



**RICK SCOTT**  
GOVERNOR

August 24, 2011

Mr. Joe Collins  
Chair, Governing Board  
South Florida Water Management District  
3301 Gunn Club Road  
West Palm Beach, FL 33406

Dear Mr. Collins:

In accordance with Section 373.536, Florida Statutes, I have reviewed the South Florida Water Management District's Tentative Budget for Fiscal Year 2011-12. As you know, during the last eight months, I have worked with you to refocus the efforts of your district on the core missions of water supply, flood protection, water quality, and natural systems; to bring all districts' operations more in line with those of state agencies; and to ensure consistency across district boundaries while providing the most efficient and effective use of taxpayer dollars. To that end, I charged the Department of Environmental Protection with exercising its broad statutory oversight authority in this regard.

First, I want to note that I appreciate the Governing Board and its staff for cooperating with the Department in finding efficiencies and savings, thus enabling the submission of your district's Fiscal Year 2011-12 Tentative Budget at a savings of over \$519 million. Your submission included the reduction of \$96.7 million in debt avoidance, \$194.2 million in land acquisition, \$35.7 million in salaries and benefits, \$4.2 million in deferred compensation payments to employees and \$3.9 million which will no longer be used to buy out excess employee leave.

I would like to personally commend your district for its measurable successes in the restoration and preservation of our natural resources in South Florida. Your combined investment of over \$850 million in 2011 and 2012 will bring meaningful environmental improvements to South Florida's ecosystem. Your completion of Stormwater Treatment Areas B and C, the C-111 Spreader Canal, Biscayne Bay Coastal Wetlands Phase I, Lakeside Ranch Stormwater Treatment Area, and Lake Trafford Restoration show that a district which maintains the goal of efficient and effective use of taxpayer dollars can reap great rewards and your efforts in this regard should be applauded.

I am pleased by the district's plan to use over \$350 million in reserves over the next five years, primarily to improve water storage and water quality in the northern and southern Everglades, Lake Okeechobee and the St. Lucie and Caloosahatchee watersheds. This magnitude of effort demonstrates that a more efficient agency is by no means an idle agency. Your district should also be proud of its ability to identify efficiencies while maintaining its steadfast commitment to protecting the people, homes and businesses, of your region from the ever present danger of storm-related flooding.

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I am also encouraged that our federal partners are continuing construction on three major projects to restore Picayune Strand and the Ten Thousand Islands National Wildlife Refuge in Southwest Florida; the Indian River Lagoon through construction of the C-44 Reservoir and the Loxahatchee National Wildlife Refuge through construction of the Site 1 Impoundment in Broward County. We cannot meet our resource protection goals alone, and I encourage you to continue to work closely with our federal partners to meet our regional resource protection goals.

Consistent with the changes in law pursuant to Chapter 2011-67, Laws of Florida, I am withholding my disapproval of any part of the district's Fiscal Year 2011-12 Tentative Budget.

I want to thank you and your fellow Governing Board Members for your commitment to serving Floridians, and I look forward to working with you during the coming year as together we continue to strive for the most efficient and effective manner to protect Florida's water resources. I have enclosed further direction to the Department and the district as we move forward into the new fiscal year.

Sincerely,



Rick Scott  
Governor

Enclosure

cc: Melissa Meeker, Executive Director  
Secretary Herschel Vinyard, Department of Environmental Protection

## *ISSUES TO ADDRESS IN THE COMING YEAR*

Though each of your districts has unique resources, challenges and constituencies, ascertaining the potential for meaningful performance measures and measurable savings and efficiencies will be nearly impossible over time, so long as the districts speak five different "languages". If the districts are to be more transparent and consistent, there are some fundamental issues that should be addressed during the 2011-2012 Fiscal Year. They include:

### **Organizational Analysis**

Districts should be structurally organized to provide the most effective achievement of core mission, to provide predictable and measureable outcomes to Floridians, and to provide the most efficient service delivery. The following will need to be analyzed and addressed during the next year:

- Structural Efficiency and Effectiveness - Strategies for flattening district organizational structures.
- Staffing Level Analysis - Ensuring staffing levels are sufficient to meet district mission.
- Span of Control - Finding consistent spans of control that can work between districts.

### **Personnel Analysis**

Each district practices the use of unique nomenclature applicable to full-time and contractual employees and securing and retaining professional and other services outside of their full-time employment base. Additionally, the benefits provided to employees must represent a level consistent with those enjoyed by other state employees. Therefore, the following will need to be analyzed and addressed during the 2011-2012 Fiscal Year:

- Nomenclature Consistency (FTE, Contract, Temporary, OPS, Contingent)
- Benefit Level Consistency (May need statutory change)
- Contracted Personnel Consistency
- Standardizing Salary Ranges

### **Salary Analysis**

A review of salaries across the districts indicates inconsistencies between the districts and other state agencies. These inconsistencies must be addressed during the coming year. Specifically, the following need to be analyzed and addressed with the goal of achieving a salary range consistency across the districts and with other state agencies:

- Executive Level Salaries
- Manager Level Salaries
- Other Employee Salaries

## **Benefits Analysis**

Similarly, a review of employee benefits across the districts shows an inconsistency between the districts and in comparison with other state agencies. The following items need to be analyzed and addressed in FY 2011-12:

- Health Insurance - Evaluation of Aggregated Benefit Plan Savings
- Tuition Reimbursement - Development of consistent application between districts
- Retired Employee Insurance Subsidy - Restructure to ensure program sustainability

## **Operating Capital Outlay and Related Expenses Analysis**

- Vehicle Lifespan - Consistent benchmarks for vehicle replacement
- Lease Opportunities - Review district operations for new or expanded lease opportunities
- Fuel Purchasing Review
- Vehicle and Aircraft Maintenance Analysis
- Computers and Other Equipment - Consistent replacement strategies

## **Land Management Strategies**

- Develop consistent and coordinated strategies for the management of district lands.

## **Land Acquisition & Disposition**

- Develop a consistent and coordinated prioritization of land acquisition and disposition.

## **GASB 54 Compliance Oversight**

- Reserves/Carry-Forward Balances - Development of consistent Definitions and Categorization
- Operating Reserves - Develop consistent benchmark for Budget Stabilization/Operating Reserves