

Business Plan

FY2017 Update

Final Draft Executive Summary

Southwest Florida
Water Management District

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Natural Systems



Flood Protection



Water Quality



Water Supply

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INTRODUCTION

The Southwest Florida Water Management District (District) is a science-based organization responsible for managing and protecting water resources in west-central Florida. The District facilitates the provision of adequate quality water supplies to meet the needs of current and future users while protecting and restoring water and related natural resources.

The District prepared a Strategic Plan in 2014 that identified the District's mission, vision, core values and 10 Strategic Initiatives that covered the District's four core areas — Water Supply, Water Quality, Natural Systems and Flood Protection. Although this plan focused on strategies and outcomes, more details were needed including an estimate of the resources required to fully implement the plan. A follow-up effort entailed the development of the District's first Business Plan, which was implemented in Fiscal Year (FY) 2016. In addition, the District has implemented three overarching efficiency metrics that address recurring expenditures (operations), salaries and benefits (staffing) and non-recurring expenditures (projects.)

The intent of this document is to provide a status report on the FY2016 Business Plan recommendations, as well as, provide a minor update to the Business Plan for FY2017 regarding resource requirements including personnel, equipment and additional project needs. In addition to the evaluation of the resource requirements, a revised analysis of the District's changing workforce with a focus on trends in employee turnover also was performed.

Due to the timing of the FY2017 fiscal year's business plan update, this plan should be considered a transitional business plan. A complete rewrite for FY2018 is scheduled for completion in the fall of 2016. Moving forward the District's Business Plan annual update and approval by the Governing Board will occur at the start of each fiscal year. This will allow adequate time for associated recommendations to be incorporated into the preliminary budget due in December of each fiscal year.

Fiscal Year 2016 Business Plan Recap

For the FY2016 Business Plan, a detailed analysis was conducted of the current and additional workforce necessary to meet the challenges of the next five years and achieve the initiatives outlined in the Strategic Plan. With the economy recovering and development activity increasing, demands on District services in all four core areas showed an increase in the FY2016 plan. If the estimated trends and demographics continue as projected, potentially 47 additional staff above current levels were identified over the next five years. These potential additions equates to a 9% increase in existing staffing levels.

Once these potential staffing needs were identified, further evaluations were performed to analyze pertinent variables such as new construction growth projections, increase in permit activity and ad valorem levels. One major indicator of increased demand on staffing needs is the new construction growth rate which was estimated to be 9.64% for the FY2016-FY2021 time period. The District's goal is to balance the needs of additional resources (staff, equipment) with the current state of the economy and is committed to an ongoing assessment of appropriate levels on a regular basis with each Business Plan update.

The FY2016 Business Plan also identified that the District will realize a significant increase of potential retirements over the next 10 years. Between potential retirements and other turnover, it is projected that 577 staff will turnover in the next 10 years, slightly more than the current staffing level, which is 558. The data indicates most eligible retirements will be civil engineers, hydrologists and science technicians. When the generational decline in the labor pool and the crisis in the production of Science, Technology, Engineering and Math (STEM) talent are layered on top of the total turnover, the plan identified a critical need to proactively address the challenge through succession planning and an active recruiting program.

The major recommendations in the FY2016 Business Plan, and related achievements accomplished over the past year are listed below:

1. Continue to investigate and implement efficiencies through application of enhanced technology and business practices to improve levels of service and optimize efficient deployment of resources
 - a. Developed the CASE Contract Management System
 - b. Implemented the Daptiv Project Management Information System
 - c. Implemented DocuSign Electronic Signature Software
2. Proactively address the challenge of the changing workforce through effective succession planning, and employee recruiting and retention programs
 - a. Human Resources Generalist reclassified to Human Resources Recruiter
 - b. Initiated an Onboarding Program
 - c. Developed a Staff Rotation Program
 - d. Developed a formal Knowledge Management Program
3. Enhance the District's brand with stakeholders by reinforcing the fundamental relationship between the District's core mission and the quality of life factors that benefit stakeholders and support the local economy
 - a. Used the District's six social media channels, blog, email newsletter and website to promote the District's mission, strategic priorities and culture to the public and targeted stakeholders

4. Develop a long-term refurbishment and replacement plan for the District's assets
 - a. Field Equipment Replacement Fund
 - i. \$160,000 spent on equipment replacements in FY2016
 - b. ITB Sinking Fund
 - i. Current balance of \$959,000 with a request of \$240,000 for FY2017, anticipate large expenditure in FY2020 for a major network storage update
5. Enhance programs to protect/improve springs water quality
 - a. Springs Steering Committee Development
 - b. Development and Implementation of SWIM Plans
 - b. Three-month "Restoring Our Springs!" public service advertising campaign
6. Pursue emerging technologies for advanced water supply options
 - a. Tampa Augmentation Project (TAP)
 - b. Southern Hillsborough Aquifer Recharge Project (SHARP)
 - c. Polk Wells (LFA)
7. Fill additional staff positions, as identified in the plan, over the next five years through the normal budgetary process.
 - a. One position reallocated from Data Collection Bureau to the Natural Systems Restoration Bureau (Springs and Water Quality Policy Coordinator)
 - b. Two positions reallocated from Natural Systems Restoration Bureau to the Environmental Resource Permitting Bureau (One for Flood Protection AOR, One for Natural Systems AOR Support)
 - c. Temporary use of two contract employees to address short term increased work levels in the Operations Bureau
 - d. Addition of student intern positions above previous levels

Fiscal Year 2017 Business Plan Update

The FY2017 Business Plan update provides both a review and a re-assessment of the workload and current workforce needed to continue to meet the challenges of the next five years and achieve the initiatives outlined in the Strategic Plan. This fiscal year's reassessment of the resource requirements resulted in the teams estimating that if trends and demographics continue, an additional 43 staff would be needed over the next five years. This equates to slightly less than an 8% increase over present staffing levels, a 1% decrease in the additional staff needs projected in the FY2016 Business Plan. This decrease was the result of reallocating existing vacant positions to program areas identified in the FY2016 Business Plan needing additional resources due to increased workload.

Similar to the approach in assessing staffing needs conducted in the FY2016 Business Plan, potential additional staff positions were identified and an updated analysis on the new construction growth projections, permit activity and current ad valorem levels was performed. The new construction growth rate was estimated to be 9.84% for FY2017-FY2021, an increase of 0.20% from the FY2016 Business Plan new construction growth estimate.

It is anticipated that the new construction growth projection will continue to trend upwards and in response, the District will continue to adapt appropriately to balance the needs of additional resources (staff, equipment) with the current state of the economy on an ongoing annual basis.

The analysis performed for this fiscal year's Business Plan Update resulted in a similar trend related to increased staff changes at the District. Over the next 10 years, if the average staff turnover rate (non-retirement related) is 6.6% per fiscal year (it has ranged from 4% to 25.5% over the last 10 years and is 11.1% from April 2015 to March 2016), 350 positions will turnover across the District. Additionally, 260 people are eligible for retirement within the next 10 years. This totals 610 potential vacancies and new employees over this period. Current staffing is 536 employees (38 positions are vacant at the time of this update). This represents a potential for 114% turnover in 10 years.

Relationship Between Strategic Plan and Business Plan

The Strategic Plan establishes the path forward for the District and four Areas of Responsibility (AORs): Water Supply, Water Quality, Natural Systems and Flood Protection. Each AOR is dedicated to achieving strategic initiatives specific to its discipline, as outlined in the Strategic Plan. The development of the business plan was based on this influence to determine future needs to achieve the strategic initiatives and the impact to District resources.

The FY2017 Business Plan Executive Summary references the resources needed by each AOR to implement the District's Strategic Plan, with a particular focus on:

- Expertise (People)
- Tools (Assets)
- Project Capacity (Funding)

The AOR Business Teams (teams) developed a Business Plan specifically for their respective AOR during the FY2016 Business Plan effort. Those plans contain detailed recommendations for consideration by District management and were used as the basis for the reassessment of the resource requirements for the FY2017 Business Plan Update.

Purpose of Plan and Summary

The analysis for the FY2017 Business Plan Update was conducted soliciting input from District staff members who are subject matter experts (SMEs) in each of the four AORs. The teams individually reassessed the data collected during the 2016 Business Plan effort and provided updates on the District needs based on current conditions on what resources are necessary to implement the strategic initiatives, where resources should be located, and considered opportunities for resource synergy over the five-year Strategic Plan horizon.

More specifically, the teams accomplished the following: updated the workload allocation of effort and equipment needs based on current estimates; evaluated succession planning and staffing demographics; and reevaluated the primary drivers to meet the District's strategic initiatives.

Acknowledgements

The effort was guided and supported by the District's Executive Team Sponsor Brian Armstrong and Project Management Office Chief James Fine. Human Resources and Risk Management Office Chief Patrick Herman and Human Resources Program Analyst Marcy Sullivan provided significant support regarding the workforce analysis. The development and completion of the FY2017 Executive Summary Business Plan could not have been done without the dedication and insight from the following people:

Natural Resources

◆ Earl Rich (Team Leader) ◆ Carmen Sanders ◆ Jennette Seachrist ◆ John Emery

Water Supply

◆ Brian Starford (Team Leader) ◆ Darrin Herbst ◆ Eric DeHaven ◆ Terri Behling

Water Quality

◆ Michelle Maxey (Team Leader) ◆ Catherine Wolden ◆ Randy Smith ◆ Sandie Will

Flood Protection

◆ JP Marchand (Team Leader) ◆ Michelle Hopkins ◆ Jason Hopp ◆ Robyn Felix

District Mission Statement

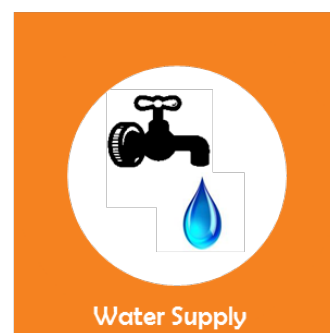
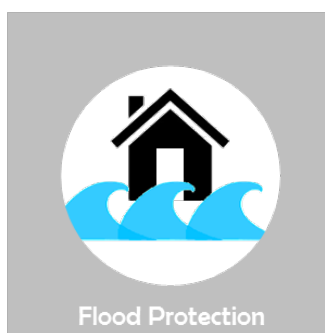
The mission of the District is to manage water and related natural resources to ensure their continued availability while maximizing the benefits to the public. Central to the mission is maintaining the balance between the water needs of current and future users while protecting and maintaining water and related natural resources which provide the District with its existing and future water supply.

BUSINESS PLANNING PROCESS

The District Business Planning Process includes dedicated people from across the organization to represent a structured, best-practice driven and repeatable process; and culminated in an update for the FY2017 Business Plan. The elements of this update and the significance to the process are discussed below.

Area of Responsibility Teams

The four AORs included in the Strategic Plan were selected as the primary method to structure the development of each Business Plan. Personnel were assigned to the four AORs, with the intention of both selecting individuals that had knowledge of the specific area and had broad understanding of the District's core mission. AOR team leaders were voted on by the team members. Each leader was the point of contact for coordination, collaboration and assignments.



Balanced Scorecard

The Balanced Scorecard (BSC) is an industry standard approach to developing, managing and tracking performance measures and goals. The BSC looks at organizational performance through four components: Customers/Stakeholders, Business Processes, Employee Development/Learning and Growth, and Financial. Maintaining a vision of the four dimensions of the BSC helps to provide a broader industry-accepted perspective and is consistent with the goals and initiatives presented in the District's Strategic Plan (2014-2018).

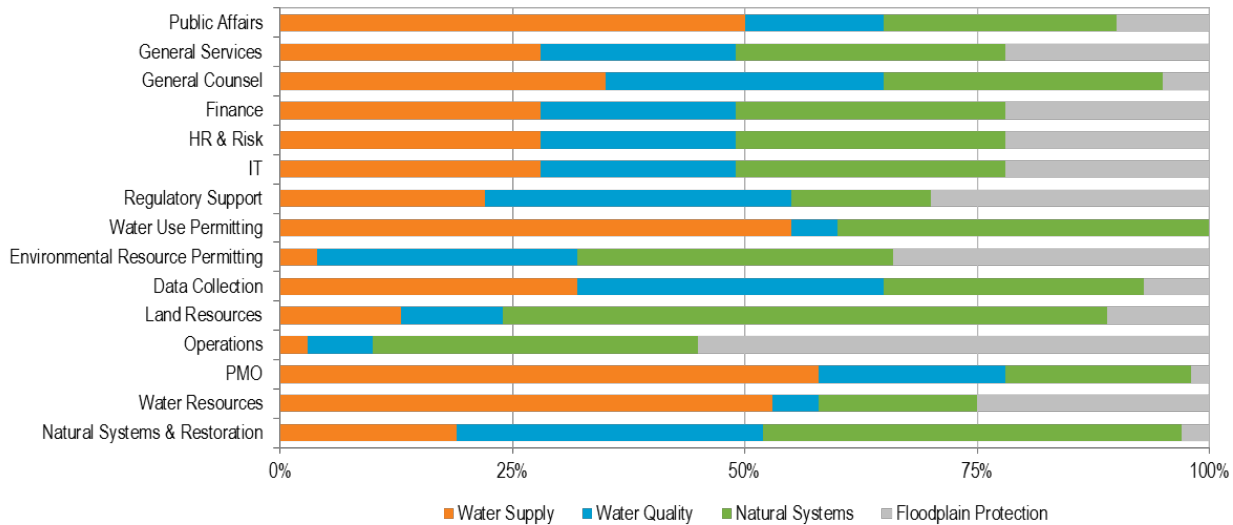
Each goal included in the Business Plan is assigned to one of the four dimensions of the BSC. This helps maintain a balanced perspective of District goals and ensure that nothing is overlooked during the planning process.



The four components of the BSC help focus attention on all areas of an organization.

Workforce Allocation by Bureau and AOR

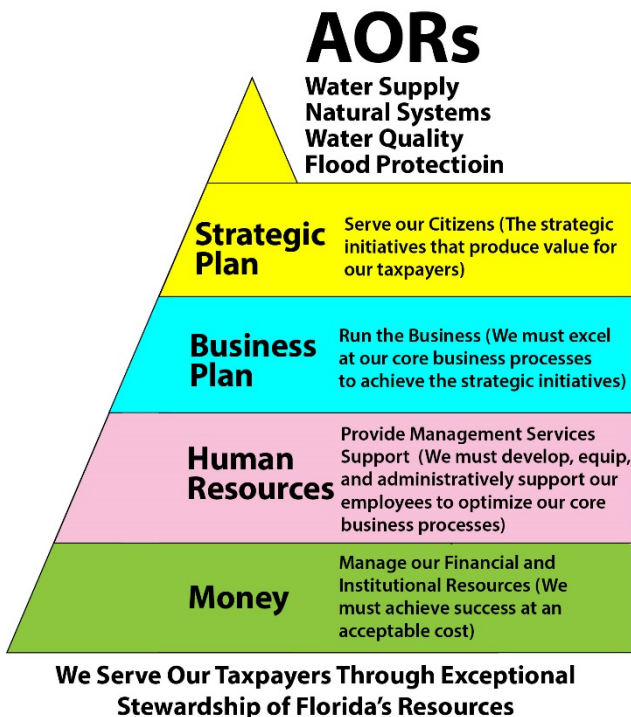
Allocating District personnel time to each of the AORs was conducted through workshops and discussions during the FY2016 Business Plan development. Each team estimated percentages of time assigned to each AOR at the bureau level.



Financial Analysis

Chapter 373, Florida Statutes, authorizes the District to direct a wide range of initiatives, programs and actions. These responsibilities can be grouped under the four AORs: Water Supply, Water Quality, Natural Systems and Flood Protection. In addition to managing operating resources such as staff, supplies and equipment, the District manages the immense financial resources associated with each AOR. This is accomplished on an ongoing basis by evaluating recurring versus non-recurring spending and paying particular attention to the use of efficiencies and accountability.

Key Performance Metrics



Currently the District tracks and reports key performance metrics on the four Areas of Responsibility (AOR): Water Supply, Natural Systems, Water Quality and Flood Protection. Recently the District made an effort to re-evaluate the existing metrics, as well as develop additional ones to more effectively achieve the goals outlined in the Strategic Plan. The effort entailed extensive participation by District staff in the identification of appropriate metrics for all AORs.

A strategic map was developed to help guide the process linking the vision and values of the District to the Strategic Plan, Business Plan, Management Support and the Financial and Institutional Resources.

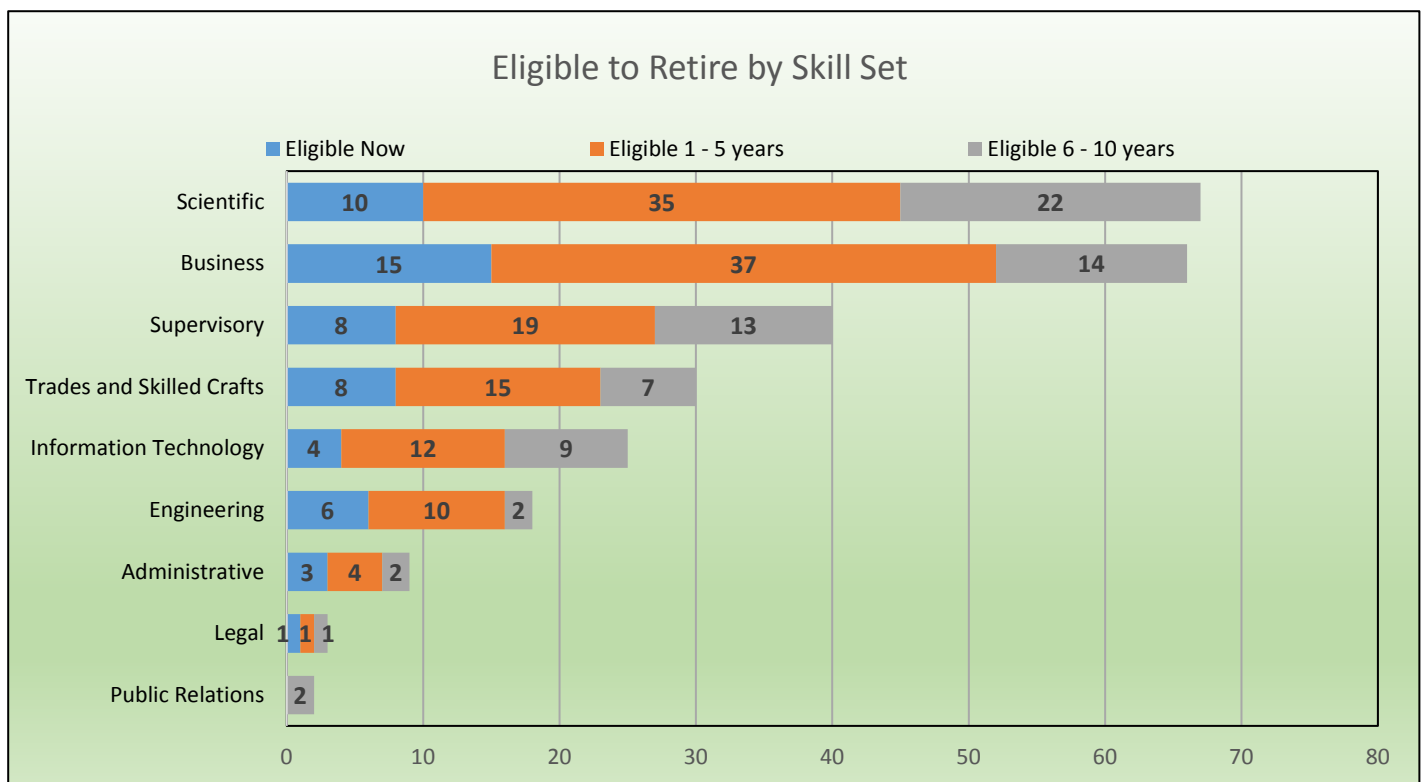
Tracking of the metrics will be initiated July 2016 and reported on regular frequency depending on the nature of the metric.

DRIVERS

Understanding, acknowledging and learning about what influences the District’s mission was critical to developing a Business Plan that would work for the District now and into the future. The primary drivers for initiating the Strategic and Business plans has been, and are anticipated to be: changing workforce, population growth, water resource challenges, regulations and legislation.

Changing workforce

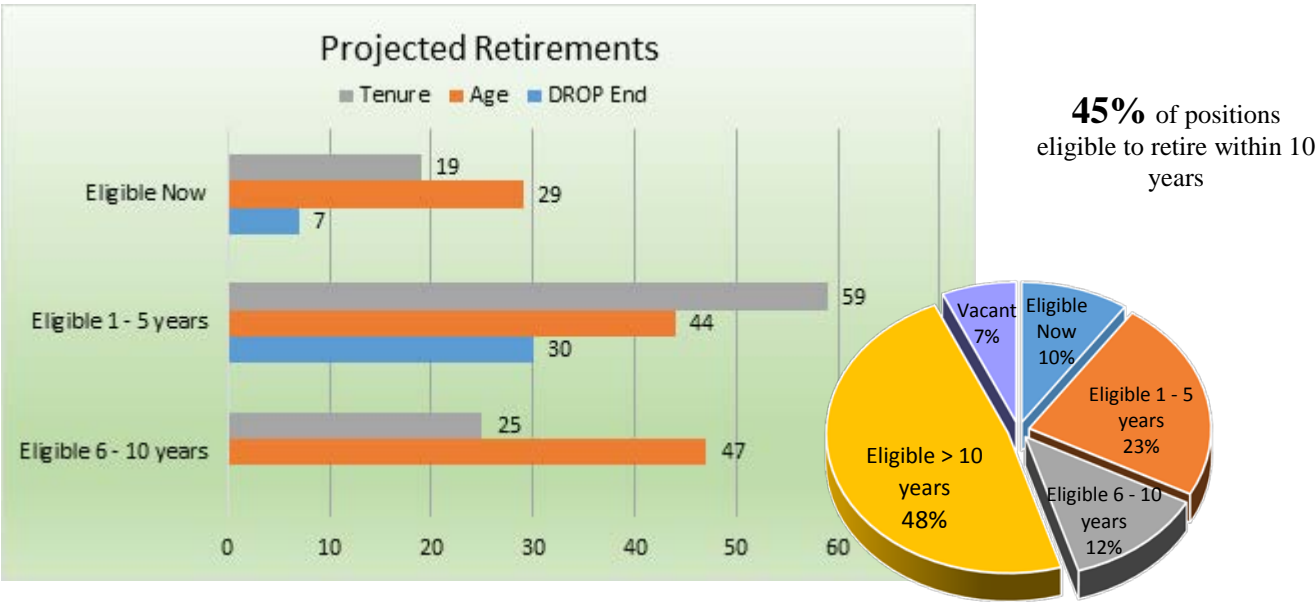
District staff retirement and turnover along with technology changes/advancements that may require very different skillsets in the future can have a significant impact on the number of available personnel and their required skills. Retirement of the Baby Boomers, increase in Generation X, smaller size of the Millennial workforce and the shrinking pool of Science, Technology, Engineering and Math (STEM) talent will be major considerations in the District’s future.



Retirement Statistics

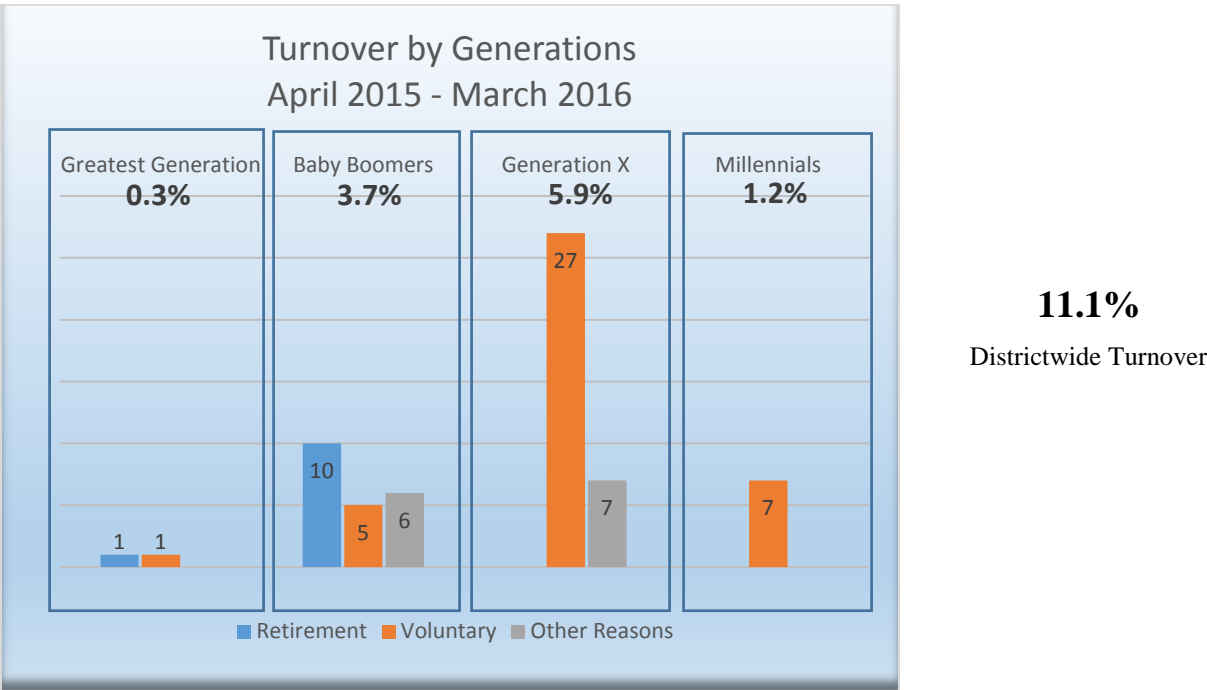
The following graphs highlight the significant staff changes that could occur over the next 10 years.

Two hundred sixty positions could be vacated due to retirements, which is 45.3% of the current District positions. This underscores the need to develop and execute succession planning strategies.



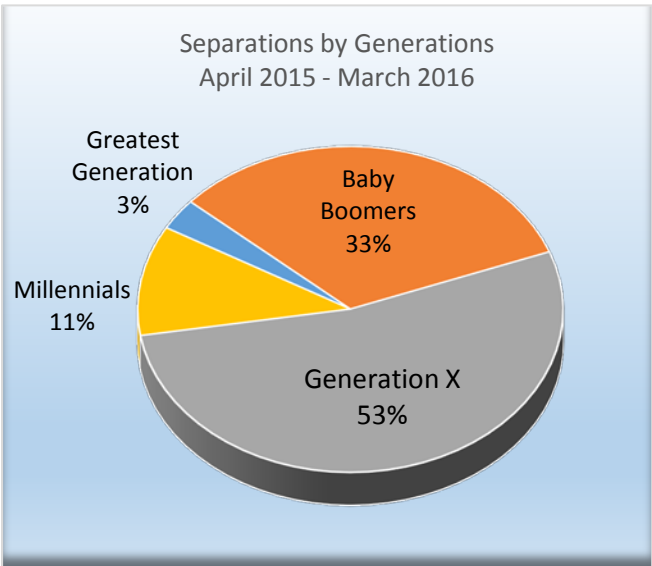
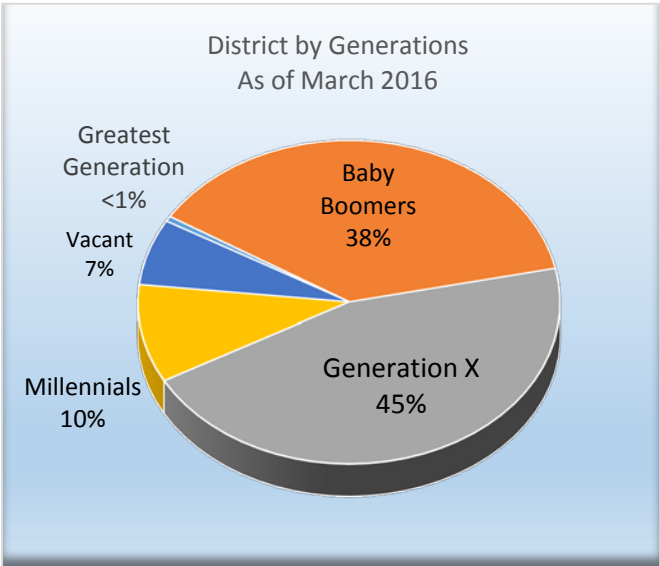
Turnover

From April 2015 to March 2016, the District experienced an 11.1% turnover rate. Retention strategies are needed to complement recruiting and succession planning efforts.



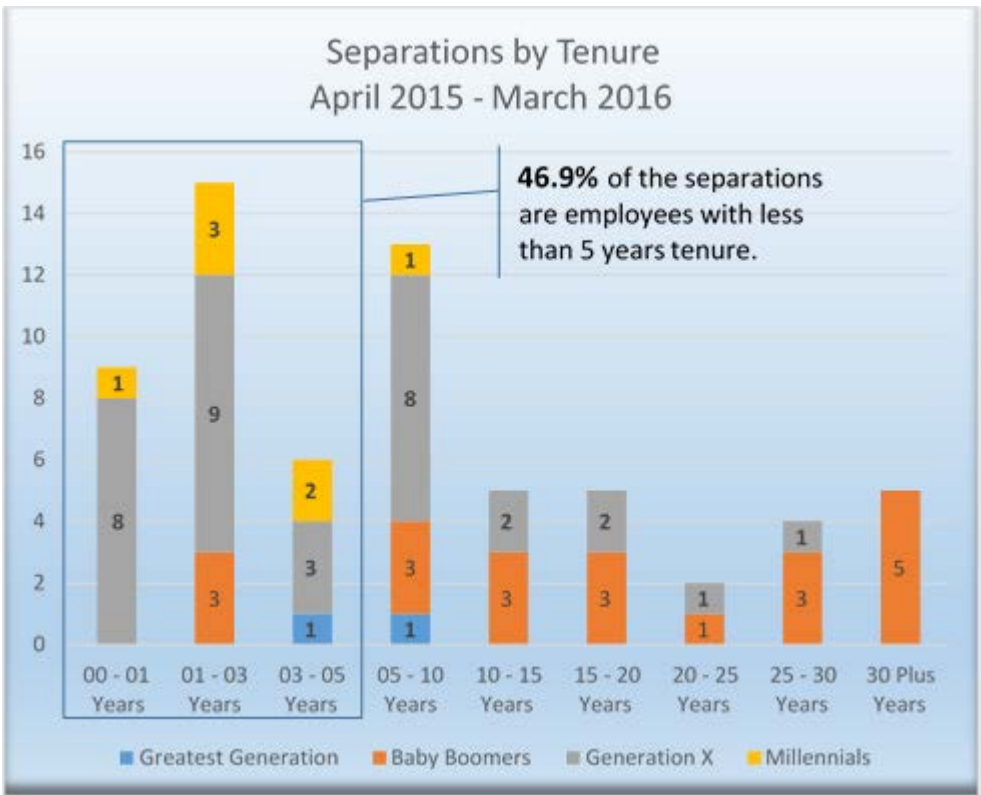
Projected Separations by Generation

Individuals belonging to Generation X account for 53% of all separations and make up 45% of the current District population. Baby Boomers are leaving by a smaller percentage than the overall District population with 33% of separations versus 38% of the overall population.



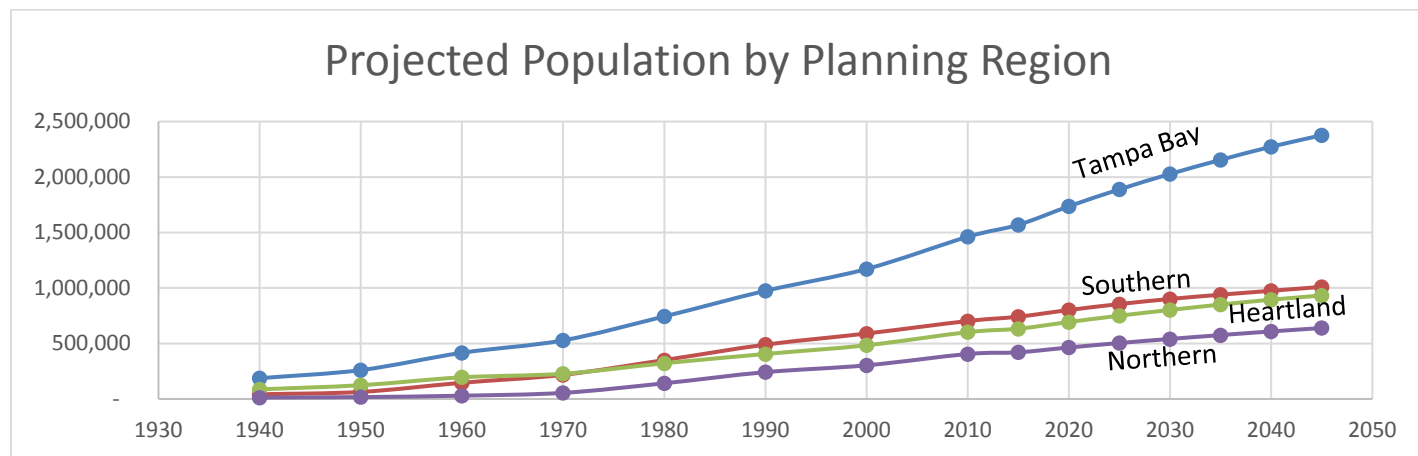
Separations by Tenure

Almost 47% of the separations from April 2015 to March 2016 occurred within five years of the employees' hire date. The majority of separations were individuals identified in Generation X.



Population growth

As shown in the graphic below, population in the District's four regions is projected to increase significantly over the next 30 years. This growth will put increased pressure on District resources to respond to stakeholder demands.



Water resource challenges

The Central Florida Water Initiative (CFWI) and the focus on springs will present additional planning and implementation requirements for the District.

Regulations

Upcoming and anticipated changes in regulations (i.e. Minimum Flows and Levels (MFLs), Total Maximum Daily Loads (TMDLs) and federal requirements) may require new technologies, additional personnel and time to meet the requirements.

Legislation





The State Legislature can modify the District's priorities through legislation and appropriations. The legislature continues to advance water policy that can impact the District, specifically as it relates to water conservation and water supply and related planning, springs protection and the establishment of MFLs for outstanding Florida springs. The legislature also has placed an emphasis on springs-related funding, land acquisition and land management. This could continue to have significant impacts on District programs, including various aspects of the springs-related initiatives programs. This could include strategic land acquisition, establishing MFLs, natural systems restoration and water supply development and permitting.

RESOURCE REQUIREMENTS

Due to the impacts of the changing workforce, population growth, water resource challenges, regulations and legislation, and following through on the recommendations, additional resources may be necessary. The data presented below are based on an estimated cost analysis, which included comparing FY2017 bureau-wide staffing and budget expenditures to staffing and budget expenditures needed to support the strategic initiatives as defined in the Strategic Plan (2014-2018) over a five-year horizon.

Expertise

The number of staff and the likely classification of staff that may be needed by each of the AORs was discussed and evaluated. Potentially 8% more staff may be required over the next five years to achieve the District's Business Plan goals. This is a 1% reduction compared to the FY2016 Business Plan.

AOR Personnel Needs	Data Collection	Environmental Resource Permit	Finance	General Services	Human Resources & Risk Management	Information Technology	Natural Systems & Restoration	Office of General Counsel	Operations & Land Management	Public Affairs	Regulatory Support	Water Resources	Water Use Permit	Total*
							1		1	1		1	2	6
	10	1					2							13
		1					1		5			1		8
		1							3		1			5
Districtwide Staff Need			3	2	2	1		3						11
Total Additional FTEs	10	3	3	2	2	1	4	3	9	1	1	2	2	43
Total % Increase	12%	6%	11%	5%	20%	2%	9%	20%	15%	3%	3%	4%	6%	8%
Total Base Salary \$\$	\$507,000	\$250,000	\$150,000	\$80,000	\$95,000	\$98,000	\$230,000	\$190,000	\$408,102	\$65,956	\$42,500	\$83,918	\$110,925	\$2,311,401





*Executive, Office of Inspector General, Ombudsman Office, and Project Management Office bureaus not shown since no change in personnel was noted.

The potential for additional District resources shown in the table above is being impacted by the drivers listed earlier such as:

- Population and New Construction Growth
- Water Resource Challenges (CFWI, Springs and Reclaimed Water)
- Regulations (i.e. Army Corp of Engineer Requirements)
- Legislation (Water Policy, FDEP Reporting Requirements and Amendment 1)





Operating Tools/Equipment

Each of the AOR teams evaluated the short- and long-term goals and needs over the next five years to develop estimates of additional necessary resources needed based on the specific AOR. The results of these evaluations are summarized below. The teams also worked together to determine where resources could be shared across AORs and bureaus. The following equipment costs are anticipated in part with expenditures associated with the District's long-term financial plan, taking into account Amendment 1. Equipment costs include items for office space, furniture, equipment and supplies, miscellaneous field and heavy equipment, and required attachments. Advancements with technology also will impact equipment costs. New and more robust computers and software will be required to support more sophisticated models. Staff will continue to update these estimates on an annual basis.

Equipment Needs		Description
	\$48,000	Equipment needed to support additional staff.
	\$324,000	Equipment needed to meet Water Quality Assessment and Planning Goal of collecting and analyzing data to determine local and regional water quality status and trends (lakes, springs and aquifers) to support resource management decisions and restoration initiatives and to meet goal of Water Quality Maintenance and Improvement, in development and implementation of programs, projects and regulations to maintain and improve water quality.
	\$133,200	For many purposes, but especially the management of lands requires functioning heavy equipment to perform land management and restoration activities. Implementation of the five-year equipment replacement plan, via the Equipment Sinking Fund, is critical to the success of land restoration goals.
	\$435,600	Equipment costs will be required for office space, furniture, equipment and supplies, and miscellaneous field equipment, as well as heavy equipment and associated attachments, which are needed to meet continuing and new structure and levee maintenance requirements.

Projects

The economic downturn in 2008 had a profound negative impact on the District and its cooperating stakeholder communities. Recent and forecasted population growth, along with the associated increase in economic activity, will elevate the demand for District resources over the next five years across many programs. This influence will be especially pronounced within the Water Supply AOR, and could drive the need for increased cooperator project funding and related District support over a longer time frame, above and beyond currently planned Central Florida Water Initiative funding levels.

Additional Project Needs		Description
	\$16,550,000	Additional project funds necessary are approximately \$16,550,000. These projects costs are above and beyond future anticipated costs associated with the Polk County Partnership and reclaimed water initiatives within all regions of the District by 2020.
	\$6,430,000	Address impacts/in-fill gaps for existing long-term monitoring wells in the Coastal Groundwater Network. In-fill gaps in existing monitor well networks for groundwater nutrient assessments/re-establish the District's lakes water quality monitoring network. Implement an ongoing Districtwide monitor well maintenance and repair process.
	\$202,000	Maintenance of 260,000 acres of conservation lands. Maintenance of 25,000 surface acres of lakes and rivers. Maintenance of 10,000 to 20,000 additional acres of conservation lands (with Amendment 1).
	\$0	Project needs are anticipated to stay at the \$12M average experienced over the past six years. Projects can be generally divided into two major types: planning and analysis of stormwater systems and flooding, and design and construction of flood protection improvement projects.

RECOMMENDATIONS

The District is committed to the continual review and appropriate updates to both the Strategic and Business Plans on a regular basis to fully support our core mission and Areas of Responsibilities. The overall process, beginning with the direction provided by the Governing Board will be established within the Strategic Plan and updated every five years. The corresponding resource needs identified will be addressed in the Business Plan, which will outline the annual needs presented for approval during the budgeting process. Implementation of the District's Business Plan will enhance the ability to forecast financial, operational and staffing resources necessary to meet the District's initiatives and goals as outlined in the Strategic Plan.

In turn, the District should allow the Business Plan to inform and adapt the Strategic Plan through a continuous improvement feedback loop. The Executive Team will continue the use of District staff/Teams in the Business Plan development process. District staff are knowledgeable and dedicated to achieve the vision of the District and gain additional perspective of the challenges facing the District through purposeful involvement of District subject matter experts in the process. Subsequent Business Plans will also provide performance measure metrics to assess organizational success in future plans. Tracking of these performance metrics will begin July 2016 and the status and evaluation of the metrics will be reported in the FY2019 Business Plan.

The magnitude of the expected total turnover from retirements and voluntary separations creates an opportunity for the District to evolve with future changes. Recruiting pressures will be high for STEM talent, which is at the heart of the District's core mission.

The table shown below represents recommendations from the business planning process for each AOR to meet its strategic initiatives.

Area of Responsibility Goals	Area of Responsibility Strategic Initiatives	Recommendations for the Application of District Core Values	Recommendations for Enhancing District Core Business Processes
Water Supply: Ensure an adequate supply of the water resource to provide for all existing and future reasonable and beneficial uses while protecting and maintaining water resources and related natural systems	Regional Water Supply Planning Alternative Water Supply Reclaimed Water Conservation	Service Excellence: Proactively address the changing workforce through effective development of Human Resource Action Plans that address succession planning, recruiting and employee retention and development of training programs to create an opportunity to evolve with future changes. Teamwork and Collaboration: Continued investigation and implementation of efficiencies through application of enhanced technology and business processes is critical to maintaining and improving the levels of service the District provides to its stakeholders.	Water Resources Planning: Increases in population and economic activity will drive increased demand for District resources. In the years after the Central Florida Water Initiative is largely implemented, new demands for cooperative funding will arise due to population growth and increased economic activity.
Water Quality: Protect and improve water quality to sustain the water, environment, economy and quality of life	Water Quality Assessment and Planning Water Quality Maintenance and Improvement	Self-Management: To fully implement the initiatives defined in the Strategic Plan (2014-2018), additional expertise, tools and project capacity will be needed. Fill approximately 43 additional staff over the next five years and make adjustments to staff and resources annually through the normal budgetary process. Based on previous and current financial and political consideration, it is estimated that the District could purchase 10,000 to 20,000 acres of land in a five-year period. This has the potential to impact the Field Operations, Vegetation Management, Land Resources, and Real Estate Services Section. It was determined that future staffing needs may be achieved through the continual assessment of current staffing needs and evaluation of existing vacant positions.	Innovative Projects: Pursue emerging technologies for advanced water supply options, including water conservation, reclaimed water and alternative water supply sources. Regulation: Issue timely permits that encourage appropriate locations and design standards, and monitor subsequent operational performance to protect the region's citizens and water resources.
Natural Systems: Preserve, protect and restore natural systems to support their natural hydrologic and ecological functions	Minimum Flows and Levels Establishment and Recovery Natural Systems Conservation and Restoration		Land and Structure Operations: Enhance programs to protect/improve springs water quality, FARMS and partnering with FDEP on related wastewater issues as well as partnering with other agencies and stakeholders to address nutrient inputs to springs.
Flood Protection: Minimize flood damage to protect people, property, infrastructure and investment	Floodplain Management Emergency Flood Response	Professional and Technical Excellence: Train toward subject matter expertise, fortified with tools to manage project capacity. Continue to improve the efficiency of the contract development and execution process. Provide more favorable ranking to cooperative funding projects that address a TMDL impairment or support BMAP implementation. Develop water quality modeling/impact analyses to assess and plan for sea-level rise.	Public Engagement: Enhance the District's brand with stakeholders by reinforcing the fundamental relationship between the District's core mission and the quality of life factors that benefit stakeholders and support the local economy. Long-Range Financial Planning: Develop a 10- to 20-year refurbishment and replacement (R&R) plan for the District's fixed assets. This plan is critical for identifying and quantifying these needs and the associated timing so that a feasible and affordable financial plan can be developed over time.