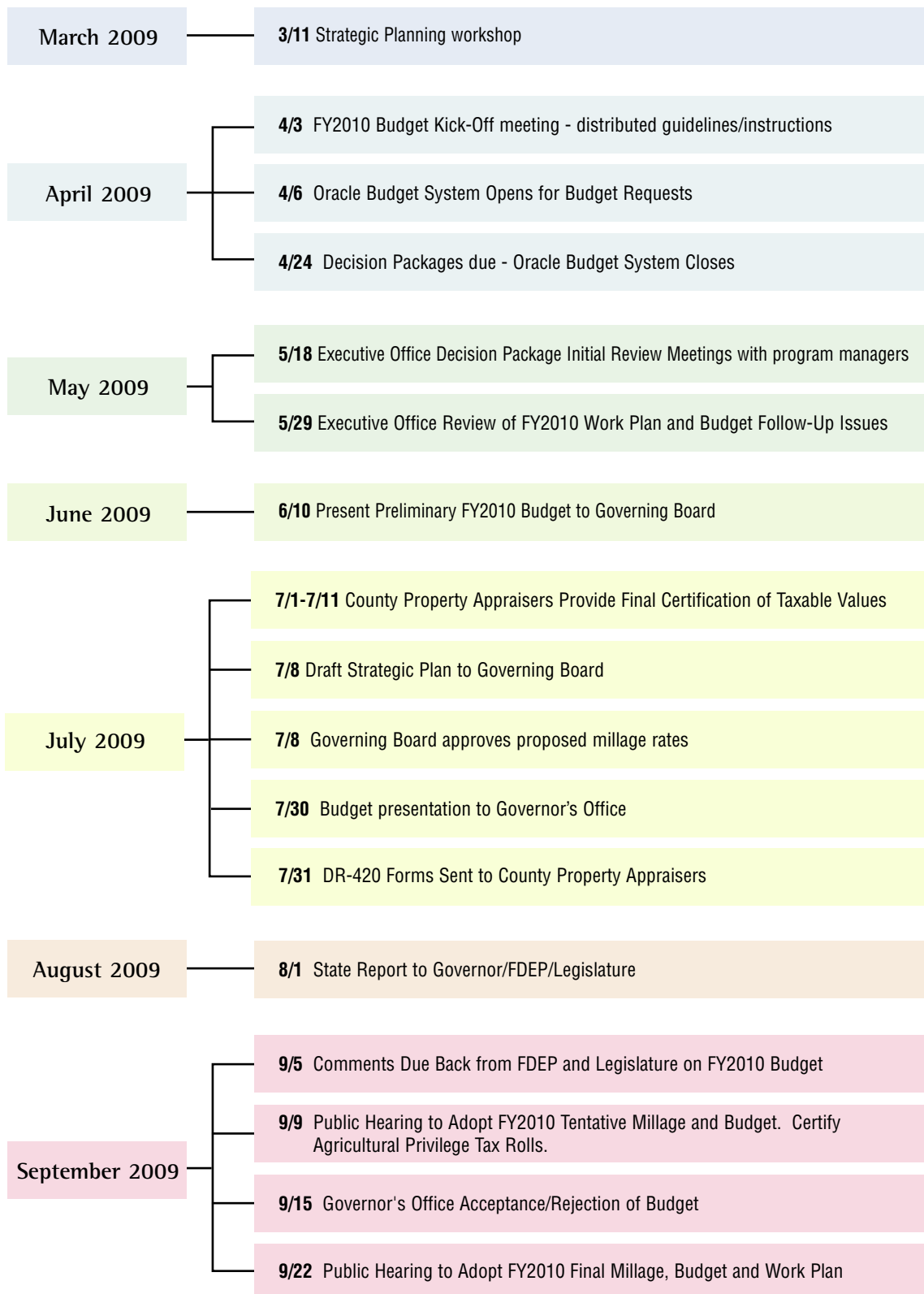
The final adopted budget for the District is the operating and fiscal guide for the ensuing year. Transfers of funds, however, may be made within the budget by the Governing Board at a public meeting.

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.

FY2010 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 2010 budget:

- Evaluate programs and activities to align them to the Strategic Plan and Work Plan objectives and success indicators.
- Prioritize workloads and identify baseline activities that can potentially be reduced.
- Ensure that project and process annual plan deliverables are essential to achievement of the Governing Board's directive.
- Justify the level of resources, including staffing, proposed for each budget request by providing outputs and outcomes that will result from the proposed level of required resources.
- Redirect Ad Valorem funds towards payment of prior commitments or key activities previously funded by the state in order to overcome revenue shortfalls at the state level.
- Conduct a thorough review of on-going contractual services to determine if existing District staff can perform the same services.
- Maintain reserves at current year levels in the event of revenue shortfalls, hurricanes and other contingencies.
- Plan the use of one-time fund balance for one-time non-recurring budget items.
- Focus ad valorem funds towards mission critical functions and activities while searching for reduction opportunities within current operations and contracts.
- Complete on-going work in order to prevent or reduce any carry forward dollars to the next budget year.
- Determine if any projects may be deferred without impeding the District's mission.

Budget Philosophy and Approach

Program Budget Approach

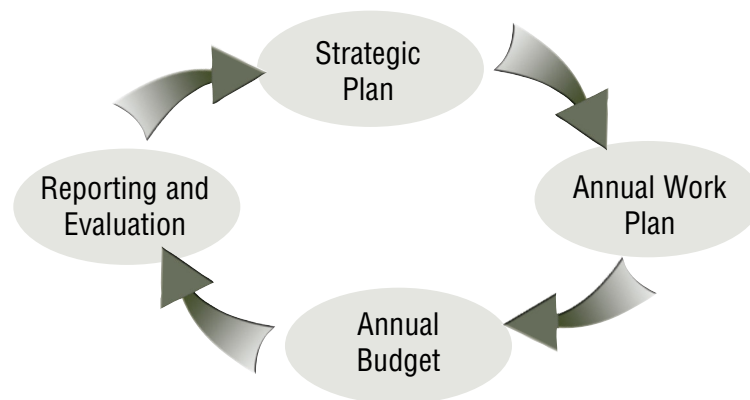
The South Florida Water Management District's (District) broad mission and mandates were organized into four programs for which long- and short-term goals, and success indicators were established. The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. This 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 awareness of agency strategic goals, objectives and outcomes, identification of strategies to achieve these outcomes and the development of performance measures.

The 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. As in previous years, decision packages were used as part of 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 four District programs. After initial implementation, program achievements are evaluated and reported to the Governing Board quarterly and the results are incorporated into the Strategic Plan when updated the following year. Performance is also reported externally on an annual basis in the South Florida Environmental Report.



The Budget Development Process

The completed Work Plan guided development of the annual budget, which was approved by the Governing Board in September 2009. 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 FY2010 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 (FY2010) and future years (through 2014) 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 several public meetings. 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 (FDEP) 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 9, 2009 and the final rates and budget on September 22, 2009.

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.

FINANCIAL STRUCTURE

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

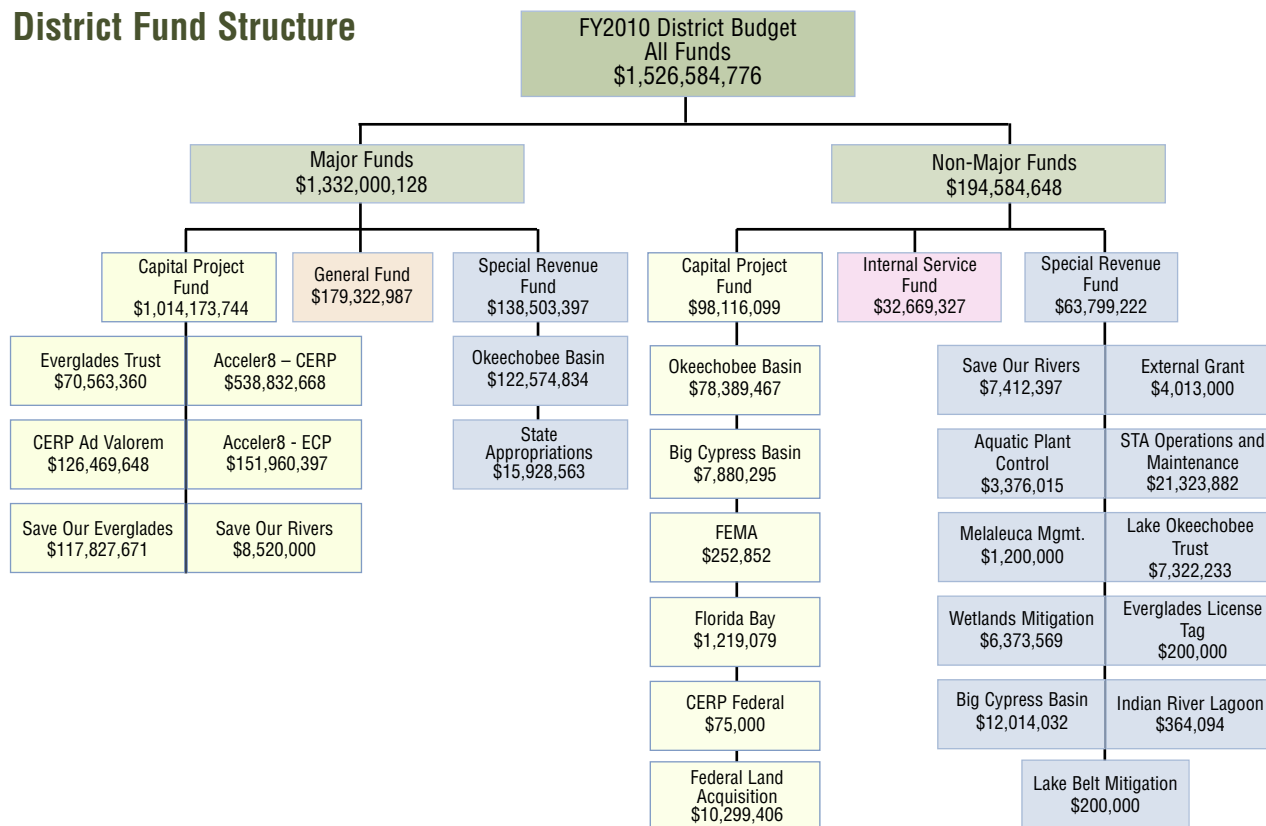
There are no additional component units required for inclusion in the budget. The District does not invest or participate in any joint ventures.

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

Fund Structure and Purpose

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

District Fund Structure



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

Major Funds

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

General Fund

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

Special Revenue Funds

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

Okeechobee Basin Fund

This fund accounts for the normal operating expenditures for the Okeechobee Basin. The region covers all or part of 15 counties extending from the Kissimmee Chain of Lakes in Orange County, through Lake Okeechobee, the Everglades, and Florida Bay. Funding is provided by a .2797 mill property tax levy, intergovernmental revenues, permit fees, interest earnings and other revenue sources.

State Appropriations Fund

The agency's State Appropriations Fund accounts for expenditures made for various projects utilizing revenue originating from state sources. The Water Protection and Sustainability Trust Fund, Ecosystem Management Trust and other state agencies are among the funding sources for this fund.

Capital Project Funds

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

Everglades Trust Fund

This trust fund accounts for capital expenditures used to construct Stormwater Treatment Areas which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided through a .0894 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, permit fees 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 (none appropriated for FY2010).

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.

Federal Land Acquisition Fund

The Federal Land Acquisition Fund accounts for revenues received from the federal government or program income to be used towards land acquisition and land management activities.

Internal Service Fund

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

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>Regulatory & Public Affairs</u>											
Water Supply	\$36,347,227	\$267,664	\$3,700,250	-	-	-	-	-	-	\$1,662,288	\$41,977,429
<u>Operation & Maintenance Resources</u>											
Operations & Maintenance	16,482,997	93,037,236	60,238	-	-	-	-	820,000	-	88,488,322	\$198,888,793
<u>Everglades Restoration & Capital Projects</u>											
Restoration	30,104,284	14,478,600	12,168,075	70,563,360	126,469,648	538,832,668	151,960,397	7,700,000	117,827,671	70,359,542	\$1,140,464,245
<u>Corporate Resources</u>											
Mission Support	96,388,479	14,791,334	-	-	-	-	-	-	-	34,074,496	\$145,254,309
Total	\$179,322,987	\$122,574,834	\$15,928,563	\$70,563,360	\$126,469,648	\$538,832,668	\$151,960,397	\$8,520,000	\$117,827,671	\$194,584,648	\$1,526,584,776

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 implemented legislative action and the declining economic atmosphere, the ad valorem tax revenue is no longer tied to increase in value of the existing tax roll. The ad valorem property tax revenue projections were based on keeping millage rates at existing levels. Any increases or decreases were calculated for counties located within the District's jurisdiction, per the November 2008 Ad Valorem Estimating Conference forecast for FY2010. The District's Budget Office 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 FY2010, the assessed tax-per-acre for the EAA and C-139 Basin was \$24.89 and \$4.30, respectively. The Budget Office 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 used to fund anticipated expenditures specifically for the Everglades. 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 Office 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 Office 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.

Other – Miscellaneous

Various revenue sources such as self-insurance premiums, leases and sale of District property are included within this category. District functional units generate revenue projections for this category.

Currently, the District does not budget for cash discounts earned, refund of prior-year expenditures or other miscellaneous income items.

Functional Unit Estimates

Throughout the budget development process, the Budget Office 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 Office, along with supporting documentation and an explanation of how revenue estimates were calculated and how they were intended to be utilized to offset activities supporting the mission of the district.

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 rolls 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 or entities.

In FY2009, 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 FY2010 through FY2014. 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. FY2010 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.

FY2010 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 FY2010 estimated revenue totaled \$1.527 billion. When compared to the FY2009 amended budget of \$1.279 billion, revenues increased overall by \$248 million. This increase is due largely to \$536.5 million land acquisition planned for the River of Grass project, netted against other reductions.

The adopted FY2010 estimated revenue, less funds for River of Grass land acquisition, totaled \$.990 billion. When compared to the FY2009 amended budget of \$1.279 billion, revenues decreased overall by \$0.289 billion. This 40 percent decrease is due largely to the one-time use of fund balance in FY2009. Additionally, Ad Valorem revenue for FY2010 is projected to be \$65.3 million or 12.4% lower than FY2009.

The following pages contain detailed explanations of the FY2010 revenue projections by category, with comparisons to the FY2009 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

FY2009 Amended / FY2010 Adopted Budgets	FY2009 Amended Budget	FY2010 Adopted Budget	FY2010 Over or (Under) FY2009	Percent Change
SOURCES:				
Ad Valorem Property Taxes	\$525,229,365	\$459,945,322	(\$65,284,043)	-12.4%
Agricultural Privilege Taxes	11,600,000	11,630,000	30,000	0.3%
Intergovernmental	174,743,522	147,548,855	(27,194,667)	-15.6%
Investment Earnings	9,031,806	7,629,020	(1,402,786)	-15.5%
Licenses, Permits & Fees	4,597,650	3,324,950	(1,272,700)	-27.7%
Other - Miscellaneous	12,356,339	10,813,829	(1,542,510)	-12.5%
Health Insurance Premiums	0	27,430,498	27,430,498	100.0%
Other Financing Sources	273,544,000	690,793,065	417,249,065	0.0%
Fund Balance - Designated	267,441,177	167,469,237	(99,971,940)	-37.4%
Appropriated Sources of Funds	\$1,278,543,859	\$1,526,584,776	\$248,040,917	19.4%
USES:				
Comprehensive Everglades Restoration Plan	\$905,990,673	\$1,140,464,245	\$234,473,572	25.9%
Mission Support	\$113,689,401	\$145,254,309	\$31,564,908	27.8%
Water Supply	\$60,176,978	\$41,977,429	(\$18,199,549)	-30.2%
Operations & Maintenance	\$198,686,807	\$198,888,793	\$201,986	0.1%
Appropriated Uses Of Funds	\$1,278,543,859	\$1,526,584,776	\$248,040,917	19.4%

Taxes: \$471.6 Million

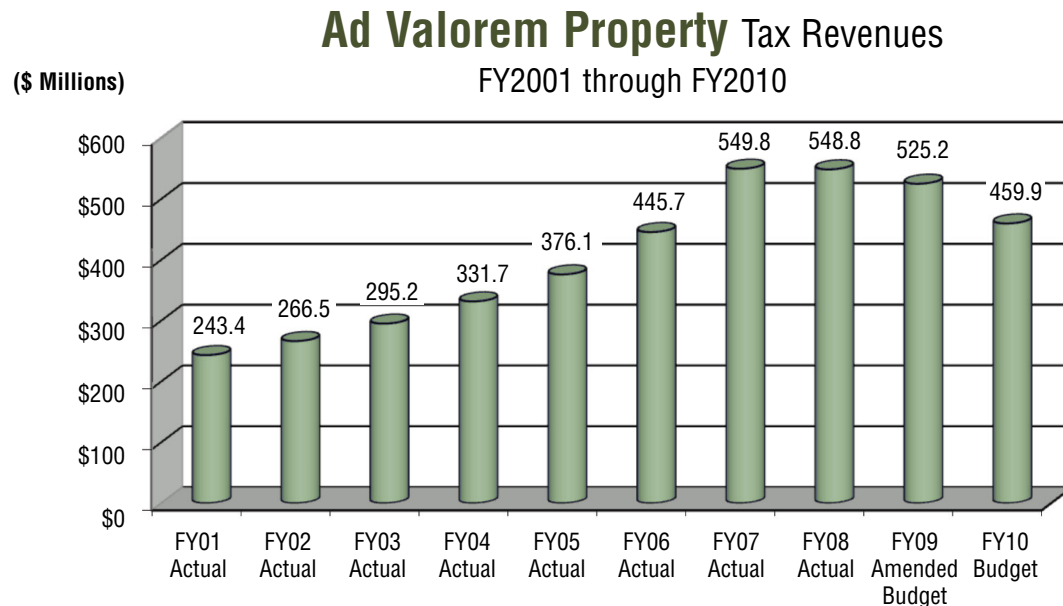
Ad Valorem Property Taxes: \$459.9 Million

Ad valorem property taxes continue to be the District's primary source of revenue. For FY2010, property taxes are anticipated to yield approximately \$459.9 million, which is \$65.3 million or 12.4 percent less than the FY2009 budget of \$525.2 million. This decline is due to the \$110.9 billion decrease in the tax base which lowered District's ad valorem revenue. Property tax millages were maintained at the same rates as prior year.

Property Taxes and Valuations	FY2009	FY2010	Percent Change
Ad valorem property taxes (millions)	\$525.2	\$459.9	-12.4%
Assessed property value (billions)	\$894.7	\$783.8	-12.4%

Property taxes are based on the assessed/taxable values which have decreased over the past two years by over \$150 billion, an estimated revenue loss of \$89.5 million at current millage rates. The loss in tax base valuation is due to the current economic recession and the real estate market responding with decreasing market values and a high volume of foreclosures. The impact of such fluctuations to a relatively steady revenue source is reflected in significant reductions in expenditures. Fund balance is used for some one-time projects or activities but is not an adequate long-term replacement for less ad valorem dollars.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY2001 through FY2010:



For FY2009, 96 percent (96.5 percent for the Big Cypress Basin) of the amount levied was used to project anticipated receipts. This rate is developed from historical collection rates and is applied as a percent of anticipated revenue. During the last ten fiscal years (FY2000 through FY2009), 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 FY2000 and FY2009:

Ad Valorem Property Tax Collections

Percent of Levy Collected FY2000 through FY2009				
Fiscal Year	District-wide	Okeechobee Basin	Big Cypress Basin	Everglades Restoration
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%
2009	95.29%	95.18%	96.43%	95.18%

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.

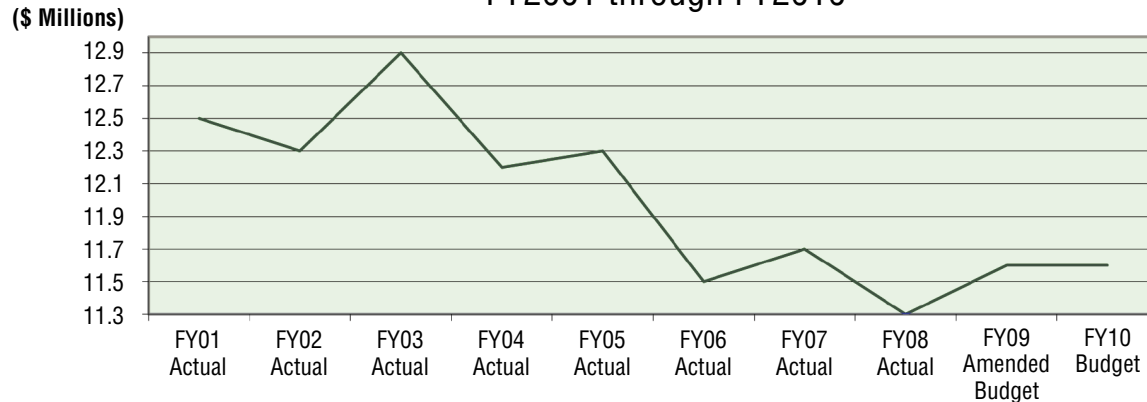
Agricultural Privilege Taxes: \$11.6 Million

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 FY2010, 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 FY2010, projected agricultural privilege tax revenues are expected to generate approximately \$11.6 million, which is the same as the FY2009 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 FY2001 through FY2010



Intergovernmental: \$147.5 Million

The overall net decrease of \$27.2 million in intergovernmental funding for FY2010, from the FY2009 amended budget amount of \$174.7 million, is primarily due to decreases in state appropriations. Many of the state trust funds have been significantly impacted by the current economic recession and recent legislative changes. Thus, there are no new state appropriations in the FY2010 budget.

Appropriations: \$136.4 Million

In FY2010, the District anticipates receiving a total of \$136.4 million from the trust funds listed below:

Florida Forever Program Funds: \$8.5 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 \$8.5 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 a local project outlined in the *Florida Forever Work Plan*. This amount is a \$4.9 million decrease from the FY2009 amended budget of \$13.4 million. The State's fiscal year begins in July whereas the District's starts in October and a portion of the FY2009 appropriation of \$31.5 million from the State was added to the District's FY2008 budget in July. With recent revenue shortfalls at the state level, no new funding was budgeted in FY2010 after FY2009 appropriations were reduced during the special session and future appropriations depend on economic conditions.

Save Our Everglades Trust Fund (SOETF): \$116.0 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 FY2010 is \$116 million, which is a \$2 million increase from the FY2009 budget of \$114 million. Of this amount, \$47 million represents the District's share of the \$50 million State appropriation of SOETF for FY2010 (\$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 to fund CERP land acquisitions and Lake Okeechobee Best Management Practices. The remaining \$69 million represents the re-budgeting of prior year SOETF funding. This includes \$23.1 million of prior year appropriations to fund the C-111 Spreader Canal project. The remainder of the prior year's funding, \$45.9 million, represents the balance of the District's FY2008 appropriation of SOETF for Northern Everglades projects. Of this total, \$39.4 million will be used to fund Lake Okeechobee restoration and \$6.5 million will go towards St. Lucie and Caloosahatchee estuaries restoration.

Special Legislative Appropriations: \$5.0 Million

This revenue estimate of \$5.0 million represents prior year state appropriations for ongoing projects which will fund local water resource and Alternative Water Supply projects.

The District expects to receive \$5.0 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.

This group of revenues decreased approximately \$13.9 million from the FY2009 amended budget of \$18.9 million, because of significant reductions in state funding for local water resources, alternative water supply and Lake Okeechobee projects.

Water Management Lands Trust Fund (WMLTF): \$6.9 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 2009 Legislature Special Session changed the distribution of the WMLTF in response to the lag in Documentary Stamps Tax collections which fund the trust fund. The FY2010 allocation is to first pay existing debt service, the next \$3 million collected will be transferred to the state's general revenue fund and the remainder, if any, distributed to the District.

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 FY2010 projection represents a decrease of \$1.5 million from the FY2009 amended budget of \$12.6 million. The FY2010 grants and agreements include a decrease in state and federal and local funding agreements of \$3.8 million offset by an increase of \$2.3 million from Florida Inland Navigational District (FIND) for dredging projects.

Federal: \$0.3 Million

Approximately \$0.3 million in funding is expected from federal government agencies. This FY2010 budget projection is \$1.2 million lower than the \$1.5 million FY2009 amended budget total. This projection assumes the continuation of existing grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): \$252,852

\$252,852 Federal Emergency Management Agency (FEMA) revenue is included in the FY2010 budget. This projection is based on estimates of the ongoing work to be accomplished in the next fiscal year and represents a decrease of \$0.8 million from the FY2009 amended budget of \$1.0 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): \$75,000

Funding from the U.S. Department of Agriculture (USDA) is anticipated at approximately \$75,000 for FY2010, a decrease of \$0.4 million from the FY2009 amended budget total of \$0.5 million. Budget projections are based on current agreements between the District and the USDA, and the estimated workload for the fiscal year.

The FY2010 budget reflects approximately \$75,000 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: \$7.1 Million

A total of \$7.1 million in revenue is projected from state government agencies for FY2010, a \$2.5 million decrease compared with the FY2009 amended budget of \$9.6 million. This projection assumes the use of remaining prior-year balances and that new revenue will be obtained from grants or cooperative agreements.

Invasive Plant Management Grants: \$4.8 Million

Grant revenues of \$4.8 million to be used for exotic and aquatic plant management from the Florida Department of Environmental Protection (FDEP) are projected for FY2010. 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 \$1.2 million lower than the FY2009 amended budget of \$6.0 million, and is based on current agreements with the FDEP.

Florida Department of Transportation (FDOT): \$2.1 Million

This revenue projection of \$2.1 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. The additional \$0.1 million is an agreement for Efficient Transportation Decision Making (ETDM) Amendment for I-595 Project to streamline projects through the permitting process.

Other State Grants and Cooperative Agreements: \$0.2 Million

Each year, the District applies for, and receives, grants from a variety of different state sources. In the FY2010 budget, a state grant of approximately \$0.2 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: \$3.6 Million

Estimated revenues from local sources total approximately \$3.6 million for FY2010, which is \$2.1 million higher than the FY2009 amended budget amount of \$1.5 million. This increase relates primarily to a grant for the Manatee Pocket Dredging project. 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): \$3.6 Million

The District expects to receive \$3.6 million from the Florida Inland Navigation District (FIND) as reimbursement for the Manatee Pocket-Dredging Grant.

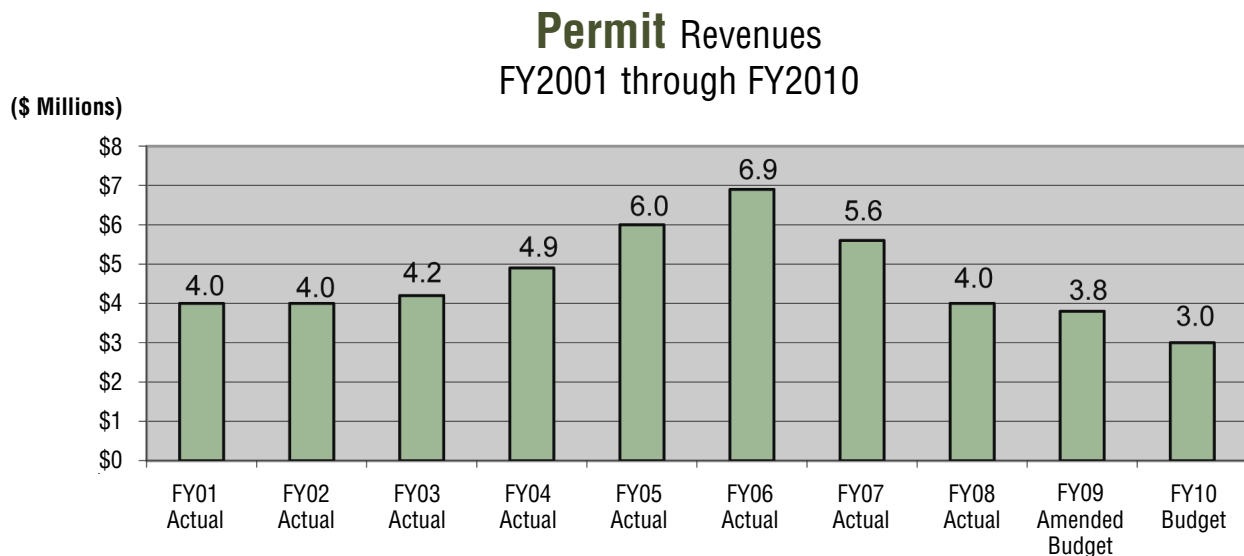
Investment Earnings: \$7.6 Million

Investment earnings revenue for FY2010 is estimated at \$7.6 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 \$1.4 million lower for FY2010 than the FY2009 amended budget amount of \$9.0 million due to the above-mentioned factors.

Licenses, Permits and Fees: \$3.3 Million

Anticipated revenues from this category total \$3.3 million for FY2010, \$1.3 million lower than the FY2009 amended budget amount of \$4.6 million. This revenue assumption is based on historical data, collection rate, ongoing agreements and information provided by the District staff. Estimates of surface water management, water use, and right-of-way permit fees total \$2.9 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 about the same level as the FY2009 amended budget and is directly related to sales volume.



Other Miscellaneous Revenue: \$10.8 Million

This category includes four main revenue types: workers compensation and property 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 \$10.8 million for FY2010. This represents a decrease of \$1.4 million from the previous fiscal year total of \$12.2 million.

Increase in self insurance premiums of \$0.1 million and a decrease in leases revenue of \$1.5 million. The projected self-insurance premium cost of \$5.2 million is based on cost allocation formulas that distribute insurance and administrative expenses to user departments within the District.

Lease revenues of \$0.6 million, which decreased from the amended FY2009 budget of \$2.1 million, are primarily due to anticipated changes in 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 based on applying the District's current indirect rate to CERP direct salaries.

Health Insurance Premiums: \$27.4 Million

The District plans to be self-insured in FY2010 for health insurance. This new category is broken down into medical, dental and vision and is estimated to be \$27.4 million based on historical rates and other factors affecting health insurance premiums. These premiums will be paid by the District, current employees and retirees.

Other Financing Sources: \$536.5 Million

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 land of the United States Sugar Corporation for an estimated \$536.5 million during FY2010. This amount would be financed through a second COPs issuance in FY2010 (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.

Fund Balance: \$321.8 Million

The last revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. The revenue projection of \$321.8 million assumes this amount will be available from fund balances as a designated financing source for the FY2010 budget. This projected amount is \$219.2 million lower than the FY2009 amended budget of \$541.0 million. Several factors determine the amount of fund balance available to re-budget each fiscal year. Such factors include delays in project schedules and/or the shifting of priorities, and changes in estimates for certain types of expenditures.

Summary of Estimated Financial Sources and Uses

Actual FY2008 through Projected FY2010

SOURCES	Major Funds								
	General Fund			Okeechobee Basin			State Appropriations		
Revenue Type	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected
Ad Valorem Property Taxes	\$228,804,107	\$218,947,030	\$191,796,473	\$228,736,420	\$218,973,772	\$191,517,490	-	-	-
Agriculture Privilege Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	624,854	-	-	5,239,247	-	-	34,836,755	13,768,629	4,985,726
Investment Earnings	5,901,026	2,900,000	2,458,910	5,979,703	3,200,000	2,713,280	-	-	-
Licenses, Permits and Fees	3,934,272	3,965,550	2,850,950	100,525	83,000	83,000	-	-	-
Other*	12,569,878	4,775,000	4,775,000	1,082,459	-	300,000	10,560	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$251,834,137	\$230,587,580	\$201,881,333	\$241,138,354	\$222,256,772	\$194,613,770	\$34,847,315	\$13,768,629	\$4,985,726
Fund Balance Designated	\$15,246,896	\$31,634,451	\$16,334,101	\$38,956,711	\$16,467,355	\$18,880,762	\$4,658,333	\$5,533,692	\$10,942,837
Total Sources and Balances	\$267,081,033	\$262,222,031	\$218,215,434	\$280,095,065	\$238,724,127	\$213,494,532	\$39,505,648	\$19,302,321	\$15,928,563
Operating Transfers (Net)	(\$44,717,628)	(\$75,721,936)	(\$38,892,447)	(\$137,759,090)	(\$112,686,396)	(\$90,919,698)	-	-	-
GRAND TOTAL SOURCES	\$222,363,405	\$186,500,095	\$179,322,987	\$142,335,975	\$126,037,731	\$122,574,834	\$39,505,648	\$19,302,321	\$15,928,563

USES	General Fund			Okeechobee Basin			State Appropriations		
District Programs									
Restoration	20,335,899	33,367,130	30,104,284	19,561,954	26,532,049	14,478,600	18,030,352	10,460,123	12,168,075
Operations and Maintenance	13,605,420	12,068,377	16,482,997	77,518,330	84,045,191	93,037,236	43,500	70,868	60,238
Mission Support	97,071,395	92,293,332	96,388,479	10,619,779	14,829,235	14,791,334	-	-	-
Water Supply	45,871,124	48,771,256	36,347,227	2,167,782	631,256	267,664	22,402,127	8,771,330	3,700,250
GRAND TOTAL USES	\$176,883,838	\$186,500,095	\$179,322,987	\$109,867,845	\$126,037,731	\$122,574,834	\$40,475,979	\$19,302,321	\$15,928,563
SOURCES OVER USES	\$45,479,567	\$0	\$0	\$32,468,130	\$0	\$0	(\$970,331)	\$0	\$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 FY2008 through Projected FY2010

SOURCES	Major Funds								
	Everglades Trust			Save Our Rivers Fund			CERP - Ad Valorem		
Revenue Type	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected
Ad Valorem Property Taxes	\$73,125,490	\$69,990,187	\$61,214,385	-	-	-	-	-	-
Agriculture Privilege Taxes	11,262,609	11,600,000	11,630,000	-	-	-	-	-	-
Intergovernmental Revenue	2,000,000	2,000,000	2,000,000	54,236,563	13,496,741	8,520,000	63,038	-	-
Investment Earnings	4,197,111	1,300,000	1,102,270	600,636	-	-	1,734,952	500,000	423,950
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other*	141,599	130,000	-	1,224,754	-	-	108,135	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$90,726,809	\$85,020,187	\$75,946,655	\$56,061,953	\$13,496,741	\$8,520,000	\$1,906,125	\$500,000	\$423,950
Fund Balance Designated	\$23,910,702	\$71,668,741	\$12,337,353	-	-	-	\$13,674,407	\$95,190,753	\$52,870,915
Total Sources and Balances	\$114,637,511	\$156,688,928	\$88,284,008	\$56,061,953	\$13,496,741	\$8,520,000	\$15,580,532	\$95,690,753	\$53,294,865
Operating Transfers (Net)	(\$17,127,287)	(\$19,531,070)	(\$17,720,648)	-	-	-	\$125,268,893	\$142,350,268	\$73,174,783
GRAND TOTAL SOURCES	\$97,510,224	\$137,157,858	\$70,563,360	\$56,061,953	\$13,496,741	\$8,520,000	\$140,849,425	\$238,041,021	\$126,469,648

USES	Everglades Fund			Save Our Rivers Fund			CERP - Ad Valorem		
District Programs									
Restoration	55,204,149	137,157,858	70,563,360	54,660,570	12,656,741	7,700,000	99,630,460	238,041,021	126,469,648
Operations and Maintenance	-	-	-	-	840,000	820,000	12,586	-	-
Mission Support	-	-	-	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$55,204,149	\$137,157,858	\$70,563,360	\$54,660,570	\$13,496,741	\$8,520,000	\$99,643,046	\$238,041,021	\$126,469,648
SOURCES OVER USES	\$42,306,075	\$0	\$0	\$1,401,383	\$0	\$0	\$41,206,379	\$0	\$0

Summary of Estimated Financial Sources and Uses (Continued)

Actual FY2008 through Projected FY2010

SOURCES	Major Funds								
	Acceler8 - Everglades Construction			Acceler8 - CERP			Save Our Everglades Trust		
Revenue Type	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected
Ad Valorem Property Taxes	-	-	-	-	-	-	-	-	-
Agriculture Privilege Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	93,897,695	113,990,894	116,043,865
Investment Earnings	-	-	-	15,650,681	-	-	-	-	-
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other*	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	536,482,668	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$0	\$0	\$0	\$15,650,681	\$0	\$536,482,668	\$93,897,695	\$113,990,894	\$116,043,865
Fund Balance Designated	-	\$12,771,100	\$151,960,397	\$270,368,446	\$260,772,900	\$2,350,000	-	-	-
Total Sources and Balances	\$0	\$12,771,100	\$151,960,397	\$286,019,127	\$260,772,900	\$538,832,668	\$93,897,695	\$113,990,894	\$116,043,865
Operating Transfers (Net)	-	\$231,928,900	-	\$396,951	(\$231,928,900)	-	\$1,578,422	-	\$1,783,806
GRAND TOTAL SOURCES	\$0	\$244,700,000	\$151,960,397	\$286,416,078	\$28,844,000	\$538,832,668	\$95,476,117	\$113,990,894	\$117,827,671

USES	Acceler8 - Everglades Construction			Acceler8 - CERP			Save Our Everglades Trust		
District Programs									
Restoration	871,369	244,700,000	151,960,397	127,294,225	28,844,000	538,832,668	85,878,934	113,990,894	117,827,671
Operations and Maintenance	-	-	-	-	-	-	10,000,000	-	-
Mission Support	-	-	-	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$871,369	\$244,700,000	\$151,960,397	\$127,294,225	\$28,844,000	\$538,832,668	\$95,878,934	\$113,990,894	\$117,827,671
SOURCES OVER USES	(\$871,369)	\$0	\$0	\$159,121,853	\$0	\$0	(\$402,817)	\$0	\$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 FY2008 through Projected FY2010

	NON-Major Funds					
Sources	Other Governmental Funds			ALL FUNDS		
Revenue Type	FY08 Actual	FY09 Amended Budget	FY10 Projected	FY08 Actual	FY09 Amended Budget	FY10 Projected
Ad Valorem Property Taxes	\$18,081,463	\$17,318,376	\$15,416,974	\$548,747,480	\$525,229,365	\$459,945,322
Agriculture Privilege Taxes	-	-	-	\$11,262,609	\$11,600,000	\$11,630,000
Intergovernmental Revenue	95,580,847	31,920,358	15,999,264	\$286,478,999	\$175,176,622	\$147,548,855
Investment Earnings	3,770,709	1,131,806	930,610	\$37,834,818	\$9,031,806	\$7,629,020
Licenses, Permits and Fees	1,472,796	416,000	391,000	\$5,507,593	\$4,464,550	\$3,324,950
Other*	5,117,906	7,151,339	33,169,327	\$20,255,291	\$12,056,339	\$38,244,327
Other Financing Sources	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	\$536,482,668
Bond Premium	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Sources	\$124,023,721	\$57,937,879	\$65,907,175	\$910,086,790	\$737,558,682	\$1,204,805,142
Fund Balance Designated	\$47,068,584	\$46,946,185	\$56,103,269	\$413,884,079	\$540,985,177	\$321,779,634
Total Sources and Balances	\$171,092,305	\$104,884,064	\$122,010,444	\$1,323,970,869	\$1,278,543,859	\$1,526,584,776
Operating Transfers (Net)	\$72,359,739	\$65,589,134	\$72,574,204	-	-	-
GRAND TOTAL SOURCES	\$243,452,044	\$170,473,198	\$194,584,648	\$1,323,970,869	\$1,278,543,859	\$1,526,584,776

USES	Other Governmental Funds			ALL FUNDS		
District Programs						
Restoration	101,817,960	60,240,857	70,359,542	\$583,285,872	\$905,990,673	\$1,140,464,245
Operations and Maintenance	100,017,867	101,662,371	88,488,322	\$201,197,703	\$198,686,807	\$198,888,793
Mission Support	11,366,139	6,566,834	34,074,496	\$119,057,313	\$113,689,401	\$145,254,309
Water Supply	3,261,282	2,003,136	1,662,288	\$73,702,315	\$60,176,978	\$41,977,429
GRAND TOTAL USES	\$216,463,248	\$170,473,198	\$194,584,648	\$977,243,203	\$1,278,543,859	\$1,526,584,776
SOURCES OVER USES	\$26,988,796	\$0	\$0	\$346,727,666	\$0	\$0

Changes in Fund Balances

Actual Unaudited FY2009 through Projected FY2010

CHANGES IN FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund	Save Our Rivers Fund	CERP Ad Valorem
FY2009						
Actual Beginning Fund Balance 10/01/08	\$94,278,904	\$73,886,171	\$30,291,359	\$89,068,319	\$15,622,667	\$109,559,956
Total Revenues	226,518,248	227,980,485	12,515,487	85,681,197	9,702,768	2,386,210
Total Expenditures	(164,090,962)	(106,200,319)	(17,476,194)	(61,997,403)	(8,293,717)	(64,339,751)
Total Other Financing Sources (Uses)	(75,721,936)	(112,686,396)	-	(19,531,070)	-	142,350,268
Actual Unaudited Ending Fund Balance 9/30/09	\$80,984,254	\$82,979,941	\$25,330,652	\$93,221,043	\$17,031,718	\$189,956,683
FY2010						
Projected Beginning Fund Balance 10/01/09	\$80,984,254	\$82,979,941	\$25,330,652	\$93,221,043	\$17,031,718	\$189,956,683
Total Revenues	201,881,333	194,613,770	4,985,726	75,946,655	8,520,000	423,950
Total Expenditures	(179,322,987)	(122,574,834)	(15,928,563)	(70,563,360)	(8,520,000)	(126,469,648)
Total Other Financing Sources (Uses)	(38,892,447)	(90,919,698)	-	(17,720,648)	-	73,174,783
Projected Ending Fund Balance 9/30/10	\$64,650,153	\$64,099,179	\$14,387,815	\$80,883,690	\$17,031,718	\$137,085,768
Projected Dollar Change in Fund Balance	\$(16,334,101)	\$(18,880,762)	\$(10,942,837)	\$(12,337,353)	-	\$(52,870,915)
Projected Percentage Change in Fund Balance	-20.2%	-22.8%	-43.2%	-13.2%	0.0%	-27.8%

CHANGES IN TOTAL FUND BALANCES	Acceler8 Everglades Construction	Acceler8 CERP	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2009					
Actual Beginning Fund Balance 10/01/08	\$12,938,900	\$266,405,354	\$2,059,716	\$125,755,200	\$819,866,546
Total Revenues	9,500,076	9,874,814	42,186,578	64,934,701	691,280,564
Total Expenditures	(24,191,853)	(15,109,167)	(41,036,221)	(103,638,873)	(606,374,460)
Total Other Financing Sources (Uses)	231,928,900	(231,928,900)	-	65,589,134	-
Actual Unaudited Ending Fund Balance 9/30/09	\$230,176,023	\$29,242,101	\$3,210,073	\$152,640,162	\$904,772,650
FY2010					
Projected Beginning Fund Balance 10/01/09	\$230,176,023	\$29,242,101	\$3,210,073	\$152,640,162	\$904,772,650
Total Revenues	-	-	116,043,865	65,907,175	668,322,474
Total Expenditures	(151,960,397)	(538,832,668)	(117,827,671)	(194,584,648)	(1,526,584,776)
Total Other Financing Sources (Uses)	-	536,482,668	1,783,806	72,574,204	536,482,668
Projected Ending Fund Balance 9/30/10	\$78,215,626	\$26,892,101	\$3,210,073	\$96,536,893	\$582,993,016
Projected Dollar Change in Fund Balance	\$(151,960,397)	\$(2,350,000)	-	\$(56,103,269)	\$(321,779,634)
Projected Percentage Change in Fund Balance	-66.0%	-8.0%	0.0%	-36.8%	-35.6%

Changes in Fund Balances

General Fund

The projected fund balance is estimated to decrease by 20.2 percent or \$16.3 million by the end of FY2010. Fund balance will be used primarily to support and expand SAP including Public Budgeting Formulation (PBF), Government, Risk and Compliance (GRC), Supplier Relationship Management (SRM), Oracle updates in support of databases, Emergency Management Data Center and fund ongoing alternative water supply construction projects.

Okeechobee Basin

There is an anticipated fund balance decrease by 22.8 percent or \$18.9 million by the end of FY2010. This balance will be used to fund projects, land and vegetation management activities and local government projects.

State Appropriations

The projected fund balance is estimated to decrease by 43.2 percent or \$10.9 million by the end of FY2010. 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, Coastal Watersheds projects including Cypress Creek, the St. Lucie River/Indian River Lagoon, Loxahatchee River, Estero and Naples Bays and Alternative Water Supply projects in Doral, Hialeah and North Miami.

Everglades Trust Fund

There is an anticipated fund balance decrease by 13.2 percent or \$12.3 million by the end of FY2010. This balance will be used primarily for Everglades Agricultural Area Compartments B and C build outs that are part of the Long-term Plan projects as well as construction of a laboratory facility.

CERP – Ad Valorem

The projected fund balance is estimated to decrease by 27.8 percent or \$52.9 million by the end of FY2010. Fund balance will be used primarily for Southern Crew project design/ land acquisition and C-111 construction and construction related activities.

Acceler8 Everglades Construction Project

There is an anticipated fund balance decrease by 66 percent or \$152 million by the end of FY2010. This balance will be used to continue the construction of Compartments B and C build outs that are part of the Long-term Plan Acceler8 projects.

Acceler8 CERP

There is an anticipated fund balance decrease by 8.0 percent or \$2.3 million by the end of FY2010. This balance will be used for Everglades Agricultural Area activities and projects.

Other Governmental Funds

The estimated decrease of 36.8 percent or \$56.1 million in these other funds is attributable to 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 \$576,730,678.

This amount consists of:

- \$15,560,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2002
- \$25,790,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2003
- \$5,950,678 - Commercial Bank Debt
- \$529,430,000 - 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 \$41,350,000 at the end of FY2009.

The District began FY2009 with two 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 outstanding balances on the two bank loans totaled \$5,950,678 at the end of FY2009.

In November 2006, the District issued \$546.1 million in Certificates of Participation to fund the construction of Everglades Restoration projects. The outstanding balance at the end of FY2009 was \$529,430,000.

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).

The Special Obligation Bonds are rated A+ by Standard & Poor's, A- by Fitch, and A2 by Moody's. The COPs are rated AA+ by Standard and Poor's, AA- by Fitch and Aa3 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 good bond rating for its obligations in order to realize more favorable borrowing costs.

The District's current debt and its impact on the FY2010 operating budget is shown in the following table:

Impact on Current Operating Budget

Existing Debt	Original Issue	Outstanding as 9/30/2009	Fiscal Year of Maturity	Principal Due in FY2010	Interest Due in FY2010	Total FY2010 Requirement
Major Fund - Acceler8 (COPs)						
COPs	546,120,000	529,430,000	2037	9,370,000	25,923,546	35,293,546
Major Fund - Okeechobee Basin						
Bank Loan	4,827,374	1,379,249	2011	689,625	38,172	727,797
Non-Major Funds						
2002 Refunding	23,810,000	15,560,000	2016	2,000,000	547,588	2,547,588
2003 Refunding	34,550,000	25,790,000	2016	3,190,000	1,174,808	4,364,808
Bank Loan	8,000,000	4,571,429	2013	1,142,857	168,000	1,310,857
Sub-Total	66,360,000	45,921,429		6,332,857	1,890,396	8,223,253
Total	617,307,374	576,730,678		16,392,482	27,852,114	44,244,596

Future Debt and Implications for the Budget

As of this writing, the District plans to acquire land from the U. S. Sugar Corporation at an estimated cost of \$536.5 million. This acquisition would be considered a major milestone in the protection and restoration of the Everglades. The cost would be financed through the issuance of a second COPs in FY2010. 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 is expected to be \$45.7 million. As with the first COPs, issued in November 2006, the District would fund the debt service on this COP issuance using ad valorem property tax revenues committed to CERP annually.

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:	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		36,160,000	5,194,593	41,354,593
Bank Loans:	2011	1,832,482	132,724	1,965,206
(\$4.8M Eqpt. Loan,	2012	1,142,857	72,000	1,214,857
Equest Loan)	2013	1,142,857	24,000	1,166,857
Total		4,118,196	228,724	4,346,920
COPs:	2011-2037	520,060,000	424,492,190	944,552,190
Total - All Debt		560,338,196	429,915,507	990,253,703

Debt Limits

In prior years, the District was not legally restricted as to the amount of debt that could be issued. However, new legislation passed in 2009 limits the District's annual debt service for *revenue bonds issued after January 1, 2009* to an amount not to exceed 20 percent of annual ad valorem tax revenues of the District, unless otherwise approved by the Joint Legislative Budget Commission. Guidelines on debt limit are included in the District's debt policy.

LONG RANGE PLANNING

Budget and Long-Term Goals

The District's budget 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 implement the budget 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

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

The District has established four programs to achieve the agency's mission. Program goals relate directly to the District's mission elements and policies described at the beginning of this section. The four programs are:

- **Restoration:** Implementing projects and processes that are spread throughout the Kissimmee-Okeechobee-Everglades system, as well as in coastal areas
- **Operations and Maintenance:** Managing the District's water control structures, pump stations, vehicles, equipment and telemetry, as well as the lands owned by the District
- **Water Supply:** Protecting supply and environmental resources and functions while facilitating human use
- **Mission Support:** Enabling the agency to function as a business operation

The following table shows the alignment of the District's program budget to long-term goals:

Program Name	Program Goal	Budget (in millions)	Positions
Operations & Maintenance	To minimize flood damage, provide regional water supply, and protect and restore the environment by optimally managing the primary water control system and District lands	198.9	652
Restoration	To restore, preserve and protect the ecosystem by implementing projects that improve the quality, quantity, timing and distribution of water deliveries	1,140.4	500
Water Supply	To ensure sustainable water supplies and natural systems by expanding and protecting water resources	42.0	265
Mission Support	To provide the District with optimum support and logistical functions	145.3	425
Total		\$1,526.6	1,842

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

Linkage of Programs to the District's mission

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

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 among 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 FY2010 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 approved by the District's Governing Board. A detailed description of each major capital project is also provided in the plan.

In FY2010, the District's programs were consolidated from eleven to four, of which three include planned capital projects or land purchases reflected in the CIP. The five-year CIP projects are classified under the District programs as listed below:

- Restoration
- Operations & Maintenance (O&M)
- Mission Support

Capital Expenditures:

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

The FY2010 capital budget totals \$1.0 billion, which is \$1.2 billion or 54.5 percent less than last year's capital budget of \$2.2 million. This decrease is reflected in the Restoration Program and is primarily due to the proposed River of Grass land acquisition, which has been restructured to acquire less acreage than initially budgeted in FY2009.

Although there was a significant decrease in the FY2010 CIP, funding for the Operations and Maintenance Program has been increased to refurbish regional water control structures. The Mission Support Program is funded at the same level in FY2010 as in FY2009.

The Capital Improvements Plan has been included in Volume II of the District's 2010 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, 2010.

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 "2010 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 Program budget

Revenues	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem - District/Okeechobee	\$90,156,246	\$71,604,719	\$61,672,702	\$56,719,304	\$57,571,531	337,724,502
Ad Valorem - CERP	98,503,881	165,324,666	139,927,958	109,694,835	97,934,493	611,385,834
Less: CERP Ad Valorem Fund Balance Reserved for Future Planned Project Funding	-	(94,720,002)	(62,419,979)	(48,446,819)	(44,109,336)	(249,696,136)
Ad Valorem - BCB	8,105,295	6,751,000	6,500,000	8,000,000	5,000,000	34,356,295
Ad Valorem - ECP/Ag Tax	39,859,853	31,378,368	23,319,288	34,590,832	35,462,823	164,611,164
Total Ad Valorem Sources:	236,625,275	180,338,751	168,999,969	160,558,152	151,859,511	898,381,658
Save Our Everglades Trust Fund	107,149,169	47,000,000	72,000,000	97,000,000	97,000,000	420,149,169
Less: SOETF- FY14 Fund Balance Reserved for Future Planned Project Funding	-	-	-	-	(39,000,000)	(39,000,000)
Lake Okeechobee Trust Fund	5,100,000	-	-	-	-	5,100,000
Florida Forever Trust Fund	8,520,000	-	7,875,000	15,750,000	31,500,000	63,645,000
Debt Proceeds	688,793,065	78,819,957	13,192,067	-	-	780,805,089
ROG - Lease Revenues	-	10,950,000	10,950,000	10,950,000	10,950,000	43,800,000
State Appropriations	989,978	-	-	-	-	989,978
CERP - Federal Funds	2,800,000	-	-	-	-	2,800,000
Wetland Mitigation	-	1,000,000	500,000	500,000	500,000	2,500,000
Lake Belt Mitigation	200,000	4,000,000	4,000,000	4,000,000	4,000,000	16,200,000
Total Revenues	1,050,177,487	322,108,708	277,517,036	288,758,152	256,809,512	2,195,370,894

Expenditures	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Restoration	\$982,781,588	\$252,644,989	\$205,844,334	\$220,538,848	\$189,737,980	\$1,851,547,739
Operations & Maintenance	67,077,899	68,318,719	70,492,702	68,129,304	66,871,532	340,890,155
Mission Support	318,000	1,145,000	1,180,000	90,000	200,000	2,933,000
Total Expenditures	\$1,050,177,487	\$322,108,708	\$277,517,036	\$288,758,152	\$256,809,512	\$2,195,370,894

The FY2010-FY2014 CIP represents \$2.2 billion in planned District projects. As reflected on this page, the total FY2010 budgeted capital expenditures are \$1.0 billion, which represents 66.7 percent of the total District budget of \$1.5 billion. The Restoration Program has the largest share of the overall FY2010 capital budget at \$982.8 million or 93.6 percent. Restoration has the majority of the CIP funding and 64.4 percent of the District FY2010 budget, largely because of the River of Grass Land Acquisition. Projects for the three 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; incremental operating costs are shown on a separate schedule.

Capital Improvements Program Fiscal Years 2010-2014

Restoration Program

Coastal Watersheds

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Save Our Everglades Trust Fund	\$4,000,000	\$0	\$37,858,400	\$40,000,000	\$0	\$81,858,400
Ad Valorem Sources	4,485,642	-	-	-	-	4,485,642
TOTAL	\$8,485,642	\$0	\$37,858,400	\$40,000,000	\$0	\$86,344,042
EXPENDITURES						
Caloosahatchee River Basin Water Quality Treatment & Testing Area (C-43 Water Quality Project)	8,485,642	\$0	\$37,858,400	\$40,000,000	\$0	\$86,344,042
TOTAL	\$8,485,642	\$0	\$37,858,400	\$40,000,000	\$0	\$86,344,042

Lake Okeechobee

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$4,000,000
Florida Forever	400,000	-	-	-	-	\$400,000
Save Our Everglades Trust Fund	39,049,169	27,091,338	29,499,600	37,756,192	28,000,000	\$161,396,299
Lake Okeechobee Trust Fund	5,100,000	-	-	-	-	\$5,100,000
TOTAL	\$45,549,169	\$28,091,338	\$30,499,600	\$38,756,192	\$28,000,000	\$170,896,299
EXPENDITURES						
Pearce/Moore Haven Canals Dredging	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$4,000,000
Lakeside Ranch STA Phase I	34,302,827	-	-	-	-	34,302,827
Lakeside Ranch STA Phase II	8,046,342	19,930,000	21,600,000	3,256,592	-	52,832,934
Taylor Creek Design/Test Cell Construction	-	7,161,338	7,899,600	5,999,600	-	21,060,538
Herbert Hoover Dike Rehabilitation	400,000	-	-	-	-	400,000
Northern Everglades Land Acquisition	-	-	-	25,500,000	25,000,000	50,500,000
Northern Everglades Design	-	-	-	3,000,000	3,000,000	6,000,000
Lemkin Creek	1,800,000	-	-	-	-	1,800,000
TOTAL	\$45,549,169	\$28,091,338	\$30,499,600	\$38,756,192	\$28,000,000	\$170,896,299

Kissimmee Watershed

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem	\$17,700,000	\$0	\$0	\$0	\$0	\$17,700,000
Florida Forever	7,300,000	-	-	-	-	\$7,300,000
TOTAL	\$25,000,000	\$0	\$0	\$0	\$0	\$25,000,000
EXPENDITURES						
Kissimmee River Restoration Mitigation	\$25,000,000	\$0	\$0	\$0	\$0	\$25,000,000
TOTAL	\$25,000,000	\$0	\$0	\$0	\$0	\$25,000,000

CERP

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Save Our Everglades Trust Fund	\$64,100,000	\$19,908,662	\$4,642,000	\$19,243,808	\$69,000,000	\$176,894,470
Less: SOETF- FY14 Fund Balance						
Reserved for Future Planned Project Funding	-	-	-	-	(39,000,000)	(39,000,000)
Ad Valorem Sources - CERP	98,503,881	165,324,666	139,927,958	109,694,835	97,934,493	611,385,834
Less: CERP Ad Valorem Fund Balance						
Reserved for Future Planned Project Funding	-	(94,720,002)	(62,419,979)	(48,446,819)	(44,109,336)	(249,696,136)
Florida Forever Trust Fund	-	-	7,875,000	15,750,000	31,500,000	55,125,000
ROG Lease Revenues	-	10,950,000	10,950,000	10,950,000	10,950,000	43,800,000
Ad Valorem - Big Cypress Basin	3,000,000	2,751,000	-	-	-	5,751,000
Debt Proceeds - 2006 COPs - CERP	350,000	-	-	-	-	350,000
Debt Proceeds - 2010 Proposed COPs	536,482,668	-	-	-	-	536,482,668
State Appropriations	989,978	-	-	-	-	989,978
CERP - Federal Funds	2,800,000	-	-	-	-	2,800,000
ECP - Ad Valorem / Ag Tax	11,246,276	-	-	-	-	11,246,276
TOTAL	\$717,472,803	\$104,214,326	\$100,974,979	\$107,191,824	\$126,275,157	\$1,156,129,090
EXPENDITURES						
Southern Crew / Imperial River Flowway CRP	\$10,500,000	\$8,000,000	\$0	\$0	\$0	\$18,500,000
Lake Trafford Restoration CRP	3,000,000	2,751,000	-	-	-	5,751,000
C-43 Basin Storage Res - Part 1	2,800,000	-	-	-	-	2,800,000
C-44 Reservoir and STA	5,180,000	3,500,000	1,000,000	1,000,000	1,000,000	11,680,000
Picayune Strand	300,000	1,300,000	1,300,000	1,300,000	1,300,000	5,500,000
Indian River Lagoon - So.- C-23/C-24 Land Acquisition	30,000,000	-	-	-	30,000,000	60,000,000
Everglades Agricultural Area Storage Reservoirs	425,000	-	-	1,000,000	1,000,000	2,425,000
North Palm Beach County - Part 1	989,978	10,394,726	27,360,791	26,666,667	-	65,412,163
Biscayne Bay Coastal Wetlands	19,676,600	16,793,443	5,901,531	7,875,000	15,750,000	65,996,574
Advanced Work on C-111 Spreader Canal	46,643,400	-	3,937,500	7,875,000	15,750,000	74,205,900
Debt Service - 2006 COPs - CERP	15,775,157	15,775,157	15,775,157	15,775,157	15,775,157	78,875,785
River of Grass Land Acquisition	536,482,668	-	-	-	-	536,482,668
Debt Service - ROG	45,700,000	45,700,000	45,700,000	45,700,000	45,700,000	228,500,000
TOTAL	\$717,472,803	\$104,214,326	\$100,974,979	\$107,191,824	\$126,275,157	\$1,156,129,090

District Everglades

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
ECP - Ad Valorem, Ag Tax	28,613,577	31,378,368	23,319,288	34,590,832	35,462,823	153,364,888
Debt Proceeds- 2006 COPs- District Everglades (415)	151,960,397	78,819,957	13,192,067	-	-	243,972,421
TOTAL	\$180,573,974	\$110,198,325	\$36,511,355	\$34,590,832	\$35,462,823	\$397,337,309
EXPENDITURES						
LTP EAA STA Compartment B Buildout	90,634,072	55,390,299	9,465,010	-	-	155,489,381
LTP EAA STA Compartment C Buildout	61,839,045	23,429,658	3,727,057	-	-	88,995,760
Advanced Work On LTP ACME Basin	5,336,829	-	-	-	-	5,336,829
Rotenberger Pump Station Design & Construction	1,800,000	-	-	-	-	1,800,000
Hydropattern Restoration Design & Construction	-	1,234,586	1,243,255	13,930,300	14,294,900	30,703,041
Other Long-Term Plan Projects	1,444,636	10,624,390	2,556,641	1,141,140	1,648,531	17,415,338
Debt Service - 2006 COPs - District Everglades	19,519,392	19,519,392	19,519,392	19,519,392	19,519,392	\$97,596,960
TOTAL	\$180,573,974	\$110,198,325	\$36,511,355	\$34,590,832	\$35,462,823	\$397,337,309

Modeling & Scientific Support

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem Sources	\$5,700,000	\$10,141,000	\$0	\$0	\$0	\$15,841,000
TOTAL	\$5,700,000	\$10,141,000	\$0	\$0	\$0	\$15,841,000
EXPENDITURES						
Chem Lab Facility	\$5,700,000	\$10,141,000	\$0	\$0	\$0	\$15,841,000
TOTAL	\$5,700,000	\$10,141,000	\$0	\$0	\$0	\$15,841,000

Operations & Maintenance Program

Land Stewardship

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem	\$577,137	\$6,091,707	\$7,340,876	\$1,772,113	\$1,688,582	\$17,470,414
Wetland Mitigation	-	1,000,000	500,000	500,000	500,000	2,500,000
Florida Forever	820,000	-	-	-	-	820,000
Lake Belt Mitigation	200,000	4,000,000	4,000,000	4,000,000	4,000,000	16,200,000
TOTAL	\$1,597,137	\$11,091,707	\$11,840,876	\$6,272,113	\$6,188,582	\$36,990,414
EXPENDITURES						
Recreation Projects Land	\$1,397,137	\$6,091,707	\$7,340,876	\$1,772,113	\$1,688,582	\$18,290,414
Shingle Creek Phase II & III Land/Associated Costs	-	500,000	500,000	500,000	500,000	\$2,000,000
Cypress Creek Restoration	-	500,000	-	-	-	500,000
Lake Belt Land/Lake Belt Associated Costs/Restoration	200,000	4,000,000	4,000,000	4,000,000	4,000,000	16,200,000
TOTAL	\$1,597,137	\$11,091,707	\$11,840,876	\$6,272,113	\$6,188,582	\$36,990,414

Operations & Maintenance

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem - Big Cypress Basin	\$5,105,295	4,000,000	6,500,000	8,000,000	5,000,000	28,605,295
Ad Valorem Sources	60,375,467	53,227,012	52,151,826	53,857,191	55,682,950	275,294,445
TOTAL	\$65,480,762	\$57,227,012	\$58,651,826	\$61,857,191	\$60,682,950	\$303,899,740
EXPENDITURES						
Golden Gate Weir #3 Relocation	\$3,405,295	\$0	\$0	\$0	\$0	\$3,405,295
Golden Gate Weir #5	-	-	-	-	3,000,000	3,000,000
Golden Gate Canal Weir #6 and #7 Retrofit	1,000,000	2,000,000	-	-	-	3,000,000
Henderson Creek Diversion	50,000	1,000,000	2,500,000	-	-	3,550,000
Henderson Creek Improvement	-	-	-	-	2,000,000	2,000,000
Faka Union Canal Weir #6 & #7 Retrofit	100,000	-	-	-	-	100,000
BCB Field Station Land Acquisition	50,000	-	-	-	-	50,000
BCB Field Station Construction	500,000	1,000,000	1,000,000	-	-	2,500,000
Cypress Canal Weir #4A1 Retrofit	-	-	-	3,000,000	-	3,000,000
Miller Weir #3 Rehabilitation	-	-	3,000,000	-	-	3,000,000
Golden Gate Canal Weir #4 Retrofit	-	-	-	3,000,000	-	3,000,000
Henderson Creek Weir #2 Retrofit	-	-	-	2,000,000	-	2,000,000
Communication & Control Systems	6,443,853	8,874,580	8,531,235	9,605,700	6,755,000	\$40,210,368
Pump Station Modification/Repair	6,992,099	7,699,176	13,537,290	8,266,211	959,250	\$37,454,026
Project Culvert Replacement/Modification	284,920	2,178,800	-	-	-	\$2,463,720
Structure/Bridge/Modification/Repair	39,599,211	22,513,779	20,863,247	22,982,620	13,346,794	\$119,305,650
O&M Facility Construction/Improvements	53,538	343,995	602,600	1,050,000	12,400,000	\$14,450,133
Canal/Levee Maint/Canal Conveyance	7,001,846	11,616,682	8,617,454	11,952,660	22,221,906	\$61,410,548
TOTAL	\$65,480,762	\$57,227,012	\$58,651,826	\$61,857,191	\$60,682,950	\$303,899,740

Mission Support Program

Mission Support

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Ad Valorem Sources	\$318,000	\$1,145,000	\$1,180,000	\$90,000	\$200,000	\$2,933,000
TOTAL	\$318,000	\$1,145,000	\$1,180,000	\$90,000	\$200,000	\$2,933,000
EXPENDITURES						
General Building & Improvements	\$318,000	\$1,145,000	\$1,180,000	\$90,000	\$200,000	\$2,933,000
TOTAL	\$318,000	\$1,145,000	\$1,180,000	\$90,000	\$200,000	\$2,933,000
TOTAL CAPITAL EXPENDITURES	\$1,050,177,487	\$322,108,708	\$277,517,036	\$288,758,152	\$256,809,512	\$2,195,370,894



Pearce Canal dredging project

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 (SAP) for Data Processing. 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

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. 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:

FY2010-FY2014 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, and 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.

- OPERATIONS AND MAINTENANCE
- RESTORATION
- MISSION SUPPORT
- WATER SUPPLY

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 SAP.

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: \$65,412,163 (*See Note 1*)

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

FY2010	FY2011	FY2012	FY2013	FY2014
\$989,978	\$10,394,726	\$27,360,791	\$26,666,667	\$0

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

\$0	\$0	\$0	\$0	\$0
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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

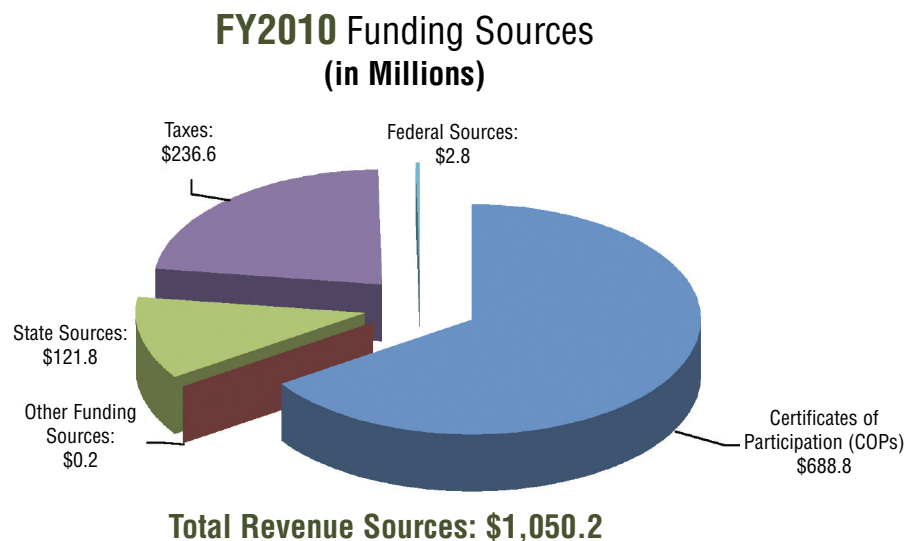
Monitoring of the capital projects is a very important process to the District due to the magnitude of funding that is provided, the goals set for completion of strict project schedules and the importance that the projects have in supporting the strategic priorities. The Budget Division along with the 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.

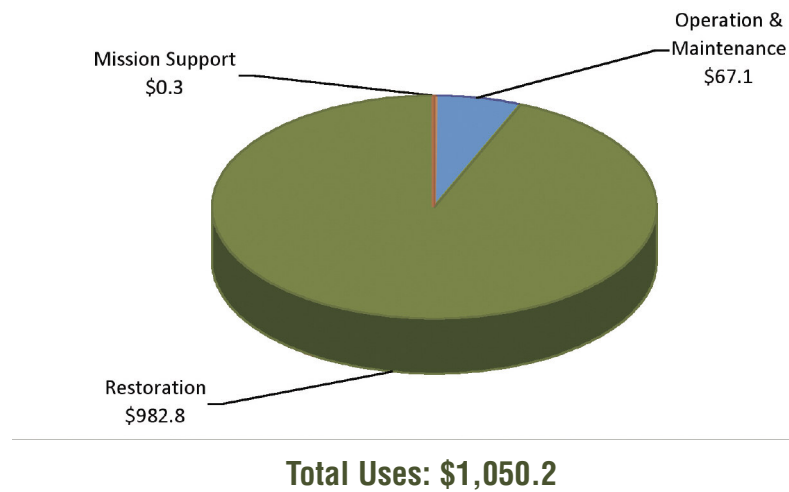
The District developed a standardized report on all projects within PS and provides an analysis of the status of the project in comparison to its plan and budget. These reports identify projects that are not moving forward, those that may be over spending, and those that are under-utilizing appropriations allocated to them. The District uses a red, yellow or green indicator to report the status of projects. Green indicates that a project/process is on schedule to be completed within 30 days of the due date contained in the Annual Work Plan; Yellow indicates that the project/process is on schedule to be completed within 60 days of the due date listed in the FY2009 Annual Work Plan; Red indicates that the project/process is more than 60 days behind the due date listed in the Annual Work Plan. 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 charts below depict the District's FY2010 CIP funding sources and uses. The estimated funding sources for FY2010 total \$1.0 billion. Descriptions of each source included within the chart categories are provided in the following narrative. In FY2010, CIP funds will be used for capital projects in three District programs. Descriptions for some of the major projects within these programs are presented on the following pages.



FY2010 Funding Uses (in Millions)



The District's Capital Improvements Program is financed with revenues through many sources, ranging from taxes to federal and state funds or debt proceeds (COPs). The following list details the funding sources that support the CIP:

Taxes

Ad valorem/Ag

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.

In FY2010, ad valorem and agricultural taxes of \$236.6 million comprise 22.5 percent of the District's capital budget.

Federal Sources

Department of Interior Program Income

Lease revenue collected from lands purchased with Department of Interior grant.

Federal funding sources represent \$2.8 million and comprises less than 0.3 percent of the District's FY2010 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 Restoration 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 management and related activities.

State funding of \$121.8 million equals 11.6 percent of the District's FY2010 funding sources for capital improvement projects.

Certificates of Participation

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.

Certificates of Participation funding of \$688.8 comprises 65.6 percent of the District's funding sources for FY2010. This includes \$536.5 in new debt proceeds budgeted for the River of Grass land acquisition and \$152.3 million in residual balances from the COP's 1 issuance allocated for construction of Compartments B and C and for residual expenses at the EAA Reservoir site.

Other Funding Sources

Wetland Mitigation

Revenue in the form of fees is 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 \$0.2 million comprise 0.02 percent of the District's sources for FY2010.

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.

Major Capital Projects

Refer to the South Florida Environmental Report (SFER), Volume II, Chapter 4 to review all of the District's capital project descriptions for FY2010.*

** 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 "2010 South Florida Environmental Report" link. Then, click the "Volume II Chapters" link located under the Table of Contents.*

Restoration Program



Everglades

This section highlights the major projects within the Restoration program. The adopted Fiscal Year 2010 capital budget for **Restoration** totals \$982.8 million. The program is funded by state (12.3 percent) sources; ad valorem taxes (17.3 percent); federal sources (0.3 percent) and, Certificates of Participation (COPs) (70.1 percent).

Five-year construction and land acquisition expenses are projected to be \$982.8 million. Operations phase related costs are estimated at \$28.4 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 Comprehensive Everglades Restoration Plan projects, Florida will experience the positive benefits derived from restoration efforts sooner and more cost-effectively.

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

Biscayne Bay Coastal Wetlands

Miami-Dade County



Biscayne Bay

Redistribution of freshwater flow across a broad front is needed to restore and enhance freshwater wetlands, tidal wetlands and nearshore bay habitats throughout the Biscayne Bay coastal wetlands. Sustained lower-than-seawater salinities are required in tidal wetlands and the nearshore bay to provide nursery habitat for fish and shellfish. In addition to the benefits derived from creating conditions for reestablishment of oyster and oyster reef communities, this wetlands project will restore overland flow, reduce groundwater seepage and reduce freshwater discharges. It consists of

the design and construction of two essential project components for the CERP Biscayne Bay Coastal Wetlands: Deering Estates Flow-way and Cutler Ridge Wetlands. This project is a component of a larger project that will expand and restore the wetlands adjacent to Biscayne Bay in Miami-Dade County, enhancing the ecological health of Biscayne National Park.

The FY2010 capital budget for Biscayne Bay Coastal Wetlands is comprised of \$19.7 million in construction and land costs. Projected five-year expenditures total \$67.2 million, which includes \$1.2 million in operating costs. The estimated total project cost is \$292.9 million. No new FTEs will be created for the operation of this project because operational functions will be managed by contract personnel. The scheduled completion date is September 2012.

Operating Costs Description	FY2010	FY2011	FY2012	FY2013	FY2014
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$0	\$114,940	\$118,388	\$467,940	\$481,978

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

Hendry and Palm Beach counties



Compartment C STA project

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 Build out Projects, involves STA construction in the remaining areas of Compartment B and Compartment C. Feasibility studies will determine optimal configuration of treatment works in the remaining land in the expansion areas. The primary objectives for this project include further reduction of phosphorus levels to achieve state water quality standards for the Everglades; enhancement of the existing STAs' ability to remove pollutants prior to water discharge into the Everglades; and, operational flexibility for directing water flows.

The FY2010 capital budget for EAA STA-Compartment B is comprised of \$90.6 million for construction. Projected three-year expenditures total \$163.8 million, which includes \$8.3 million for operating costs. The estimated total project cost is \$243.7 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2010	FY2011	FY2012	FY2013	FY2014
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$0	\$1,512,884	\$2,188,314	\$2,253,963	\$2,321,582

The FY2010 capital budget for EAA STA-Compartment C is comprised of \$61.8 million for construction. Projected three-year expenditures total \$97.2 million, which include \$8.2 million for operating costs. The estimated total project cost is \$117.6 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2010	FY2011	FY2012	FY2013	FY2014
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$0	\$1,717,865	\$2,099,327	\$2,162,307	\$2,227,176

Acme Basin B Discharge

Palm Beach County



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 FY2010 capital budget for Acme Basin B Discharge is comprised of \$5.3 million. Projected expenditures also total \$5.3 million. There are no operating costs for FY2010 or future years because once completed this project will be operated by a third party. The estimated total project cost is \$30.3 million. The scheduled completion date for this project is December 2010.

C-111 Spreader Canal

Miami-Dade County



C-111 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 FY2010 capital budget for the C-111 Spreader Canal project totals \$46.6 million, for construction and land acquisition. Projected five-year expenditures total \$74.8 million, which include \$0.6 million for operating costs. The project is scheduled for completion in FY2011. The estimated total project cost is \$123.7 million.

Operating Costs Description	FY2010	FY2011	FY2012	FY2013	FY2014
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control	\$0	\$149,442	\$155,408	\$161,612	\$168,064

River of Grass

Palm Beach, Hendry and Glades counties



Everglades Agricultural Area – River of Grass

The District plans to acquire vast tracts of land in the Everglades Agricultural Area which will 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 this land 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. Water managers will invest in certificates of participation to finance the acquisition of land. The FY2010 adopted capital budget is \$536.5 million.

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

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 result in a 2,710 acre stormwater treatment area and a pump station.

The FY2010 capital budget for the Lakeside Ranch STA is comprised of \$42.3 million for general engineering and design in preparation for construction in

FY2010 – FY2013. Projected four-year expenditures total \$87.1 million. There are \$3.4 million in operating costs associated with this project during the five year period. There are no new FTEs budgeted for the operation of this project. Operational functions will be managed by existing District staff and contract personnel. The estimated total project cost is \$105.6 million. The project's scheduled completion date is FY2010 for Phase 1 and FY2013 for the entire project.

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

Lee and Glades counties



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 FY2010 capital budget for C-43 Water Quality Project is comprised of \$8.5 million for engineering and design in preparation for a construction plan beginning in FY2012. Projected five-year expenditures total \$86.3 million. There are \$2.3 million in 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 \$158.8 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



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 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 FY2010, District debt payments for land acquisition bonds and construction loans are \$44.2 million for existing debt and \$45.7 million for potential new debt funding the River of Grass land acquisition.

The following chart, "Estimated FY2010-FY2014 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 FY2010 - FY2014 Capital Improvement Program Operating Cost Impact Detail

DISTRICT PROGRAM / PROJECT TITLE	FUNDING SOURCE	COMPLETION DATE	NEW POSITIONS	FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL FY10 - FY14
SFWMD Projects:									
C-43 Water Quality	General Ad-Valorem Taxes	Sep 2013	0	0	0	197,020	203,809	1,938,910	\$2,339,739
Lakeside Ranch	General Ad-Valorem Taxes	Sep 2010	0	0	500,304	1,069,287	883,871	914,844	\$3,368,306
North Palm Beach County - Part 1	Federal / General Ad-Valorem Taxes	Sep 2013	0	0	0	16,800	53,963	1,363,582	\$1,434,345
Advanced Work on C-111 Spreader Canal	Federal / General Ad-Valorem Taxes	Sep 2011	0	0	149,442	155,408	161,612	168,064	\$634,526
Southern Crew / Imperial River Flowway CRP	Federal / General Ad-Valorem Taxes	Sep 2011	0	0	80,000	160,000	164,800	169,744	\$574,544
Biscayne Bay Coastal Wetlands	Federal / General Ad-Valorem Taxes	Sep 2012	0	0	114,940	118,388	467,940	481,978	\$1,183,246
LTP EAA STA Compartment B Buildout	ECP Tax/Ag Tax	Sep 2012	0	0	1,512,884	2,188,314	2,253,963	2,321,582	\$8,276,744
LTP EAA STA Compartment C Buildout	ECP Tax/Ag Tax	Sep 2012	0	0	1,717,865	2,099,327	2,162,307	2,227,176	\$8,206,675
Sub-Total - SFWMD Projects			0	0	4,075,435	6,004,544	6,352,265	9,585,880	\$26,018,125
U.S. Army Corps of Engineers' Projects:									
Site 1 Impoundment (Fran Reich)	Federal / General Ad-Valorem Taxes	Sep 2017	0	0	0	16,800	17,640	361,437	\$395,877
Mod Waters	Federal / General Ad-Valorem Taxes	Sep 2012	0	0	63,847	65,595	67,412	75,803	\$272,656
C-44 Reservoir and STA	Federal / General Ad-Valorem Taxes	Sep 2017	0	0	18,069	190,658	203,471	252,689	\$664,887
Picayune Strand	Federal / General Ad-Valorem Taxes	Sep 2017	0	0	127,000	242,480	349,754	360,247	\$1,079,481
Sub-Total - U.S. Army Corps of Engineers' Projects			0	0	208,916	515,533	638,278	1,050,176	\$2,412,902
TOTAL Restoration Program			0	0	4,284,350	6,520,077	6,990,543	10,636,056	\$28,431,026
GRAND TOTAL - CIP Operating Costs			0	0	4,284,350	6,520,077	6,990,543	10,636,056	\$28,431,026

* In addition to projects built by the SFWMD, the U.S. Army Corps of Engineers is expected to build and complete the projects listed above. The operation of those projects will be the responsibility of the SFWMD; therefore, the operational impacts of those projects is also shown (some of the projects listed above are expected to have operational requirements prior to completion).

Total projected five-year operating costs for the District's capital projects in the CIP are estimated at approximately \$28.4 million and all are in the Restoration Program.

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 the Restoration Program 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

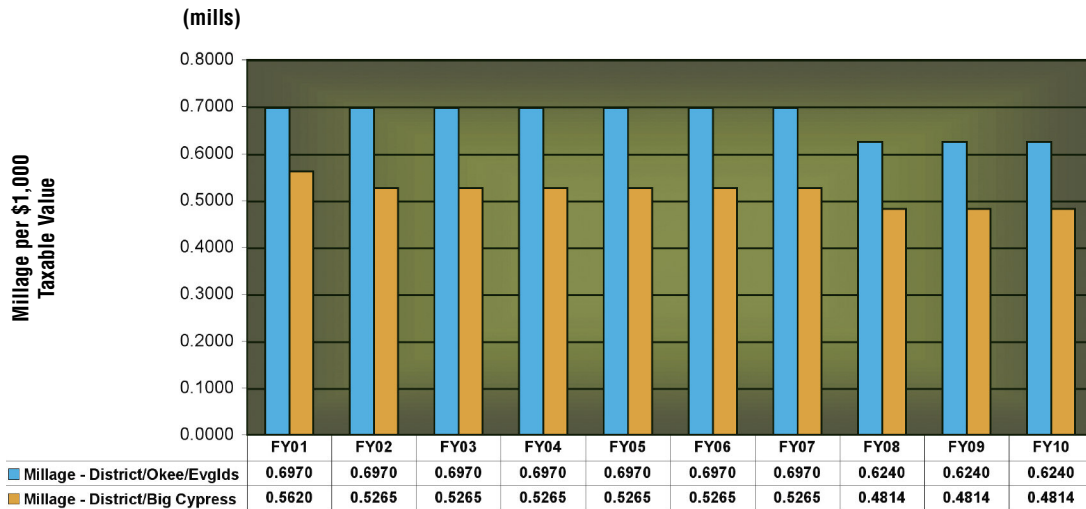
Leveraging of taxpayer dollars with Certificates of Participation (COPs) financing in FY2007, and utilizing the available funds from the first COPs issuance to aid in funding projects in FY2010 in conjunction with potentially issuing additional COPs in FY2010 will save taxpayers and State of Florida 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.

APPENDIX

Ten-Year Tax Millage History

Ad Valorem Property Tax Millage Rates

Fiscal Years 2001-2010



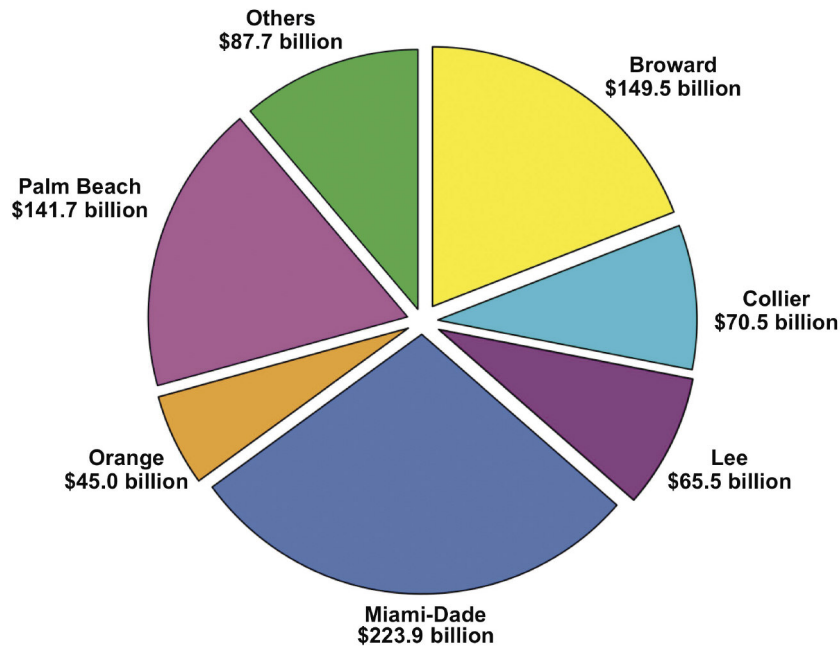
The District's FY2010 adopted millage rates have remained the same as the FY2009 rates. In FY2010, all property owners within the District's boundaries will be assessed the same District-at-large millage rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each the same as FY2009, 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 and the District-at-Large tax rate of .2549 mills, which are unchanged from FY2009, for a combined tax assessment of .4814 mills.

Adopted Fiscal Year 2010 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 2010 District Tax Base

Total Tax Base: \$783.8 Billion



Taxable values for the six largest counties in the District's 16-county jurisdiction represent 88.8 percent of the total tax base. Miami-Dade, Broward and Palm Beach counties comprise 65.7 percent of the total tax base.

District FY2010 Taxable Values

District, Okeechobee Basin and Big Cypress Basin

Counties	FY2009 Taxable Values	FY2010 Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	\$168,208,428,100	\$149,494,688,426	\$149,494,688,426	-	-11.13%
Charlotte	159,359,815	145,465,311	145,465,311	-	-8.72%
Collier	79,234,004,665	70,534,819,831	-	70,534,819,831	-10.98%
Glades	696,949,196	642,476,933	642,476,933	-	-7.82%
Hendry	2,368,228,038	2,124,125,811	2,124,125,811	-	-10.31%
Highlands	865,627,288	788,222,042	788,222,042	-	-8.94%
Lee	85,044,602,333	65,524,426,535	65,524,426,535	-	-22.95%
Martin	20,590,910,800	18,959,999,906	18,959,999,906	-	-7.92%
Miami-Dade	247,463,592,068	223,936,274,640	223,936,274,640	-	-9.51%
Monroe	26,918,163,901	22,610,056,550	22,610,048,558	7,992	-16.00%
Okeechobee	2,071,709,042	1,782,513,775	1,782,513,775	-	-13.96%
Orange	50,065,232,939	44,983,507,053	44,983,507,053	-	-10.15%
Osceola	26,340,684,537	21,599,406,380	21,599,406,380	-	-18.00%
Palm Beach	160,520,667,143	141,661,878,578	141,661,878,578	-	-11.75%
Polk	2,400,511,382	1,743,077,529	1,743,077,529	-	-27.39%
St. Lucie	21,793,668,809	17,258,752,562	17,258,752,562	-	-20.81%
Total Tax Base	\$894,742,340,056	\$783,789,691,862	\$713,254,864,039	\$70,534,827,823	-12.40%

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 FY2010 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 FY2010 Tax Rate District and Okeechobee Basin	0.6240	\$124.80
Adopted FY2009 Tax Rate District and Okeechobee Basin	0.6240	\$124.80
FY2009 - FY2010 Variance	0.0000	\$0.00

Big Cypress Basin		
(\$200,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2010 Tax Rate District and Big Cypress Basin	0.4814	\$96.28
Adopted FY2009 Tax Rate District and Big Cypress Basin	0.4814	\$96.28
FY2009 - FY2010 Variance	0.0000	\$0.00

Taxes paid within the Okeechobee Basin for FY2010 are approximately 62 cents per \$1,000 of taxable value which is the same rate as FY2009. Taxes paid within the Big Cypress Basin for FY2010 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 \$100,100 (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 West Palm Beach, the Florida Inland Navigation District (FIND), the Children’s Services Council, and the Palm Beach County Health Care District are listed as taxing authorities in the left-hand column on this tax notice.

Section 2 – Your Property Taxes Last Year

The second column of the notice shows the taxes that applied to the homeowner’s property (and how the taxes were distributed) 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 (\$26.78) and Everglades Construction Project (\$4.48), totaling \$31.26. (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 the 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 \$100,000 compared to \$100,100 this year. Once you subtract the \$50,000 homestead exemption, property taxes due in 2009 will be based on a net taxable value of \$50,100 compared to \$50,000 last year.

Section 7 – 2009 Proposed and/or Adopted Non-Ad Valorem Assessments

This section lists proposed non-ad valorem assessments and fees to be collected by other taxing authorities.

Sample Tax Notice

NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS																								
PROPERTY CONTROL NO. 00-00-00-00-00-000-0000		2009 PROPOSED AD VALOREM TAXES		DO NOT PAY THIS IS NOT A BILL																				
LEGAL DESCRIPTION OF PROPERTY: PARCEL IS IN INCORPORATED PALM BEACH COUNTY		The taxing authorities which levy property taxes against your property will soon hold PUBLIC HEARINGS to adopt budgets and tax rates for the next year. The purpose of these PUBLIC HEARINGS is to receive opinions from the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION. Each taxing authority may AMEND OR ALTER its proposal at the hearing.																						
Section 1	Section 2	Section 3																						
TAXING AUTHORITY	YOUR PROPERTY TAXES LAST YEAR	YOUR TAXES THIS YEAR IF PROPOSED BUDGET CHANGE IS MADE	A PUBLIC HEARING ON THE PROPOSED TAXES AND BUDGET WILL BE HELD:																					
PB COUNTY	189.06	217.63	PALM BEACH COUNTY (561) 355-3996 9/08 6:00 PM 301 N OLIVE AVE 6TH FL WEST PALM BEACH 33401																					
PUBLIC SCHOOLS			PBC SCHOOL BOARD (561) 434-8837 9/09 5:05 PM 3300 FOREST HILL BLVD WEST PALM BEACH 33406																					
BY STATE LAW	367.35	411.92																						
BY LOCAL BOARD	176.48	187.60																						
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EVERGLADES	4.47	4.48																						
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SEE REVERSE SIDE FOR EXPLANATIONS																								
Section 4																								
Section 5																								
IF YOU FEEL THAT THE MARKET VALUE OF YOUR PROPERTY IS INACCURATE OR DOES NOT REFLECT FAIR MARKET VALUE, OR IF YOU ARE ENTITLED TO AN EXEMPTION THAT IS NOT REFLECTED ABOVE, CONTACT YOUR COUNTY PROPERTY APPRAISER AT:																								
Residential SEE REVERSE SIDE Exemptions (561) 355-2866 Commercial (561) 355-4090 Agriculture (561) 355-2846 GOVERNMENTAL CENTER - 5th FLOOR 301 N. OLIVE AVE. WEST PALM BEACH, FLORIDA 33401 FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.																								
IF THE PROPERTY APPRAISER'S OFFICE IS UNABLE TO RESOLVE THE MATTER AS TO MARKET VALUE OR AN EXEMPTION, YOU MAY FILE A PETITION. PETITION FORMS ARE AVAILABLE FROM THE COUNTY PROPERTY APPRAISER'S OFFICE. YOUR PETITION MUST BE FILED WITH THE CLERK OF THE VALUE ADJUSTMENT BOARD ON OR BEFORE: 14-SEP-09 5:00 PM AT 301 N. OLIVE AVENUE, WEST PALM BEACH, FLORIDA 33401 YOUR FINAL TAX BILL MAY CONTAIN NON-AD VALOREM ASSESSMENTS WHICH MAY NOT BE REFLECTED ON THIS NOTICE SUCH AS ASSESSMENTS FOR ROADS, FIRE, GARBAGE, LIGHTING, DRAINAGE, WATER, SEWER, OR OTHER GOVERNMENTAL SERVICES AND FACILITIES WHICH MAY BE LEVIED BY YOUR COUNTY, CITY, OR ANY SPECIAL DISTRICT.																								
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DO NOT PAY THIS IS NOT A BILL																								

Property Appraisers

Broward County

Honorable Lori Parrish, CFA
115 S Andrews Ave, Rm 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 Tamiami Trail East
Naples, FL 34112-5758
239-252-8141

Miami-Dade County

Honorable Pedro J. Garcia
111 NW 1st St, Suite 710
Miami, Florida 33128
305-375-4008

Glades County

Honorable Larry R. Luckey, CFA
P.O. Box 1106
500 Ave J, #202
Moore Haven, FL 33471
863-946-6025

Hendry County

Honorable Phillip Pelletier
P.O. Box 1840
LaBelle, Florida 33975
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
P.O. Box 1546
2480 Thompson St 4th Fl
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
P.O. Box 1176
500 Whitehead St
Key West, FL 33041-1176
305-292-3404

Okeechobee County

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

Orange County

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

Osceola County

Honorable Katrina Scarborough
P.O. Box 422366
2505 East Irlo Bronson Highway
Kissimmee, FL 34742-2366
407-742-5000

Palm Beach County

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

Polk County

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

St. Lucie County

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

Economic Outlook

The South Florida Water Management District (SFWMD) 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 part sixteen of the State's sixty-seven counties. Under Florida Statutes, these sixteen 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 for the River of Grass land acquisition, only 30 percent of the District's Fiscal Year 2010 budget is funded by ad valorem tax revenues.

It is a challenging task to address the water supply and flood protection needs of over seven 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 economy of Central and South Florida 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 affect 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.

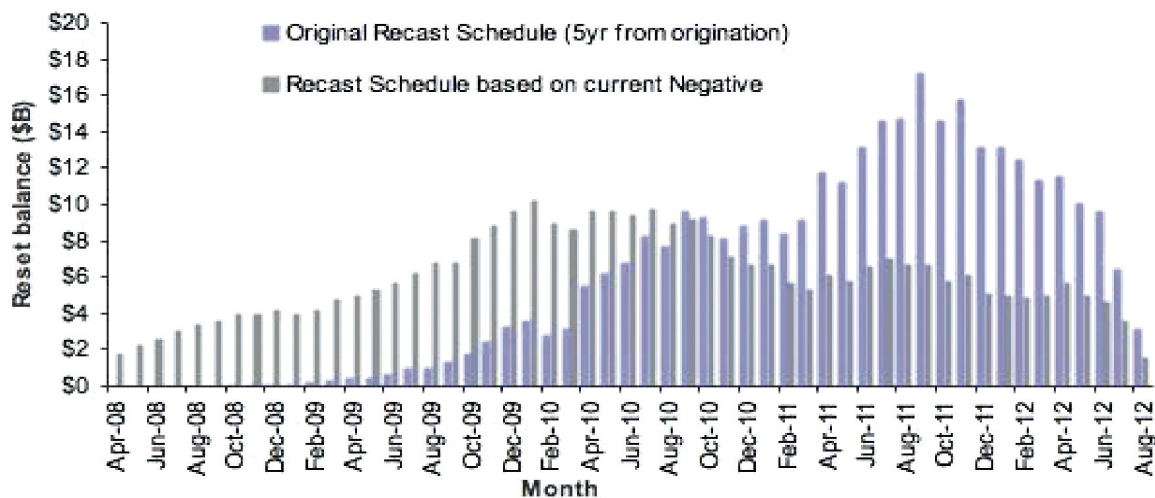
The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with California, Arizona and Nevada. The current housing downturn can be attributed to soaring home prices and over-supply from investors. The high prices and over-supply 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 scenario 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 to an affordable long-term fixed interest rate.

Interest Rate Resets

A popular exotic mortgage product was the negative amortization loan (also referred to as an Option Adjustable Rate Mortgage). 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. Based on a recent survey conducted by Standard and Poor’s it is estimated that ninety-three percent of buyers with this type of loan chose the minimum payment option.

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 situation outlined above could further worsen the residential real estate market and impede the early signs of recovery.

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 2009 increased by 151.1 percent (4,223 in 2007 and 10,603 in 2009) compared to September 2007 before the housing crisis began. 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 stage usually lasts for ninety days and if payment is still not received after that timeframe, a Notice of Default (NOD) is filed. The second stage begins approximately ninety days after the NOD, 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 NTS 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 properties.



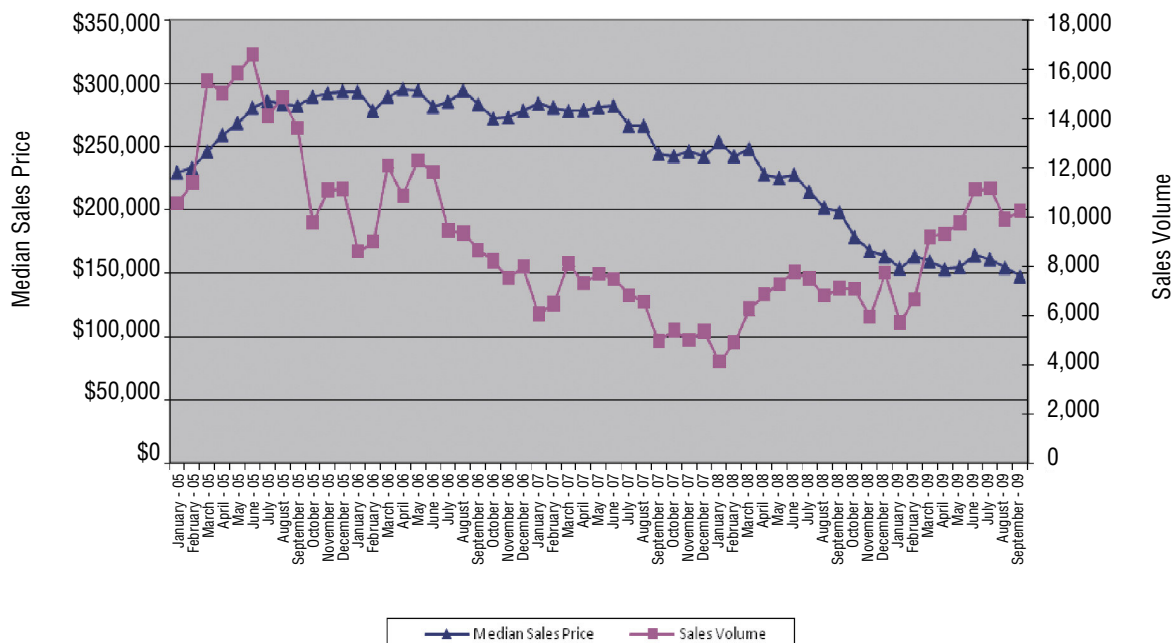
Home Prices

The Federal Housing Finance Agency's House Price Index indicates that home prices have fallen 12.37 percent in Florida since September 2008. 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 11.2 percent, which is the highest it has been since January of 1976. Moreover, when people do not have income they cannot afford their mortgage payments leading to more foreclosures.

Based on the trends in **the Graph below** the District can expect property values to begin stabilizing during 2010. The gap between the supply and demand of the South Florida real estate market has come together and the market will begin to stabilize. As a result, in the near future the District can expect a slowing of the decline in the prices of homes in Southern Florida in response sales volume increasing and reducing the current over-supply of homes. However, the majority of homes being sold over the last year have been short sales all on foreclosed homes and are typically sold at reduced prices. If that condition persists it will cause the median values for all homes in the market to continue to decline at the current pace and slow the stabilization process.

Existing Home Sales and Prices for SFWMD 16 Counties

(January 2005-September 2009)



SOURCE: Florida Association of Realtors, Florida Sales Report

Commercial Real Estate Prices

We have recently seen the early signs of stabilization in the housing market, but it is widely accepted that the commercial real estate market lags general economic activity by roughly a year.

Demand for commercial properties has decreased dramatically over the last year, bringing down prices and rents while increasing vacancy rates. In addition, maturing commercial debt was met with little available credit, leading to an increase in delinquencies and distressed properties. For example, delinquent commercial real estate loans in bank portfolios have doubled when compared to the level of a year earlier. Just like the residential real estate market, Florida has been hit hard; currently the state ranks second in the U.S. for delinquent commercial real estate loans.

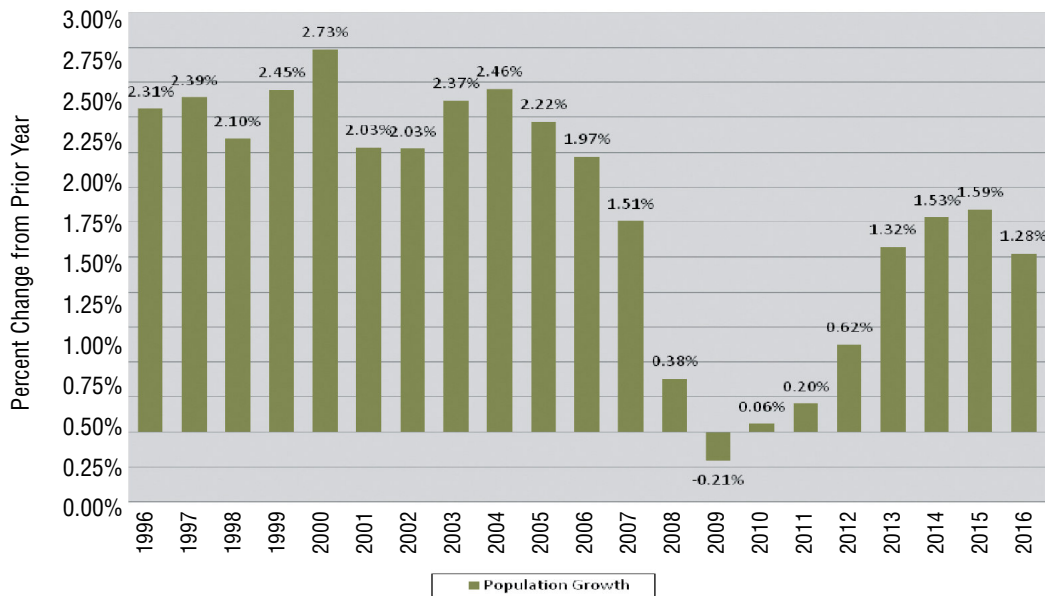
Commercial mortgages are structured differently from residential mortgages; they require low monthly payments for the term of the loan, with a large balloon payment due at the loan's maturity. Over half of the market's financing was generated from Commercial Mortgage Backed Securities (CMBS), which are a type of bond that uses commercial rather than residential real estate. However, investors have been reluctant to purchase CMBS bonds and this source of financing has been absent from the market when commercial mortgages are maturing. At the same time, banks have tightened their underwriting standards and are reluctant to approve loans in the residential and commercial real estate markets. Available financing is crucial to stabilizing the commercial real estate market and avoiding a deepening of the decline from the coming wave of debt refinancing. The District can expect an accelerated decline in commercial property values during 2010, further dampening ad valorem revenues.

Population Growth

Another economic factor 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 increases, 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 respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base.

In 2008, the population of this agency's jurisdiction increased by 0.38 percent, which is a decrease from the prior year's growth of 1.51 percent. From 2004 to 2008 the population growth across the District averaged 1.71 percent. The consistent increase in population throughout Southern Florida has been going on for the past sixty years and for the first time in the state's history there will be a population decrease (See Graph below). Population growth in Southern Florida is expected to continue, but at a slower pace than previous projections. The slowing population growth 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 2009

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.

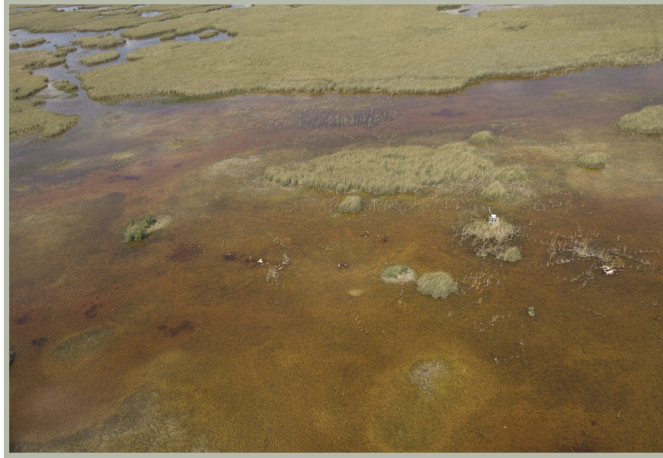
Decision Making Process

Ad valorem revenues are the primary source of recurring funds for the District's operations and should be used first towards mission critical functions and activities. The Governing Board, with the help of staff, must make the difficult decisions required to focus on our core mission and continue essential projects, services and processes. Every year, during the budget development process, a five-year capital improvement plan and a ten-year strategic plan is produced based on economic conditions and projected revenues. The plans are then used as a tool by the District staff to build their programmatic and departmental budgets keeping in mind the relevance of the activity to the agency goals. In addition, there are debt ratios that the District must maintain (the percentage of the fiscal year's budget that is dedicated to debt service payments) and forecasted revenues are an important piece that goes into the decision of whether to issue more debt for agency priorities. If revenues are projected to decrease then a project or acquisition might not be feasible or has to be restructured in order to keep the debt ratio at an acceptable level while moving forward with the work. The SFWMD currently has an adopted debt ratio policy that maintains all debt is not to exceed 30 percent of annual ad valorem, ad valorem, revenues, related interest income and permit fee revenue. Furthermore, a recent change in Florida Statutes requires that debt for revenue bonds issued after January 1, 2009 cannot exceed 20 percent of the annual ad valorem tax revenues. By prioritizing our workload the District ensures mission critical functions, services and projects are completed first, by making the budget a realistic plan for what we can and will actually spend.

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 the previous statement is made with caution until the full ramifications are entirely 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 situation 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



Water Conservation Area- drought

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. Minimum Flows and Levels 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 the 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 the 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 Water Conservation Areas, 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 on the following page:

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 used for long-term planning by each county. These projections were developed in 2004 by the Bureau of Economic and Business Research (BEBR) 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 following table. 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

	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 Stormwater Treatment Areas 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 Comprehensive Everglades Restoration Plan 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 (EAA) was a wetland marsh that was several feet higher in elevation than it is today. Significant subsidence of the organic soils present has resulted from the repeated wetting and drying necessary for crop production. The area now used for crop production 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.

N**NATIONAL GEODETIC VERTICAL DATUM (NGVD)**

A geodetic datum derived from a network of information collected in the United States and Canada. It was formerly called the “Sea Level Datum of 1929” or “mean sea level.” Although the datum was derived from the average sea level over a period of many years at 26 tide stations along the Atlantic, Gulf of Mexico, and Pacific Coasts, it does not necessarily represent 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

ADAS	Advanced Data Analysis System
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
AWWA	American Water Works Association
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
CFCA	Central Florida Coordination Area
cfs	Cubic feet per second
CIAP	Costal Impact Assistance Program
CIP	Capital Improvements Program
CMMi	Capability Maturity Model Integration
COPs	Certificates of Participation
CR	Corporate Resources
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
ERCP	Everglades Restoration and Capital Projects
ERP	Environmental Resource Permit
ESS	Employee Self Service
EXO	Executive Office
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
FPL	Florida Power and Light
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
HESM	Hydrologic & Environmental Systems Modeling
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
M	Million
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
PIR	Project Implementation Report
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

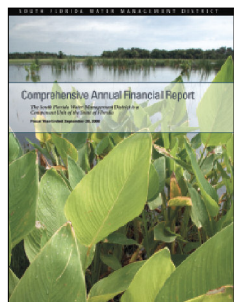
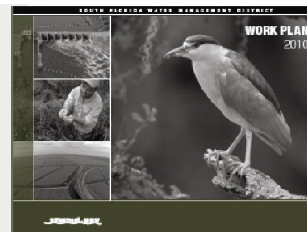
RECOVER	Restoration Coordination and Verification
REO	Real Estate Owned
RO	Reverse Osmosis
ROG	River of Grass
ROW	Right of Way
RPA	Regulatory & Public Affairs
RSM	Regional Simulation Model
SAN	Storage Area Network
SAP	Systems, Applications and Products in Data Processing
SAV	Submerged Aquatic Vegetation
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.

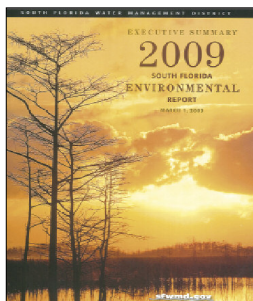
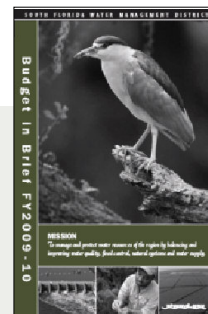
Annual Work Plan - The Annual Work Plan is a detailed work plan that “drills down” from the high level of the Strategic Plan. The document includes the major District projects planned, key assumptions used to develop the Work Plan and highlights of the inter-relationships between programs.



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 FY2010 Capital Improvements Plan and is scheduled for submission to the legislature on March 1, 2010

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