

FISCAL YEAR 2023 BUDGET-IN-BRIEF



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EXECUTIVE DIRECTOR

Brian J. Armstrong, P.G.

Southwest Florida
Water Management District

MESSAGE FROM THE EXECUTIVE DIRECTOR

On behalf of the Southwest Florida Water Management District Governing Board, I am pleased to present the District's adopted budget for fiscal year (FY) 2023, which runs from October 1, 2022 through September 30, 2023. The Final Annual Service Budget report has been prepared pursuant to section 373.536, Florida Statutes.

The FY2023 budget emphasizes commitment to protecting water resources, minimizing flood risks, and meeting the public's water needs in our four areas of responsibility: water supply, water quality, flood protection, and natural systems. The budget meets Governing Board priorities and outlines how the District will achieve its Five-Year Strategic Plan while complying with legislative directives and furthering the Governor's priorities for Florida's environment in support of projects to restore springs, reduce pollution, and develop alternative water supplies (AWS). Finally, the FY2023 budget communicates the long-term funding plan, which aligns the District's vision, mission and goals with prudent allocation of fiscal resources and project reserves, demonstrating the District's continued investment in water resources and ongoing commitment to economic growth.

On September 20, 2022, the District's Governing Board adopted a final millage, the rolled-back rate of 0.2260 mill. This is a reduction of 10.8 percent and will save taxpayers approximately \$15.5 million in property taxes.

The budget for FY2023 is \$211.7 million, compared to \$198 million for FY2022. Approximately \$123 million, representing 58 percent of the total budget, is dedicated to projects. The District will leverage \$90.6 million through cooperative public and private partnerships resulting in a total investment of more than \$165 million for sustainable AWS development, water quality improvements, and other water resource management projects, illustrating the District's commitment to putting tax dollars to work. Since 1988, the District and its partners have a combined investment of approximately \$3.8 billion in critical water resource projects.

Springs continue to be a unique destination for both our citizens and visitors. The District has committed a total of \$18.7 million in the budget toward restoring springs and spring-fed rivers within our region's coastal springs systems. These efforts will provide maximum ecologic and economic benefits in strategic locations through a variety of techniques such as monitoring, research and development, restoration, and septic to sewer conversions.

The District has prioritized implementing water resource development projects, as outlined in the Regional Water Supply Plan. The budget includes \$41.5 million for AWS projects to continue to reduce the region's dependency on fresh groundwater.

We deliver to you a budget designed to live within our means, meet statutory requirements, and operate on a pay-as-you-go basis without debt. This budget also demonstrates our commitment to continually look for opportunities to increase efficiencies while improving the services we provide to the public.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. Armstrong", written over a background of light blue water ripples.

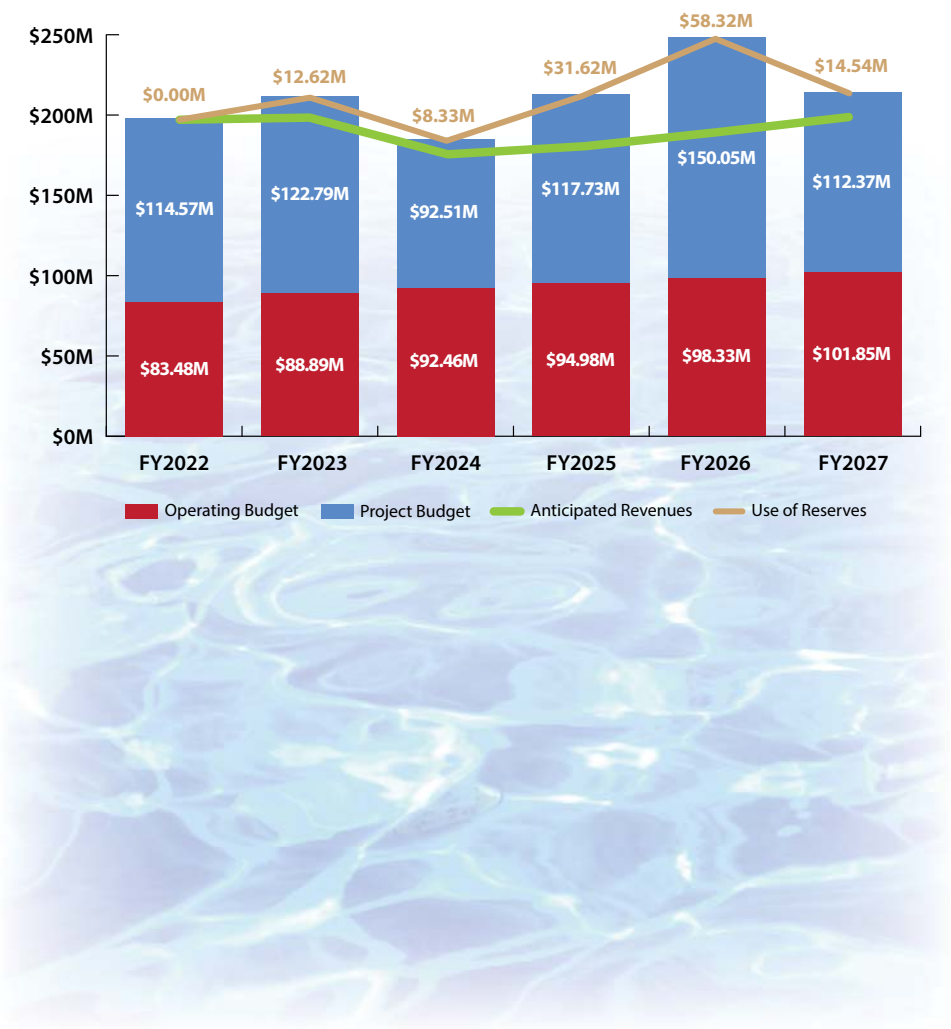
Brian J. Armstrong, P.G.
Executive Director

FY2023 BUDGET – KEY HIGHLIGHTS

- ✓ \$41.5 million for development of AWS to ensure an adequate supply of water resources for all existing and future reasonable and beneficial uses. This includes \$20 million appropriated by the 2022 Florida Legislature.
- ✓ \$7.3 million for the Facilitating Agricultural Resource Management Systems (FARMS) program to implement agricultural Best Management Practices (BMPs).
- ✓ \$8.6 million for water quality improvement projects to treat stormwater runoff before discharging directly or indirectly to water bodies.
- ✓ \$18.7 million for springs initiatives to restore springs and spring-fed rivers to improve water quality and clarity, and restore natural habitats such as: shoreline restoration, wetland treatment, beneficial reclaimed water reuse, and septic to sewer conversions. This includes \$11.5 million appropriated by the 2022 Florida Legislature.
- ✓ \$18.3 million for Watershed Management Program projects:
 - \$7.5 million for the modeling and planning phases to determine local and regional floodplain information, and flood protection status and trends to support floodplain management decisions and initiatives.
 - \$10.8 million for the implementation phase involving construction of preventive and remedial projects and BMPs to address potential and existing flooding problems.
- ✓ \$8 million for the management of 86 water control structures, 63 miles of canals, 7 miles of dam embankments, and over 170 secondary drainage culverts.
- ✓ \$5.9 million to manage approximately 452,000 acres of conservation lands for the statutorily-mandated purposes of protecting and restoring their natural condition.
- ✓ \$3 million for Minimum Flows and Minimum Water Levels (MFLs) activities for streams, estuaries, lakes, aquifers, wetlands, and springs:
 - \$1.6 million to support the establishment and evaluation of MFLs, including monitoring, mapping, research, hydrologic and biologic analysis, and peer review.
 - \$1.4 million to implement recovery efforts to prevent significant harm and re-establish the natural ecosystem.

LONG-TERM FUNDING PLAN

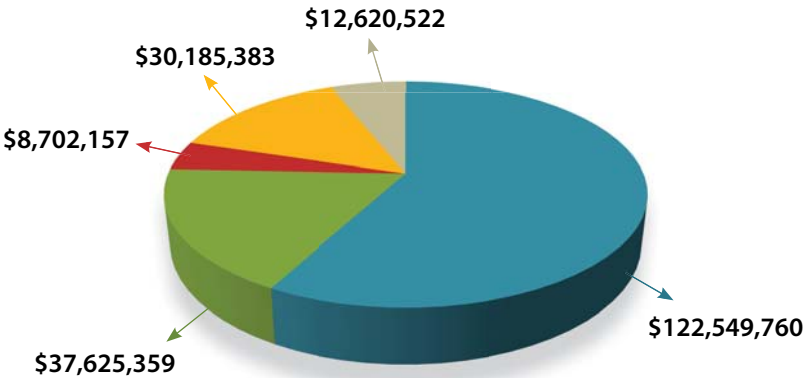
The graph below represents a snapshot of the District’s financial model. This model shows how the District plans to 1) control its operating expenditures; 2) schedule its long-range project funding needs; and 3) use reserves to supplement long-range project funding. Maintaining our operational costs below the current ad valorem revenue levels (approximately 73 percent of ad valorem) allows the District to continue a healthy investment in our water resources and economy over the next five years.



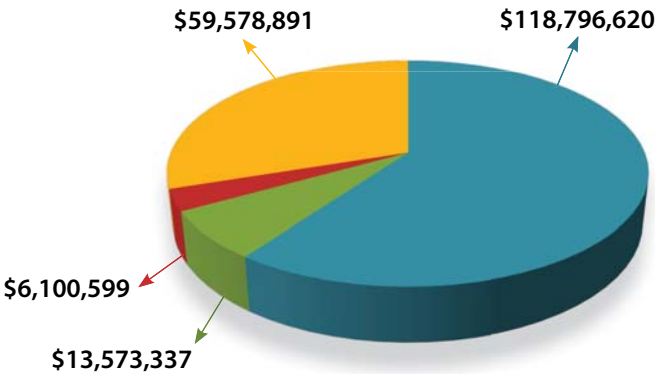
HOW THE DISTRICT IS FUNDED

| FY2023 Budget | Revenues | Percent of Total |
|---|----------------------|-------------------------|
| Ad Valorem Taxes | \$122,549,760 | 57.9% |
| Property taxes levied on the taxable value of real and personal property as certified by the property appraiser in each county. The adopted millage rate for FY2023 is 0.2260 mill, which is the rolled-back rate. | | |
| State/Federal/Local | \$37,625,359 | 17.8% |
| <ul style="list-style-type: none"> State funding of \$35,388,061 includes \$20,000,000 from the General Revenue Fund for the District's Water Supply and Water Resource Development Grant Program; \$11,500,000 from the Land Acquisition Trust Fund (LATF) for Springs Coast Watershed Water Quality Improvements; \$2,780,000 from LATF new and prior year appropriations for land management activities; \$692,561 for the Florida Department of Transportation (FDOT) Mitigation program; \$97,500 from the Department of Environmental Protection for the Highlands Hammock State Park/Little Charlie Bowlegs Watershed Management Plan; and \$318,000 from other recurring state programs. Federal funding of \$122,673 includes \$97,849 for the FDOT Mitigation program, and \$24,824 from other recurring federal programs. Local funding of \$2,114,625 for cooperatively funded projects where the District serves as the lead party. | | |
| Other Revenue | \$8,702,157 | 4.1% |
| Various funding sources such as \$5,800,000 from interest earnings on investments, \$2,256,857 from permit and well construction contractor license fees, and \$645,300 from miscellaneous revenue resources. | | |
| Balance from Prior Years | \$30,185,383 | 14.2% |
| Fund balances available from prior years to be utilized as a resource to fund the upcoming budget. These funds result from revenues received greater than budgeted, including the sale of District assets, or unexpended funds primarily due to projects completed under budget or cancelled. | | |
| Use of Reserves | \$12,620,522 | 6.0% |
| Project reserves to fund vital water resource management projects. | | |
| TOTAL REVENUES | \$211,683,181 | 100% |

YEAR-TO-YEAR COMPARISON
FY2023 Adopted Budget — \$211,683,181



FY2022 Adopted Budget — \$198,049,447



■ Ad Valorem Taxes

■ Other Revenue

■ Use of Reserves

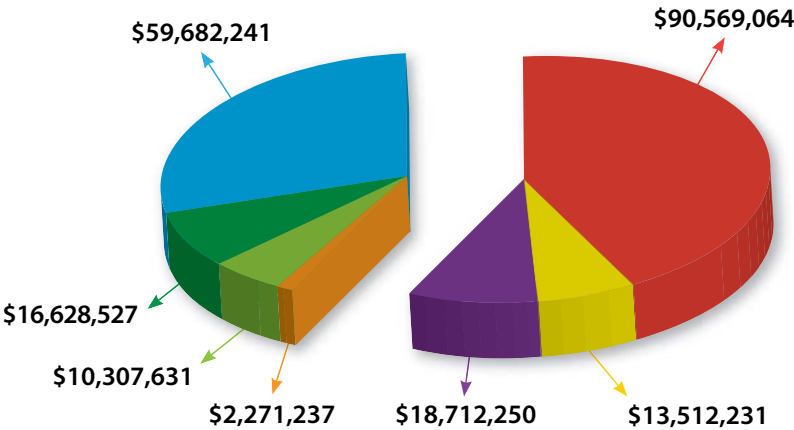
■ State/Federal/Local

■ Balance from Prior Years

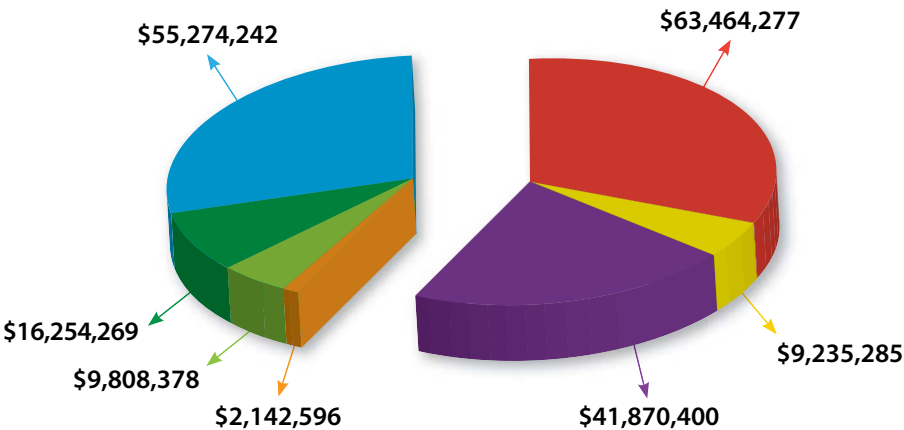
HOW THE DISTRICT ALLOCATES RESOURCES BY CATEGORY

| FY2023 Budget | Expenditures | Percent of Total |
|--|---------------|------------------|
| Salaries & Benefits | \$59,682,241 | 28.2% |
| Salaries and benefits for District regular full-time equivalent (FTE) positions. The number of FTE positions has increased by 9 from 574 FTEs in FY2022 to 583 in FY2023. | | |
| Operating Expenses | \$16,628,527 | 7.8% |
| Items such as software licensing and maintenance; property tax commissions; maintenance and repair of buildings and structures; parts and supplies; fuels and lubricants; insurance and bonds; maintenance and repair of equipment; utilities; non-capital equipment; travel for staff duties and training; and telephone and communications. | | |
| Contracted Services for Operational Support & Maint. | \$10,307,631 | 4.9% |
| Outsourced services in support of District operations such as research, data collection, analysis and monitoring; land management and use; technology and information services; operation and maintenance of structures; management and maintenance of canals, dam embankments, and culverts; regulation permitting; minimum flows and minimum water levels; and watershed management planning. | | |
| Operating Capital Outlay | \$2,271,237 | 1.1% |
| Purchases and leases of heavy equipment, vehicles, airboats, computer hardware, and other equipment with a value per item of at least \$5,000 and an estimated useful life of one or more years. | | |
| Cooperative Funding/District Grants | \$90,569,064 | 42.8% |
| Matching funds provided through the District's Cooperative Funding Initiative (CFI) and District grants such as the Facilitating Agricultural Resource Management Systems (FARMS) program. The CFI generally provides 50 percent toward the cost of projects that help create sustainable water resources, enhance conservation efforts, improve water quality, provide flood protection, and restore natural ecosystems. | | |
| Contracted Services for District Projects | \$13,512,231 | 6.4% |
| District-led projects such as Surface Water Improvement and Management (SWIM), conservation lands restoration, water control structure rehabilitations, Institute of Food and Agricultural Sciences (IFAS) research, and Florida Department of Transportation Mitigation. These projects are vital to protecting Florida's water resources and are primarily performed by the private sector, representing a direct investment into the economy. | | |
| Fixed Capital Outlay | \$18,712,250 | 8.8% |
| Potential purchases of land and land easements, and the construction or improvements of water control structures, wells, buildings, bridges, and other capital structures. | | |
| TOTAL EXPENDITURES | \$211,683,181 | 100% |

YEAR-TO-YEAR COMPARISON
FY2023 Adopted Budget — \$211,683,181



FY2022 Adopted Budget — \$198,049,447



Operating

- Salaries & Benefits
- Operating Expenses
- Contracted Services for Operational Support & Maint.
- Operating Capital Outlay

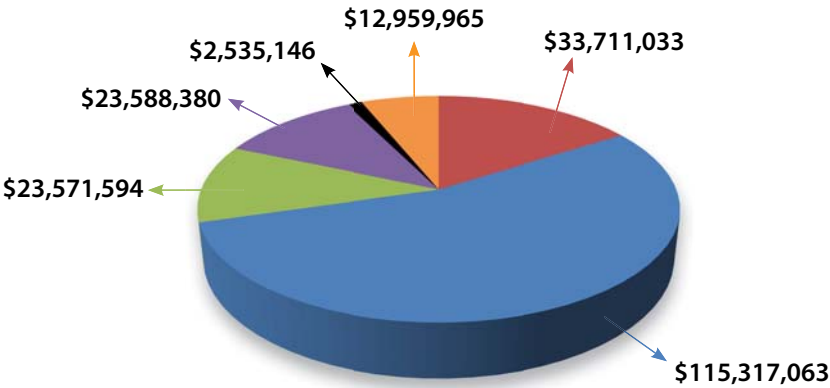
Projects

- Cooperative Funding/District Grants
- Contracted Services for District Projects
- Fixed Capital Outlay

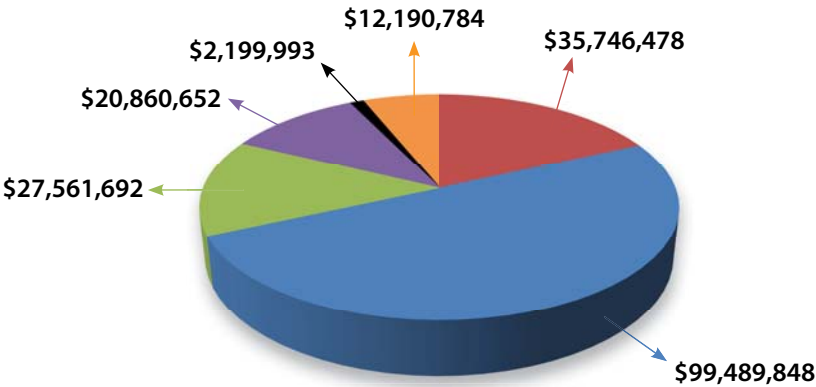
HOW THE DISTRICT ALLOCATES RESOURCES BY PROGRAM

| FY2023 Budget | Expenditures | Percent of Total |
|---|----------------------|-------------------------|
| Water Resource Planning and Monitoring | \$33,711,033 | 15.9% |
| All research, data collection, analysis, and monitoring activities (\$16,508,907); water resource planning activities including watershed management planning (\$10,446,028), development of minimum flows and minimum water levels for springs, wetlands, aquifers, lakes, and rivers (\$1,624,746), and water supply planning (\$810,076); technical assistance (\$1,073,766) which includes local/regional plan and program review; and technology and information services (\$3,247,510). | | |
| Land Acquisition, Restoration and Public Works | \$115,317,063 | 54.5% |
| Water resource and water supply development projects such as potable water supply with regional water supply authorities, reclaimed water, Facilitating Agricultural Resource Management Systems (FARMS), and conservation projects in partnership with local governments (\$53,717,890); development and construction of capital projects, including surface water projects for the restoration of lands and water bodies with water quality, flood protection and natural systems benefits (\$43,776,920); acquisition of land for the protection and management of water resources (\$15,717,584); facilities construction and capital improvements (\$1,036,125); and technology and information services (\$1,068,544) | | |
| Operation and Maintenance of Works and Lands | \$23,571,594 | 11.1% |
| Operation and maintenance of water control structures and management and maintenance of canals, dam embankments, and culverts (\$8,454,606); management of public conservation lands by restoring their natural conditions and providing for compatible recreational use (\$5,860,175); management and maintenance of District fleet (\$3,392,705); operation and maintenance of District facilities (\$2,986,960); invasive plant control (\$435,205); emergency operations management (\$201,993); and technology and information services (\$2,239,950). | | |
| Regulation | \$23,588,380 | 11.2% |
| All environmental resource/surface water management permitting (\$10,085,795); consumptive use permitting (\$4,040,068); permit administration/enforcement or any delegated regulatory program (\$2,724,074); water well construction permitting and contractor licensing (\$944,016); and technology and information services (\$5,794,427). | | |
| Outreach | \$2,535,146 | 1.2% |
| All outreach initiatives including public information activities (\$1,273,207); youth education, springs protection campaigns, and water conservation programs for builders and the hospitality industry (\$866,358); all regional, state, and federal legislative activities (\$100,746); and technology and information services (\$294,835). | | |
| Management and Administration | \$12,959,965 | 6.1% |
| All administrative and operations support (\$9,843,965 or 4.6%) and commissions to county tax collectors and property appraisers (\$3,116,000 or 1.5%). | | |
| TOTAL EXPENDITURES | \$211,683,181 | 100% |

YEAR-TO-YEAR COMPARISON
FY2023 Adopted Budget — \$211,683,181



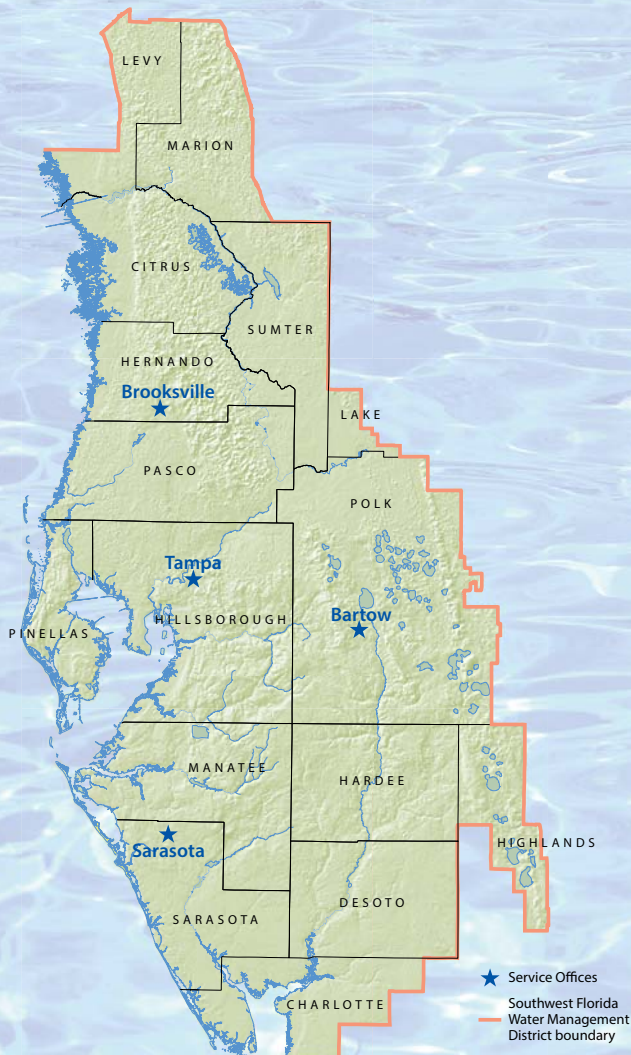
FY2022 Adopted Budget — \$198,049,447



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|--|-----------------------------------|
| 1.0 Water Resource Planning and Monitoring | 4.0 Regulation |
| 2.0 Land Acquisition, Restoration and Public Works | 5.0 Outreach |
| 3.0 Operation and Maintenance of Works and Lands | 6.0 Management and Administration |

MISSION STATEMENT

To protect water resources, minimize flood risks,
and ensure the public's water needs are met.



The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs, services, and activities. Anyone requiring reasonable accommodation, or who would like information as to the existence and location of accessible services, activities, and facilities, as provided for in the Americans with Disabilities Act, should contact the Human Resources Office Chief, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4747; or email ADACoordinator@WaterMatters.org. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice). If requested, appropriate auxiliary aids and services will be provided at any public meeting, forum, or event of the District. In the event of a complaint, please follow the grievance procedure located at WaterMatters.org/ADA.