

FISCAL YEAR 2011



sfwmd.gov

BUDGET DOCUMENT



*"The secret to success is
constancy to purpose."
- Benjamin Disraeli*



DISTINGUISHED BUDGET PRESENTATION AWARD



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



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the South Florida Water Management District for its annual budget for the fiscal year that began October 1, 2009. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for one year. We believe our current budget continues to conform to program requirements, and we are submitting our FY2011 budget to the GFOA to determine its eligibility for another award.

GUIDE TO THE BUDGET DOCUMENT



Welcome to the South Florida Water Management District's (District) Fiscal Year 2011 (FY2011) 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. District programs are organized by resource area.

Information for each of the District's four programs includes an overview of the program, its projects, operations and strategic priority; an explanation of FY2011 funding increases/decreases; a three-year program budget comparison and explanations of significant funding changes; key FY2011 projects/activities; 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 trends, and a debt summary are also included in the Financial Overview.

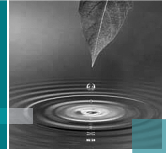
Long-Range Planning

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 FY2011 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 demographic 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 2010

To the Residents and Businesses of Central and Southern Florida:

As directed by the Governing Board, the South Florida Water Management District FY2011 budget is mindful of the current economic climate yet allows the agency to accomplish its important missions of flood control, water supply and ecosystem restoration – without raising tax rates.

The District's annual budget is carefully aligned with long-term strategic priorities and measurable success indicators that drive staff implementation and document agency performance. This transparent and fully integrated approach ensures that agency goals are clearly outlined, prioritized, monitored and measured on a consistent basis. Performance-based tracking is reported quarterly, providing actual-to-target performance comparisons. In addition, the District constantly strives to underscore its commitment to public accountability by improving operations, streamlining workflow, enhancing fiscal efficiency, and, most importantly, delivering the services and results that meet citizen and business needs.

A full 60 percent of the approved \$1.07 billion budget is dedicated to environmental restoration projects benefiting the Everglades, the Kissimmee River, Lake Okeechobee and coastal watersheds. Major projects include the continued expansion of existing stormwater treatment areas to improve the quality of water flowing into the Everglades; further construction on the C-111 Spreader Canal project to restore Florida Bay and the Everglades; additional construction on the Lakeside Ranch stormwater treatment area and pump station adjacent to Lake Okeechobee to remove phosphorus and improve water quality; as well as on-going refurbishment of the regional flood control network.

With a strong focus on performance measures and stringent internal business controls, the public can be confident that this results-based budget will be put to work for the benefit of South Florida's diverse communities.

Sincerely,

A handwritten signature in blue ink that reads "Carol Ann Wehle".

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 FY2011 is \$1.1 billion, a decrease of approximately \$0.4 billion from the FY2010 amended budget of \$1.5 billion. This decrease is mainly attributable to changes in the River of Grass land acquisition plans. The decision to purchase fewer acres of land in the current year with cash, compared to the acreage expected to be financed by issuance of Certificates of Participation last year, resulted in over a \$300 million decrease in this budget. The capital and operating budget, without the River of Grass land purchase, shows a net decrease of about \$100 million from the prior year, primarily from reductions in ad valorem and state revenues.

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.

The District is faced with a growing list of challenges within the constraints of declining tax roll values for a third consecutive year. These include increasingly complex partnership arrangements between federal, state, local, tribal and private entities; pressures to complete ecosystem restoration and clean-up projects; ensuring adequate water supplies for our citizens and the environment and upgrading an aging water management system to provide adequate flood control.

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 FY2011 budget would be balanced by reducing expenditures, primarily contracts and projects, rather than by increasing tax rates. The Governing Board and the staff of the South Florida Management District take great pride in the fact that the agency has successfully served the region without an increase in its ad valorem property tax rates since 1998. This accomplishment is particularly noteworthy in a time of significant decline in taxable values.

Reduced Ad Valorem/State Revenues

About 37 percent of the total FY2011 budget comes from property taxes. The adopted FY2011 budget reflects an approximately 13.2 percent decrease in ad valorem revenues due 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 FY2011, 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 will be used primarily for construction of capital projects.

No New Debt in FY2011

Reductions in ad valorem revenues limit the ability of the District to issue debt. Staff evaluated future revenue options and funding alternatives, including pay-as-you-go scenarios, to continue high priority restoration efforts. Because of economic uncertainties, staff recommended and the Governing Board concurred, not to issue debt for Everglades Restoration this year. The District decided to use \$194.5 million of fund balance for the River of Grass land acquisition in FY2011.

The District's effort to validate in court its right to issue certificates of participation to purchase this land was challenged by certain parties, claiming that the acquisition served no public purpose. After budget adoption and purchase of 26,800 acres of the land in question with cash, the Florida Supreme Court upheld the District's ability to use this method of financing to acquire River of Grass land. The Court ruled that the objective of conserving and protecting water and water-related resources was within the statutory powers granted to the District by the legislature and that acquiring this land served a public purpose. This ruling may have more significant impact on District budgets and the use of Certificates of Participation in future fiscal years.

Adequate Reserves

For FY2011, the Governing Board continued to underscore the importance of financial commitment to ensure that the regional flood control network and other facilities would continue to operate under emergency situations. The District's FY2011 budget includes \$10.4 million in reserves for hurricane response and \$5 million for fuel costs to pump water during tropical storm events. This is in addition to contingency reserves of \$7.9 million for other emergencies, unexpected expenditures or decreases in projected revenues. In comparison, District reserves are at about the same level as prior years - less the \$1.5 million added in FY2010 for STA pump operations but with an additional \$0.2 million in contingency reserves.

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 FY2011, it was determined that replacing forty-seven contractors with Full-Time Equivalent (FTE) employees was a good business decision. These staff will be focused on long-term mission critical work. Forty-four additional FTE positions were also approved, primarily for operation and maintenance of new structures expected to be substantially completed this year.





The approved budget includes the 91 additional positions as noted above, bringing the FTE total to 1,933. These new positions will primarily support operations and maintenance of new water control structures, water quality monitoring, information technology and restoration activities.

Legislative Issues

The 2010 Legislative session approved a Save Our Everglades Trust Fund appropriation of \$47 million for the District, of which \$38 million was contingent on the future receipt of federal funds by the state. Management decided to budget expenditures for that appropriation during the regular budget development process rather than wait until Medicaid funds were approved for the state because removal of these items from the budget at a later date, before budget adoption, was a better approach than delaying developing a work plan.






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 priorities were changed slightly from last year to emphasize the following:

-  River of Grass land acquisition
-  Climate change and sea level rise impacts on restoration, flood protection, and water supply
-  Further water quality considerations in pursuing the agency's mission elements of restoration and flood protection
-  Further coordination with USACE and local governments







The District's priorities and funding allocations for FY2011 are shown below.

Restore the Northern and Southern Everglades by:

-  Expanding and improving water storage capacity and water quality treatment
-  Incorporating the River of Grass land acquisition into restoration efforts
-  Completing construction of existing key projects
-  Coordinating with federal partners in considering potential climate change and sea level rise on restoration plans
-  Implementing the Long-Term Plan and other cost effective solutions to improve water quality, reduce nutrient loads and achieve water quality standards






The Everglades restoration budget is \$637.7 million which represents about 59 percent of the District's adopted budget. This amount includes \$194.5 million of fund balance for the River of Grass land acquisition and \$111.5 million from the first issuance of COPs in November 2006 which will be used to continue construction of Stormwater Treatment Area projects.

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

-  Implementing the 50-year Plan
-  Incorporating new structures into the system
-  Inventorying, prioritizing and retrofitting coastal and other water control structures in response to sea level rise
-  Coordinating with the U.S. Army Corps of Engineers on levee inspections and improvements
-  Coordinating with the U.S. Army Corps of Engineers to repair the Herbert Hoover Dike
-  Considering new water quality standards in future structure operations

Approximately \$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 \$221.5 million, which represents 21 percent of the total District budget.

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

-  Developing and implementing regional water supply plans in coordination with local governments
-  Using reservation and allocation authority to protect water for the natural system
-  Creating incentives for alternative water supplies and conservation
-  Utilizing regulatory and compliance authority
-  Coordinating with local governments and utilities to address potential sea level rise impacts on coastal wellfields

This priority supports development of water supply projects in cooperation with utilities, local government and the state. The Water Supply Program budget is \$38 million, including \$6 million for alternative water supply projects and \$6.4 million for water use permitting, which represents about 3.5 percent of the total budget.

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

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

Conclusion

Faced with declining revenues and other challenges in planning the fiscal year 2011 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.

With unlimited resources, many 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 continue to guide the South Florida Water Management District in directing resources toward the highest priorities that provide the greatest possible benefits. The District budget ties resources to outcomes and long range program plans approved by the Governing Board in the FY2011 Work Plan and Strategic Plan.

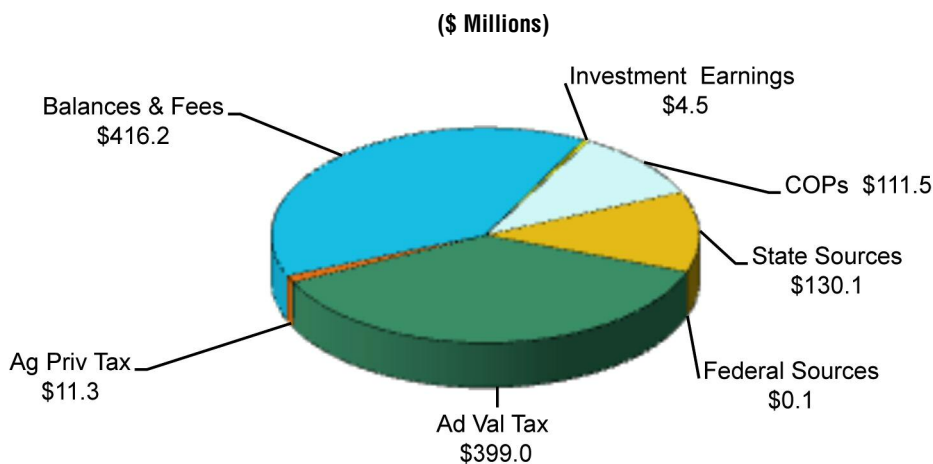
It is vital for the agency to operate as efficiently and prudently as possible while continuing to accomplish critical flood protection, water supply and restoration work. As part of an ongoing effort, the District has taken responsible steps to reduce operational, administrative and energy consumption expenses. District staff received no merit or base salary increases for a third consecutive year. Operating expenditures were reduced wherever possible rather than using one-time revenues on recurring expenditures because the District, like our taxpayers, should live within its means.

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 or issuing debt. Fund balance from prior years was used on some capital projects and land acquisition.

Adequate staffing and reserves are in place to support continuation of the District's mission and accomplishment of major priorities. FTEs increased this year primarily to support operations and maintenance of new structures expected to become operational in the near future. Contingency and hurricane reserves were kept at the same level as last year. 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.

Recognizing that these continue to be challenging economic times, the South Florida Water Management District remains committed to taking every action to increase fiscal efficiency, reduce spending and operate as prudently as possible. Working in concert with the Governor's Office and the Florida Legislature, the District's overarching goal is to provide an excellent return on taxpayer dollars to protect the region's water resources and meet the needs of the citizens we serve. The most valuable resources of the District 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.

Where the Money Comes From



The pie chart above depicts the South Florida Water Management District's Fiscal Year 2011 revenue sources. Budgeted revenues for FY2011 total \$1.1 billion.

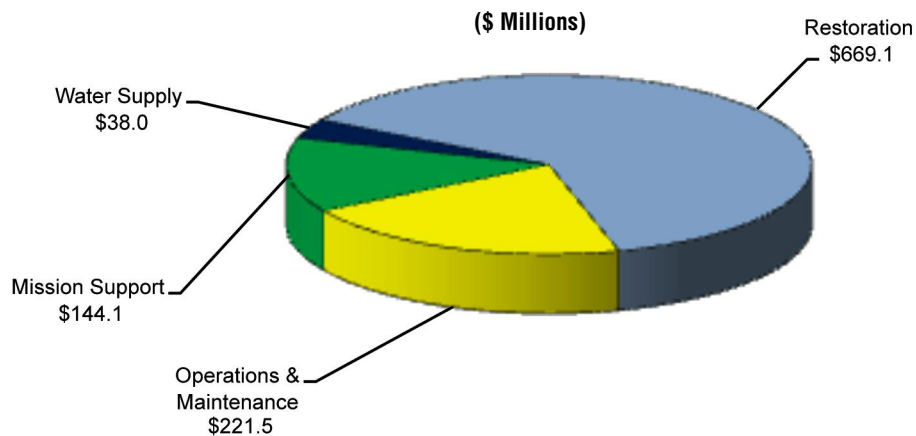
Tax revenues are one of the District's largest sources of funds. \$399.0 million from Ad Valorem property taxes and \$11.3 million from Agricultural Privilege taxes combine to represent 38 percent of the District's funds this year. Ad Valorem property taxes are determined by applying the District's Governing 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.

\$111.5 million (10 percent) of District revenues is composed of residual proceeds from Series 2006 Certificates of Participation (COPs), with \$77.5 million appropriated for Compartment B Build out and \$34.0 for Compartment C Build out. 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 and state government funds represent \$130.1 million (12 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 remaining \$420.8 million (40 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 2011 expenditures by program. Budgeted expenditures for FY2011 total \$1.1 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 *FY2010-11 Budget in Brief* and *Work Plan* documents.

Restoration Program

- 💧 Commence construction of C-44 Reservoir (Indian River Lagoon South), Biscayne Bay Coastal Wetlands – Cutler Flow-way
- 💧 Continue construction on C-111 Spreader Canal.
- 💧 Continue construction of Everglades Agricultural Area Stormwater Treatment Area Compartments B and C Build-outs
- 💧 Complete land acquisition, design and permitting for Southern CREW Imperial River Flow-way
- 💧 Purchase 26,800 acres of land from US Sugar Corporation
- 💧 Complete acquisition of land for Kissimmee River Restoration
- 💧 Complete construction of Lakeside Ranch Phase 1 – S650 Pump Station
- 💧 Work with Corps of Engineers to acquire land for Herbert Hoover Dike Project
- 💧 Develop and implement Dispersed Water Management Program

Operations and Maintenance Program

- 💧 Maintain and operate the regional water management system to its capacity; implement infrastructure refurbishments
- 💧 Maintain 79,000 acres of levees and canal banks
- 💧 Treat 80,000 acres of exotic aquatic and terrestrial vegetation annually
- 💧 Apply prescribed fire to 16,000 acres of public land
- 💧 Complete construction of six recreation projects and open for public use
- 💧 Maintain Supervisory Control and Data Acquisition infrastructure to District standards
- 💧 Manage rights-of-way in compliance with District standards of safety health and operation according to intended utilization

Water Supply Program

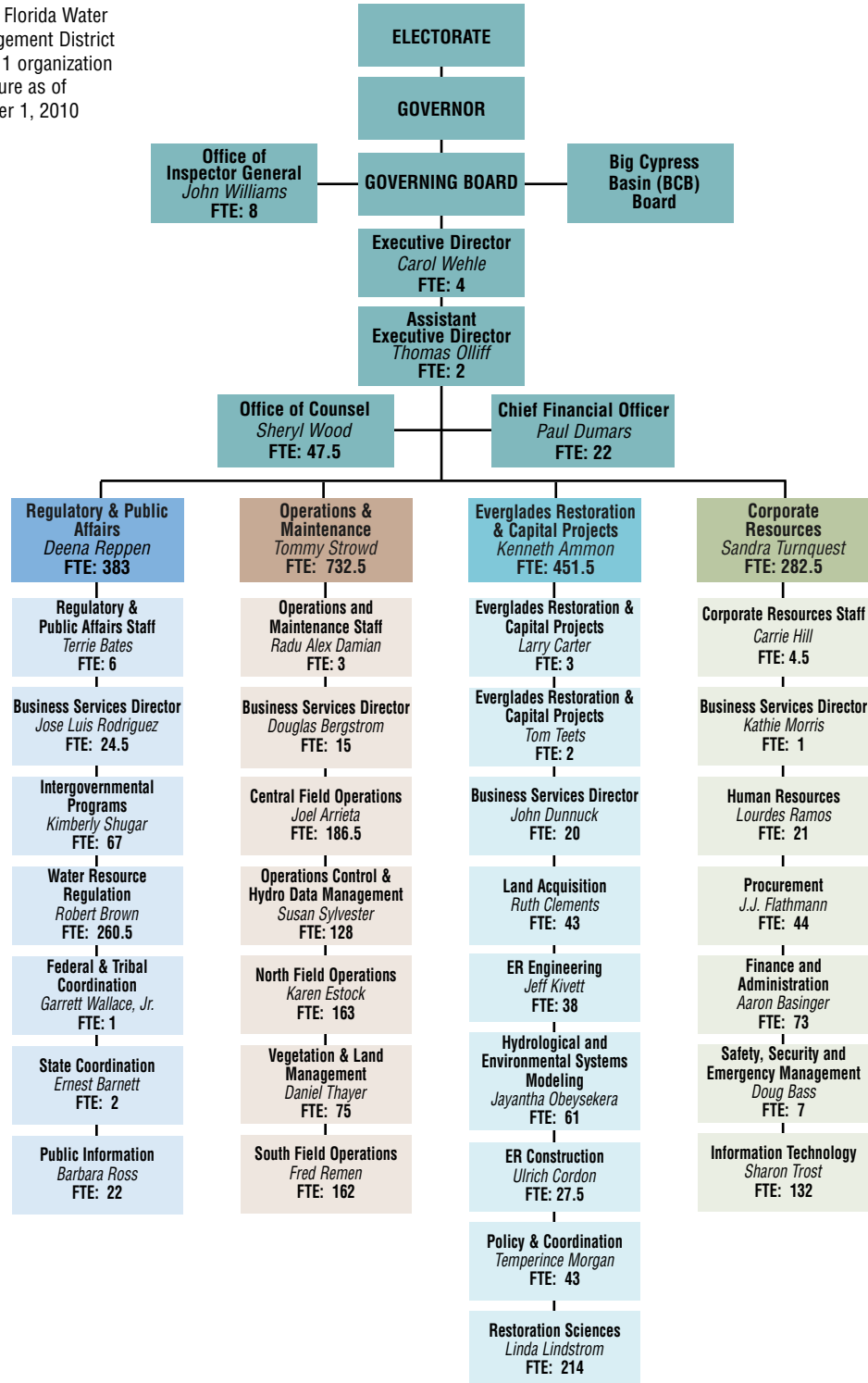
- 💧 Implement alternative water supply projects with local partners
- 💧 Conduct inter-district evaluation of Floridan Aquifer
- 💧 Complete Upper East Coast and Lower West Coast Water Supply Plans
- 💧 Execute agreements for approved water conservation (WaterSIP) Plans
- 💧 Complete an average of 2,125 environmental resource permit compliance investigations per quarter
- 💧 Review an average of 250 water use permit applications per quarter for compliance

Mission Support Program

- 💧 Continue implementation of SAP Public Budget Formulation module
- 💧 Complete upgrade of District database platform
- 💧 Achieve state certification of 95% of professional procurement staff
- 💧 Retain 90% of employees beyond introductory period
- 💧 Obtain unqualified opinion on Financial Statements and obtain recognition from the Government Finance Officers Association on Comprehensive Annual Financial Report and budget document

Organization

South Florida Water Management District
FY2011 organization structure as of October 1, 2010



Governance and Management

Governing Board

The South Florida Water Management District is directed by nine Governing Board members who set policy for the agency. They reside within the 16-county region of the agency and represent a cross section of interests, including the environment, agriculture, local government, recreation and business.

Governing Board members are unpaid citizen volunteers appointed by the Governor and confirmed by the Florida Senate. They serve four-year terms. The South Florida Water Management District encompasses two major watershed basins, the Okeechobee Basin and the Big Cypress Basin. The Big Cypress Basin also has a Basin Board, with appointed members setting policy. One Governing Board member also serves as the chair of the Big Cypress Basin Board. One Board position was vacant at the time of FY2011 Budget Adoption.



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



Sandy Batchelor

County Served:
Miami-Dade
Term:
March 2010–March 2012



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



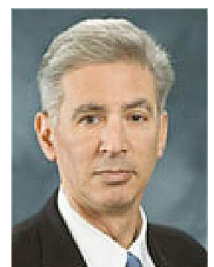
Joe Collins
Member at-large

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 2014



Glenn J. Waldman
Member at-large

County Served:
*St. Lucie, Martin, Broward,
Palm Beach, Miami-Dade
and Monroe*
Term:
March 2010–March 2014

Executive Management

Governing Board members are responsible for appointing the Executive Director and Inspector General of the District. The Florida Senate confirms the appointment of the Executive Director.



Carol Ann Wehle
Executive Director

Carol Ann Wehle was appointed Executive Director effective June 2005. As head of the largest regional water management agency of the state, she oversees a staff of 1,933 and a budget of \$1.1 billion. Prior to her appointment, Ms. Wehle served as the Assistant Executive Director of the District 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 his key position, Mr. Olliff serves as the chief operating officer of the agency and is responsible for decision making in the absence of the Executive Director. 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 internal business functions of the District.

Deputy Executive Directors

The District Deputy Executive Directors (DEDs) work closely with Executive Management to develop the Annual Work Plan of the agency. 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*



Tommy B. Strowd
*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 most valuable resources of the District are the men and women employed by 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 FY2011 and the two previous years. It is important to note that employees may be reassigned between programs, at the discretion of the District, to accommodate work plan project reprioritizations and related scheduling adjustments occurring during the course of the fiscal year.

The Operations and Maintenance program shows an increase in full-time positions from the previous fiscal year due to structure modification and repair, pumping operations and Central & South Florida monitoring. The increase in full-time positions in the Restoration program is attributable to ongoing construction for Compartments B & C, EAA STA Compartments B & C, hydrologic monitoring and network maintenance, water quality monitoring, and development and implementation of source control strategies. Finally, staff increases in Information Technology for the Mission Support program are mostly for applications development, computer operations and for the SAP Solutions center.

District Personnel By Program

Program Name	FY2009 Positions FTE	FY2010 Positions FTE	FY2011 Positions FTE
Operations & Maintenance	649	652	665
Restoration	502	500	562
Water Supply	261	265	265
Mission Support	416	425	441
Total	1,828	1,842	1,933

District Staffing Levels

In FY2011, the District plans to add ninety-one positions, increasing its Full-Time Equivalent (FTE) employees to a total of 1,933. Of this amount, 47 positions are conversions of existing contractors to in-house District personnel. Criteria used in the systematic evaluation of potential contractor conversions included the following: an available talent pool in the marketplace, the nature of the work being performed had to be both core District mission and of a long-term nature, savings to be achieved based on the cost of contracting versus cost of in-house staff (focused on contractor positions with high cost multipliers such as Information Technology technical staff and engineering support).

The remaining 44 positions are being added to support incremental workload resulting from growth in District responsibilities such as operations of Compartments B and C pump stations and Stormwater Treatment Areas (STAs). All of these positions are being added to support critical needs of the District.

A total of 13 positions will be added to the Everglades Restoration & Capital Projects (ERCP) Resource Area. Nine science technician positions will be converted contractor positions and four new technician positions will be added for new monitoring projects within the Water Quality Monitoring Division. The nine contractor conversions will give the District tighter control over sampling activities, which will help increase overall data quality and will ensure that the District meets all data quality objectives as required by permits and other mandates. The four new positions will be conducting routine water quality monitoring associated with mandated and mission driven projects, such as the Coastal Monitoring Network, Lake Okeechobee

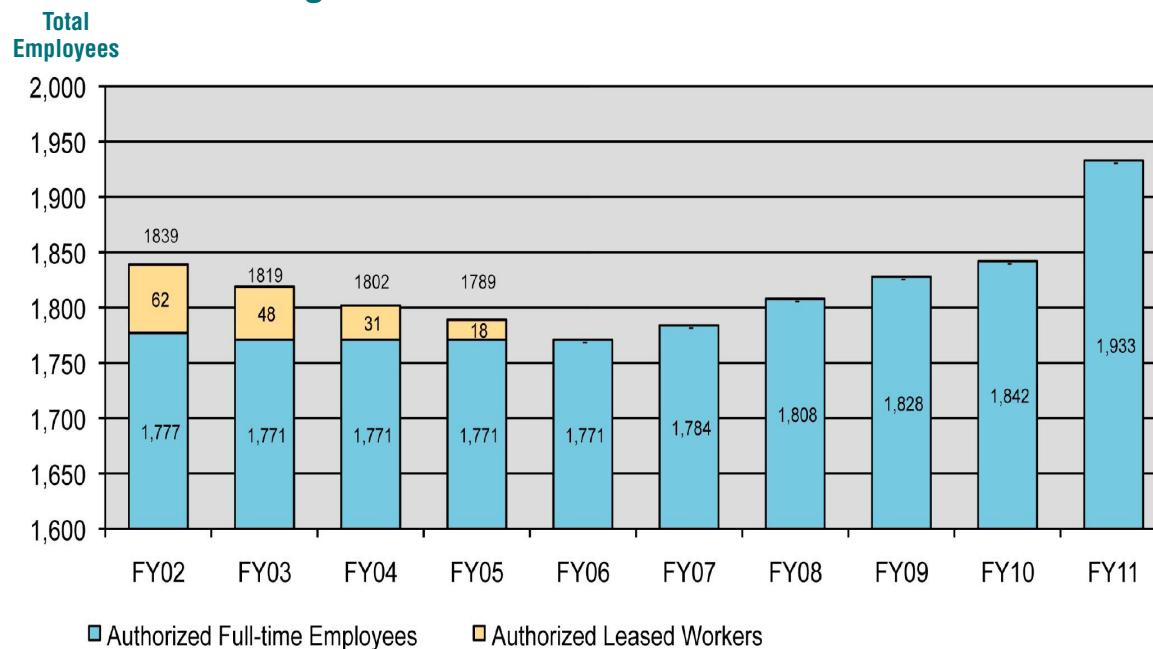
Watershed Assessment Regulatory monitoring, and Everglades Storm water Treatment Area permit and operations monitoring. (Note: Subsequent to the adoption of the FY2011 budget, ten construction management/engineering contractor conversions were added in ERCP in order to realize greater cost savings, in lieu of the planned conversion of the supervisory control and data acquisition (SCADA) positions in O&M).

Eleven of the contractor conversions are in Corporate Resources. Six positions will be for financial system (SAP) related functions, such as payroll, materials management, funds management, project systems, and business warehouse and business intelligence. The remaining five will be for other information technology functions, such as applications development, multi-media services and web development.

Of the fifty-eight additional positions being added in the Operations and Maintenance Resource Area, thirty-one are new positions to support operations and maintenance of Compartments B & C pump stations and Stormwater Treatment Areas. The remaining twenty-seven additional positions reflect contractor conversions in the following areas: ten positions supporting SCADA operations, thirteen positions in hydrodata management, and 4 engineering positions performing evaluations of existing system infrastructure. (Note: Subsequent to the adoption of the FY2011 budget, the ten planned contractor conversions supporting SCADA were eliminated in favor of converting ten construction management/engineering positions in the Everglades Restoration & Capital Projects Resource Area).

Finally, nine of the new positions will be in the Regulatory and Public Affairs Resource Area 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, attempted to address the effects of subtropical weather extremes such as hurricanes, floods and droughts occurring throughout the state. Although nicknamed *The Sunshine State*, the average annual rainfall of Florida is second only to the State of Louisiana.



A Mascot is Born

In the late 1960s, our then-Executive Director wanted to develop an agency mascot similar to the Forest Service's "Smokey Bear." To make it pertinent to South Florida and the District slogan of "Protector of the Everglades since 1949" the obvious choice was an alligator – one of nature's best water managers. When droughts strike, the gator holes they typically dig stay wet for longer periods, providing a source of water and food for many other species and allowing the circle of life to continue. A non-threatening, cartoon version of an alligator initially sprang from an employee's drawing board in 1968 and the character was officially named "Freddy the Friendly FCD Alligator." Though his full name is still "Freddy the Friendly Alligator," most folks now just know him as Freddy.

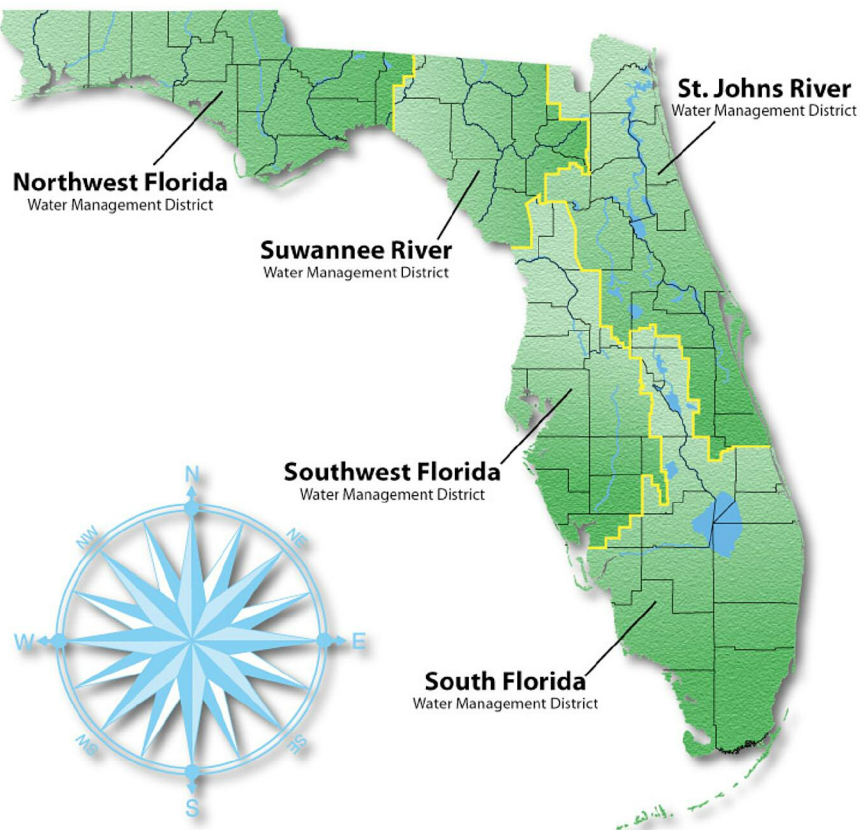
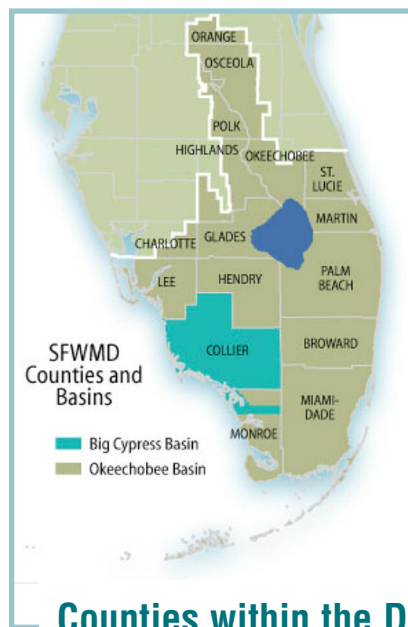
The primary goals of the C&SF were to serve the needs of growing agricultural and urban populations and to protect and manage water resources. To address the goals of the C&SF, the U.S. Army Corps of Engineers built a vast network of water control structures, levees and canals designed to help the region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

In 1949, the Central and Southern Florida Flood Control District (FCD) was created by the state 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 made to the approach of the state for 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 restoration and management of the natural ecosystems of the region, water supply, flood protection and water quality enhancement for urban and rural use. As of 2010, over 7.6 million full-time residents live within the boundaries of the District.

Boundaries

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

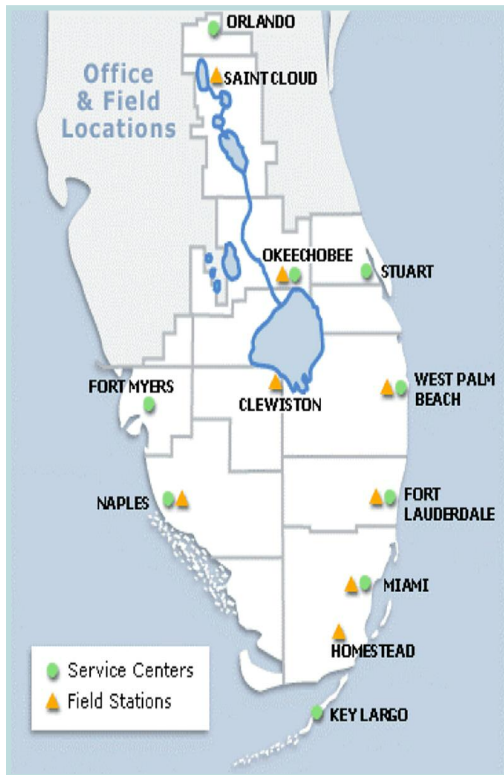


Counties within the District

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

The boundaries of the water management districts 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 boundaries of the District—the Okeechobee Basin and the Big Cypress Basin. The Okeechobee Basin is based on the sprawling Kissimmee-Okeechobee-Everglades ecosystem, which extends from the 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 as well as Everglades National Park. The Big Cypress Basin includes all of Collier and part of Monroe counties, the Big Cypress National Preserve and the 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 staff of the agency conducts environmental monitoring and assessments, produces public outreach materials, and oversees financial, legal, and contractual services. The District is also responsible for integrating, managing, and implementing the Everglades Construction Project (ECP) and the Comprehensive Everglades Restoration Plan (CERP).

To meet its responsibilities, the Fiscal Year 2011 staffing level of the District totals 1,933 regular full-time equivalent positions. Personnel are deployed to facilities across the 16-county jurisdiction of the District. 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 major responsibilities of the District:







Operations & Maintenance (O&M) Program

The 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 more than 500 water control structures and 700 culverts; manages 60 pump stations which send water south and eastward and westward through waterways to both coasts; and oversees about 1,600 miles of canals and 1,000 miles of levees/berms.

Regulatory Responsibilities

The water management districts of Florida along 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 water resources of the region. 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 the eastern outlet of Lake Okeechobee, 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 experienced rapid growth in recent years. 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. In FY2007, the STAs were expanded by about 5,000 acres. Recently, the District initiated construction to expand the STAs to a total of approximately 58,000 acres as part of the Everglades Expedited projects.

Other District Programs

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

The District acquires, manages, and restores lands through the Save Our Everglades land acquisition programs of the state. 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/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

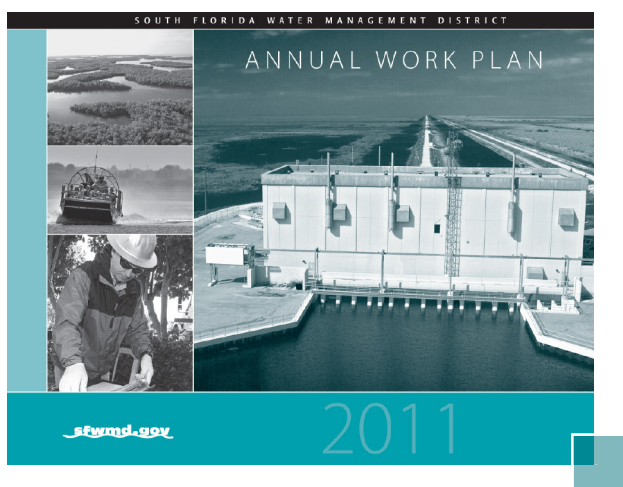


Introduction

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, 2011 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 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 FY2011 Funding Increase/Decrease

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

Key FY2011 Projects/Activities

Highlights major projects or activities planned for the program in the current budget year.

Three-Year Summary of Program Performance Measures

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

(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.

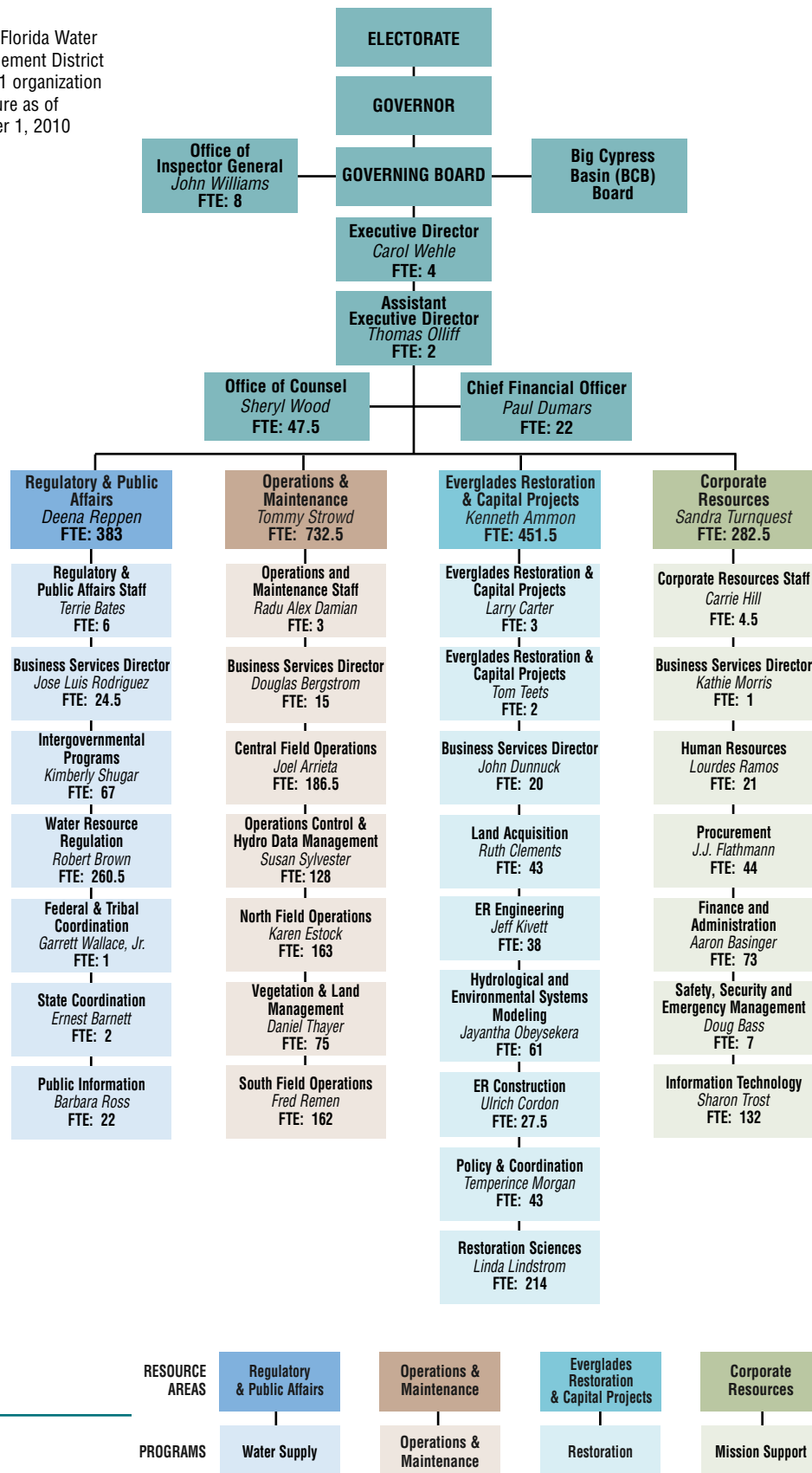
District Budget Overview by Resource Area

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

Resource Area	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
Executive Office	\$25,628,909	\$22,021,294	\$20,363,578	\$(1,657,716)	-7.5%
Corporate Resources	67,698,012	112,378,932	114,558,944	2,180,012	1.9%
Regulatory & Public Affairs	99,719,154	97,408,239	72,771,201	(24,637,038)	-25.3%
Operations & Maintenance	163,982,005	224,495,575	240,169,174	15,673,599	7.0%
Everglades Rest. & Capital Projects	247,500,449	1,079,219,497	624,892,510	(454,326,987)	-42.1%
Total	\$604,528,529	\$1,535,523,537	\$1,072,755,407	\$(462,768,130)	-30.1%

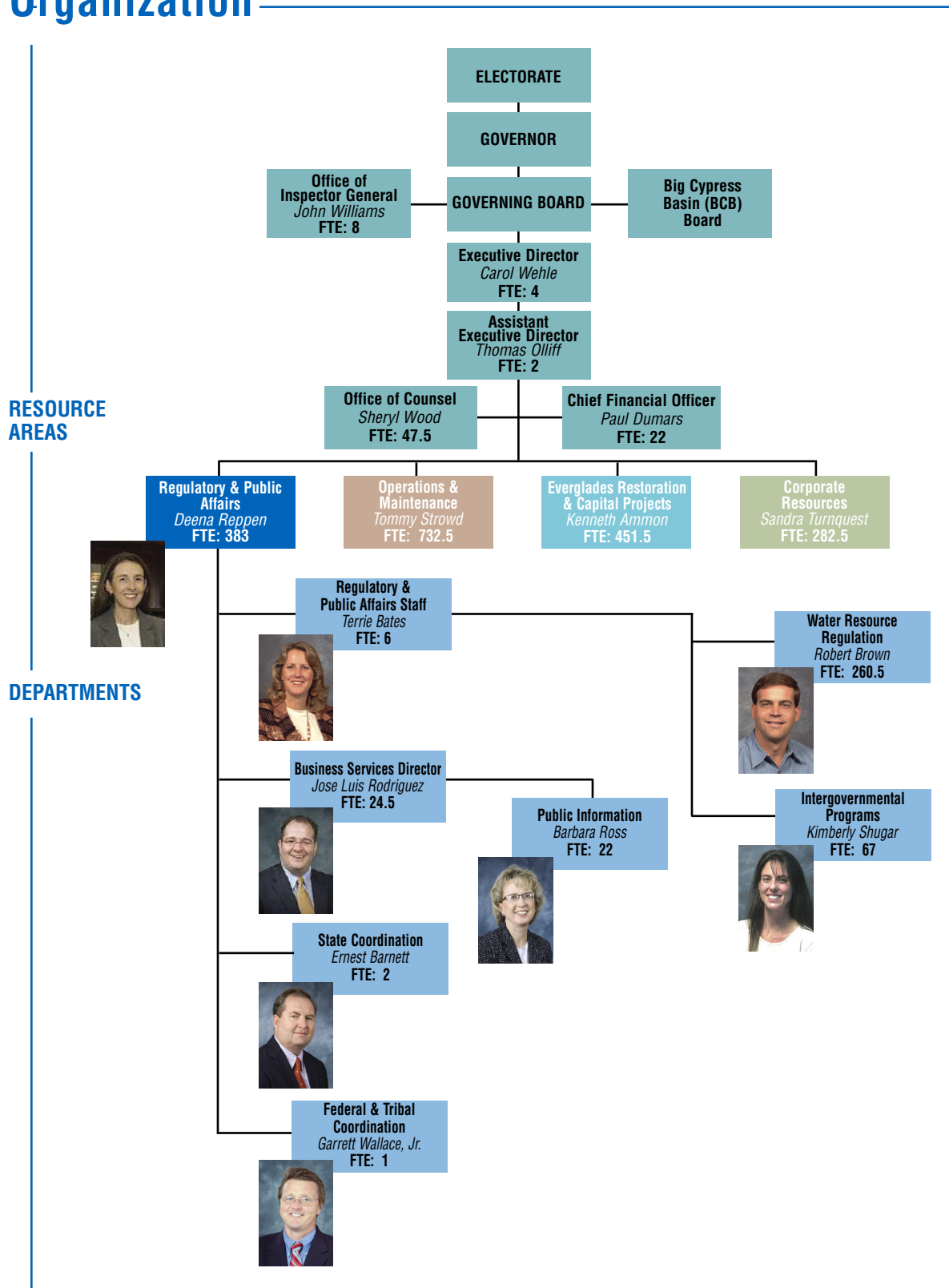
Organization

South Florida Water
Management District
FY2011 organization
structure as of
October 1, 2010



REGULATORY AND PUBLIC AFFAIRS

Organization



FY2010 to FY2011 Resource Area Variance

	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$37,460,253	\$39,071,915	\$40,223,138	\$1,151,223	2.9%
Operating/Self Insurance	2,040,504	1,926,410	1,570,543	(355,867)	-18.5%
Contracts	56,830,917	50,437,619	30,977,520	(19,460,099)	-38.6%
Capital	3,387,480	5,972,295	-	(5,972,295)	-100.0%
Total	\$99,719,154	\$97,408,239	\$72,771,201	\$(24,637,038)	-25.3%
By Fund					
District (DIST)	\$46,376,139	\$45,950,498	\$37,298,457	\$(8,652,041)	-18.8%
Okeechobee Basin (OKEE)	11,935,224	9,887,320	12,216,324	2,329,004	23.6%
Big Cypress Basin (BIGC)	9,434,842	8,084,083	7,094,405	(989,678)	-12.2%
Save Our Rivers (SORO)	65,741	-	-	-	N/A
State Appropriations Non-Land	15,041,780	12,965,078	965,940	(11,999,138)	-92.5%
Wetlands Mitigation	-	-	27,000	27,000	N/A
Snook Tag Revenue	109,514	-	329,928	329,928	N/A
External Grant	1,678,970	3,650,000	-	(3,650,000)	-100.0%
Lake Okeechobee Trust	1,302,414	2,148,321	3,880,441	1,732,120	80.6%
Okeechobee Basin (CAPO)	465,762	-	-	-	N/A
Big Cypress Basin (CAPB)	4,377,132	7,880,295	-	(7,880,295)	-100.0%
Everglades Trust	3,345,453	3,531,392	6,128,083	2,596,691	73.5%
FEMA	617,474	252,852	86,825	(166,027)	-65.7%
Florida Bay	-	21,058	-	(21,058)	-100.0%
CERP - Ad Valorem	1,664,449	577,426	155,990	(421,436)	-73.0%
Save Our Everglades Trust (HB221)	3,304,260	2,459,916	4,587,808	2,127,892	86.5%
Total	\$99,719,154	\$97,408,239	\$72,771,201	\$(24,637,038)	-25.3%

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.

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.



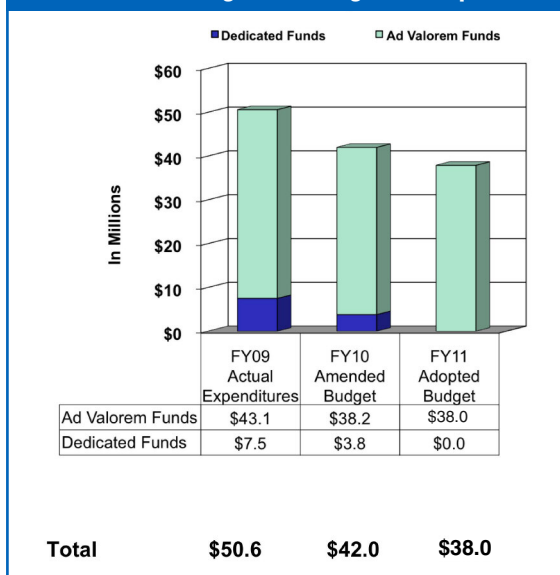
Everglades Pkwy - against development

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 FY2011 Funding Decreases

Three-Year Program Budget Comparison



Total Budget

The total FY2011 adopted budget for the Water Supply program is \$38 million. As reflected in the program variance table to the left, the FY2011 total is approximately \$4 million lower than the FY2010 amended budget. This is a 9.6 percent decrease in budgeted funds.

Ad Valorem Funds

The Water Supply program FY2011 ad valorem funds total \$37.9 million, which is \$0.3 million lower than the FY2010 amended budget amount. Less District funds were available for the Alternative Water Supply program this year. Regulatory initiative outreach programs were also replaced with in-house activities which resulted in a budget savings. Ad valorem funds decreased 0.8 percent compared to the prior year.

Dedicated Funds







FY2011 dedicated funds for this program total \$27 thousand. The decrease of \$3.8 million in funding reflects the reduction of state appropriations which funded the Alternative Water Supply program in FY2010. Overall, dedicated funds decreased by 99.3 percent.

FY2010 to FY2011 Program Variance

Program	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
Water Supply					
Ad Valorem Funds	\$23,626,512	\$17,941,132	\$17,070,962	\$(870,170)	-4.9%
Dedicated Funds	7,543,612	3,750,250	-	(3,750,250)	-100.0%
Subtotal All Sources	31,170,124	21,691,382	17,070,962	(4,620,420)	-21.3%
Regulation					
Ad Valorem Funds	19,479,529	20,292,944	20,870,391	577,447	2.8%
Dedicated Funds	-	-	27,000	27,000	N/A
Subtotal All Sources	19,479,529	20,292,944	20,897,391	604,447	3.0%
Program Total					
Ad Valorem Funds	43,106,041	38,234,076	37,941,353	(292,723)	-0.8%
Dedicated Funds	7,543,612	3,750,250	27,000	(3,723,250)	-99.3%
Program Total	\$50,649,653	\$41,984,326	\$37,968,353	\$(4,015,973)	-9.6%

FY2011 Water Supply Program Key Projects/Activities

Water conservation -

-  WaterSIP: The District's funding assistance program to install new water-saving hardware and technology, producing quantifiable water savings.
-  As part of the District's effort to create and expand a culture of conservation, the District expands recognition and awareness programs that promote conservation and reduce water use in commercial and new residential properties. Florida Water Star is an established conservation recognition program for new construction within the three major Water Management Districts.
-  In addition to implementing the Florida Water Star program, District staff will be developing and implementing a Bronze Level recognition program for retrofit of existing residential properties.
-  Provide technical assistance to support and expand appropriate water conservation recognition programs and to improve water efficiency at restaurants and lodging establishments.
-  Continue the AWS program to augment water supply through the construction of Alternative Water Supply projects. Support local alternative water supply projects through the AWS Funding Program where available and facilitate development of regional and local projects consistent with water supply plans. In FY2011 AWS projects were approved for Osceola, Broward, Miami-Dade, Monroe, Palm Beach, Collier, Hendry, Lee, Martin and St. Lucie counties.
-  Promote e-Permitting tools to increase electronic application submittals. Provide training for the regulated community and internal staff to increase skill level and familiarity with e-Permitting. Continue one-on-one public assistance via e-permits@sfwmd.gov.

Three-Year Summary of Program Performance Measures

Water Supply Program

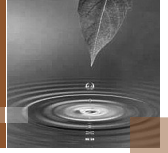
Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
100% of all Environmental Resource Permit applications processed consistent with adopted rules and criteria Outcome: Issuing Environmental Resource Permits consistent with rules, provides environmental, water quality, and flood protection	100% No permits issued by default (1,090 permits issued)	100%	100% No permits issued by default (1,176 permits)	100%
100% of all Water Use Permit applications processed consistent with adopted rules and criteria Outcome: Issuing no Water Use Permits by default ensures the safe, efficient, equitable, and reliable development of water resources	99.57% 8 permits issued by default (1,872 permits issued)	100%	99.94% 1 permit issued by default (1,636 permits issued)	100%
100% of Request for Additional Information letters issued on time (includes both Environmental Resource and Water Use Permits) Outcome: Issuing Request for Additional Information letters on time avoids the review of incomplete information	99.83% (5 Requests for Additional Information Letters not issued on time)	100%	99.89% (3 Requests for Additional Information Letters not issued on time)	100%
Average processing time of all permit applications processed with adopted rules and criteria within time defined by statute (includes both Environmental and Water Use Permits) Outcome: Permitting staff meet mandated deadlines, thereby providing timely decision making for the regulated public	100% ERP: Average from receipt of initial application to disposition = 232 days Average from receipt of complete application to disposition = 50 days. WU: Average from receipt of initial application to disposition = 171 days Average from receipt of complete application to disposition = 46 days	100%	100% ERP: Average from receipt of initial application to disposition = 181 days Average from receipt of complete application to disposition = 45 days. WU: Average from receipt of initial application to disposition = 172 days Average from receipt of complete application to disposition = 45 days	100%
Construction certifications kept current and backlog processed by 2015 Outcome: Assurance that projects meet permit and design criteria results in meeting water resource objectives	1,726 Current, 1,133 (13.8%) Backlog Certifications processed (backlog target = 820)	1,190 Current, 716 Backlog Certifications processed	1,681 Current, 814 Backlog Certifications processed	1,681 Current, 619 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 Outcome: Assurance that water management system construction meets permit and design criteria results in projects meeting water resource objectives				
Total Inspections	14,503	14,503	17,864	17,864
Environmental	3,007	3,007	3,351	3,351
Applications Inspected	1,423	1,423	1,348	1,348
Percent Compliance	72%	72%	74%	74%
Construction	7,416	7,416	7,324	7,324
Applications Inspected	2,009	2,009	1,764	1,764
Percent Compliance	82%	82%	78%	78%
Total Compliance Percentage	77%	77%	79%	79%
Total number of non-compliance letters sent on time	2,206 letters sent on time. (100%)	100% sent on time	1,878 letters sent on time. (100%)	100% sent on time.
Net increase of wetland function Outcome: Assurance that wetland impacts and mitigation are properly reported				
Total acres reviewed	1,225	1,225	66,903	66,903
Total wetland acres permitted to be impacted	263	263	543	543
Total wetland acres preserved	585	585	3,527	3,527
Total wetland acres created/restored	56	56	81	81
Total wetland acres enhanced	295	295	62,694	62,694
Total acres upland compensation	1	1	0	0
Total number of mitigation bank credits	241	241	181	181
Increase initial e-Permitting applications by 2 percentage points per year Outcome: Increased efficiency of permit application processing	Indicator not in place	2% increase	4.7% increase	2% increase

Three-Year Summary of Program Performance Measures Cont.

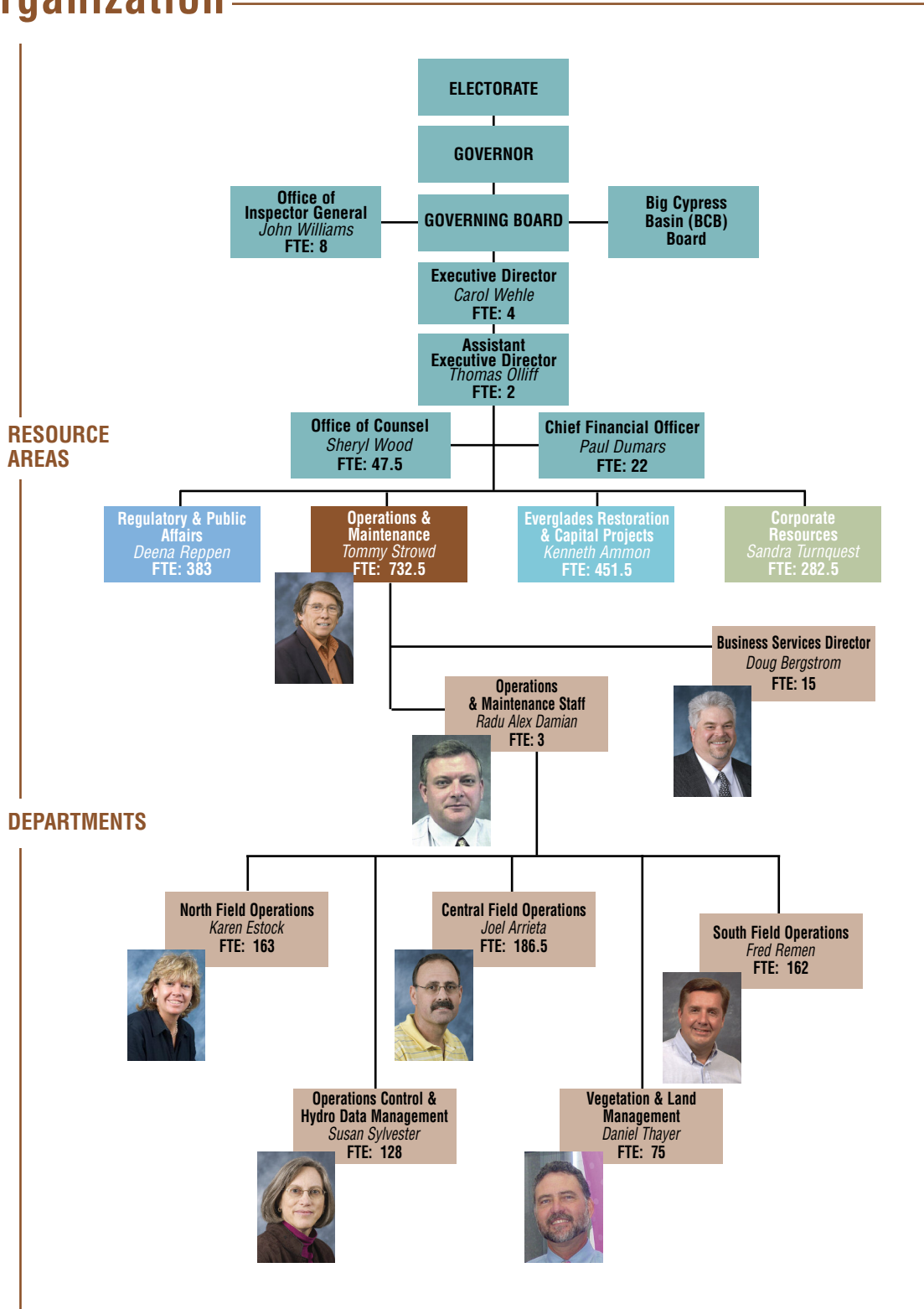
Water Supply Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Review Five-Year Water Use Compliance Reports within 60 days of submittal and respond to permittees within 30 days (90 days total) Outcome: Assurance every five years that the protection of water resources is consistent with the original 20-year Water Use Permit	Indicator not in place	Indicator not in place	Developed the 10-year compliance reporting process	100% of reports reviewed and responded to on time
Completion and application of data gathering and model runs in compliance with District Annual Work Plan schedule Outcome: Application of accurate and timely data within Water Supply Plan models to ensure enough water supply for the next 20 years	On schedule for 3 out of 5 Resource Evaluation Element 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	On schedule for all Resource Evaluation Element Deliverables & Milestones at end of FY2010	Complete 100% of planned work each quarter
Plan review, development and implementation schedules maintained Outcome: Consistency between local government and District plans that satisfy projected demands for water supply.	Preliminary and adopted facility work plans submitted by local governments reviewed within required timeframes and appropriate comments provided. Regional water supply plan updates proceeding to schedule.	Review facility work plans within mandatory timeframes.	All comprehensive plan reviews completed within mandated timeframes. Reviewed 123 proposed amendment packages that included 14 proposed Work Plans, and reviewed 171 adopted amendment packages that included 43 adopted Work Plans. Updates to the Upper East Coast and Lower West Coast Water Supply Plans proceeding on schedule.	Review comprehensive plan amendments, including Water Supply Facilities Work Plans, and provide comments within required timeframes. Regional Water Supply Plans proceeding on schedule.
Reservations, Minimum Flows and Levels and other rules completed on schedule Outcome: Prevention of significant harm to water resources	Picayune Strand and Fakahatchee Estuary Water Reservation Rules adopted by the Governing Board. Rule development for Biscayne Bay postponed. Completed peer review of the science necessary to support a rule. 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. Rule development process initiated including draft rule language and public workshops	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	Initiated rule making for three Water Reservations: - Kissimmee River and Chain of Lakes - North fork of St. Lucie River - Caloosahatchee Estuary Adopted water reservation rule for the St Lucie River. Rule development for Biscayne Bay postponed	Initiate rule development for the Biscayne Bay Restricted Area Rule in support of the CERP Biscayne Bay Coastal Wetlands Project. Conduct public workshops and present draft rule to Governing Board for three water bodies: - Kissimmee River and Upper Chain of Lakes (reservation) - Caloosahatchee Estuary (reservation) - Biscayne Bay (water resource protection rule)
Water supply rules completed on schedule Outcome: Rules that provide management links between water use, flood protection, water quality, and environmental protection	Picayune Strand and Fakahatchee Estuary Water Reservation Rules adopted by the Governing Board on July 2, 2009. Rule development for Biscayne Bay postponed. Completed peer review of the science necessary to support a rule. 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. Rule development process initiated including draft rule language and public workshops	Initiate rule making for two Water Reservations Kissimmee River (and selected upper Kissimmee lakes) 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	Rule development to reserve water initiated for Kissimmee River and Chain of Lakes and the Caloosahatchee Estuary. Water reservation rule for St Lucie River adopted. Technical report completed and peer reviewed for the Kissimmee. Technical report initiated for Caloosahatchee Estuary. Rule development for Biscayne Bay deferred to FY2011.	Initiate Central Florida Coordination Area Rulemaking. Streamline minor General Permit permitting process. Update well construction standards
Alternative water supply capacity and reclaimed water use increased consistent with adopted regional water supply plans Outcome: Additional alternative water supplies made available, consistent with water supply plans	27 MGD of AWS capacity created. Brackish water/seawater capacity: 207 MGD. Use of reclaimed water: 29% (238 MGD) of wastewater reused	Create 2 MGD of AWS capacity. Brackish water/seawater capacity: 236 MGD. Use of reclaimed water: 30% of wastewater (240 MGD) reused	2.5 MGD of AWS capacity created. Brackish water/seawater capacity: 230 MGD. Project postponed due to lower demands than projected. Use of reclaimed water: 29% of wastewater (238.6 MGD) reused	Brackish water/seawater capacity is projected to reach 250 MGD by 2012. Use of reclaimed water: 30% of wastewater (240 MGD) reused
Conservation levels achieved meet or exceed targets within adopted regional water supply plans Outcome: Additional water conservation achieved, consistent with water supply plans	3.1 MGD of Conservation Savings	1.9 MGD of Conservation Savings. (Conservation Plan based)	4.7 MGD of Conservation Savings	1.2 MGD of Conservation Savings

OPERATIONS & MAINTENANCE



Organization



FY2010 to FY2011 Resource Area Variance

	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$57,630,025	\$62,891,754	\$66,102,637	\$3,210,883	5.1%
Operating/Self Insurance	21,784,533	25,438,025	25,616,480	178,455	0.7%
Contracts	52,789,732	80,301,915	54,713,538	(25,588,377)	-31.9%
Capital	31,777,715	45,461,270	75,711,585	30,250,315	66.5%
Reserves	-	10,402,611	18,024,934	7,622,323	73.3%
Total	\$163,982,005	\$224,495,575	\$240,169,174	\$15,673,599	7.0%
By Fund					
District (DIST)	\$12,677,500	\$16,514,931	\$13,545,917	\$(2,969,014)	-18.0%
Okeechobee Basin (OKEE)	63,430,704	88,173,582	88,148,602	(24,980)	0.0%
Big Cypress Basin (BIGC)	2,683,001	2,761,067	2,673,819	(87,248)	-3.2%
Save Our Rivers (SORO)	15,371,989	7,412,397	7,442,581	30,184	0.4%
State Appropriations Non-Land	-	58,614	-	(58,614)	-100.0%
Invasive Plant Control	2,560,064	3,376,015	1,891,087	(1,484,928)	-44.0%
Melaleuca Management	2,748,510	1,200,000	1,200,000	-	0.0%
Wetlands Mitigation	3,437,423	12,000,121	8,059,280	(3,940,841)	-32.8%
STA O&M	13,451,714	15,222,101	16,878,608	1,656,507	10.9%
Lake Belt Mitigation	104,821	44,000	160,000	116,000	263.6%
Lake Okeechobee Trust Fund	9,000	213,788	213,788	-	0.0%
Okeechobee Basin (CAPO)	30,670,701	60,689,467	86,025,774	25,336,307	41.7%
Big Cypress Basin (CAPB)	-	-	2,705,000	2,705,000	N/A
Florida Forever (CAPS)	-	820,000	-	(820,000)	-100.0%
Everglades Trust	13,978,639	8,689,808	8,816,608	126,800	1.5%
FEMA	(150)	-	-	-	N/A
Florida Bay	-	-	31,310	31,310	N/A
CERP - Ad Valorem	2,839,589	2,741,798	1,245,426	(1,496,372)	-54.6%
Federal Land Acquisition	-	2,800,000	-	(2,800,000)	-100.0%
CERP - Federal	18,500	-	-	-	N/A
Permanent Fund	-	1,777,886	1,131,374	(646,512)	-36.4%
Total	\$163,982,005	\$224,495,575	\$240,169,174	\$15,673,599	7.0%

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 500 water control structures and 700 culverts; manages 60 pump stations which send water south and eastward and westward through waterways to both coasts; and oversees about 1,600 miles of canals and 1,000 miles of levees/berms.

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.



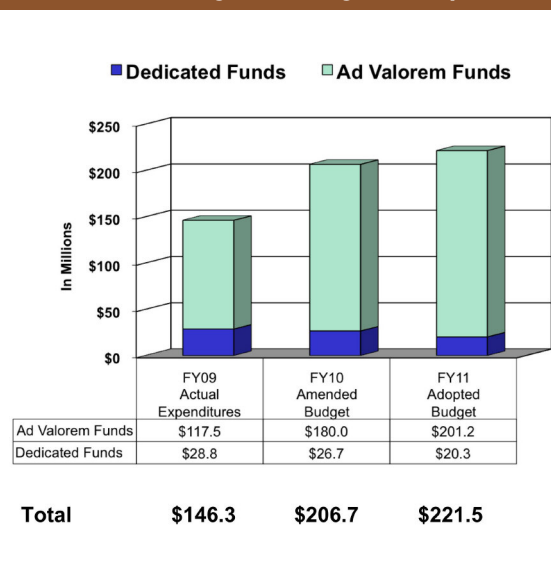
Structure G92

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 FY2011 Funding Increases and Decreases

Three-Year Program Budget Comparison



Total Budget

The total FY2011 adopted budget for the Operations and Maintenance (O&M) program is \$221.5 million. As reflected in the program variance table to the left, the FY2011 total is approximately \$15 million higher than the FY2010 amended budget. This is a 7.1 percent increase in budgeted funds.

Ad Valorem Funds

The O&M program FY2011 ad valorem funds total \$201.2 million, which is \$21.2 million higher than the FY2010 amended budget amount. The increase is due to \$28.4 million of fund balance budgeted as reserves for future projects. Ad valorem funds increased 11.8 percent compared to the prior year.

Dedicated Funds

FY2011 dedicated funds for this program total \$20.3 million which is \$6.5 million lower than the prior year. The \$7.7 million reserve included in the FY2010 budget was fund balance transferred from the Lake Belt Mitigation Fund to the Wetland Mitigation Fund for Pennsuco and 8.5 Square Mile Area and is not recurring. (See Financial Overview for descriptions of Funding sources for the District). Dedicated funds decreased by 23.5 percent.

FY2010 to FY2011 Program Variance

Program	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
<u>Operations & Maintenance</u>					
Ad Valorem Funds	\$116,631,005	\$168,982,897	\$190,004,940	\$21,022,043	12.4%
Dedicated Funds	12,064,047	1,672,923	1,961,325	288,402	17.2%
Subtotal All Sources	128,695,052	170,655,820	191,966,265	21,310,445	12.5%
<u>Land Stewardship</u>					
Ad Valorem Funds	820,042	10,998,194	11,214,491	216,297	2.0%
Dedicated Funds	16,729,080	25,065,372	18,313,497	(6,751,875)	-26.9%
Subtotal All Sources	17,549,122	36,063,566	29,527,988	(6,535,578)	-18.1%
<u>Program Total</u>					
Ad Valorem Funds	117,451,047	179,981,091	201,219,431	21,238,340	11.8%
Dedicated Funds	28,793,127	26,738,295	20,274,822	(6,463,473)	-24.2%
Program Total	\$146,244,174	\$206,719,386	\$221,494,253	\$14,774,867	7.1%

FY2011 O&M Program Key Projects/Activities

- 💧 Refurbishment of water control structures according to Operations & Maintenance plan.
- 💧 Maintain and operate the regional water management system to its capacity.
- 💧 Complete construction of six recreation and public access projects and open for public use:
 - 💧 SW Lake Kissimmee Boat Ramp
 - 💧 Allapattah Road Improvements
 - 💧 Bird Rookery Parking Area
 - 💧 DuPuis Campground Host Site
 - 💧 Hickory Hammock Campground
 - 💧 Nine Gems Parking Area
- 💧 Maintain 79,000 acres of levees and canal banks.
- 💧 Treat 80,000 acres of exotic aquatic and terrestrial vegetation annually
- 💧 Apply prescribed fire to 16,000 acres of public land
- 💧 Maintain Supervisory Control and Data Acquisition infrastructure to District standards
- 💧 Manage rights-of-way in compliance with District standards of safety, health and operation according to intended utilization

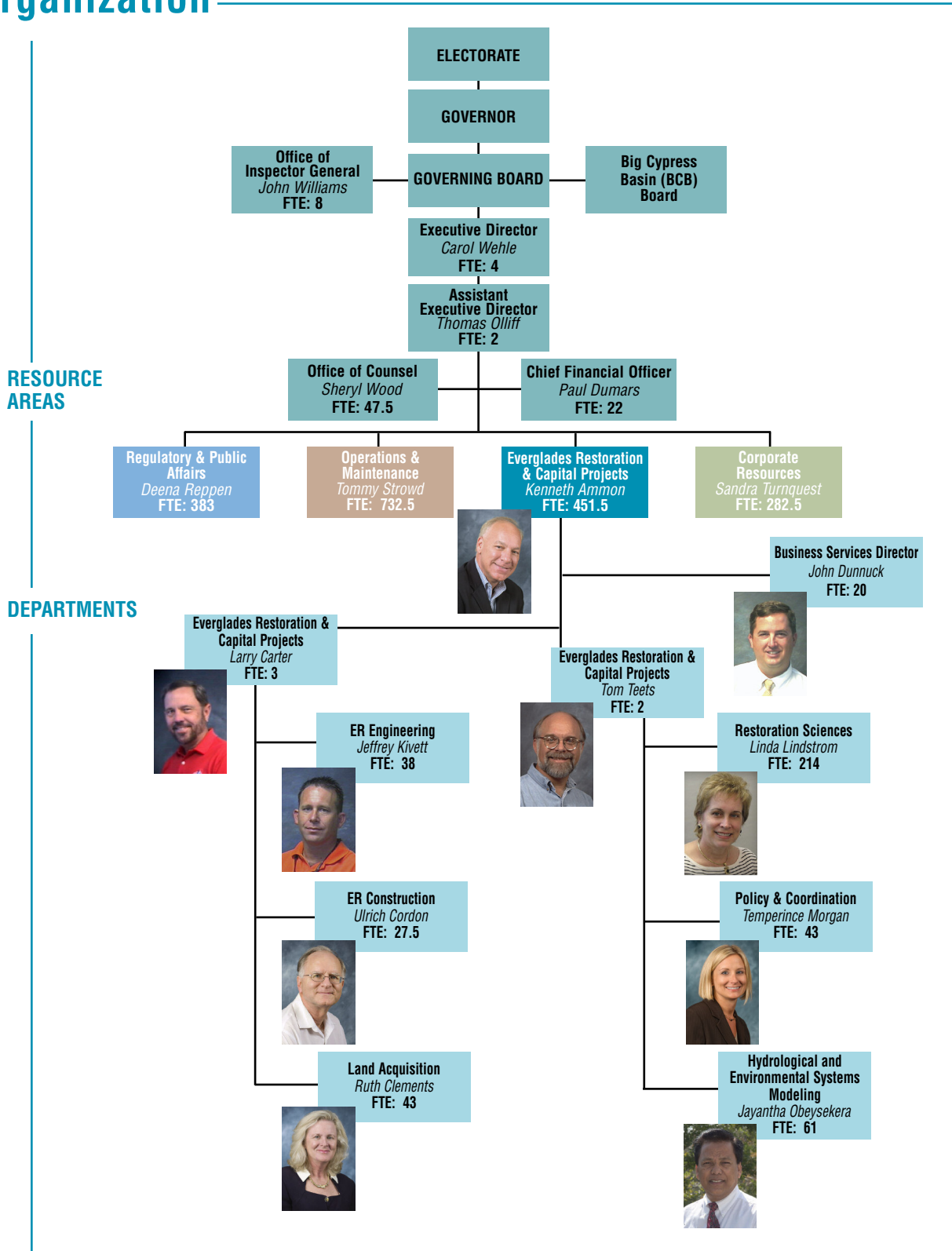
Three-Year Summary of Program Performance Measures

Operations & Maintenance Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Compliance with current fiscal year budget-driven segment of 50-year Plan Outcome: An updated canal system	69%	85%	85%	85%
95% compliance with permit requirements Outcome: Permit specifications being followed	95%	95%	95%	95%
99% flood protection achieved for rainfall events within project design standards Outcome: High level of flood protection achieved	95%	99%	99%	99%
99% of planned structure maintenance performed on schedule Outcome: Canal structures performing at maximum capability	98%	99%	90%	99%
90% canals/levees passing U.S. Army Corps of Engineers inspection Outcome: Canals and levees capable of high level performance	90%	90%	98%	90%
90% design conveyance capable Outcome: Escalated ability of surface water management system to move water	89%	90%	90%	90%
99% of planned vehicle maintenance performed on schedule Outcome: Increased ability to meet operational demands at reduced overall costs	100%	99%	98%	99%
90% compliance with electronic communication installation and maintenance schedule Outcome: Real time water level data available for decision making	92%	90%	99.8%	90%
90% of land at an acceptable level of exotics infestation Outcome: Low level of non-native plants	98%	90%	90%	90%
90% of canals at an acceptable level of aquatic plant infestation Outcome: Low level of water-weeds that disrupt the ability to effectively manage water resources	100%	90%	90%	90%
92% 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 Outcome: Control of encroachment that would hinder operations	99%	92%	92%	92%
95% of planned maintenance performed on schedule Outcome: Prevention of building failures that would hinder operational demands	95%	95%	81%	95%
73% of conservation land at an acceptable level of exotic infestation Outcome: Increased biodiversity of native plants	77%	73%	77%	73%
95% of lands burned according to recommended burn frequency Outcome: Increased plant diversity and decreased unwanted fires	100%	95%	100%	95%
80% of Land Stewardship infrastructure projects completed on schedule and within budget Outcome: Increased site security and improved public access to District lands	100%	80%	100%	80%
100% of unrestricted District lands opened to the public Outcome: District lands available for public recreation	100%	100%	100%	100%
80% of recreation capital projects completed on schedule and within budget Outcome: District lands available for public recreation	75%	80%	71%	80%
100% photo documented database by 2017; 180 more ecological photo point monitoring locations by 2017 Outcome: Photographic feedback provided to improve land management practices	100%	100%	100%	100%
100% Land Management Plans developed/updated per land management review team recommendations at five-year intervals Outcome: District lands managed for the purposes for which they were acquired	100%	100%	100%	100%
100% of submitted mitigation bank restoration credit release requests approved by permitting agencies Outcome: Restoration of targeted lands and generation of revenue for priority projects	100%	100%	100%	100%
100% of Water Resource Development project plans to include associated recreation Outcome: District lands available for public recreation	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 Outcome: Proper management of lands leased from the District	100%	100%	100%	100%

EVERGLADES RESTORATION & CAPITAL PROJECTS

Organization



FY2010 to FY2011 Resource Area Variance

	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$44,029,394	\$43,524,772	\$46,246,298	\$2,721,526	6.3%
Operating/Self Insurance	4,833,363	10,739,218	7,299,955	(3,439,263)	-32.0%
Contracts	45,699,769	35,625,489	25,028,582	(10,596,907)	-29.7%
Capital	116,824,124	908,335,469	511,073,498	(397,261,971)	-43.7%
Debt Service	36,113,799	80,994,549	35,244,177	(45,750,372)	-56.5%
Total	\$247,500,449	\$1,079,219,497	\$624,892,510	\$(454,326,987)	-42.1%
By Fund					
District (DIST)	\$21,998,982	\$28,001,974	\$27,668,597	\$(333,377)	-1.2%
Okeechobee Basin (OKEE)	20,946,513	13,572,584	24,095,363	10,522,779	77.5%
Big Cypress Basin (BIGC)	251,855	327,211	1,383,246	1,056,035	322.7%
Save Our Rivers (SORO)	1,259,506	-	-	-	N/A
State Appropriations Non-Land	3,296,990	3,984,901	906,283	(3,078,618)	-77.3%
Wetlands Mitigation	444,025	568,122	1,769,945	1,201,823	211.5%
Snook Tag Revenue	-	364,094	-	(364,094)	-100.0%
External Grant	98,928	398,274	282,374	(115,900)	-29.1%
STA O&M	1,531,679	6,072,037	4,593,068	(1,478,969)	-24.4%
Everglades License Tag Fund	722,145	200,000	200,000	-	0.0%
Lake Okeechobee Trust	2,657,366	4,960,124	6,114,587	1,154,463	23.3%
District (CAPD)	-	-	22,610,000		N/A
Okeechobee Basin (CAPO)	1,301,214	17,700,000	11,915,234	(5,784,766)	-32.7%
Big Cypress Basin (CAPB)	-	-	5,424,367	5,424,367	N/A
Florida Forever (CAPS)	8,293,717	7,700,000	12,600,000	4,900,000	63.6%
Everglades Trust	43,250,168	57,899,296	114,005,496	56,106,200	96.9%
Florida Bay	1,096,311	1,185,230	3,124,010	1,938,780	163.6%
CERP - Ad Valorem	63,236,244	96,550,424	219,138,725	122,588,301	127.0%
Federal Land Acquisition	-	7,499,406	498,322	(7,001,084)	-93.4%
Save Our Everglades Trust (HB221)	37,813,889	141,367,755	57,014,116	(84,353,639)	-59.7%
CERP - Federal	(103)	75,000	-	(75,000)	-100.0%
Acceler8 - ECP	24,191,853	151,960,397	111,548,777	(40,411,620)	-26.6%
Acceler8 - CERP	15,109,167	538,832,668	-	(538,832,668)	-100.0%
Total	\$247,500,449	\$1,079,219,497	\$624,892,510	\$(454,326,987)	-42.1%

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.

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.



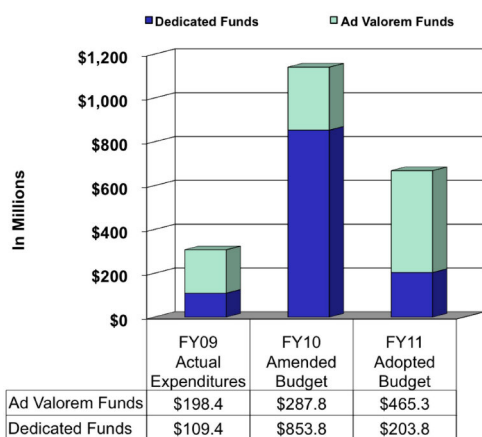
C-44 Reservoir project area

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 FY2011 Funding Increases and Decreases

Three-Year Program Budget Comparison



Total Budget

The total FY2011 adopted budget for the Restoration program is \$669.1 million. As reflected in the program variance table to the left, the FY2011 total is \$472.5 million lower than the FY2010 amended budget of \$1.14 billion. This is a 41.4 percent decrease in budgeted funds.

Ad Valorem Funds

The Restoration program ad valorem funds total \$465.3 million, which is \$177.5 million higher than the prior year budget. The increase in funding for FY2011 is due primarily to an increase in reserves and capital construction projects as well as increased funding for source controls and Best Management Practices studies. Ad valorem funds increased by 61.7 percent.



Dedicated Funds

FY2011 dedicated funds for this program total \$203.8 million. The decrease of \$650 million in funding represents the reductions in state funding and District reserves for CERP water quality and capital projects. This decrease was due primarily to the decision not to issue \$536.5 million of COPs which was included in the FY2010 budget for land acquisition. On the whole, dedicated funds decreased 76.1 percent.

FY2010 to FY2011 Program Variance

Program	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
<u>CERP</u>					
Ad Valorem Funds	\$72,180,455	\$141,141,344	\$261,969,616	\$120,828,272	85.6%
Dedicated Funds	60,318,275	615,186,589	54,094,227	(561,092,362)	-91.2%
Subtotal All Sources	132,498,730	756,327,933	316,063,843	(440,264,090)	-58.2%
<u>Lake Okeechobee</u>					
Ad Valorem Funds	11,615,374	8,141,693	9,097,467	955,774	11.7%
Dedicated Funds	9,203,709	53,091,402	27,893,548	(25,197,854)	-47.5%
Subtotal All Sources	20,819,083	61,233,095	36,991,015	(24,242,080)	-39.6%
<u>Coastal Watersheds</u>					
Ad Valorem Funds	14,501,312	20,297,901	16,300,709	(3,997,192)	-19.7%
Dedicated Funds	14,188,792	24,781,771	2,204,345	(22,577,426)	-91.1%
Subtotal All Sources	28,690,104	45,079,672	18,505,054	(26,574,618)	-59.0%
<u>Kissimmee Restoration</u>					
Ad Valorem Funds	6,499,304	21,915,522	5,647,167	(16,268,355)	-74.2%
Dedicated Funds	656,028	8,506,171	7,822,057	(684,114)	-8.0%
Subtotal All Sources	7,155,332	30,421,693	13,469,224	(16,952,469)	-55.7%
<u>District Everglades</u>					
Ad Valorem Funds	76,871,312	80,547,722	151,305,104	70,757,382	87.8%
Dedicated Funds	25,028,152	152,241,539	111,749,777	(40,491,762)	-26.6%
Subtotal All Sources	101,899,464	232,789,261	263,054,881	30,265,620	13.0%
<u>Modeling & Scientific Support</u>					
Ad Valorem Funds	16,781,055	15,754,570	21,013,419	5,258,849	33.4%
Dedicated Funds	-	-	-	-	N/A
Subtotal All Sources	16,781,055	15,754,570	21,013,419	5,258,849	33.4%
<u>Program Total</u>					
Ad Valorem Funds	198,448,812	287,798,752	465,333,482	177,534,730	61.7%
Dedicated Funds	109,394,956	853,807,472	203,763,954	(650,043,518)	-76.1%
Program Total	\$307,843,768	\$1,141,606,224	\$669,097,436	\$(472,508,788)	-41.4%

FY2011 Restoration Program Key Projects/Activities

-  Everglades Agricultural Area Stormwater Treatment Area Compartment B design & construction. Stormwater Treatment Area (STA) Compartment B consists of a 7,570 acre parcel located in Palm Beach County between the L-6 Canal and North New River Canal. The Compartment B Buildout is designed to further improve the water quality discharges to Everglades Protection Area, as well as help balance flows and loads within STA system.
-  Everglades Agricultural Area Stormwater Treatment Area Compartment C design & construction. Stormwater Treatment Area (STA) Compartment C consists of a 6,200 acre parcel located in Hendry County and lies between STAs 5-3 and 6-2. The Compartment C Buildout is designed to further improve the water quality discharges to the Everglades Protection Area, as well as help balance flows and loads within the STA system.

FY2011 Restoration Program Key Projects/Activities

- 💧 Rotenberger Supplemental Electric Pump Station. Construction of a 125 cfs electric pump station located south of G-411 to allow discharge of treated water from STA-6 and Compartment C to the Rotenberger Wildlife Management Area to improve hydrologic conditions.
- 💧 Construction of new District laboratory facilities, including chemistry, ecological and biological capabilities, located at the Field Operations Center on Belvedere Road adjacent to the West Palm Beach Field Station.
- 💧 River of Grass land acquisition. Culminating nearly two years work, in August 2010, the District's Governing Board approved a strategy to acquire two strategic parcels totaling 26,800 acres using \$197 million in funds budgeted for land acquisition and restoration purposes, with options over the next decade to purchase an additional 153,200 acres, from the United States Sugar Corporation for Everglades restoration. The lands will be used for restoration and water quality improvement efforts, particularly for the greater Everglades.
- 💧 Southern CREW/Imperial River Flow-way Critical Restoration Project. Reestablish more natural flow patterns to 4,100 acres in south east Lee County to improve or restore the hydrology and ecology of the project area (along with resulting benefits to upstream and downstream lands) per 1999 Environmental Assessment.
- 💧 Lake Trafford Restoration Critical Restoration Project. Dredge an estimated 6.5 million cubic yards of organic sediment from Lake Trafford; disposal on agricultural lands. Improve lake water quality and subsequent flows to Corkscrew Swamp Sanctuary and regional ecosystem watershed, and the Florida Panther National Wildlife Refuge.
- 💧 C-111 Spreader Canal. Construction of an impoundment and pump station, extension of a spreader canal and addition of culverts and other features to improve the health and water quality of Everglades wetlands by restoring more natural overland sheetflow.
- 💧 Lakeside Ranch Stormwater Treatment Area. The Lakeside Ranch Stormwater Treatment Area (STA) project involves construction of a wetland area adjacent to Lake Okeechobee in Martin County. The STA will remove phosphorus to help improve Lake Okeechobee water quality. Construction for the first contract, Lakeside Ranch Phase 1 - STA North, commenced in FY2009. The second construction contract, Phase I - S-650 Pump Station, was initiated in FY2010 and will continue through this year. Phase II of the project consists of STA-South and the S-191A pump station.
- 💧 Develop and implement the Dispersed Water Management and Treatment Program. Dispersed water management is defined as shallow water distributed across parcel landscapes using relatively simple structures.

Three-Year Summary of Program Performance Measures

Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Coastal Watersheds				
St. Lucie Estuary within desired 30-day moving average salinity range of 8 to 28 practical salinity units 365 days of the year Outcome: Increased overall health of the St. Lucie Estuary	262 days	365 days	233 days	365 days
Total phosphorus and total nitrogen loads to the St. Lucie Estuary reduced consistent with the St. Lucie River Watershed Protection Plan Outcome: Increased overall health of the St. Lucie Estuary	Indicator not in place	No target set	Data not available	Data not available on an annual basis
Total phosphorus and total nitrogen loads to the Caloosahatchee River Estuary reduced consistent with the Caloosahatchee River Watershed Protection Plan Outcome: Increased overall health of the Caloosahatchee River Estuary	Indicator not in place	No target set	Data not available	Data not available on an annual basis
Mean monthly flow in the Caloosahatchee River Estuary averaging between 450 and 2,800 cubic feet per second Outcome: Increased overall health of the Caloosahatchee River Estuary	In 2009, mean monthly flows fell between 450 and 2,800 cfs for 8 months.	Mean monthly flow averaging between 450 and 2,800 cfs for 12 months	In 2010, mean monthly flows fell between 450 and 2,800 cfs for 6 months.	Mean monthly flow averaging between 450 and 2,800 cfs for 12 months
Meet the established Minimum Flow and Level for the Northwest Fork of the Loxahatchee River Outcome: Avoidance of significant environmental harm caused by prolonged low flows in the Northwest Fork of the Loxahatchee River	MFL flow criteria not met	Not less than 35 cubic feet per second mean daily flow at Lainhart Dam for more than 20 consecutive days, more than once every six years	Flow criterion exceeded for 10 consecutive days, but MFL met	Not less than 35 cubic feet per second mean daily flow at Lainhart Dam for more than 20 consecutive days, more than once every six years
Salinity within one kilometer of the western shoreline not to exceed 35 practical salinity units more than 5% of the time annually for South Central Biscayne Bay Outcome: Salinity levels conducive to a healthy Biscayne Bay estuarine habitat	Data not available	<5% salinity exceedence	<2% salinity exceedence	<5% salinity exceedence
Salinity within Manatee Bay not to exceed 35 practical salinity units more than 5% of the time annually (Biscayne Bay area) Outcome: Salinity levels conducive to a healthy Biscayne Bay estuarine habitat	22% salinity exceedence	<5% salinity exceedence	<1% salinity exceedence	<5% salinity exceedence
Salinity within Highway Creek, Long Sound and Joe Bay remains between 5 and 15 practical salinity units; and within Little Madeira Bay between 15 and 25 practical salinity units 100% of the time (Everglades National Park/Florida Bay area)* Outcome: Salinity levels conducive to a healthy Florida Bay estuarine habitat	Highway Creek: 60/365 = 16% Long Sound: 25/365 = 7% Joe Bay: 148/365 = 41% Little Madeira Bay: 155/365 = 42%	No interim targets set	Highway Creek: 155/365 = 42% Long Sound: 37/356 = 10% Joe Bay: 186/365 = 51% Little Madeira Bay: 220/365 = 60%	No interim targets set

* Overall target applies to after construction of CERP projects

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Comprehensive Everglades Restoration Plan				
14 restoration plans complete by 2020 Outcome: Plans for projects that achieve environmental restoration	8	10	8	10
18 project designs complete by 2020 Outcome: Designs for projects that achieve environmental restoration	10	11	13	14
148,258 remaining acres to be acquired by 2020; 371,649 acres acquired by end of program Outcome: Land for projects that achieve environmental restoration	222,936 acres	225,436 acres	224,881 acres	226,000 acres
Construction completed: 608,000 acre-feet of water storage flow ready by 2018 Outcome: Construction of projects that achieve environmental restoration	45,000	45,000	45,000	45,000
Construction completed: 6,300 acres of water quality treatment flow ready by 2018 Outcome: Construction of projects that achieve environmental restoration	0	0	0	0
Construction completed: 156,000 acres of natural area projects completed by 2018 Outcome: Construction of projects that achieve environmental restoration	13,000 acres	13,150 acres	13,670 acres	13,820 acres
100% of ecological baseline complete by 2020 Outcome: Measure of ecosystem health against which restoration success can be evaluated	45%	49%	49%	55%
100% of system-wide restoration assessments complete by 2020 Outcome: Ecosystem health and restoration success assessment	36%	40%	40%	43%

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
District Everglades				
Additional 11,473 acres of total Stormwater Treatment Area effective treatment area by December 2010 Outcome: Improved quality of water delivered to the Everglades Protection Area	11,473 acres of Stormwater Treatment Area design completed and construction started Percent complete: Compartment B - earthwork 9% - water control structures 0% - pump stations 4% Okeelanta Bridge at Compartment B 100% Compartment C - earthwork 51% - water control structures 15% - pump stations 6%	11,473 acres of Stormwater Treatment Area under construction (flow capable by December 2010)	11,473 acres of Stormwater Treatment Area under continued construction Percent complete: Compartment B - earthwork 74% - water control structures 46% - pump stations 44% Okeelanta Bridge at Compartment B 100% Compartment C - earthwork 91% - water control structures 72% - pump stations 38%	11,473 acres of Stormwater Treatment Area under construction (flow capable by December 2010)

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
District Everglades cont.				
Water quality standards achieved in the Everglades Protection Area and compliance maintained with the Federal Everglades Settlement Agreement Outcome: Reduced level of phosphorus in water delivered to the Everglades Protection Area	In compliance	In compliance	In compliance	In compliance
Compliance maintained with all state and federal Stormwater Treatment Area permit requirements Outcome: Improved water quality in the Everglades Protection Area	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 Outcome: Improved water quality in the Everglades	100% maintained	100% maintained	95.5% maintained	100% maintained
Phosphorus target loads and concentrations consistently achieved for all basins ultimately flowing into the Everglades Protection Area Outcome: Compliance with established Everglades Protection Area water quality standards	C-139 Basin: Out of compliance. Everglades Agricultural Basin: In compliance. 68% reduction in phosphorus achieved	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	C-139 Basin: In compliance. Loads reduced to below historic levels. Everglades Agricultural Basin: In compliance. 41% phosphorus load reduction achieved	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 in the Everglades Outcome: Wading bird populations indicative of Everglades health	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 developed: 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: Great Egret = 6,774 Snowy Egret & Tricolored Herons = 2,442 White Ibis = 20,081 Wood Stork = 1,736	Three-year running average number of nesting pairs - Targets developed: Great Egret = 4,000 Snowy Egret & Tricolored Herons = 20,000 White Ibis = 25,000 Wood Stork = 2,500
All data gaps identified in Sulfur Action Plan filled and Sulfur White Paper management questions addressed Outcome: Increased scientific understanding of sulfur's impacts on South Florida's environment	Data gaps and management questions #1, #4 and #7 complete (3 of 15 data gaps and management questions addressed)	Complete #3 (4 of 15 data gaps and management questions addressed)	Completed #3 (4 of 15 data gaps and management questions addressed)	Complete work to answer questions #6 and #10 that will result in fully addressing these questions in FY2012

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 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 Outcome: A wading bird density that approximates the historic Kissimmee River floodplain	21.4 (± 4.9) birds/km ²	≥ 30.6 birds/km ²	Achieved 48.5 (± 8.8) 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) Outcome: A fish community that indicates restored river channel and floodplain community structure	Not sampled in FY2009	$\leq 1\%$ bowfin, $\leq 3\%$ Florida gar, $\geq 16\%$ redbreast sunfish, and $\geq 58\%$ centrarchids (basses and sunfishes)	Not sampled in 2010	$\leq 1\%$ 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 (m) depth of 3-6 milligrams/liter (mg/L) during the wet season and 5-7 mg/L during the dry season Outcome: Restored dissolved oxygen concentration levels essential for aquatic organisms	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	Wet season = 2.5 mg/L (± 0.4) Dry season = 6.2 mg/L (± 0.5)	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 1m of the channel bottom >1 mg/L more than 50% of the time Outcome: Restored dissolved oxygen concentration levels essential for aquatic organisms	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	Mean daily DO concentrations > 2 mg/L 84% of the time DO concentrations within 1 meter of the channel bottom > 1 mg/L 97% of the time	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
Water flows every day of the year from the restored channels of the Kissimmee River Outcome: Reestablishment of hydrologic characteristics to mimic historic conditions	WY2009 achieved 365 days with discharge at S-65 greater than 0 cfs	Achieve 365 days with discharge at S-65 greater than 0 cfs	WY2010 achieved 365 days with discharge at S-65 greater than 0 cfs	Achieve 365 days with discharge at S-65 greater than 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 Outcome: Reestablishment of hydrologic characteristics to mimic historic conditions	WY2009 contained a single recession event which had a duration of 240 days and a recession rate less than 1.0 ft per 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	WY2010 contained no recession events which had a duration of 240 days and a recession rate less than 1.0 ft per 30 days simultaneously. Of the 15 recession events, 20% had a duration of ≥ 173 days and 50% had recession rates greater than 1.0 foot per 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

Three-Year Summary of Program Performance Measures Cont.

Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Lake Okeechobee				
Total Maximum Daily Load target of 140 metric tons phosphorus load for Lake Okeechobee met by 2015 Outcome: Improved water quality and reduced algal bloom frequency in Lake Okeechobee and downstream waterbodies	578 metric tons of phosphorous - Water Year 2009	No interim targets set	483 metric tons of phosphorous - Water Year 2010	No interim targets set
Additional water storage constructed within Lake Okeechobee Watershed ranging between 900,000 and 1.3 million acre feet Outcome: Increased water storage capacity enables a healthier ecosystem while balancing flood protection and water supply	Cumulatively 33,403 acre-feet of storage	Cumulatively 40,000 acre-feet of storage	Cumulatively 55,458 acre-feet of storage	Cumulatively 60,000 acre-feet of storage
Lake Okeechobee level maintained in the desired range of 12.5 to 15.5 ft. (NGVD) Outcome: Moderated Lake Okeechobee levels that are conducive to desirable native vegetation and reduced stress on containment levee	253 days in desired range	365 days in desired range	365 days in desired range	365 days in desired range
Annual average of 40,000 acres of mixed submerged aquatic vegetation achieve in Lake Okeechobee at least 20,000 acres should be vascular plants Outcome: Improved water quality, wildlife habitat, and spawning grounds for fish	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	Total 33,482 acres of mixed submerged aquatic vegetation and 25,690 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
Exotic species in Lake Okeechobee Marsh controlled to maintenance levels or less Outcome: Identification and control of harmful exotic species	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	9,000 acres of exotic species in 107,000 acre Lake Okeechobee Marsh. Exotic species coverage = 8.4% coverage	Less than 10% coverage by exotic species in Lake Okeechobee Marsh

Three-Year Summary of Program Performance Measures Cont.

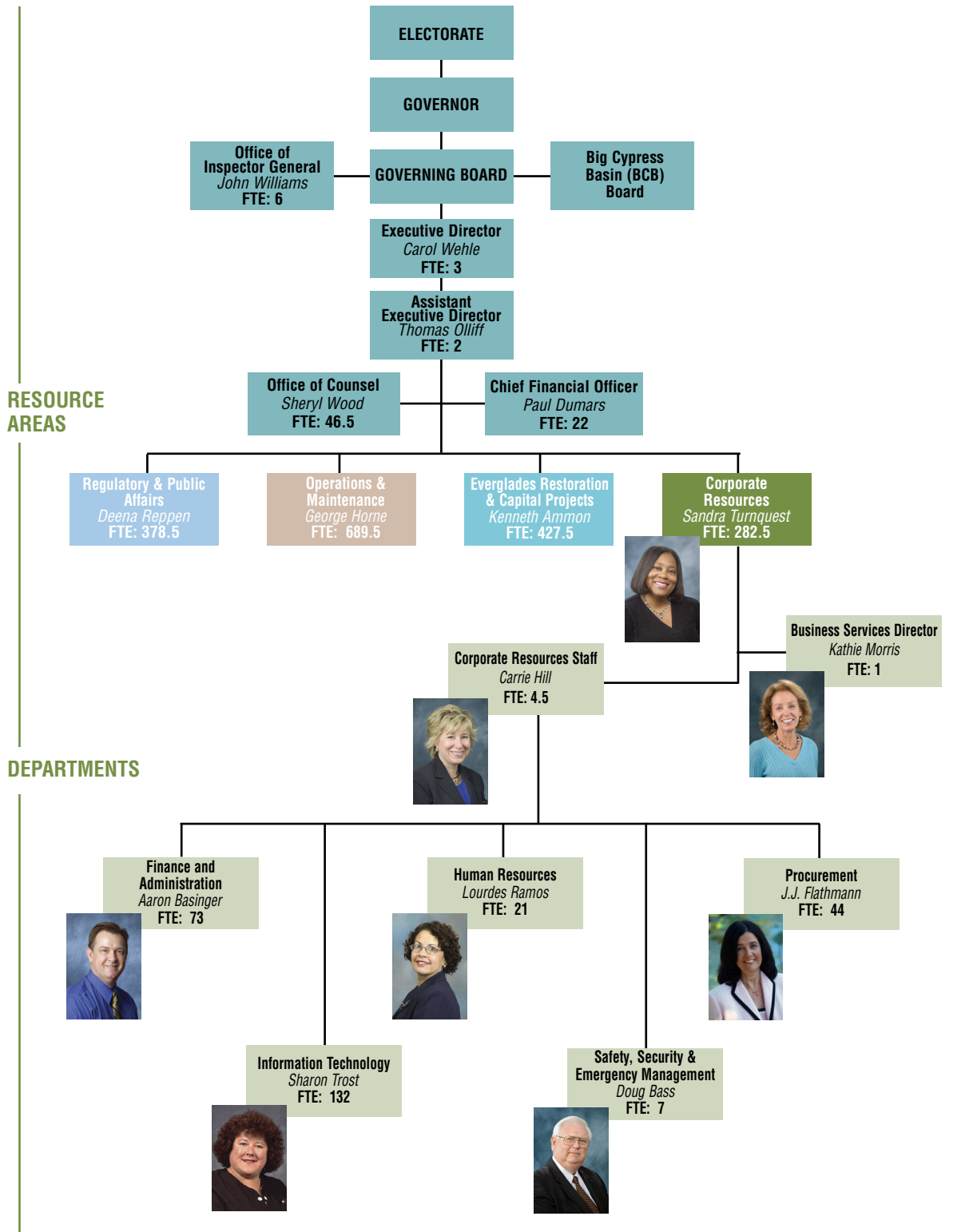
Restoration Program

Program Objectives	FY2009	FY2010 Target	FY2010	FY2011 Target
Modeling and Scientific Support				
Compliance with industry standards and best practices Outcome: Scientifically sound computer models that simulate South Florida's natural and managed systems	Completed development and began implementation of the model development lifecycle and model implementation/application lifecycle for use in the modeling department. Formal process audit of two sample projects revealed greater than 95% compliance in 5 of 7 process areas, with an overall compliance of 85% with Capability Maturity Model Integration (CMMI) Level II process requirements	Incorporate FY2009 appraisal recommendations into Hydrologic & Environmental Systems Modeling (HESM) process improvement plan. Evaluate process and standards compliance through internal assessments. Maintain an overall compliance of 85% with CMMI Level II process requirements	Incorporated FY2009 appraisal recommendations into HESM process improvement plan. Internal assessment (process audit) of business processes across 10 projects revealed greater than 75% compliance in 4 of 6 process areas, with an overall compliance score of 78%. Completed peer review of Modeling Methodology	Develop metrics for evaluating modeling process compliance. Evaluate modeling process compliance on a minimum of three projects to establish a performance baseline. Initiate ground water peer review
Successful application of state-of-the-art modeling tools Outcome: Completion of modeling projects that meet the agency's needs	94% satisfied in client satisfaction surveys	95% satisfied in client satisfaction surveys	98% satisfied in client satisfaction surveys	95% satisfied in client satisfaction surveys
Compliance with all legally-mandated and permit-required water quality monitoring and reporting obligations Outcome: Scientifically and legally valid water quality assessments and reporting	100% compliance as of September 2009	100% compliance as of September 2010	100% compliance for Fiscal Year 2010	100% compliance as of September 2011
Water quality monitoring networks and operations effectively support District's mission, strategic efforts and legal obligations efficiently and cost effectively Outcome: Water quality monitoring programs that effectively meet the agency's needs	4 of 21 reengineering products completed; completed products 2 and 3 for Water Conservation Area 2A and products 1 and 2 for Southern Coastal	Complete 4 of 24 (3 added) reengineering products	4 of 24 reengineering products completed; completed product 3 for Southern Coastal, product 1 for Everglades Agricultural Area, and products 1 and 2 for Water Conservation Area 3	Complete 3 reengineering products; complete product 3 for Water Conservation Area 3, product 1 for Lake Okeechobee and Watershed, and product 2 for Everglades Agricultural Area
Water quality data meet or exceed state and national standards for quality Outcome: Scientifically and legally valid water quality analysis	100% of data met requirements	95% of data met State and National Environmental Laboratory Accreditation Program standards	100% of data met requirements	95% of data met State and National Environmental Laboratory Accreditation Program standards
Forensic water quality investigations successfully respond to legal challenges and provide vital support for making informed management decisions Outcome: Scientifically and legally valid water quality assessments	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	Average score of 4.8 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 Outcome: High level of data quality and accessibility across the agency	Of 112 data management accountabilities, 65 acknowledged as being fulfilled	Of 112 data management accountabilities, all 112 acknowledged as being fulfilled	Of 112 data management accountabilities, all 112 acknowledged as being fulfilled	Of 112 data management accountabilities, all 112 acknowledged as being fulfilled

CORPORATE RESOURCES



Organization



FY2010 to FY2011 Resource Area Variance

	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$27,469,643	\$33,500,678	\$32,752,615	\$(748,063)	-2.2%
Operating/Self Insurance	13,738,018	48,834,103	50,100,843	1,266,740	2.6%
Contracts	16,785,875	19,222,191	19,929,715	707,524	3.7%
Capital	9,704,476	1,798,607	2,641,688	843,081	46.9%
Reserves	-	9,023,353	9,134,083	110,730	1.2%
Total	\$67,698,012	\$112,378,932	\$114,558,944	\$2,180,012	1.9%
By Fund					
District (DIST)	\$62,556,537	\$68,995,383	\$67,846,125	\$(1,149,258)	-1.7%
Okeechobee Basin (OKEE)	3,824,558	5,522,931	9,275,621	3,752,690	67.9%
Big Cypress Basin (BIGC)	305,275	4,800,197	1,001,096	(3,799,101)	-79.1%
STA O&M	-	29,744	124,778	95,034	319.5%
District (CAPD)	(50,254)	-	1,226,167	1,226,167	N/A
Everglades Trust	1,061,437	348,559	705,905	357,346	102.5%
Florida Bay	459	12,791	-	(12,791)	-100.0%
Self Insurance (SELF)	-	5,238,829	5,170,863	(67,966)	-1.3%
Self Insurance (Health)	-	27,430,498	29,208,389	1,777,891	6.5%
Total	\$67,698,012	\$112,378,932	\$114,558,944	\$2,180,012	1.9%

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.

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.

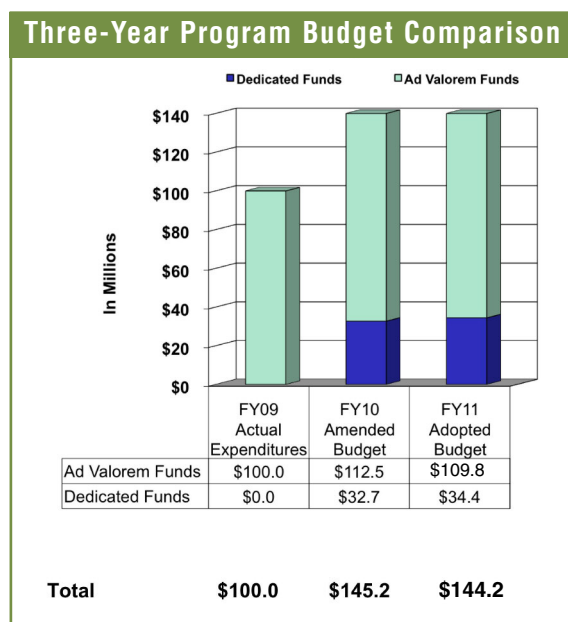


Headquarters Parking Lot Improvements

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 FY2011 Funding Increases and Decreases



Total Budget

The total FY2011 adopted budget for the Mission Support program is \$144.2 million. As reflected in the program variance table to the left, the FY2011 total is approximately \$1 million lower than the FY2010 amended budget. This is a 0.7 percent decrease in budgeted funds.

Ad Valorem Funds

The Mission Support program FY2011 ad valorem funds total \$109.8 million, which is \$2.7 million lower than the FY2010 amended budget amount. This reflects a decrease in project costs associated with Information Technology (IT) and facilities upgrade. There were also reductions in administrative support costs such as tax collector fees and conferences/training. Ad valorem funds decreased by 2.4 percent.

Dedicated Funds

FY2011 dedicated funds for this program total \$34.4 million. The increase of \$1.7 million primarily in the Health Insurance Fund is due to projected inflationary increases in medical claims expenses. Dedicated funds increased by 5.2 percent.

FY2010 to FY2011 Program Variance

Program	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
<u>Business Administration</u>					
Ad Valorem Funds	\$85,937,597	\$89,054,503	\$88,014,301	\$(1,040,202)	-1.2%
Dedicated Funds	-	32,682,118	34,285,971	1,603,853	4.9%
Subtotal All Sources	85,937,597	121,736,621	122,300,272	563,651	0.5%
<u>Major Projects</u>					
Ad Valorem Funds	13,469,103	12,997,746	10,699,015	(2,298,731)	-17.7%
Dedicated Funds	-	-	93,281	93,281	N/A
Subtotal All Sources	13,469,103	12,997,746	10,792,296	(2,205,450)	-17.0%
<u>Regulatory & Public Affairs</u>					
Ad Valorem Funds	384,234	10,479,234	11,102,797	623,563	6.0%
Dedicated Funds	-	-	-	-	N/A
Subtotal All Sources	384,234	10,479,234	11,102,797	623,563	N/A
<u>Program Total</u>					
Ad Valorem Funds	99,790,934	112,531,483	109,816,113	(2,715,370)	-2.4%
Dedicated Funds	-	32,682,118	34,379,252	1,697,134	5.2%
Program Total	\$99,790,934	\$145,213,601	\$144,195,365	\$(1,018,236)	-0.7%

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.

FY2011 Mission Support Program Key Projects/Activities

- 💧 Employee Recruitment - direct the ongoing recruitment and staffing efforts of the District. In FY2011, 91 new positions were approved for which both internal and external applicants will be considered. The Human Resources Department facilitates selection of employees for these positions and has a goal to retain 90 percent beyond the introductory period.
- 💧 Implement District-wide internship program for 2011 summer. The purpose of the Internship Program is to provide a pipeline of potential future employees and increase the District's bench strength in key career fields that comprise the majority of positions employed in the District. The goal is to provide college students with real world work experience, an understanding of the nature of work they may perform as a District professional, and appreciation of the District's mission and culture.
- 💧 Complete the design and implementation of the Public Budget Formulation software. The Public Budget Formulation module will replace the District's Oracle Budget System. Each year the Oracle System and related local applications such as Excel produce working versions of the fiscal year budget and a final adopted version. The budget function also includes the four distinct phases in the annual strategic management cycle - strategic plan, annual work plan, annual budget, reporting and monitoring.
- 💧 Streamline Procurement processes in the SAP Materials Management Module. Update and validate the vendor and commodity code listings within SAP. Create Source records for commodities in SAP MM Module. Develop standard descriptions for materials added to SAP Material Master. Conduct biennial review of procurement processes and procedures.
- 💧 Migrate all non-SAP purchased and developed software, that is certified for Oracle 11G, to the Oracle 11G platform. Most of the District's departments within Everglades Restoration, Operations and Maintenance, Regulatory and Public Affairs and Corporate Resource use software applications that are run on an Oracle based platform. Oracle is continuously upgrading their products and will only support older versions for a limited period of time and at an increased cost. In order to stay efficient and keep maintenance costs at a minimum, it becomes necessary to upgrade. It is more cost effective to upgrade the District's 200 plus databases that are run on Oracle than to replace the existing software.

Three-Year Summary of Program Performance Measures

Mission Support Program

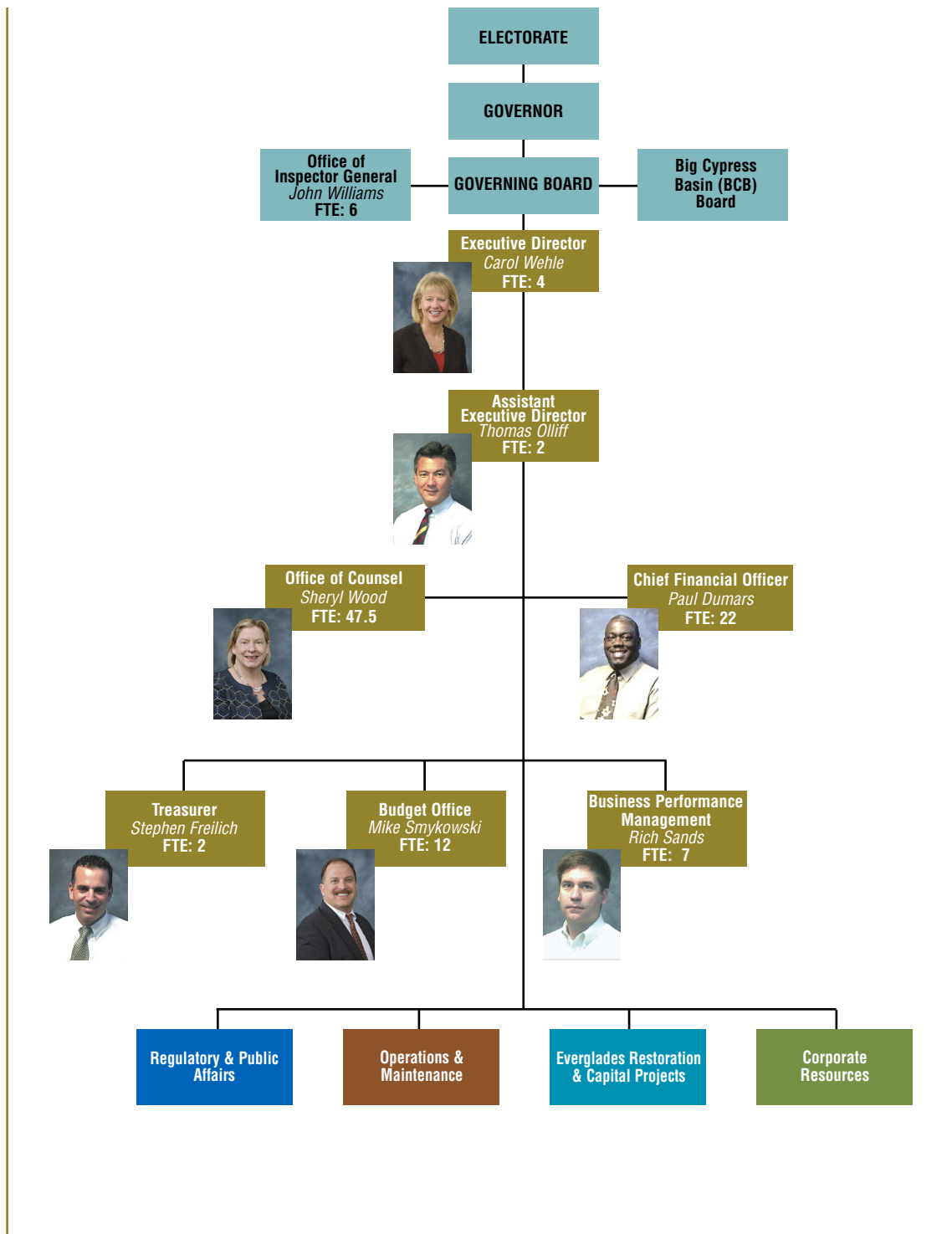
Program Objectives	FY2009	FY2010 target	FY2010	FY2011 target
Human Resources				
Greater than 90% of employees retained beyond introductory period Outcome: Technically qualified high performing new employees	99%	>90%	96%	>90%
Information Technology				
99.9% critical Information Technology system availability Outcome: Critical Information Technology systems practically always available	99.99%	99.9%	99.93%	99.9%
Greater than 96% Information Technology Help Desk customer satisfaction Outcome: Employees resolve technology issues	98%	>96%	99%	>96%
Business Support				
Current ratio of three or greater to one (assets to liabilities) Outcome: Assets available to meet debt	5.78	>=3.00	7.72	>=3.00
85% or higher actual expenditure of discretionary budget Outcome: Efficient use of budget	80%	>85%	82%	>85%
Unqualified (positive) opinion in District's financial audit Outcome: Compliance with accounting principles, strong internal controls, and sound financial policies.	Unqualified opinion received	Receive unqualified opinion	Pending Audit	Receive unqualified opinion
5% or greater of contract dollars to Small Business Enterprise vendors Outcome: Encouragement of small business participation	11.3%	>5%	13.0%	>5%
85% of District projects operating in compliance with the standard methodology by 2014 Outcome: Basis for consistency in project performance measurement, comparisons, and improvement	Indicator not in place	Target not set	75%	85%
Safety, Security & Emergency Management				
100% compliance with the Security Plan schedule Outcome: Security maintained for the District's critical infrastructure and facilities	100% Compliance	100% Compliance	100% Compliance	100% Compliance
Government & Public Affairs				
90% of correspondence responded to and closed within 14 working days of receipt Outcome: Timely correspondence response	Indicator not in place	90%	94%	90%
75% of public records requests reviewed, assigned and closed within 14 working days of receipt Outcome: Timely records request response	Indicator not in place	75%	93%	75%
Executive Offices				
Less than 10% total budget for administration Outcome: Expenditure on administration limited, thereby maximizing budget for mission delivery services	7.87%	6.71%	6.65%*	9.45%*
Positive Office of Counsel Client Survey Response Outcome: Sound and timely legal advice provided to clients	96% positive customer service survey responses	>90% positive customer service survey responses	92% positive customer service survey responses	>90% positive customer service survey responses
Less than 1% of total District budget devoted to the Office of Counsel Outcome: Expenditure on legal services limited, thereby maximizing budget for mission delivery services	0.82%	0.52%	0.54%	0.68%

* In FY2010 the SFWMD began managing its own Health Self Insurance Fund rather than contributing to the purchase of health insurance for employees. This fund is not included in the overhead calculation.

EXECUTIVE OFFICES



Organization



FY2010 to FY2011 Resource Area Variance

	FY2009 Actual Expenditures	FY2010 Amended Budget	FY2011 Adopted Budget	Variance \$	Variance %
By Expense Type					
Personnel Services	\$11,306,026	\$10,354,614	\$12,087,903	\$1,733,289	16.7%
Operating/Self Insurance	380,618	368,778	417,503	48,725	13.2%
Contracts	9,951,708	11,297,902	7,161,172	(4,136,730)	-36.6%
Capital	3,990,557	-	697,000	697,000	N/A
Total	\$25,628,909	\$22,021,294	\$20,363,578	\$(1,657,716)	-7.5%
By Fund					
District (DIST)	\$17,334,217	\$19,867,098	\$18,818,664	\$(1,048,434)	-5.3%
Okeechobee Basin (OKEE)	5,248,674	1,459,891	1,450,107	(9,784)	-0.7%
District (CAPD)	(12,300)	-	-	-	N/A
Okeechobee Basin (CAPO)	46,516	-	-	-	N/A
Everglades Trust	250,517	94,305	94,807	502	0.5%
CERP - Ad Valorem	2,761,285	600,000	-	(600,000)	-100.0%
Total	\$25,628,909	\$22,021,294	\$20,363,578	\$(1,657,716)	-7.5%

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 in order to be a world class financial organization by implementing well-controlled business practices in business-critical areas:

- 💧 Strategic planning and business risk assessment
- 💧 Budgetary planning and reporting
- 💧 Efficient business processes
- 💧 Leveraging the potential of technology

To realize the overall mission and objectives of the organization, 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.

In Fiscal Year 2011 the District continues its efforts to improve the budget development process of the agency to ensure it is built on priorities and outcomes as established by the Governing Board. Benefits of the approach used by the District include the ability to take into account the trade-offs limited funds require as well as the 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 10-Year Strategic Plan of the District, 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 FY2011, the District will continue to address major challenges by focusing resources on strategic priorities.

Financial Planning Policies

As a 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, because the measurements improve forecasting and provide a means of revising goals and objectives.

FY2011 Status

During 2010 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 2010-2020

2. Capital Projects Plan

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

FY2011 Status

The five-year Capital Improvements Plan is updated each year. A summary of the FY2011 plan is included in the Long-Range Plans section of the Budget Document. This document was presented to and approved by the Governing Board at a public meeting.

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.

FY2011 Status

A district-wide Work Plan that includes projects, objectives and success indicators tied to the FY2011 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.

FY2011 Status

The FY2011 budget is balanced with available revenues. During the budget year, budget to actual revenues are monitored and reported quarterly to District management and the Governing Board. Adjustments are made by amending the budget as necessary.

5. Asset Inventory

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

FY2011 Status

Information regarding asset condition, scheduled maintenance, useful life and repair costs was used by management to make informed repair or replacement decisions, 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 mission and long-range objectives of the agency.

FY2011 Status

Projected FY2011 property tax revenue represents 37.2 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 62.8 percent. Millage rates were held steady for FY2011 even though tax revenues are projected to decrease because of declining real estate market conditions and other economic factors. Non-recurring revenues were used for projects or one-time expenditures but not operating costs for critical core functions. During the budget year, budget to actual revenues are monitored and reported quarterly to District management and the Governing Board.

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.

FY2011 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 in a given year.

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 373.536 and 200.065, and Generally Accepted Accounting Principles.
- 💧 The District shall control, adopt and report expenditures by fund, resource areas, and program.

FY2011 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.

FY2011 Status

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

10. Debt Management

The Governing Board of the District adopted a debt management policy in May 1993, which was updated in April 2005 and again in October 2008. The policy directs the District to do the following:

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

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

- 💧 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 0.3 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.

FY2011 Status

As of October 1, 2010 the District was at approximately 30 percent of total debt capacity. The last revision to the debt policy was adopted in October 2008. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early

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 actual revenues of the previous fiscal year 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.

FY2011 Status

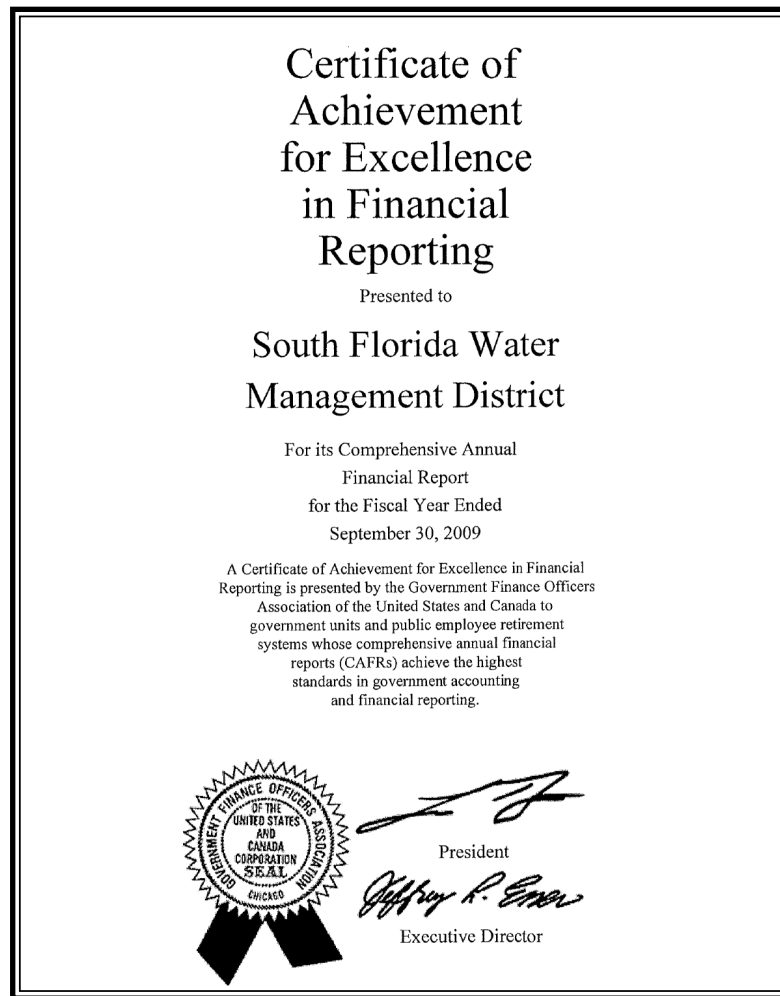
For FY2011, the economic stabilization reserve is \$24.1 million, the reserve for encumbrances is \$99.5 million and the contingency reserve budget is \$7.9 million.

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.
- 💧 The District shall prepare a Comprehensive Annual Financial Report, pursuant to the principles and guidelines established by the Government Finance Officers Association.



2009 Financial Reporting Award

14. Independent Audit

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

15. Internal Audit

- 💧 The District shall maintain an internal audit function. Internal audit is 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. The internal audit function at the District is performed by the Office of the Inspector General.

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 possesses, as it protects the strengths of credibility and trust of the agency.

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 subject 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 subject 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 compensated absences including vacation and sick leave benefits 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 annual budget is prepared and submitted in accordance with F.S. 200.065 and 373.536. The fiscal year of the District, 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 either the statutory millage cap of 0.8000 mills or the constitutional millage cap of 1 mill. Within 35 days of taxable-values certification, the District advises the respective property appraisers of its proposed millage rate, its rolled-back rate and the date, time and place at which the first of two required public hearings will be held. The Governing Board conducts the 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.

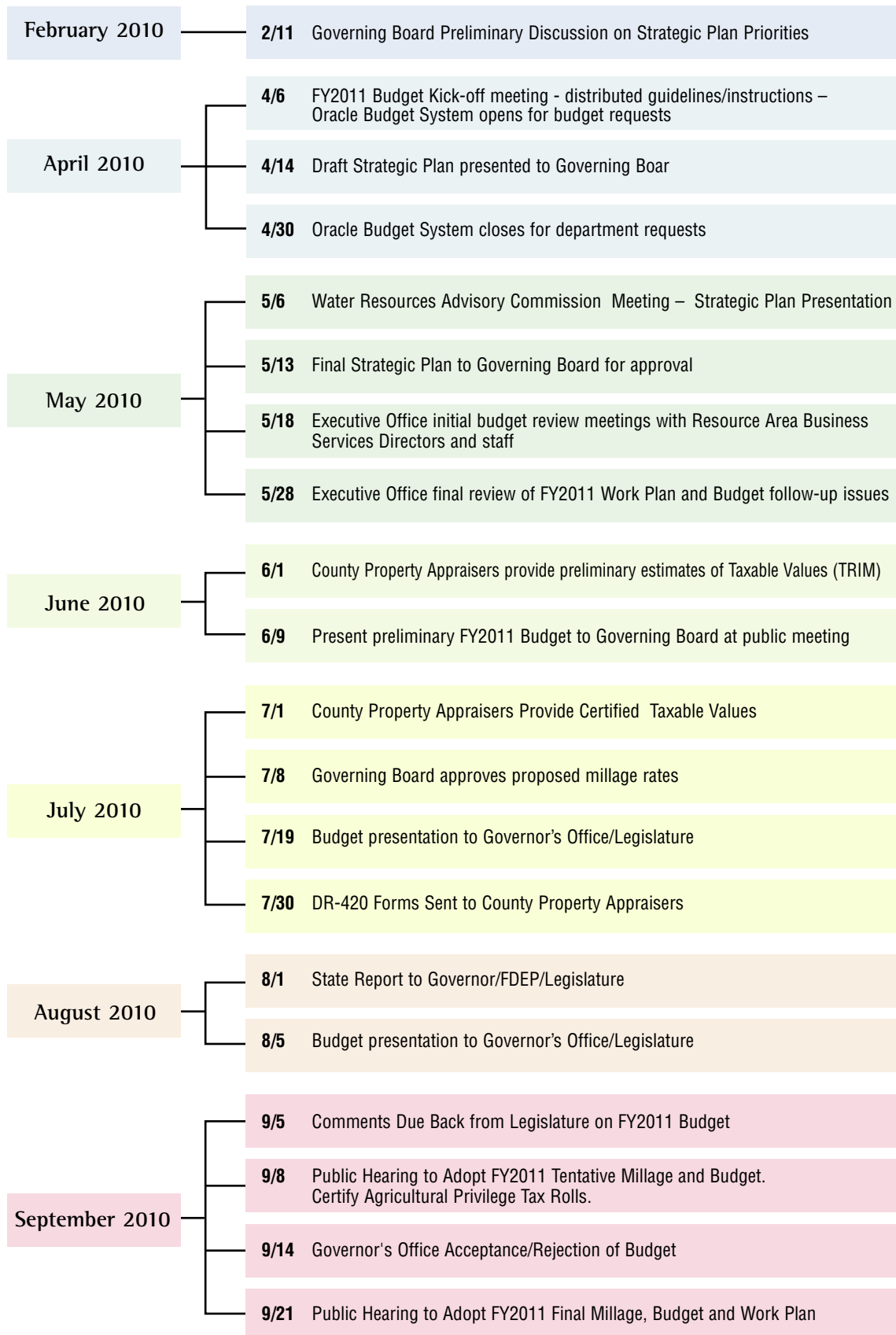
The final adopted budget for the District is the operating and fiscal guide for the ensuing year. Transfers of funds, however, may be made within the budget by the Governing Board at a public meeting.

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

FY2011 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 2011 budget:

- 💧 Evaluate programs and activities to align them to the Strategic Plan and Work Plan objectives and success indicators.
- 💧 Use a modified zero-based budget approach, initially identifying fixed overhead baseline budgets that reflect a “keep the lights on” level of funding.
- 💧 The base budget is to include operating expenses (including self insurance and statutory fees) and debt service.
- 💧 Determine the contractual baseline level of funding and balance budget with a combination of reductions in contracts and capital projects by means of a 10%, 20% and 30% reduction analysis worksheet.
- 💧 Evaluate the quality and quantity choice in service delivery for mandated programs.
Delay personnel allocations until initial funding decisions are made regarding contracts and capital projects.
- 💧 Prioritize and rank capital projects on one master list.
- 💧 Ensure that project and process annual plan deliverables are essential to achievement of the directive of the Governing Board.
- 💧 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.
- 💧 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 mission of the District.
- 💧 Ad Valorem Taxes – maintained continuation millage rates; declining property values generated lower revenues and expenditures were reduced in order to balance budget.
- 💧 Analyzed staffing to determine whether existing and proposed FTEs are essential to the achievement of the core mission and region-specific priorities of the District.
- 💧 Fund balance was used for major land acquisition instead of issuing debt as initially planned.

Budget Philosophy and Approach

Program Budget Approach

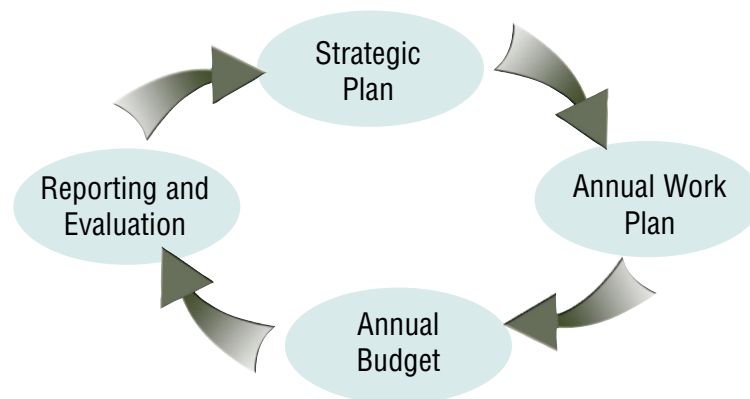
The broad mission of the South Florida Water Management District and its mandates were organized into four programs for which long-term and short-term goals along with success indicators were established. The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. The 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 the 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 resources.

Performance Management Cycle

The Governing Board of the District sets the overall direction of the agency 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 mission of the District. Development of planning tools requires a coordinated effort between the Governing Board of the District, executive management, program coordinators, staff and stakeholders, numerous state officials, agencies and the public.

The performance management cycle of the District links the priorities identified in the Strategic Plan through the Work Plan to the budget. Following 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 2010. The budget supports all the major projects and strategic priorities outlined in the annual Work Plan. The process ensures the connection between the Strategic Plan, the Work Plan and the budget while providing the means to verify that financial and human resources are focused on the most important goals and objectives of the District.

Key steps taken in the development of the FY2011 budget:

Strategic planning meetings were held to discuss the goals of the agency, priorities, and funding outlook. An overall financial status of the agency, including analysis of available funding for the current year, budget year (FY2011) and future years 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.

A meeting to initiate the process of developing the Work Plan was held in April. At the initial meeting, 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 meetings with department managers and staff 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 baseline operations, projected revenues 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 meetings were incorporated into the budget. The proposed budget was submitted to the Governor's Office, state legislators and Florida Department of Environmental Protection (FDEP) for review. The Governor's Office approved the District budget as submitted.

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 8, 2010 and the final rates and budget on September 21, 2010.

Modifications to the Adopted Budget

Required changes to the budget may be made by budget amendments or budget transfers. Two budget modification 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 adopted budget of the District. Possible causes for budget amendments may 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).
- 💧 Appropriation of fund balance or supplemental revenue received during the fiscal year.

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 an appropriation unit, as adopted by the Governing Board. An appropriation unit is defined as a combination of fund, resource area and program. Budget transfers change budget amounts from one appropriation unit to another. It is important to note that budget transfers, unlike budget amendments, do not change total overall budget appropriated fund amounts.

The movement of any funds regardless of amount between resource areas requires prior Governing Board approval. The movement of any funds regardless of amount between programs also requires prior Governing Board approval. However, movement of funds between expense types 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 water management objectives of the region. Accordingly, the budget includes all operations for which the District is financially accountable. The Okeechobee Basin and Big Cypress Basin, which are within the jurisdiction of the District, are included in the annual budget. Additionally, because the District and basin entities are financially interdependent, the Governing Board must approve each budget.

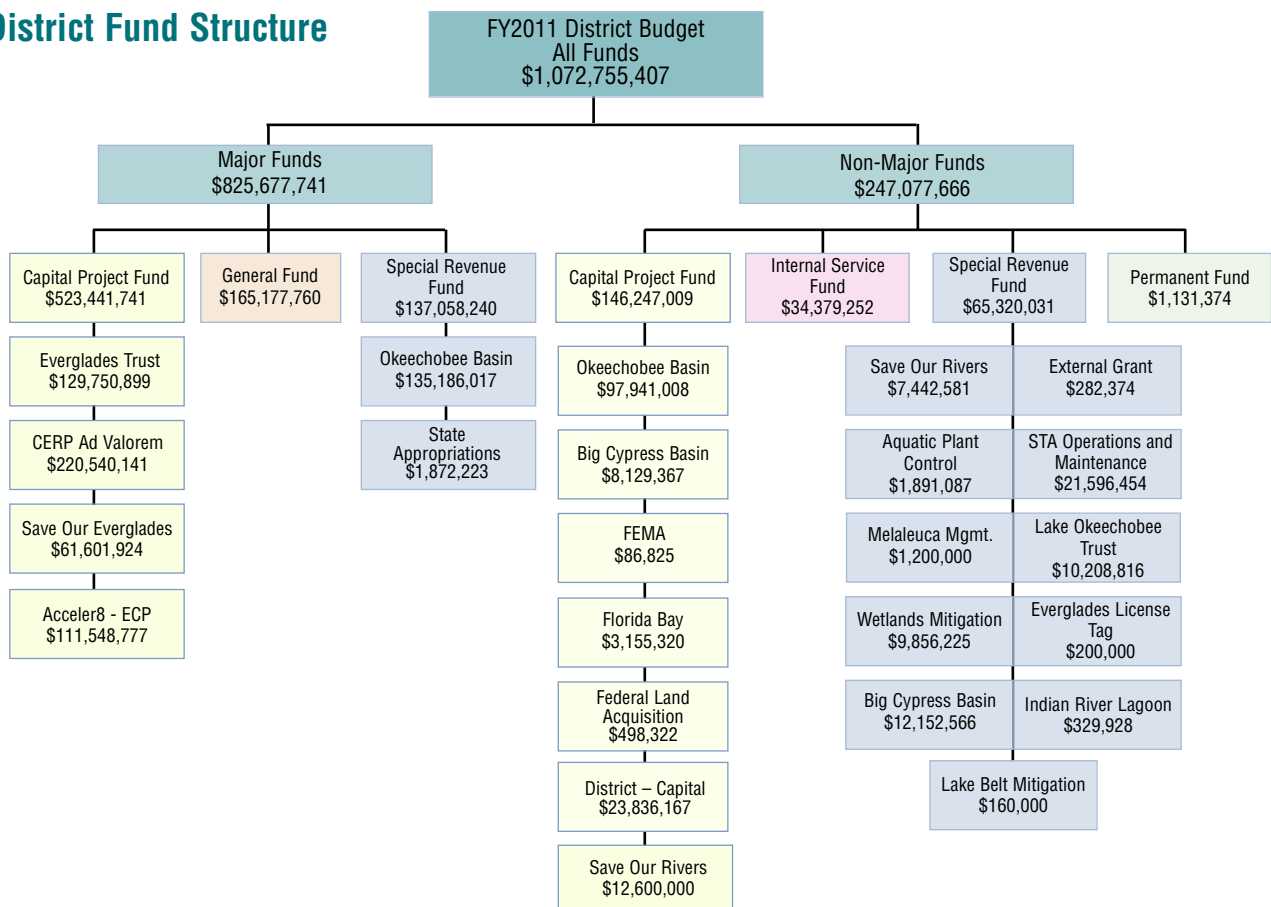
There are no additional component units required for inclusion in the budget. The District does not invest or participate in any joint ventures.

The use of funds and the budgeting, accounting and auditing associated with the fund structure are governed by the State of Florida and Generally Accepted Accounting Principles, 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 to support land management expenditures. District financial statements include the same funds described in this section.

Major Funds

The funds of the South Florida Water Management District 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 General Fund is the primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General 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 Special Revenue Funds are described below:

Okeechobee Basin Fund

The Okeechobee Basin 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 State Appropriations Fund accounts for expenditures made for various projects utilizing revenue originating from state sources. The Water Protection and Sustainability Trust Fund and the Ecosystem Management Trust are among the funding sources for the State Appropriations Fund.

Capital Project Funds

The financial resources included in the 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

The Everglades 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 the 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 fund of the state by the same name. Monies are used for the design, construction and associated land costs for CERP or Northern Everglades projects.

Acceler8 – ECP

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

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

The 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 Fund

The Save Our Rivers 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 name of the District and deposited in the state-administered Florida Water Management Lands Trust Fund.

Aquatic Plant Control Fund

The 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.

Melaleuca Management Fund

The fund accounts for expenditures pertaining to the Melaleuca Management Program. Revenue is provided by the 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 Restoration Fund

The Indian River Lagoon 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 the ecosystem of Florida.

External Grant Fund

The fund accounts for revenue and expenditures related to grants received primarily for research purposes. The External Grant Fund is a separate fund that allows for detailed tracking of expenditures and/or cost-share contributions.

STA Operations and Maintenance Fund

The Stormwater Treatment Area (STA) Operations and Maintenance Fund accounts for expenditures associated with the operation and maintenance of the STAs, 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 the Lake Belt Mitigation Fund are utilized to mitigate the effects of rock mining in the Lake Belt area of Miami-Dade County.

Everglades License Tag Fund

The fund accounts for expenditures related to conservation, protection of natural resources, and abatement of water pollution efforts in the Everglades. Funding is provided by operating transfers from the Everglades Trust Fund from proceeds of the sales of the Everglades specialty vehicle license tags.

Lake Okeechobee Trust Fund

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

Capital Project Funds

District Capital Fund

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

Okeechobee Basin Fund

The 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 Federal Emergency Management Agency Fund (FEMA) accounts for revenues and expenditures associated with District recovery efforts following severe natural disasters, such as hurricanes and floods. The fund also accounts for federal grants or other cooperative projects. Revenue from FEMA is disbursed to the District on a reimbursable basis.

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 Florida Bay projects are derived from excess Alligator Alley toll revenue, as mandated in the 1994 Everglades Forever Act.

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.

Save Our Rivers Fund

The Save Our Rivers Fund accounts for capital expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Forever Trust Fund.

Acceler8 – CERP

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

Internal Service Fund

The Internal Service Fund accounts for 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

The Permanent Fund is used to report legally restricted resources. Only earnings, not principal, may be used for purposes that support the 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 ECP	Save Our Everglades Trust	Other Gvt. Funds	Total
<u>Regulatory & Public Affairs</u>									
Water Supply	\$30,992,998	\$4,143,524	–	–	–	–	–	\$2,831,831	\$37,968,353
<u>Operation & Maintenance Resources</u>									
Operations & Maintenance	12,519,104	93,999,793	60,238	42,249	–	–	–	114,872,869	\$221,494,253
<u>Everglades Restoration & Capital Projects</u>									
Restoration	29,242,720	22,208,720	1,811,985	129,708,650	220,540,141	111,548,777	61,601,924	92,434,519	\$669,097,436
<u>Corporate Resources</u>									
Mission Support	92,422,938	14,833,980	–	–	–	–	–	36,938,447	\$144,195,365
Total	\$165,177,760	\$135,186,017	\$1,872,223	\$129,750,899	\$220,540,141	\$111,548,777	\$61,601,924	\$247,077,666	\$1,072,755,407

Revenue Forecast Methodology

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

Legal or Mandated Requirements

Some revenue sources are defined by specific legal requirements or restrictions. For example, the District's ability to generate revenue through ad valorem property taxes is limited by statutory and constitutional millage caps of 0.8 and 1 mill, respectively. To increase the combined District and Okeechobee Basin millage rates to the constitutional cap of 1 mill would require legislative action. The maximum legal millage rate limit for the Big Cypress Basin is .4800 mills. In addition, the District allocates eight hundred ninety-four ten thousandths mill (.0894) of the Okeechobee Basin millage to the Everglades Construction Project (ECP) and the Long-Term Plan (LTP), as stated in the amended 2003 *Everglades Forever Act (EFA)*.

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

Taxes

The ad valorem property tax revenue projections were 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 2009 Ad Valorem Estimating Conference forecast for FY2011. Due to the declining economic atmosphere, the ad valorem tax revenue reflects the decrease in value of the existing tax roll. 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 FY2011, 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 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 cash flow 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 FY2010, 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 revenue forecast, based on the established revenue assumptions. This forecast projects anticipated revenues for ad valorem and other discretionary funds for FY2011. Additionally, funding strategies were developed and the District's Governing Board directed the use of the discretionary funds. This forecast was one of the building blocks for the District's Work 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. FY2011 programmatic budget development process was approached differently by providing each program with a baseline which removed items which were one-time in nature, funded by non-recurring or fund balance revenue sources. The FY2011 baseline approach was a modified zero-based budget analysis of prior year budget line items to identify those items necessary to "keep the lights on" as a baseline level of funding. Each program prepared a baseline decision package and annual work plan that reflected District strategic priorities. Additional decision packages were prepared for activities and projects above the baseline and prioritized for funding availability. The prioritization of budget requests above the operating baseline was accomplished by staff answering a series of benchmark questions:

-  **Does it have to be done?**
-  **If it has to be done, does it have to be done now?**
-  **If it has to be done and now, does it have to be done at the current level?**

The overall District budget was then finalized by ensuring that proposed budget expenditures were balanced with projected revenue estimates. FY2011 revenue projections include a variety of fund sources. The District groups its revenue sources into standard categories, as detailed in the Revenue Forecast Methodology in this section.

The adopted FY2011 estimated revenue totaled \$1.1 billion. When compared to the FY2010 amended budget of \$1.5 billion, revenues decreased overall by \$0.4 billion. This decrease is due largely to a change in plans to purchase less acres of the River of Grass land with fund balance instead of issuing approximately \$0.5 billion in new debt, a \$60.9 million decrease (13.2%) in Ad Valorem property taxes and a \$71.1 million decrease (48.2%) in Intergovernmental Revenue. When the budget for the River of Grass land purchase is removed from both budget years, the decrease in the FY2011 adopted budget from FY2010 amended is 12.1 percent or \$120.8 million.

The following pages contain detailed explanations of the FY2011 revenue projections by category, with comparisons to the FY2010 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

FY2010 Amended / FY2011 Adopted Budgets	FY2010 Amended Budget	FY2011 Adopted Budget	FY2011 Over or (Under) FY2010	Percent Change
SOURCES:				
Ad Valorem Property Taxes	\$459,945,322	\$399,025,958	(\$60,919,364)	-13.2%
Agricultural Privilege Taxes	11,630,000	11,300,000	(\$330,000)	-2.8%
Intergovernmental	147,584,129	76,486,089	(\$71,098,040)	-48.2%
Investment Earnings	7,629,020	4,502,700	(\$3,126,320)	-41.0%
Licenses, Permits & Fees	3,324,950	2,602,000	(\$722,950)	-21.7%
Other - Miscellaneous	10,813,829	14,632,047	\$3,818,218	35.3%
Health Insurance Premiums	27,430,498	29,208,389	\$1,777,891	6.5%
Other Financing Sources	536,482,668	0	(\$536,482,668)	-100.0%
Fund Balance - Designated	330,683,121	534,998,224	\$204,315,103	61.8%
Appropriated Sources of Funds	\$1,535,523,537	\$1,072,755,407	(\$462,768,130)	-30.1%
USES:				
Comprehensive Everglades Restoration Plan	\$1,141,606,224	\$669,097,436	(\$472,508,788)	-41.4%
Mission Support	145,213,601	144,195,365	(\$1,018,236)	-0.7%
Water Supply	41,984,326	37,968,353	(\$4,015,973)	-9.6%
Operations & Maintenance	206,719,386	221,494,253	\$14,774,867	7.1%
Appropriated Uses Of Funds	\$1,535,523,537	\$1,072,755,407	(\$462,768,130)	-30.1%

Taxes: \$410.3 Million

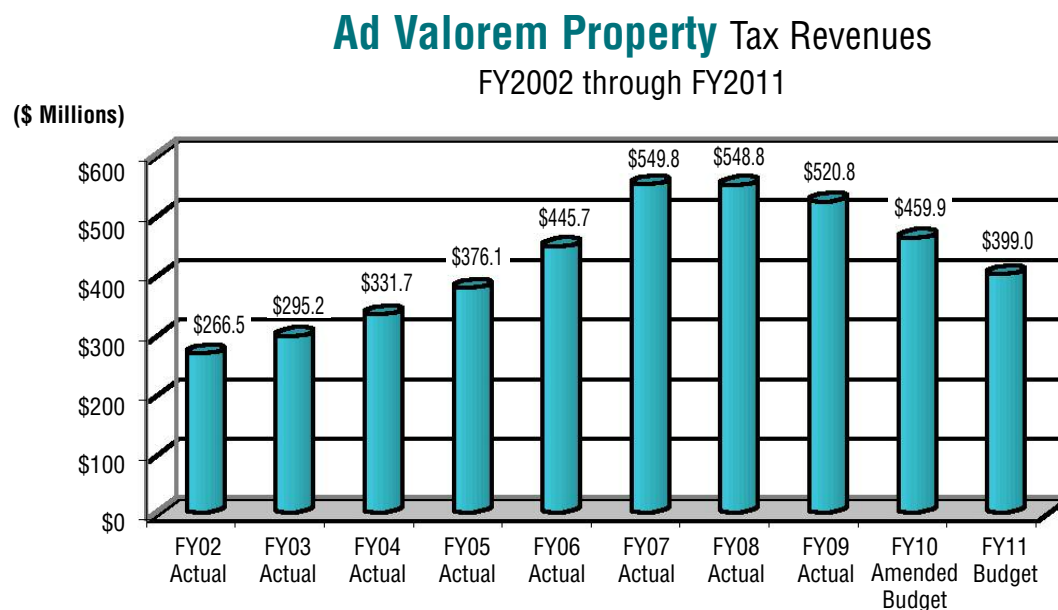
Ad Valorem Property Taxes: \$399.0 Million

Ad valorem property taxes continue to be the District's primary source of revenue. For FY2011, property taxes are anticipated to yield approximately \$399.0 million, which is \$60.9 million or 13.2 percent less than the FY2010 budget of \$459.9 million. This decline is primarily due to the \$96.6 billion decrease in the tax base. Property tax millages were maintained at the same rates for the fourth consecutive year; adopted millage rates have been below the rolled-back rate which would have generated the same revenue as the prior year, exclusive of new construction assessed values.

Property Taxes and Valuations	FY2010	FY2011	Percent Change
Ad valorem property taxes (millions)	\$459.9	\$399.0	-13.2%
Assessed property value (billions)	\$783.8	\$687.2	-12.3%

Property taxes are based on the assessed/taxable values which have decreased since FY2008 by over \$248.9 billion, an estimated revenue loss of about \$150 million at current millage rates. The loss in tax base valuation is primarily 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 of the District. Fund balance is used for selected one-time projects or activities but is not a best management practice or an adequate long-term replacement for reduced ad valorem sources.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY2002 through FY2011:



For FY2010, 95 percent (95.5 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 (FY2001 through FY2010), 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 FY2001 and FY2010:

Ad Valorem Property Tax Collections

Percent of Levy Collected FY2001 through FY2010				
Fiscal Year	District-wide	Okeechobee Basin	Big Cypress Basin	Everglades Restoration
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%
2010	95.12%	95.12%	95.11%	95.12%

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.

The District lowered the budgeted ad valorem levy in FY2011 to project a more accurate revenue estimate of the taxes that will actually be collected. Truth in Millage (TRIM) statute allows taxing authorities to levy ad valorem revenues utilizing discount rates up to 5 percent to account for the early payment incentive discounts available to home owners. The District used 3.5 and 4.0 percent discounts for ad valorem collections through FY2010. The District reduced the ad valorem levy by \$4.2 million which is the equivalent to 4.5 and 5.0 percent discount rates, to more conservatively and realistically project discounted collections which have shown fluctuations in a decreasing trend over the past six years.

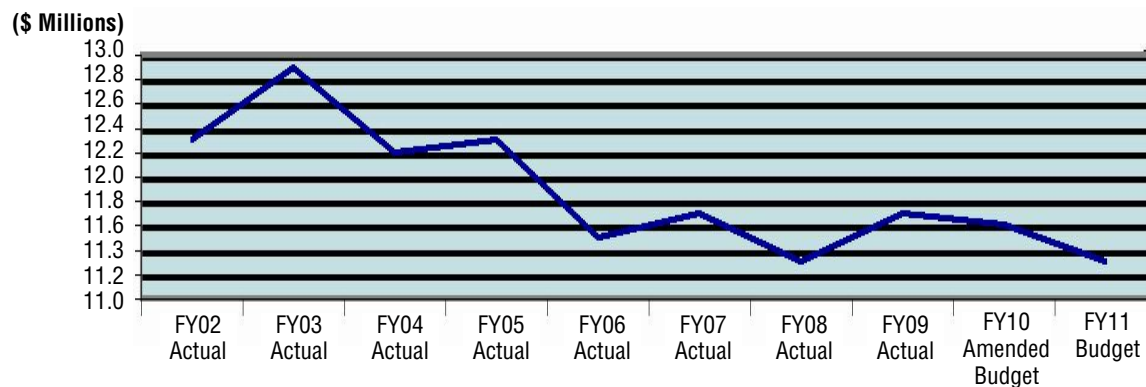
Agricultural Privilege Taxes: \$11.3 Million

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 FY2011, 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 FY2011, projected agricultural privilege tax revenues are expected to generate approximately \$11.3 million, which is a slight decrease from the FY2010 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.

Agricultural Privilege Tax Revenues FY2002 through FY2011



Intergovernmental: \$76.5 Million

The overall net decrease of \$71.1 million in intergovernmental funding for FY2011, from the FY2010 amended budget amount of \$147.6 million, is primarily due to decreases in state appropriations. Many of the state trust funds continue to be significantly impacted by the economic recession and implemented legislative changes. Thus, other than in the Save Our Everglades Trust and Florida Forever Funds, there are no new state appropriations in the FY2011 budget.

Appropriations: \$70.7 Million

In FY2011, the District anticipates receiving a total of \$70.7 million from the trust funds listed below:

Florida Forever Program Funds: \$1.6 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 \$1.6 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 \$6.9 million decrease from the FY2010 budget of \$8.5 million of prior year appropriations.

Save Our Everglades Trust Fund (SOETF): \$61.6 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.

The District's total SOETF budget for FY2011 is \$61.6 million, which is a \$54.4 million decrease from the FY2010 budget of \$116 million. Of this amount, \$30 million is part of the District's share of the FY2011 state appropriation of SOETF. (The total appropriation is \$50 million, with \$47 million allocated to the District and \$3 million to fund the Best Management Practices Program, administered by the Florida Department of Agriculture and Consumer Services). Of the District's \$47 million, \$30 million is included in this adopted budget to be used for CERP restoration capital projects in FY2011; the balance will be applied towards reimbursement of FY2010 expenditures. The remaining \$31.6 million represents the re-budgeting of prior year SOETF funding. This includes \$30.1 million which represents the balance of the District's FY2008 appropriation of SOETF for Northern Everglades projects, and the remaining \$1.5 million will go towards CERP restoration.

Special Legislative Appropriations: \$0.6 Million

This revenue estimate of \$0.6 million represents prior year state appropriations for ongoing local water resource projects.

The District expects to receive from the Florida Department of Environmental Protection (FDEP) \$437,325 from a prior year special state appropriation for Lake Okeechobee (LOFT) and \$136,157 as funding for development of surface water improvement 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 \$4.9 million from the FY2010 amended budget of \$5.0 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 FY2011 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: \$5.8 Million

The District anticipates receiving a total of \$5.8 million in funding from federal and state grant and cooperative agreement sources. This FY2011 projection represents a decrease of \$5.3 million from the FY2010 amended budget of \$11.1 million. The FY2011 grants and agreements include a decrease in state and federal funding agreements of \$1.7 million and a decrease of \$3.6 million of Florida Inland Navigational District (FIND) funding previously for dredging projects.

Federal: \$0.1 Million

Approximately \$0.1 million in funding is expected from federal government agencies. This FY2011 budget projection is \$0.2 million lower than the \$0.3 million FY2010 amended budget total. This projection assumes the continuation of existing grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): \$86,825

\$86,825 Federal Emergency Management Agency (FEMA) revenue is included in the FY2011 budget. This projection is based on estimates of the ongoing work to be accomplished in the next fiscal year and represents a decrease of \$166,027 from the FY2010 amended budget of \$0.3 million.

The FEMA funds included in this budget will be used primarily for enhancement and mapping projects in Highlands and Polk counties. 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.

U.S. Department of Agriculture (USDA):

Funding from the U.S. Department of Agriculture (USDA) National Resources Conservation Service (USDA-NRCS) was not appropriated for FY2011, a decrease of \$75,000 from FY2010 which was used for the Wetlands Reserve Program.

State: \$5.7 Million

A total of \$5.7 million in revenue is projected from state government agencies for FY2011, a \$1.5 million decrease compared with the FY2010 amended budget of \$7.2 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: \$3.4 Million

Grant revenues of \$3.4 million to be used for exotic and aquatic plant management from the Florida Department of Environmental Protection (FDEP) are projected for FY2011. 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 \$1.4 million lower than the FY2010 amended budget of \$4.8 million, and is based on current agreements with the FDEP.

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

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

Other State Grants and Cooperative Agreements: \$0.3 Million

Each year, the District applies for, and receives, grants from a variety of different state sources. In the FY2011 budget, a state grant of approximately \$0.3 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:

Revenues from local sources were not appropriated for FY2011 which are a decrease of \$3.6 million. This reduction is from the Manatee Pocket Dredging project which was not renewed for FY2011 from the Florida Inland Navigation District.

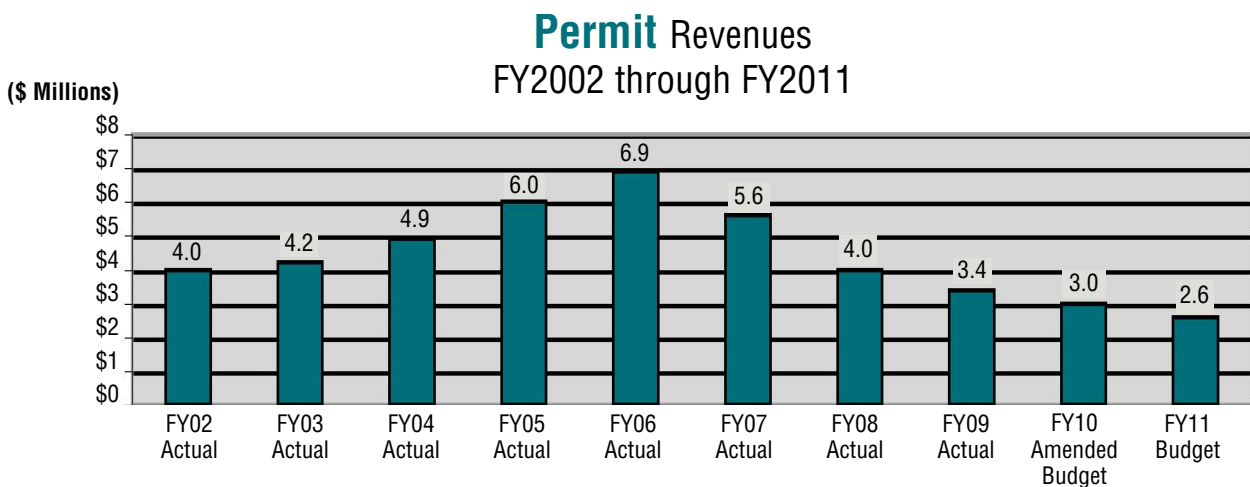
Investment Earnings: \$4.5 Million

Investment earnings revenue for FY2011 is estimated at \$4.5 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 \$3.1 million lower for FY2011 than the FY2010 amended budget amount of \$7.6 million due to the above-mentioned factors.

Licenses, Permits and Fees: \$2.6 Million

Anticipated revenues from this category total \$2.6 million for FY2011, \$0.7 million lower than the FY2010 amended budget amount of \$3.3 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 \$2.6 million. These fees are received for the release of District canal, mineral and right-of-way reservations.

The Licenses, Permits and Fees category normally included \$0.4 million of revenue anticipated from the sale of the Everglades and Indian River Lagoon vehicle license plates (tags). The revenue generated from the Everglades license tag was required to be used for Everglades Restoration and related research projects. Additionally, the \$0.2 million of revenue derived from the Indian River Lagoon license tag was required to be used for restoration and environmental education projects within the Indian River Lagoon Watershed. New revenue from license plate sales was not included in FY2011 projections because the current economic environment makes specialty tag sales difficult to predict. Instead, the District budgeted available fund balance, and collections in the current year will be budgeted in future years as fund balance, until sales activity become more stable.



Other Miscellaneous Revenue: \$14.6 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 \$14.6 million for FY2011. This represents an increase of \$3.8 million from the previous fiscal year total of \$10.8 million.

Increases in lease revenues of \$1.0 million and CERP indirect cost reimbursement of \$2.9 million were the major changes in the other miscellaneous revenue category for FY2011. This was offset by a reduction of approximately \$100,000 in self-insurance premiums. 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 \$1.6 million, an increase from the amended FY2010 budget of \$0.6 million, are due to changes in leases on lands owned by the District, and include new leases for the River of Grass lands. 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 \$7.5 million is based on applying the District's current indirect rate to CERP direct salaries.

Health Insurance Premiums: \$29.2 Million

The District implemented a self-insured health insurance plan during FY2010. This category is broken down into medical, dental and vision and is estimated to be \$29.2 million for FY2011 based on historical rates and other factors affecting health insurance premiums. These premiums will be paid by the District (employer), current employees and retirees. There is a \$1.8 million increase due to the calculated needs of the plan for the upcoming years.

Other Financing Sources: \$0

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 decided not to pursue a second COPs issuance for the United States Sugar Corporation land acquisition in FY2011. Instead, the decision was made to reduce the scope of the acquisition and utilize available cash and fund balance to purchase 26,800 acres of land for \$194.5 million. As such, this category reflects a reduction of \$536.5 million when compared to FY2010 budget.

Fund Balance: \$535.0 Million

The final revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. The revenue projection of \$535.0 million assumes this amount will be available from fund balances as a designated financing source for the FY2011 budget. This projected amount is \$204.3 million more than the FY2010 amended budget of \$330.7 million. Several factors determine the amount of fund balance available to re-budget each fiscal year including project schedules, shifting priorities, and revising estimates of expenditures. The significant increase in the projected use of fund balance is due to the acquisition of River of Grass land using available cash instead of issuing COPs debt.

Summary of Estimated Financial Sources and Uses

Actual FY2009 through Projected FY2011

SOURCES	Major Funds								
	General Fund			Okeechobee Basin			State Appropriations		
Revenue Type	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected
Ad Valorem Property Taxes	\$217,148,932	\$191,796,473	\$166,397,270	\$217,029,985	\$191,517,490	\$166,134,458	-	-	-
Agricultural Privilege Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	114,868	-	145,000	7,607,440	-	218,000	12,838,391	4,985,726	136,157
Investment Earnings	4,916,503	2,458,910	1,158,000	3,841,235	2,713,280	1,380,000	-	-	-
Licenses, Permits and Fees	3,292,895	2,850,950	2,500,000	89,610	83,000	83,000	-	-	-
Other *	10,656,008	4,775,000	7,631,000	331,626	300,000	1,300,000	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$236,129,206	\$201,881,333	\$177,831,270	\$228,899,896	\$194,613,770	\$169,115,458	\$12,838,391	\$4,985,726	\$136,157
Fund Balance Designated	\$31,634,451	\$16,334,101	\$16,561,194	\$16,467,355	\$18,880,762	\$28,616,230	\$5,533,692	\$12,022,867	\$1,736,066
Total Sources and Balances	\$267,763,657	\$218,215,434	\$194,392,464	\$245,367,251	\$213,494,532	\$197,731,688	\$18,372,083	\$17,008,593	\$1,872,223
Operating Transfers (Net)	(\$75,721,936)	(\$38,885,550)	(\$29,214,704)	(\$112,686,396)	(\$90,919,698)	(\$62,545,671)	-	-	-
GRAND TOTAL SOURCES	\$192,041,721	\$179,329,884	\$165,177,760	\$132,680,855	\$122,574,834	\$135,186,017	\$18,372,083	\$17,008,593	\$1,872,223

USES	General Fund			Okeechobee Basin			State Appropriations		
District Programs									
Restoration	22,567,542	30,104,284	29,242,720	21,191,067	14,478,600	22,208,720	10,907,063	13,248,105	1,811,985
Operations and Maintenance	12,267,534	16,646,030	12,519,104	70,139,175	93,037,236	93,999,793	72,267	60,238	60,238
Mission Support	85,354,758	96,225,446	92,422,938	13,526,708	14,791,334	14,833,980	-	-	-
Water Supply	40,753,540	36,354,124	30,992,998	528,723	267,664	4,143,524	7,359,440	3,700,250	0
GRAND TOTAL USES	\$160,943,374	\$179,329,884	\$165,177,760	\$105,385,673	\$122,574,834	\$135,186,017	\$18,338,770	\$17,008,593	\$1,872,223
SOURCES OVER USES	\$31,098,347	\$0	\$0	\$27,295,182	\$0	\$0	\$33,313	\$0	\$0

Summary of Estimated Financial Sources and Uses (Continued)

Actual FY2009 through Projected FY2011

SOURCES	Major Funds								
	Everglades Trust			CERP - Ad Valorem			Acceler8 - Everglades Construction		
Revenue Type	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected
Ad Valorem Property Taxes	\$69,369,559	\$61,214,385	\$53,101,253	-	-	-	-	-	-
Agriculture Privilege Taxes	11,675,508	11,630,000	11,300,000	-	-	-	-	-	-
Intergovernmental Revenue	2,126,336	2,000,000	2,000,000	-	-	-	-	-	-
Investment Earnings	3,609,945	1,102,270	967,000	2,181,521	423,950	372,000	9,212,556	-	-
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other*	132,850	-	-	202,899	-	-	328,645	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$86,914,198	\$75,946,655	\$67,368,253	\$2,384,420	\$423,950	\$372,000	\$9,541,201	\$0	\$0
Fund Balance Designated	\$71,668,741	\$12,337,353	\$78,077,830	\$95,190,753	\$52,870,915	\$167,166,122	\$12,771,100	\$151,960,397	\$107,732,284
Total Sources and Balances	\$158,582,939	\$88,284,008	\$145,446,083	\$97,575,173	\$53,294,865	\$167,538,122	\$22,312,301	\$151,960,397	\$107,732,284
Operating Transfers (Net)	(\$19,531,070)	(\$17,720,648)	(\$15,695,184)	\$142,350,268	\$73,174,783	\$53,002,019	\$231,928,900	-	3,816,493
GRAND TOTAL SOURCES	\$139,051,869	\$70,563,360	\$129,750,899	\$239,925,441	\$126,469,648	\$220,540,141	\$254,241,201	\$151,960,397	\$111,548,777

USES	Everglades Fund			Save Our Rivers Fund			CERP - Ad Valorem		
District Programs									
Restoration	61,886,215	70,499,860	129,708,650	70,501,568	126,469,648	220,540,141	24,191,853	151,960,397	111,548,777
Operations and Maintenance	-	-	42,249	-	-	-	-	-	-
Mission Support	-	63,500	-	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$61,886,215	\$70,563,360	\$129,750,899	\$70,501,568	\$126,469,648	\$220,540,141	\$24,191,853	\$151,960,397	\$111,548,777
SOURCES OVER USES	\$77,165,654	\$0	\$0	\$169,423,873	\$0	\$0	\$230,049,348	\$0	\$0

Summary of Estimated Financial Sources and Uses (Continued)

Actual FY2009 through Projected FY2011

SOURCES	Major Funds			NON-Major Funds					
	Save Our Everglades Trust			Other Governmental Funds			ALL FUNDS		
Revenue Type	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected	FY09 Actual	FY10 Amended	FY11 Projected
Ad Valorem Property Taxes	-	-	-	\$17,205,604	\$15,416,974	\$13,392,977	\$520,754,080	\$459,945,322	\$399,025,958
Agriculture Privilege Taxes	-	-	-	-	-	-	\$11,675,508	\$11,630,000	\$11,300,000
Intergovernmental Revenue	38,416,555	116,043,865	61,601,924	36,205,678	24,554,538	12,385,008	\$97,309,268	\$147,584,129	\$76,486,089
Investment Earnings	-	-	-	4,721,590	930,610	625,700	\$28,483,350	\$7,629,020	\$4,502,700
Licenses, Permits and Fees	-	-	-	3,155,827	391,000	19,000	\$6,538,332	\$3,324,950	\$2,602,000
Other*	616,280	-	-	11,585,875	33,169,327	34,909,436	\$23,854,183	\$38,244,327	\$43,840,436
Other Financing Sources	-	-	-	-	-	-	\$0	\$0	\$0
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	\$0	\$0	\$0
Bond Premium	-	-	-	-	-	-	\$0	\$0	\$0
Capital Leases	-	-	-	-	-	-	\$0	\$0	\$0
Loan Proceeds	-	-	-	-	536,482,668	-	\$0	\$536,482,668	\$0
Total Sources	\$39,032,835	\$116,043,865	\$61,601,924	\$72,874,574	\$610,945,117	\$61,332,121	\$688,614,721	\$1,204,840,416	\$537,757,183
Fund Balance Designated	-	-	39,500,000	\$307,719,085	\$66,276,726	\$95,608,498	\$540,985,177	\$330,683,121	\$534,998,224
Total Sources and Balances	\$39,032,835	\$116,043,865	\$101,101,924	\$380,593,659	\$677,221,843	\$156,940,619	\$1,229,599,898	\$1,535,523,537	\$1,072,755,407
Operating Transfers (Net)	\$0	1,783,806	(\$39,500,000)	(\$166,339,766)	\$72,567,307	\$90,137,047	\$0	\$0	\$0
GRAND TOTAL SOURCES	\$39,032,835	\$117,827,671	\$61,601,924	\$214,253,893	\$749,789,150	\$247,077,666	\$1,229,599,898	\$1,535,523,537	\$1,072,755,407

USES	Acceler8 - Everglades Construction			Other Governmental Funds			ALL FUNDS		
District Programs	41,118,149	117,827,671	61,601,924	55,480,312	617,017,659	92,434,519	\$307,843,769	\$1,141,606,224	\$669,097,436
Restoration	-	-	-	63,765,200	96,975,882	114,872,869	\$146,244,176	\$206,719,386	\$221,494,253
Operations and Maintenance	-	-	-	909,468	34,133,321	36,938,447	\$99,790,934	\$145,213,601	\$144,195,365
Mission Support	-	-	-	2,007,949	1,662,288	2,831,831	\$50,649,652	\$41,984,326	\$37,968,353
Water Supply	-	-	-	-	-	-	-	-	-
GRAND TOTAL USES	\$41,118,149	\$117,827,671	\$61,601,924	\$122,162,929	\$749,789,150	\$247,077,666	\$604,528,531	\$1,535,523,537	\$1,072,755,407
SOURCES OVER USES	(\$2,085,314)	\$0	\$0	\$92,090,964	\$0	\$0	\$625,071,367	\$0	\$0 \$0

Negative "Sources Over Uses" balances are shown for Save Our Everglades Trust because revenues will be received in a future year on a reimbursement basis.

Changes in Fund Balances

Actual Unaudited FY2010 through Projected FY2011

CHANGES IN FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund	CERP Ad Valorem
FY2010					
Actual Beginning Fund Balance 10/01/09	\$88,716,041	\$84,713,479	\$24,790,980	\$94,565,212	\$183,793,076
Total Revenues	196,322,396	191,717,710	383,007	74,269,855	4,222,279
Total Expenditures	(152,046,402)	(99,445,413)	(12,451,506)	(53,086,859)	(47,404,086)
Total Other Financing Sources (Uses)	(38,885,550)	(90,919,698)	-	(17,720,648)	73,174,783
Actual Unaudited Ending Fund Balance 9/30/10	\$94,106,485	\$86,066,078	\$12,722,481	\$98,027,560	\$213,786,052
FY2011					
Projected Beginning Fund Balance 10/01/10	\$94,106,485	\$86,066,078	\$12,722,481	\$98,027,560	\$213,786,052
Total Revenues	177,831,270	169,115,458	136,157	67,368,253	372,000
Total Expenditures	(165,177,760)	(135,186,017)	(1,872,223)	(129,750,899)	(220,540,141)
Total Other Financing Sources (Uses)	(29,214,704)	(62,545,671)	-	(15,695,184)	53,002,019
Projected Ending Fund Balance 9/30/11	\$77,545,291	\$57,449,848	\$10,986,415	\$19,949,730	\$46,619,930
Projected Dollar Change in Fund Balance	\$(16,561,194)	\$(28,616,230)	\$(1,736,066)	\$(78,077,830)	\$(167,166,122)
Projected Percentage Change in Fund Balance	-17.6%	-33.2%	-13.6%	-79.6%	-78.2%

CHANGES IN FUND BALANCES	Acceler8 ECP	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2010				
Actual Beginning Fund Balance 10/01/09	\$230,217,148	(\$25,598)	\$191,947,528	\$898,717,866
Total Revenues	636,394	86,197,872	72,018,016	625,767,529
Total Expenditures	(96,270,658)	(56,774,901)	(115,334,499)	(632,814,324)
Total Other Financing Sources (Uses)	-	1,783,806	72,567,307	-
Actual Unaudited Ending Fund Balance 9/30/10	\$134,582,884	\$31,181,179	\$221,198,352	\$891,671,071
FY2011				
Projected Beginning Fund Balance 10/01/10	\$134,582,884	\$31,181,179	\$221,198,352	\$891,671,071
Total Revenues	-	61,601,924	61,332,121	537,757,183
Total Expenditures	(111,548,777)	(61,601,924)	(247,077,666)	(1,072,755,407)
Total Other Financing Sources (Uses)	3,816,493	(39,500,000)	90,137,047	0
Projected Ending Fund Balance 9/30/11	\$26,850,600	(\$8,318,821)	\$125,589,854	\$356,672,847
Projected Dollar Change in Fund Balance	\$(107,732,284)	(39,500,000)	\$(95,608,498)	\$(534,998,224)
Projected Percentage Change in Fund Balance	-80.0%	-126.7%	-43.2%	-60.0%

Changes in Fund Balances

General Fund

The projected fund balance is estimated to decrease by 17.6 percent or \$16.6 million by the end of FY2011. Fund balance will be used primarily for one-time local government agreements such as the Central Florida Coordination Area, Miami-dade alternative water supply construction projects and contingencies on an as needed basis. General fund balance is also being used to enhance information technology infrastructure including Public Budgeting Formulation (PBF), updates for Oracle or Cisco systems and PC lease deployment.

Okeechobee Basin

There is an anticipated fund balance decrease of 33.2 percent or \$28.6 million by the end of FY2011. This balance will be used to fund future projects, land and vegetation management activities, Kissimmee River Restoration, Kissimmee Chain of Lakes, River of Grass, local government projects and any necessary hurricane or unexpected one-time expenses that might occur during the year.

State Appropriations

The projected fund balance is estimated to decrease by 13.6 percent or \$1.7 million by the end of FY2011. 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 the St. Lucie River/Indian River Lagoon, Loxahatchee River, Estero and Naples Bays.

Everglades Trust Fund

There is an anticipated fund balance decrease by 79.6 percent or \$78.1 million by the end of FY2011. 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 partial funding for construction of a laboratory facility.

CERP – Ad Valorem

The projected fund balance is estimated to decrease by 78.2 percent or \$167.2 million by the end of FY2011. Fund balance will be used primarily for purchase of 26,800 acres of the River of Grass project instead of issuing debt. Fund balance was also used for Biscayne Bay Coastal Wetlands, North Palm Beach County PT1, Ten Mile Creek Water Protection Area and Southern Crew project design/ land acquisition.

Acceler8 CERP

There is an anticipated fund balance decrease by 80.0 percent or \$107.7 million by the end of FY2011. 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.

Save Our Everglades Trust Fund

There is an anticipated fund balance decrease by 126.7 percent or \$39.5 million by the end of FY2011. This balance will be used for reimbursement of Indian River Lagoon – South/ C-44 Basin Reservoir and STA, C-43 Reservoir, North Palm Beach County-Part 1 and Picayune Strand restoration CERP project costs that were initially incurred in other funds.

Other Governmental Funds

The estimated decrease of 43.2 percent or \$95.6 million in these other funds is attributable to land acquisition, movement of water from unusual rain events in stormwater treatment areas (if necessary), C-111 North Spreader Canal, other restoration projects, wetland mitigation activities and Big Cypress Basin projects.

Debt Summary

At the end of fiscal year 2010, the District's combined outstanding debt from bonds and bank loans was \$560,338,196.

This amount consists of:

- \$13,560,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2002
- \$22,600,000 - Special Obligation Land Acquisition Refunding Bonds, Series 2003
- \$4,118,196 - Commercial Bank Debt
- \$520,060,000 - Certificates of Participation (COPs)





The District financed 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 principal on these bonds totaled \$36,160,000 at the end of FY2010.

The District began FY2010 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 \$4,118,196 at the end of FY2010.

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 FY2010 was \$520,060,000.

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 high bond rating for its obligations in order to realize more favorable borrowing costs.

The District's current debt and its impact on the FY2011 operating budget is shown in the following table:

Impact on Current Operating Budget

Existing Debt	Original Issue Amount	Outstanding as 9/30/2010	Maturity	Principal Due- FY2011	Interest Due- FY2011	Total Requirement
Major Fund						
COPs	\$546,120,000	\$520,060,000	2037	\$9,705,000	\$25,539,177	\$35,244,177
Major Fund - Okeechobee Basin						
Bank Loans	4,827,374	689,625	2011	689,625	12,724	702,349
Non-Major Funds						
2002 Refunding	23,810,000	13,560,000	2016	2,060,000	478,538	2,538,538
2003 Refunding	34,550,000	22,600,000	2016	3,355,000	1,011,183	4,366,183
Bank Loans	8,000,000	3,428,571	2013	1,142,857	120,000	1,262,857
	66,360,000	39,588,571		6,557,857	1,609,721	8,167,578
Grand Total:	\$617,307,374	\$560,338,196		\$16,952,482	\$27,161,622	\$44,114,104

Future Debt and Implications for the Budget

The FY2011 budget includes a provision to acquire a significant amount of land from the U. S. Sugar Corporation. That transaction, totaling \$194.5 million, was completed early in the fiscal year using existing District funds; i.e., no additional debt was incurred. The District has no plans to seek additional debt in the near term.

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:				
	2012	\$5,655,000	\$1,265,749	\$6,920,749
	2013	5,865,000	1,035,786	\$6,900,786
	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
		30,745,000	3,704,871	34,449,871
Bank Loans:				
	2012	\$1,142,857	\$72,000	\$1,214,857
	2013	1,142,857	24,000	\$1,166,857
		2,285,714	96,000	2,381,714
COPs:				
	2012	\$10,135,000	\$25,088,036	35,223,036
	2013	10,610,000	24,626,168	35,236,168
	2014	11,060,000	24,125,840	35,185,840
	2015	11,610,000	23,572,247	35,182,247
	2016-2020	67,110,000	108,526,622	175,636,622
	2021-2025	85,535,000	89,641,725	175,176,725
	2026-2030	109,110,000	65,466,750	174,576,750
	2031-2035	139,250,000	34,568,750	173,818,750
	2036-2037	65,935,000	3,336,875	69,271,875
	2012-2037	510,355,000	398,953,013	909,308,013
Total - All Debt		\$543,385,714	\$402,753,884	\$946,139,598

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. As of FY2011, the District is at approximately 30 percent of total debt capacity.

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 achieve the budget implementation through effective communication of priorities, multi-disciplinary teamwork and inter-departmental coordination.
-  The District values the diversity of its workforce for the varied perspectives its members bring in accomplishing our mission.

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

Linking Programs to Agency Goals

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)	Approved 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	221.5	665
Restoration	To restore, preserve and protect the ecosystem by implementing projects that improve the quality, quantity, timing and distribution of water deliveries	669.1	562
Water Supply	To manage and protect the regional water resources through effective planning, regulation and public involvement	38.0	265
Mission Support	To provide the District with optimum support and logistical functions	144.1	441
Total		\$1,072.7	1,933

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

STAs - Stormwater Treatment Areas

Capital Improvements Program Overview




The South Florida Water Management District Governing Board approved the Capital Improvements Plan (CIP) to provide direction to management on capital projects and the budget. The CIP supports the District's mission by providing a framework for allocating resources between District programs, based on improvement or refurbishment, construction and land acquisition priorities. All of the projects illustrated in the District's CIP are non-recurring capital improvements rather than on-going expenses. Wherever possible, capital projects are funded from non-recurring funding sources such as fund balance, debt proceeds or specific state appropriations for capital outlay such as land and construction.

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. 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 FY2011, three of the District's four programs included 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, an expected useful life in excess of one year and will become an asset of the District.
-  Excludes tangible personal property
-  Includes land improvements and easements, land acquisition and associated costs, water control structures, bridges, buildings and building improvements

The FY2011 capital budget totals \$531.1 million, which is \$519.1 million or 49.4 percent less than last year's capital budget of \$1,050.2 billion. The capital budget is slightly different from the first year of our Capital Improvements Plan because the CIP includes the EAA A-1 Flow Equalization Basin for \$3.5 million, which was not in the adopted budget. However, management plans to amend the budget or transfer funds from other capital projects in FY2011 to initiate this project. The decrease of the CIP from last year is reflected in the Restoration Program and is primarily due to acquisition of less acres of land for the River of Grass than what was included in the FY2010 plan. The land was purchased in October, 2010 for \$194.5 million compared to \$536.5 million in the FY2010 budget.

Although there was a significant decrease in the FY2011 CIP, funding for the Operations and Maintenance Program increased for improvements to canal conveyance structures such as the C-4 Gravity Wall.

The Capital Improvements Plan has been included in Volume II of the District's 2011 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, 2011.

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 "2011 South Florida Environmental Report" link, and then click the "Volume II Chapters" link under the Table of Contents.

Five-Year Capital Budget Projections

The chart below shows a high-level summary of the Capital Improvements Plan.

Revenues	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem - District/Okeechobee Basin	\$111,743,628	\$60,289,290	\$62,220,571	\$59,295,184	\$62,468,176	\$356,016,849
Ad Valorem - CERP (District/Okee Basin)	196,031,294	15,863,641	15,869,510	15,847,015	15,725,409	259,336,869
Total-General Ad Valorem Sources	307,774,922	76,152,931	78,090,081	75,142,199	78,193,585	615,353,718
Big Cypress Basin Ad Valorem	8,129,367	6,717,811	16,852,075	8,685,000	8,650,000	49,034,253
Everglades Construction Project - Ad Valorem, Ag Tax	28,701,710	28,178,590	48,520,667	49,595,465	28,262,868	183,259,300
Everglades Construction Project - Ad Valorem, Ag Tax - Future Projects Reserve					9,429,142	9,429,142
Save Our Everglades Trust Fund	44,029,384	34,482,533	53,590,008	70,500,000	94,000,000	296,601,925
Florida Forever Trust Fund	12,600,000	2,625,000	5,250,000	4,351,000	0	24,826,000
Florida Forever Trust Fund - Land Acquisition Reserve.					27,149,000	27,149,000
Debt Proceeds	111,548,777	51,261,912	11,069,036	0	0	173,879,725
Debt Proceeds (Amendment)	3,540,000	0	0	0	0	3,540,000
Lake Okeechobee Trust Fund	9,016,172	0	0	0	0	9,016,172
Florida Bay Fund	2,000,000	0	0	0	0	2,000,000
State Appropriations	903,589	0	0	0	0	903,589
Wetland Mitigation	6,255,940	3,134,416	685,715	50,000	50,000	10,176,071
Lake Belt Mitigation	150,000	4,000,000	4,000,000	4,000,000	4,000,000	16,150,000
Total Revenues	\$534,649,861	\$206,553,193	\$218,057,582	\$212,323,664	\$249,734,595	\$1,421,318,895
Expenditures	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Restoration Program						
Coastal Watersheds	5,604,386	0	0	0	27,267,284	32,871,670
Lake Okeechobee	30,600,904	16,692,477	28,525,001	35,616,858	38,683,142	150,118,382
Kissimmee Watershed	7,838,000	634,416	635,715	0	0	9,108,131
CERP	272,049,136	37,428,697	47,284,517	55,166,157	70,973,983	482,902,490
District Everglades	143,790,487	79,440,502	59,589,703	49,595,465	37,692,010	370,108,167
Modeling & Scientific Support	5,260,000	0	0	0	0	5,260,000
Restoration Program Total	\$465,142,913	\$134,196,092	\$136,034,936	\$140,378,480	\$174,616,419	\$1,050,368,840
O & M Program						
Land Stewardship	6,382,940	10,504,500	9,741,250	9,250,750	12,109,500	47,988,940
Operations & Maintenance	62,631,008	60,692,601	71,031,396	62,604,434	62,708,676	319,668,115
O&M Program Total	\$69,013,948	\$71,197,101	\$80,772,646	\$71,855,184	\$74,818,176	\$367,657,055
Mission Support Program						
Mission Support	493,000	1,160,000	1,250,000	90,000	300,000	3,293,000
Mission Support Program Total	\$493,000	\$1,160,000	\$1,250,000	\$90,000	\$300,000	\$3,293,000
Total Expenditures	\$534,649,861	\$206,553,193	\$218,057,582	\$212,323,664	\$249,734,595	\$1,421,318,895

*Note: \$3.5 million of the COPS funding within the Restoration Program is not part of the adopted budget, but is expected to be added in a FY2011 budget amendment.

The FY2011-FY2015 CIP represents \$1.4 billion in planned District projects. The total FY2011 budgeted capital expenditures are \$531.1 million, which represents 49.5 percent of the total District budget of \$1.1billion. The difference between the capital budget and the first year of the CIP shown in the table above is explained on the previous page.

The Restoration Program has the largest share of the overall FY2011 capital budget at \$461.6 million or 86.9 percent. Restoration Program has the majority of the CIP funding which reflects 43.0 percent of the total District FY2011 budget, due mostly to the land purchase made at the beginning of the current fiscal year for the River of Grass. 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 2011-2015

Restoration Program

Coastal Watersheds

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Save Our Everglades Trust Fund	\$0	\$0	\$0	\$0	\$27,267,284	\$27,267,284
Ad Valorem Sources - District / Okee Basin	5,604,386	-	-	-	-	5,604,386
TOTAL	\$5,604,386	\$0	\$0	\$0	\$27,267,284	\$32,871,670
EXPENDITURES						
Caloosahatchee River Basin (C-43) Water Quality Treatment Facility	4,340,536	-	-	-	27,267,284	31,607,820
Coastal Project Reserves	1,263,850	-	-	-	-	1,263,850
TOTAL	\$5,604,386	\$0	\$0	\$0	\$27,267,284	\$32,871,670

Lake Okeechobee

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem Sources - District / Okee Basin	\$3,900,000	\$1,000,000	\$1,000,000	\$0	\$0	\$5,900,000
Florida Forever Trust Fund	-	1,326,000	1,200,000	-	-	2,526,000
Save Our Everglades Trust Fund	17,684,732	14,366,477	26,325,001	35,616,858	38,683,142	132,676,210
Lake Okeechobee Trust Fund	9,016,172	-	-	-	-	9,016,172
TOTAL	\$30,600,904	\$16,692,477	\$28,525,001	\$35,616,858	\$38,683,142	\$150,118,382
EXPENDITURES						
Lakeside Ranch STA Phase I	15,035,000	3,366,477	-	-	-	18,401,477
Lakeside Ranch STA Phase II	-	-	12,325,001	25,616,858	15,683,142	53,625,001
Herbert Hoover Dike Rehabilitation	1,900,000	1,326,000	1,200,000	-	-	4,426,000
North Shore Navigational Canal Improvements	1,000,000	1,000,000	1,000,000	-	-	3,000,000
Dispersed Water Management	7,587,808	5,000,000	6,000,000	4,000,000	8,000,000	30,587,808
Source Control and Sub-Regional Water Quality Projects	-	6,000,000	8,000,000	6,000,000	15,000,000	35,000,000
FRESP - Lykes West Waterhole	393,750	-	-	-	-	393,750
Lemkin Creek - Lake Okeechobee Trust Fund	800,000	-	-	-	-	800,000
Lake Okeechobee Project Reserves	3,884,346	-	-	-	-	3,884,346
TOTAL	\$30,600,904	\$16,692,477	\$28,525,001	\$35,616,858	\$38,683,142	\$150,118,382

Kissimmee Watershed

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Wetland Mitigation Trust Fund	\$1,338,000	\$634,416	\$635,715	-	-	\$2,608,131
Ad Valorem Sources - District / Okee Basin	400,000	-	-	-	-	400,000
Florida Forever	6,100,000	-	-	-	-	6,100,000
TOTAL	\$7,838,000	\$634,416	\$635,715	\$0	\$0	\$9,108,131
EXPENDITURES						
Rolling Meadows Design / Construction	1,338,000	634,416	635,715	-	-	2,608,131
Kissimmee River Restoration Land Acquisition	6,500,000	-	-	-	-	6,500,000
TOTAL	\$7,838,000	\$634,416	\$635,715	\$0	\$0	\$9,108,131

CERP

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Save Our Everglades Trust Fund	\$26,344,652	\$20,116,056	\$27,265,007	\$34,883,142	\$28,049,574	\$136,658,431
Ad Valorem Sources - CERP Ad Valorem Fund	196,031,294	15,863,641	15,869,510	15,847,015	15,725,409	259,336,869
Ad Valorem Sources - District / Okee Basin	37,355,234	-	-	-	-	37,355,234
Big Cypress Basin - Ad Valorem	2,914,367	150,000	100,000	85,000	50,000	3,299,367
Florida Forever Trust Fund	6,500,000	1,299,000	4,050,000	4,351,000	-	16,200,000
Florida Forever T. F.- Land Acquisition Reserve	-	-	-	-	27,149,000	27,149,000
Florida Bay Fund	2,000,000	-	-	-	-	2,000,000
State Appropriations	903,589	-	-	-	-	903,589
TOTAL	\$272,049,136	\$37,428,697	\$47,284,517	\$55,166,157	\$70,973,983	\$482,902,490
EXPENDITURES						
Southern Crew / Imperial River Flowway CRP	7,149,326	791,415	4,124,000	4,124,000	-	16,188,741
Ten Mile Creek Water Preserve Area CRP	1,079,408	-	-	-	-	1,079,408
Lake Trafford Restoration CRP-	2,139,367	-	-	-	-	2,139,367
C-44 Reservoir and STA	12,462,192	-	1,020,000	520,000	175,839	14,178,031
Picayune Strand	775,000	1,150,000	2,500,000	1,085,000	50,000	5,560,000
North Palm Bch Cty - Part 1	2,128,293	7,936,324	14,459,506	29,283,142	26,797,735	80,605,000
Biscayne Bay Coastal Wetlands	22,535,000	10,567,317	8,524,501	3,351,000	-	44,977,818
C-111 Spreader Canal	13,432,460	-	-	-	-	13,432,460
Hillsboro ASR	95,000	-	-	-	-	95,000
Fran Reich - Site 1 Impoundment	-	1,240,000	907,000	1,076,000	1,076,000	4,299,000
Debt Service - 2006 COPs	15,753,090	15,743,641	15,749,510	15,727,015	15,725,409	78,698,665
Land Acq./ Cap Proj. Reserve (U.S. Sugar Acquisition)	194,500,000	-	-	-	-	194,500,000
Florida Forever T. F.- Land Acquisition Reserve	-	-	-	-	27,149,000	27,149,000
TOTAL	\$272,049,136	\$37,428,697	\$47,284,517	\$55,166,157	\$70,973,983	\$482,902,490

District Everglades

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
ECP - Ad Valorem, Ag Tax	\$28,701,710	\$28,178,590	\$48,520,667	\$49,595,465	\$28,262,868	\$183,259,300
ECP- Ad valorem - Future Projects Reserve	-	-	-	-	9,429,142	9,429,142
Debt Proceeds- 2006 COPs	111,548,777	51,261,912	11,069,036	-	-	173,879,725
Debt Proceeds- 2006 COPs- (Amendment)	3,540,000	-	-	-	-	3,540,000
TOTAL	\$143,790,487	\$79,440,502	\$59,589,703	\$49,595,465	\$37,692,010	\$370,108,167
EXPENDITURES						
LTP EAA STA Compartment B Design Construction & Build Outs	77,916,113	20,272,090	-	-	-	98,188,203
LTP EAA STA Compartment C Design Construction & Build Outs	35,066,284	20,489,822	-	-	-	55,556,106
Rotenberger Pump Station Design & Construction	1,600,000	3,219,000	-	-	-	4,819,000
O & M Capital Construction	3,684,367	5,345,194	8,203,045	6,211,640	8,806,030	32,250,276
Chem Lab Facility	2,492,636	-	-	-	-	2,492,636
EAA A1 Flow Equalization Basin	3,540,000	10,635,000	31,900,000	23,925,000	-	70,000,000
Debt Service - 2006 COPs	19,491,087	19,479,396	19,486,658	19,458,825	19,456,838	97,372,804
Future Projects Reserve- ECP Ad Valorem, Ag Tax Fund Balance.	-	-	-	-	9,429,142	9,429,142
TOTAL	\$143,790,487	\$79,440,502	\$59,589,703	\$49,595,465	\$37,692,010	\$370,108,167

Modeling & Scientific Support

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem Sources - District / Okee Basin	\$5,260,000	-	-	-	-	\$5,260,000
TOTAL	\$5,260,000	\$0	\$0	\$0	\$0	\$5,260,000
EXPENDITURES						
Chem Lab Facility	\$5,260,000	-	-	-	-	\$5,260,000
TOTAL	\$5,260,000	\$0	\$0	\$0	\$0	\$5,260,000

Operations & Maintenance Program

Land Stewardship

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem Sources - District / Okee Basin	\$1,315,000	\$4,004,500	\$5,691,250	\$5,200,750	\$8,059,500	\$24,271,000
Wetlands Mitigation	4,917,940	2,500,000	50,000	50,000	50,000	7,567,940
Lake Belt Mitigation	150,000	4,000,000	4,000,000	4,000,000	4,000,000	16,150,000
TOTAL	\$6,382,940	\$10,504,500	\$9,741,250	\$9,250,750	\$12,109,500	\$47,988,940
EXPENDITURES						
Recreation Projects - Land	1,315,000	4,004,500	5,691,250	5,200,750	8,059,500	24,271,000
8 1/2 Sq. Mile Mitigation Project	4,600,000	2,000,000	50,000	50,000	50,000	6,750,000
Shingle Creek Phase II & III Land/Associated Costs	150,000	-	-	-	-	150,000
Pennsucco Land Acquisition	167,940	-	-	-	-	167,940
Cypress Creek Restoration	-	500,000	-	-	-	500,000
Lake Belt Land/Lake Belt Associated Costs/Restoration	150,000	4,000,000	4,000,000	4,000,000	4,000,000	16,150,000
TOTAL	\$6,382,940	\$10,504,500	\$9,741,250	\$9,250,750	\$12,109,500	\$47,988,940

Operations & Maintenance

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem - Big Cypress Basin	\$5,215,000	\$6,567,811	\$16,752,075	\$8,600,000	\$8,600,000	45,734,886
Ad Valorem Sources	\$57,416,008	\$54,124,790	\$54,279,321	\$54,004,434	\$54,108,676	273,933,229
TOTAL	\$62,631,008	\$60,692,601	\$71,031,396	\$62,604,434	\$62,708,676	\$319,668,115
EXPENDITURES						
Golden Gate Weir #3 Relocation	195,000	-	-	-	-	195,000
Golden Gate Weir #5	-	-	-	-	4,300,000	4,300,000
Golden Gate Canal Weir #6 and #7 Retrofit	1,605,000	-	-	-	-	1,605,000
Henderson Creek Diversion	100,000	1,000,000	5,000,000	-	-	6,100,000
Faka Union Canal Weir #6 & #7 Retrofit	-	-	-	-	4,300,000	4,300,000
BCB Field Station Land Acquisition	2,210,000	-	-	-	-	2,210,000
BCB Field Station Construction	1,100,000	1,267,811	8,452,075	-	-	10,819,886
Cypress Canal Weir #4A1 Retrofit	-	-	-	4,300,000	-	4,300,000
Miller Weir #3 Rehabilitation	-	4,300,000	-	-	-	4,300,000
Golden Gate Canal Weir #4 Retrofit	-	-	-	4,300,000	-	4,300,000
Lake Trafford ORV Park Site Assessment	5,000	-	-	-	-	5,000
Henderson Creek Weir #2 Retrofit	0	-	3,300,000	-	-	3,300,000
Communication & Control Systems	2,839,722	3,067,800	10,516,794	10,184,002	6,507,400	33,115,718
Pump Station Modification	8,233,815	16,276,063	17,126,729	6,067,277	2,661,093	50,364,977
Project Culverts - Capital Improvements	-	2,640,000	-	292,000	1,898,000	4,830,000
Structure/Bridge/Modification	27,287,994	14,302,107	10,630,166	7,184,233	10,408,048	69,812,548
O&M Facility Construction/Improvements	1,353,251	3,944,140	1,333,000	1,700,000	950,000	9,280,391
Canal/Levee Maint/Canal Conveyance	14,246,498	9,558,680	9,836,632	24,985,922	31,434,135	90,061,867
Project Culverts - Capital Replacements	274,480	250,000	250,000	250,000	250,000	1,274,480
Critical Infrastructure Field Equipment (CIFER)	985,248	2,000,000	3,000,000	3,000,000	-	8,985,248
Vertical Datum (NAVD 88)	2,195,000	2,086,000	1,586,000	341,000	-	6,208,000
TOTAL	\$62,631,008	\$60,692,601	\$71,031,396	\$62,604,434	\$62,708,676	\$319,668,115

Mission Support Program

Mission Support

REVENUES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Ad Valorem Sources - District / Okee Basin	\$493,000	\$1,160,000	\$1,250,000	\$90,000	\$300,000	\$3,293,000
TOTAL	\$493,000	\$1,160,000	\$1,250,000	\$90,000	\$300,000	\$3,293,000
EXPENDITURES						
General Building & Improvements	493,000	1,160,000	1,250,000	90,000	300,000	3,293,000
TOTAL	\$493,000	\$1,160,000	\$1,250,000	\$90,000	\$300,000	\$3,293,000
TOTAL CAPITAL EXPENDITURES	\$534,649,861	\$206,553,193	\$218,057,582	\$212,323,664	\$249,734,595	\$1,421,318,895

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 the Project Systems module of the integrated financial system. Proposed projects are reviewed, discussed, evaluated and prioritized for the next fiscal year within the constraints of available resources. Debt requirements are projected on a five-year basis to facilitate better funding decisions for priorities.

The District 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 approved this Capital Improvement Plan in January, 2010 pursuant to the requirement outlined in the District's Principles of Sound Financial Management. The Governing Board sets overall policy direction and establishes strategic priorities with required funding. The Capital Improvement Plan is the product of extensive participation by the Governing Board, District management and functional program leaders.

Before presentation to the Board, proposed capital projects in the CIP are prioritized and selected for major District programs by Executive Management using the criteria below:

Criteria Category	Evaluation Scale	Intent (Point System)	Point System
Mandate	Project/Process specifically mandated	Highly Important	10
	Range of flexibility in legal requirements	Important	5
	No legal requirement	Less Important	1
Mission Criticality/Strategic Plan	Clearly supports Strategic Plan priorities	Highly Important	10
	Somewhat/indirectly supports Strategic Plan	Important	5
	No support to Strategic Plan	Less Important	1
Risk/Urgency	Public health & safety	Highly Important	10
	Limited liability	Important	5
	No foreseeable risk	Less Important	1

Criteria Category	Evaluation Scale	Intent (Point System)	Point System
Status of Implementation	Likelihood of completion of existing initiative within FY/Readiness of execution	Highly Important	10
	Existing multi-year project milestone completion	Important	5
	New initiative	Less Important	1
Investment Benefit	Significant resource or agency benefit	Highly Important	5
	Provides moderate resource or agency benefit	Important	3
	Provides low or localized resource or agency benefit	Less Important	1

The various program plans are also used to support decisions on CIP project selection. The major program plans are explained below.

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 Central & Southern Florida (CS&F) 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 within the Operations and Maintenance Program 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. The Governing Board approves approximately \$60 million annually for O&M priority capital projects, as flood control is at the core of the District's mission.

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 as 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 authorized ad valorem levy (currently 0.0894 mills) 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 Office 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:





FY2011-FY2015 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: \$80,605,000 (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: \$2,838,834 (See Note 4)

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

FY2011	FY2012	FY2013	FY2014	FY2015
\$2,128,293	\$7,936,234	\$14,459,506	\$29,283,142	\$26,797,735

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

\$0	\$16,800	\$53,963	\$1,363,582	\$1,404,489
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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

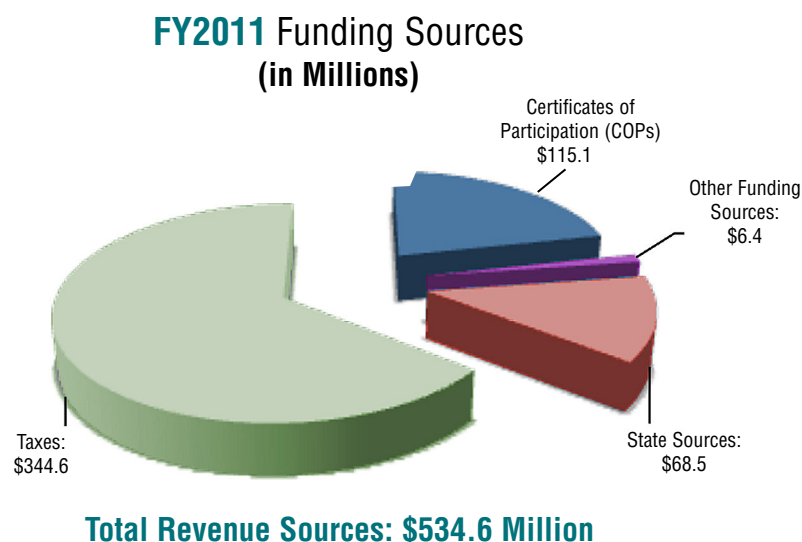
Monitoring capital projects is a very important process to the District due to the magnitude of funding that is provided, the goals set for completion of strict project schedules and the importance that the projects have in supporting the strategic priorities. Budget staff designed a quarterly report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

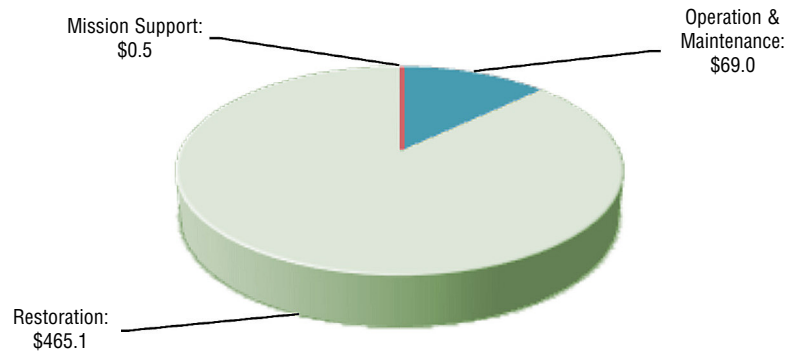
The District developed a standardized report on all projects within PS and provides an analysis of the status of the project in comparison to its plan and budget. These reports identify projects that are not moving forward, those that may be over spending, and those that are under-utilizing appropriations allocated to them. The District uses a red, yellow, green indicator to report the status of projects. This provides Executive Management with the appropriate decision making tool for identifying funding that may be reallocated towards other capital projects identified by the District as needing more funding. This is done through a formal change control process and budget is transferred as approved. Individual employee performance plans are tied to the projects and success indicators in the Work Plan.

Funding Sources for FY2011 Capital Projects

The charts below depict the District's FY2011 CIP funding sources and uses. The estimated funding sources for FY2011 total \$534.6 million. Descriptions of each source included within the chart categories are provided in the following narrative. In FY2011, 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.



FY2011 Funding Uses (in Millions)



Total Uses: \$534.6 Million

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/Agricultural Privilege Taxes

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 FY2011, taxes of \$344.6 million comprise 64.5 percent of the District's capital budget.

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.

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 Alligator Alley toll revenue, as mandated in the 1994 Everglades Forever Act (EFA).

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.

State funding of \$68.5 million equals 12.8 percent of the District's FY2011 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.

Certificates of Participation funding (residual proceeds from Series 2006 COPs) of \$115.1 million comprises 21.5 percent of the District's capital funding sources for FY2011.

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.

Lake Belt Mitigation

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.

Other funding sources of \$6.4 million comprise 1.2 percent of the District's capital funding sources for FY2011.

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

Restoration Program

This section highlights the major projects within the Restoration program. The adopted Fiscal Year 2011 capital budget for **Restoration** totals \$461.6 million. If the budget is amended to include \$3.5 million for the EAA A1 Flow Equalization Basin, the capital budget will equal the first year of the plan at \$465.1 million. The program is funded by state (14.7 percent) sources; ad valorem taxes (60.2 percent); Other Funding Sources (0.4 percent and Certificates of Participation (COPs) (24.7 percent).

Five-year construction and land acquisition expenses are projected to be \$1.050 billion. Operations phase related costs are estimated at \$38.3 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, and electricity, exotic and aquatic vegetation control, grading and mowing for levee and canal maintenance.

The District intends to continue to fund some construction projects in part through Certificates of Participation (COPs) revenue bonds issued in November 2006. However, 63 percent of the Restoration Program capital budget is funded this year by fund balance for purchase of the largest asset shown in the CIP – River of Grass. By accelerating the acquisition, 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.

Refer to the South Florida Environmental Report (SFER), Volume II, Chapter 4 to review all of the District's capital project descriptions for FY2011. 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 "2011 South Florida Environmental Report" link. Then, click the "Volume II Chapters" link located under the Table of Contents.*



Great Egret, Everglades wildlife

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 – coastal wetlands

Redistribution of freshwater flow across a broad front is needed to restore and enhance freshwater wetlands, tidal wetlands and nearshore bay habitats throughout the Biscayne Bay coastal wetlands. Sustained lower-than-seawater salinities are required in tidal wetlands and the nearshore bay to provide nursery habitat for fish and shellfish. In addition to the benefits derived from creating conditions for reestablishment of oyster and oyster reef communities, this wetlands project will restore overland flow, reduce groundwater seepage and reduce freshwater discharges. 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 FY2011 capital budget for Biscayne Bay Coastal Wetlands is comprised of \$22.5 million in construction and land costs. Projected five-year expenditures total \$45 million, which includes \$1.7 million in operating costs. The estimated total project cost is

\$298.5 million. No new FTEs will be added for the operation of this project because operational functions will be managed by contract personnel. The scheduled completion date is FY2014.

Operating Costs Description	FY2011	FY2012	FY2013	FY2014	FY2015
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$114,940	\$118,388	\$467,940	\$481,978	\$496,437

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

Hendry and Palm Beach counties



Compartment B 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 FY2011 capital budget for EAA STA-Compartment B is comprised of \$77.9 million to continue ongoing construction. Projected five-year expenditures total \$108.9 million, which includes \$10.7 million for operating costs. The estimated total project cost is \$239.9 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2011	FY2012	FY2013	FY2014	FY2015
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$1,512,884	\$2,188,314	\$2,253,963	\$2,321,582	\$2,391,230

The FY2011 capital budget for EAA STA-Compartment C is comprised of \$35.1 million to continue ongoing construction. Projected five-year expenditures total \$66.1 million, which include \$10.5 million for operating costs. The estimated total project cost is \$142.7 million. The scheduled completion date is FY2012.

Operating Costs Description	FY2011	FY2012	FY2013	FY2014	FY2015
Fuel, lube, filters, and gaskets; structure, levee and interior maintenance	\$1,717,865	\$2,099,327	\$2,162,307	\$2,227,176	\$2,293,991

River of Grass

Palm Beach and Hendry counties



Everglades Agricultural Area – River of Grass

The District has purchased land from the United States Sugar Corporation, providing 26,800 acres of strategically located property south of Lake Okeechobee for Everglades restoration. The \$194 million acquisition places 42 square miles of agricultural land into public ownership for the construction of water quality improvement projects that will bring meaningful environmental benefits to the famed *River of Grass*. One of the parcels is 17,900 citrus acres in Hendry County, just west of STAs 5 and 6. The site will be used to improve water quality in the C-139 basin, where phosphorus loads have been historically

high. The other parcel is 8,900 sugarcane acres in western Palm Beach County, ideal for improving water quality in the S-5A basin and benefiting the Loxahatchee National Wildlife Refuge

The FY2011 adopted capital budget is \$194.5 million. The land was acquired through a cash purchase at the beginning of the FY2011 fiscal year.

Lakeside Ranch Stormwater Treatment Area (STA)

Martin County



Lakeside Ranch (STA) stormwater treatment area construction structure

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 FY2011 capital budget for the Lakeside Ranch STA Phase I is comprised of \$15.0 million for construction and related costs in FY2011 – FY2012. Projected five-year expenditures total \$18.4 million. Lakeside Ranch STA Phase II is comprised of \$53.6 million for construction and related costs in FY2013 – FY2015. The projected operating costs associated with this project during the five year period are \$4.3 million for Phase I. 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 \$95.2 million. The project's scheduled completion date is FY2012 for Phase 1 and FY2015 for the entire project.

C-111 Spreader Canal

Miami-Dade County



C-111 Aerojet 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 FY2011 capital budget for the C-111 Spreader Canal project totals \$13.4 million for construction. Projected five-year expenditures total \$14.2 million, which include \$0.8 million for operating costs. The project is scheduled for completion in December of FY2011. The estimated total project cost is \$40.7 million.

Operating Costs Description	FY2011	FY2012	FY2013	FY2014	FY2015
Pump and gate maintenance, fuel, electricity, levee mowing, exotic and aquatic vegetation control	\$149,442	\$155,408	\$161,612	\$168,064	\$179,770

Operations and Maintenance Program

The adopted Fiscal Year 2011 capital budget for Operations and Maintenance program totals \$69 million. The program is funded primarily by ad valorem taxes (90.7 percent); and Wetlands/Lake Belt Mitigation funds (9.3 percent). Five-year construction and land acquisition expenses are projected to be \$367.7 million.

Structure/Bridge/Modification - S65 D Navigational Lock Refurbishment

Okeechobee County



Structure 65D Navigational Lock refurbishment

S65 D Navigational Lock Refurbishment is one of four navigational locks projects within the Water Control Structures listed under Structure/Bridge/Modification for the Operations and Maintenance Program located in Okeechobee County. The S-65D boat lock structure and gates were originally constructed by the ACOE and are approximately 50 years old. The large steel gates and the original concrete structure walls and floor are exhibiting some deterioration from long exposure to the water. This project involves the refurbishment of the gates and concrete.

The steel gates were removed, sandblasted, repaired, and treated with a corrosion resistant coating. The concrete walls and floor had the top layer of deteriorated concrete removed, and replaced with new high-strength, longer lasting concrete. The lock operating equipment, electrical fixtures and equipment, and equipment buildings are also being re-furbished.

In the photo, you see the old original gates and concrete walls and floor, just after the water was pumped out of the structure. The big step-down in the photo is the floor of the lock structure where it drops down in elevation from upstream to downstream, and the steel gates are partially opened to allow the bobcat to clean sand and debris from the structure. This photo was taken early in the project, and a lot of work has been done since then.

The FY2011 capital budget for Structure/Bridge/Modification for the Operations and Maintenance Program is comprised of \$27.3 million in design and general engineering services. Projected expenditures total \$69.8 million. The operating costs for FY2011 are \$0.00. The estimated total project cost is \$136.6 million. The scheduled completion date for this project is September 2014.

Canal/Levee Maintenance/Canal Conveyance - C-41 Canal

Highlands County



C-41 Canal

C-41 canal is one of several projects within the Canal/Levee Maintenance/Canal Conveyance for the Operations and Maintenance Program. The C-41A Canal Bank Stabilization Segment 1 project starts where the canal crosses SR 70, approx. 16 miles west of Hwy 441 in Okeechobee, and continues along both sides of the canal, south and east, approximately 4.7 miles, ending just west of Ruck's Dairy Road, in Highlands County.

These canals require dredging to provide proper water flow and to restore invert to design elevation. These projects also

stabilize the banks of the canals to eliminate loss of rights-of-way and continual loss of design invert elevation.

The FY2011 capital budget for Canal/Levee Maintenance/Canal Conveyance is comprised of \$14.2 million for engineering and design in preparation for a construction plan beginning in FY2012. Projected five-year expenditures total \$90.1 million. There are no operating costs projected during this five year period. No new FTEs are budgeted for the operation of this project. Operational functions will be managed by existing District staff and contract personnel. The estimated total project cost is \$111.6 million. The project's scheduled completion date is September of FY2014.

Impact of Capital Projects on the Operating Budget



Compartment C

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. However, new FTE's can be added for structures that come on line after completion by other programs. Additional operation and maintenance costs may be incurred as Restoration projects come on line.

Some capital projects require long-term financing, which result in scheduled annual debt service payments involving significant cash outlays. In FY2011, District debt payments for land acquisition and construction bonds are \$44.1 million.

The following chart, “Operating Expenses for FY2011-FY2015 Capital Improvement Plan” provides the estimated annual operating financial impact, funding source, completion date and new positions projected for the District’s capital projects. As shown on the Operating Expenses for FY2011-FY2015 Capital Improvement Plan schedule, there are 16.5 new Full Time Equivalents for Compartment B and 14.5 new Full Time Equivalents for Compartment C. The District may adjust these workforce allocations as actual structures come on line or are substantially completed in FY11-12.

Estimated FY2011 - FY2015 Capital Improvement Program Operating Cost Impact Detail

DISTRICT PROGRAM / PROJECT TITLE	FUNDING SOURCE	COMPLETION DATE	NEW POSITIONS	FY2011	FY2012	FY2013	FY2014	FY2015	TOTAL FY11 - FY15
SFWMD Projects									
C-43 Water Quality Treatment Facility	General Ad-Valorem Taxes	Sep 2013	0	\$0	\$197,020	\$203,809	\$212,910	\$224,534	\$838,273
Lakeside Ranch - Phase 1	General Ad-Valorem Taxes	Sep 2012	0	500,304	1,069,287	883,871	914,844	962,760	\$4,331,066
North Palm Beach County - Part 1	Federal / General Ad-Valorem Taxes	Sep 2015	0	0	16,800	53,963	1,363,582	1,404,489	\$2,838,834
C-111 Spreader Canal	Federal / General Ad-Valorem Taxes	Sep 2011	0	149,442	155,408	161,612	168,064	179,770	\$814,296
Southern Crew CRP	Federal / General Ad-Valorem Taxes	Sep 2011	0	80,000	160,000	164,800	169,744	174,836	\$749,380
Biscayne Bay Coastal Wetlands	Federal / General Ad-Valorem Taxes	Sep 2012	0	114,940	118,388	467,940	481,978	496,437	\$1,679,683
EAA STA Compartment B	ECP Tax / Ag Privilege Tax	June 2012	17	1,512,884	2,188,314	2,253,963	2,321,582	2,391,230	\$10,667,973
EAA STA Compartment C	ECP Tax / Ag Privilege Tax	June 2012	15	1,717,865	2,099,327	2,162,307	2,227,176	2,293,991	\$10,500,666
SFWMD Projects - FY2011 - 15			31	4,075,435	6,004,544	6,352,265	7,859,880	8,128,047	32,420,171
Additional SFWMF Projects:									
Rolling Meadows - 4% of construction	General Ad-Valorem Taxes	June 2013	0	0	0	107,200	110,416	113,728	\$331,344
Rotenberger Pump Station - 4% constr.	ECP Tax / Ag Privilege Tax	Sep 2012	0	0	0	192,760	198,543	204,499	\$595,802
Total - SFWMD Projects - FY2011-15			31	4,075,435	6,004,544	6,652,225	8,168,839	8,446,275	33,347,317
USACE projects									
Fran Reich - Site 1 Impoundment	Federal / General Ad-Valorem Taxes	Sep 2017	0	\$0	\$16,800	\$17,640	\$361,437	\$579,957	\$975,834
Modified Water Delivery	Federal / General Ad-Valorem Taxes	Sep 2012	0	\$63,847	\$65,595	\$67,412	\$75,803	\$114,769	\$387,426
C-44 Reservoir and STA	Federal / General Ad-Valorem Taxes	Sep 2017	0	\$18,069	\$190,658	\$203,471	\$252,689	\$2,325,457	\$2,990,344
Picayune Strand	Federal / General Ad-Valorem Taxes	Sep 2017	0	\$127,000	\$242,480	\$349,754	\$360,247	\$486,054	\$1,565,535
Total - USACE Projects - FY2011-15			0	\$208,916	\$515,533	\$638,277	\$1,050,176	\$3,506,237	\$5,919,139
GRAND TOTAL - CIP Op Costs			31	\$4,284,351	\$6,520,077	\$6,990,542	\$8,910,056	\$11,634,284	\$38,339,310

In addition to projects built by the SFWMD, the US 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 the operational requirements prior to completion).

Total projected five-year operating costs for all of the District’s current capital projects are estimated at approximately \$38.3 million and all are in the Restoration Program.

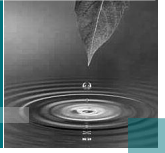
Although some of the District’s capital projects directly impact the current and future operating budget (due to increased expenditures for maintenance, utility costs, and vegetation control), several programs have dedicated funding sources in place to meet their projects’ future operating needs. One 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

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.

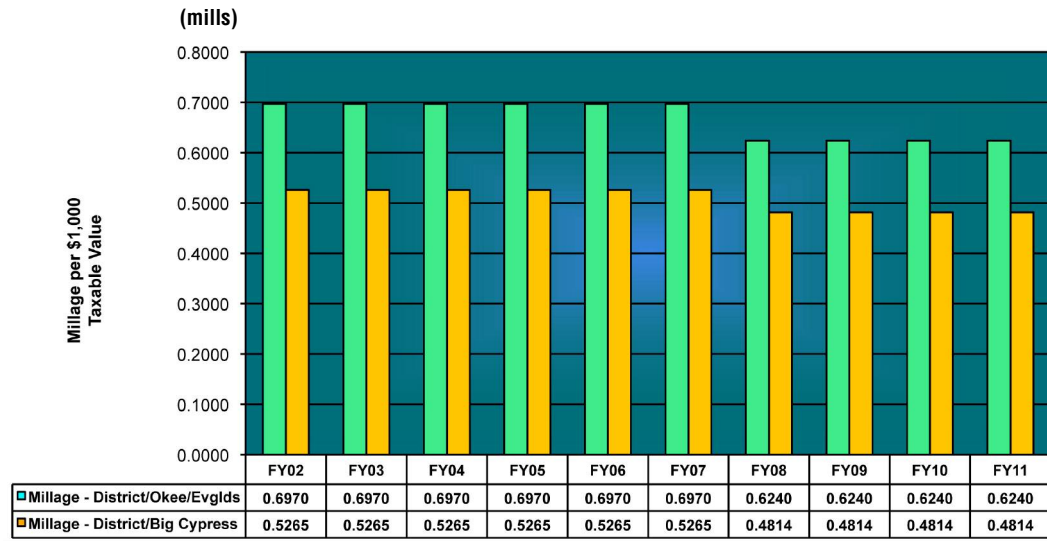
APPENDIX



Ten-Year Tax Millage History

Ad Valorem Property Tax Millage Rates

Fiscal Years 2002-2011



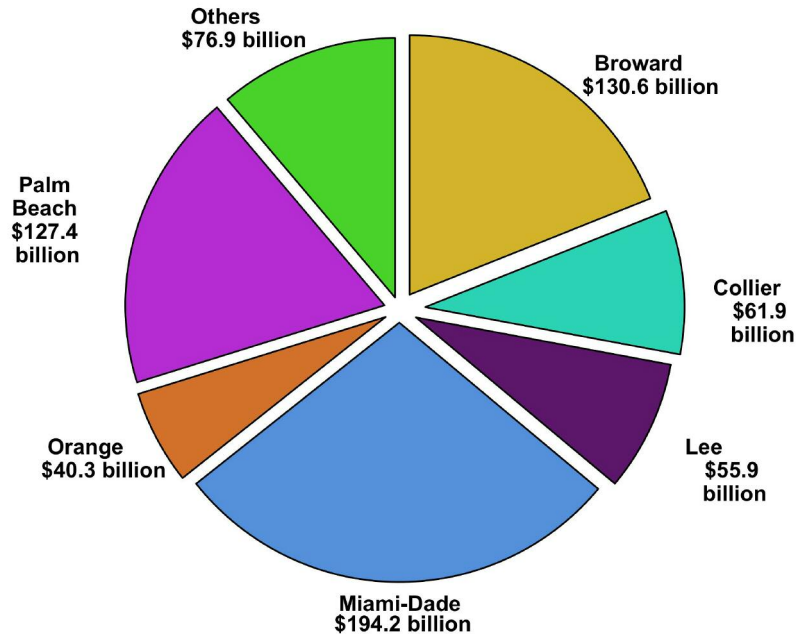
The District's FY2011 adopted millage rates have remained the same as the FY2010 rates. In FY2011, all property owners within the District's boundaries will be assessed the same District-at-large millage rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each the same as FY2010, 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 FY2010, for a combined tax assessment of .4814 mills.

Adopted Fiscal Year 2011 Tax Rates

	Okeechobee Basin (in mills)	Big Cypress Basin (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 2011 District Tax Base

Total Tax Base: \$687.2 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 65.8 percent of the total tax base.

District FY2011 Taxable Values

District, Okeechobee Basin and Big Cypress Basin

County	FY2010 Taxable Values	FY2011 Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	\$149,494,688,426	130,575,319,216	\$130,575,319,216	-	-12.66%
Charlotte	145,465,311	118,995,839	118,995,839	-	-18.20%
Collier	70,534,819,831	61,916,372,317	-	61,916,372,317	-12.22%
Glades	642,476,933	592,735,941	592,735,941	-	-7.74%
Hendry	2,124,125,811	1,812,568,091	1,812,568,091	-	-14.67%
Highlands	788,222,042	672,323,026	672,323,026	-	-14.70%
Lee	65,524,426,535	55,923,873,007	55,923,873,007	-	-14.65%
Martin	18,959,999,906	17,550,023,079	17,550,023,079	-	-7.44%
Miami-Dade	223,936,274,640	194,187,972,510	194,187,972,510	-	-13.28%
Monroe	22,610,056,550	19,773,673,591	19,773,665,599	7,992	-12.54%
Okeechobee	1,782,513,775	1,459,948,510	1,459,948,510	-	-18.10%
Orange	44,983,507,053	40,349,323,168	40,349,323,168	-	-10.30%
Osceola	21,599,406,380	18,103,430,819	18,103,430,819	-	-16.19%
Palm Beach	141,661,878,578	127,409,023,003	127,409,023,003	-	-10.06%
Polk	1,743,077,529	1,336,552,439	1,336,552,439	-	-23.32%
St. Lucie	17,258,752,562	15,369,771,269	15,369,771,269	-	-10.95%
Total Tax Base	\$783,789,691,862	\$687,151,905,825	\$625,235,525,516	\$61,916,380,309	-12.33%

Impact of Taxes



Average Home

Assessed Value	\$150,000
Less Homestead Exemption	(\$50,000)
Taxable Value	\$100,000

The average impact of the FY2011 millage rates on a homeowner residing in the Okeechobee Basin or Big Cypress Basin with a home value assessed at \$150,000 (less a \$50,000 homestead exemption) is shown below:

Okeechobee Basin		
(\$100,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2011 Tax Rate District and Okeechobee Basin	0.6240	\$62.40
Adopted FY2010 Tax Rate District and Okeechobee Basin	0.6240	\$62.40
FY2010 - FY2011 Variance	0.0000	\$0.00

Big Cypress Basin		
(\$100,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2011 Tax Rate District and Big Cypress Basin	0.4814	\$48.14
Adopted FY2010 Tax Rate District and Big Cypress Basin	0.4814	\$48.14
FY2010 - FY2011 Variance	0.0000	\$0.00

Taxes paid within the Okeechobee Basin for FY2011 are approximately 62 cents per \$1,000 of taxable value which is the same rate as FY2010. Taxes paid within the Big Cypress Basin for FY2011 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 \$102,700 (less a \$50,000 homestead exemption). The following information is a guide to reading and understanding the notice:

Taxing Authority

Taxing authorities are listed in the left-hand column on this tax notice. In addition to the South Florida Water Management District (abbreviated as So. Fla. Water Mgmt. Dist 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 shown.

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 assessed value of the property for the previous year.

Your Taxes This Year (If Proposed Budget Change is Made)

The third 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 fifth column). In this example, the property taxes levied by the District are listed on two lines, So. Fla. Water Mgmt. Dist (\$26.73) and Everglades Construction Project (\$4.47), totaling \$31.20. (The *Everglades Forever Act (EFA)* requires the District to separate the Okeechobee Basin tax revenue dedicated to the Everglades Construction Project).

Your Taxes This Year (If No Budget Change is Made)

The fourth column shows what the homeowner's property tax will be this year if each taxing authority does not change its property tax levy. These amounts are based on last year's budgets and the current assessment of the property. 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 the third and fourth column is the tax change proposed by each local taxing authority).

Public Hearing Information

The fifth column, the last one on the right, provides the name, phone number, date, time and address for each taxing authority public hearing on the proposed taxes and budget.

Non-Ad Valorem Assessments

This section (middle of page) lists proposed non-ad valorem assessments and fees to be collected by other taxing authorities. City of West Palm Beach and Solid Waste Authority of Palm Beach County show assessments of \$25 and \$167 respectively for the taxpayer in this sample tax notice.

Property Value Information

The information in the following section, compares the value of the property 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 \$102,700 this year. Once you subtract the \$50,000 homestead exemption, property taxes due in 2011 will be based on a net taxable value of \$52,700 compared to \$50,000 last year.

Sample Tax Notice

<div style="text-align:center;">2010 NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS</div>												
Full Parcel ID: 00-00-00-00-000-0000 Legal Description: PARCEL IS IN INCORPORATED PALM BEACH COUNTY				DO NOT PAY THIS IS NOT A BILL		The taxing authorities which levy 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 proposals at the hearing.						
Taxing Authority <small>*Dependent Special Districts</small>	COLUMN 1 Your Property Taxes Last Year			COLUMN 2 Your Taxes This Year If no budget change is made			COLUMN 3 Your Taxes This Year If no budget change is made			A public hearing on the proposed taxes and budget will be held at the locations and dates below		
	Taxable Value	Millage Rate	Tax Amount	Taxable Value	Millage Rate	Tax Amount	Taxable Value	Millage Rate	Tax Amount			
COUNTY												
County Operating	50,000	4.3440	217.20	52,700	4.7500	250.33	52,700	4.8223	254.14	9/14 6:00 PM (561) 355-3996 301 N Olive Ave 9th Fl WPB 33401		
County Debt	50,000	.2174	10.87	52,700	.2460	12.96	52,700	.2460	12.96			
PUBLIC SCHOOLS												
By State Law	75,000	5.4850	411.38	77,700	5.6550	439.47	77,700	6.0984	473.07	9/07 5:05 PM (561) 434-8837 3300 Forest Hill Blvd WPB 33406		
By Local Board	75,000	2.4980	187.35	77,700	2.4980	194.09	77,700	2.7728	215.45			
MUNICIPALITY												
West Palm Beach Operating	50,000	8.0739	403.70	52,700	8.0739	425.49	52,700	9.1989	494.26	9/13 5:01 PM (561) 822-1310 401 Clematis Street WPB 33401		
West Palm Beach Debt	50,000	.3836	19.16	52,700	.4426	23.33	52,700	.4426	23.33			
INDEPENDENT SPECIAL DISTRICTS												
So. Fla. Water Mgmt. Dist.	50,000	.5346	26.73	52,700	.5346	28.17	52,700	.6062	31.95	9/08 5:15 PM (561) 686-8600 3301 Gun Club Rd WPB 33406 9/17 5:30 PM (561) 627-3386 401 Clematis Street WPB 33401 9/13 6:00 PM (561) 740-7000 2300 High Ridge Rd BoyntonBch 33426 9/15 6:00 PM (561) 659-1270 324 Datura St Ste 401 WPB 33401		
Everglades Construction	50,000	.0894	4.47	52,700	.0894	4.71	52,700	.1013	5.34			
FL Inland Navigation District	50,000	.0345	1.73	52,700	.0345	1.82	52,700	.0364	2.02			
Children's Services Council	50,000	.6888	34.49	52,700	.7513	39.59	52,700	.7676	40.45			
Health Care District	50,000	1.1451	57.26	52,700	1.1451	60.35	52,700	1.2743	67.16			
Total Millage Rate & Tax Amount			23.4953	1,374.36				24.2214	1,480.31	26.3488	1,610.13	SEE REVERSE SIDE FOR EXPLANATION

NON-AD VALOREM ASSESSMENT					
LEVYING AUTHORITY	PURPOSE OF ASSESSMENT	UNITS	RATE	ASSESSMENT	CONTACT INFO
CITY OF WEST PALM BEACH SOLID WASTE AUTHORITY OF PBC	FIRE SERVICE	1	25.00	25.00	(561) 822-1310
	GARBAGE SERVICES	1	167.00	167.00	(561) 697-2700
Total Non-Ad Valorem Assessment				192.00	

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 service and facilities which may be levied by your county, city, or any special district.

VALUE INFORMATION			
Market Value	Last Year (2009)	This Year (2010)	Market (also called "Just") value is the most probable sale price for your

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
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
2480 Thompson St 4th Fl
Ft. Myers, FL 33902-1546
239-533-6100

Martin County

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

Monroe County

Honorable Ervin A. Higgs, CFA
500 Whitehead St
Key West, FL 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, CFA, CCF, MCF
2505 E Irlo Bronson Memorial Highway
Kissimmee, FL 34744
407-742-5000

Palm Beach County

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

Polk County

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

St. Lucie County

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

Principal Property Tax Payers

Taxpayer	2009			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$10,197,693,267	1	1.14%	\$6,331,743,321	1	0.93%
Walt Disney Company	6,973,735,452	2	0.78%	6,194,118,181	2	0.91%
Bellsouth Telecommunications, Inc.	2,047,065,669	3	0.23%	1,401,827,566	4	0.21%
Universal	1,338,070,478	4	0.15%	1,565,314,671	3	0.23%
Marriott Ownership Resorts, Inc.	1,021,422,617	5	0.11%	1,261,567,853	5	0.19%
Westgate Properties	795,274,797	6	0.09%	1,001,813,446	6	0.15%
Progressive Energy	692,814,469	7	0.08%	396,000,000	10	0.06%
Orange Lake CC	593,745,804	8	0.07%	-	-	-
Embarq Florida	589,993,491	9	0.07%	-	-	-
Vistana	567,758,142	10	0.06%	580,584,834	7	0.09%
Florida Power Corporation ¹	-	-	-	572,654,709	8	0.08%
R H Resorts/Rosen Hotels	-	-	-	418,720,980	9	0.06%
Totals	\$24,817,574,186		2.78%	\$19,724,345,561		2.91%

Notes: Amounts represent assessed value as of January 1 of the year presented.

The earliest year for which this data is available is fiscal year 2006. As such, 2006 will be the base year for comparison. The amounts shown reflect county totals even though some counties may only partially be within the District's boundaries.

¹ Florida Power Corporation now operates as Progressive Energy.

Source: Data was obtained from the Tax Collector or Property Appraiser for the sixteen counties that are included in the geographical boundaries of the South Florida Water Management District.

Demographic and Economic Statistics

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income	School Enrollment K-12 ³	Unemployment Rate ⁴
2000	6,596,430	\$187,591,136	\$28,438	1,011,089	4.3%
2001	6,730,570	196,241,179	29,157	1,045,571	5.1%
2002	6,866,749	203,150,631	29,585	1,063,783	6.1%
2003	7,029,274	210,894,834	30,002	1,084,866	5.5%
2004	7,201,875	231,929,083	32,204	1,096,057	5.0%
2005	7,361,373	251,907,469	34,220	1,102,719	4.0%
2006	7,506,316	274,090,198	36,515	1,124,773	3.4%
2007	7,619,564	286,718,796	37,629	1,082,297	4.4%
2008	7,648,678	294,230,623	38,468	1,071,876	6.1%
2009	7,609,853	287,587,667	37,791	1,073,728	10.3%

Notes: Data has been adjusted for counties with boundaries only partially within the District.

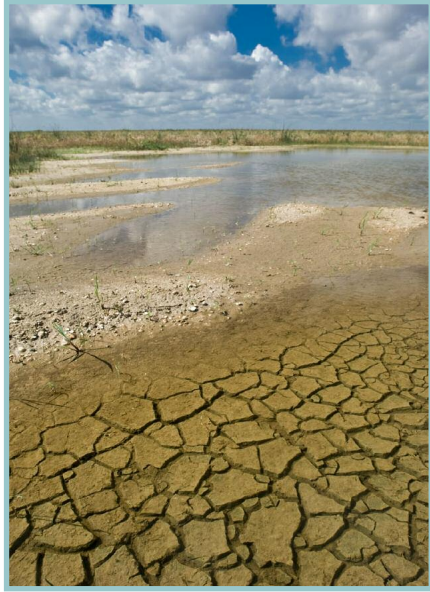
¹ Population data is from The Office of Economic & Demographic Research.

² Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce. The figure shown for calendar year 2009 is the average of the first three quarters of the year.

³ Student enrollment data is obtained from The Florida Department of Education. Enrollment figures are based on the fall enrollment number for the calendar year specified.

⁴ Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

How Environmental Factors Affect District Services



Lake Okeechobee drought

Unique natural and man-made environmental conditions existing within the geographical service area of the South Florida Water Management District (District) largely determine demands for service. The conditions include climate and the effects of water on the unique terrain of Florida. Urban and agricultural development has altered the water quality, supply, drainage, and flood patterns of South Florida. The District considers and addresses each of the environmental 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 abundant sandy soil to hamper the quantity of rainfall that moves downward into the deep aquifers that store water. Irrigation is often necessary, despite an abundance of rainfall.

Groundwater Resources

Virtually all areas within the District contain underground aquifers capable of yielding some quantity of water. Everywhere in the District, except in the Upper Kissimmee Basin, water in aquifers must be treated extensively before it meets drinking-water standards. The District makes water available from aquifers to utility companies which then treat the water before delivery to the community. The District also regulates the use of groundwater and surface water through the issuance of Consumptive Use Permits.

Climate

The climate in South Florida is subtropical, which means there is a long growing season for natural vegetation, urban landscaping and agricultural crops. Although South Florida can claim rainfall totals averaging 53 inches per year, there is significant water loss due to evapotranspiration, which is a combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces. The amount of water lost from evapotranspiration is 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. The varying conditions in the climate of South Florida create the need for water management - both when rain is overabundant and when it is in short supply.

Drainage

The 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 the natural landscapes of South Florida.

Flood Protection

The numerous intense rainfall events that occur in the service area of the District would cause extensive flooding if flood protection services weren't in place. The protective services generally involve the rapid movement of excess water into storage reservoirs or towards tidal areas. The flat topography of the state makes movement of water 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. One way to manage the problems created by runoff 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 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. The 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 the land containing natural ecosystems is in public ownership and is managed for aesthetic, recreational or ecological benefits. One aspect of water management is to allow periodic flooding to occur. The 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 the natural plant communities of South Florida 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 natural plant 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 help manage exotic species as well as monitor and control nutrient concentrations in canals, rivers, lakes and wetlands.

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. The chemical 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 are used to remove 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 the 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 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 providing the regional backbone of the 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, Everglades National Park and Big Cypress Preserve. However, much of the ecosystem, 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 2010, the population within the boundaries of the District increased from 0.8 million to 7.6 million. Population estimates for 2010 and projections for 2030, developed in 2010 by the Bureau of Economic and Business Research at the University of Florida, are 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	2010 Population	2025 Population	Change in Population	Percent Change in Population
Lower East Coast ¹	5,385,227	6,384,402	799,175	14%
Lower West Coast ²	961,924	1,446,579	484,654	50%
Kissimmee Basin ³	647,920	960,799	312,879	48%
Upper East Coast ⁴	419,561	605,608	186,047	44%
Total	7,614,633	9,397,388	1,782,755	23%

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 projections in the table show that in spite of a recent slowing of population growth in the SFWMD, that significant population growth is projected, with the largest anticipated population change occurring in the Lower East Coast and the largest percentage of growth projected in the Lower West Coast 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

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 as shown in the table below. The information is based on information obtained from the Regional Water Supply Plans of the District.

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

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

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 and providing drainage and flood protection services are among the objectives that the District continues to 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 of the urban areas and agricultural lands formerly played a significant role in the functioning of natural ecosystem of South Florida. For instance, the area that is now the Everglades Agricultural Area was a wetland marsh that was several feet higher in elevation than it is today. 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. The water 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 no longer exist. 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 services has been expressed in federal and state legislation, and in District initiatives. The services include:

-  *Land acquisition programs to manage, protect and restore environmentally sensitive lands*
-  *Development of Water Reservations and Minimum Flows and Levels 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*

Ultimately, the environmental concerns and water-related issues establish a large portion of the backdrop and context for development of the annual budget of the District.

Please see the Operating Budget section of the Budget Document for detail regarding the restoration and protection programs in the annual budget.

Glossary

A

ACCELER8

Part of the Comprehensive Everglades Restoration Plan, Acceler8 accelerates eight restoration projects through the 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 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. The advanced treatment 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.

APPROPRIATION UNIT

An organization grouping used in the budget system of the District to provide a high level set of transaction controls. The appropriation unit also acts as a way to assign responsibility in order to measure progress and track expected expenditures of an area of the District based on the specific fund, resource area and program.

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 facility 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 the ecosystem of South Florida, 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 policy of the District, which can subsequently be used 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. Discretionary 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 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 current of the river meets the tide of the ocean.

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 agencies of the state.

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 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. The 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. The definition found in the Comprehensive Annual Financial Report differs slightly, which defines fund balance as the difference between assets and liabilities reported in a governmental fund. In the later, some financial assets may not be spendable or available for appropriation.

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 the GAAP 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 that are appointed by the 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 surface of the earth, 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 Governing Board and management, elected representatives, and citizens within the boundaries of the District.

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; it 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 operation of the District; (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 the vitality and biological and hydrological integrity of a natural system 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 fluctuates annually to reflect 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. Principal and interest on the 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 surface of the earth.

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 the urbanized corridor of Southeast Florida.

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.

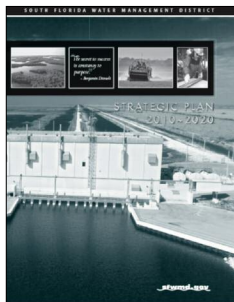
Acronyms and Abbreviations

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

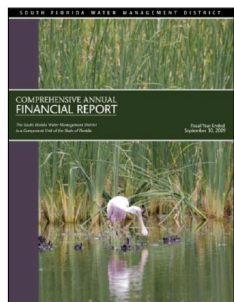
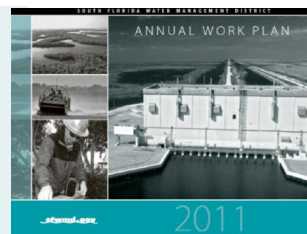
RECOVER	Restoration Coordination and Verification
REO	Real Estate Owned
RO	Reverse Osmosis
ROG	River of Grass
ROW	Right of Way
RPA	Regulatory & Public Affairs
RSM	Regional Simulation Model
SAN	Storage Area Network
SAP	Systems, Applications and Products in Data Processing
SAV	Submerged Aquatic Vegetation
SBE	Small Business Enterprise
SCADA	Supervisory Control and Data Acquisition System
SFER	South Florida Environmental Report
SFWM	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.

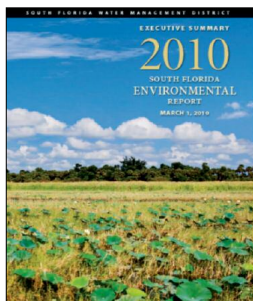
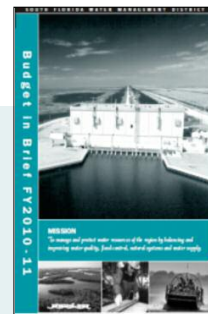
Annual Work Plan - The Annual Work Plan is a detailed work plan that “drills down” from the high level of the Strategic Plan. The document includes the major District projects planned, key assumptions used to develop the Work Plan and highlights of the inter-relationships between programs.



Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report contains the audited general-purpose financial statements of the District. 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 mission, strategic goals and general operations of the District.



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 FY2011 Capital Improvements Plan and is scheduled for submission to the legislature on March 1, 2011.

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 “Contact Us” link to submit an e-mail.

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