

FISCAL YEAR 2018 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) 2018, which begins October 1, 2017 and ends September 30, 2018.

The FY2018 budget is designed to protect Florida's water and related natural resources in accordance with Governing Board priorities, Legislative directives, and our Five-Year Strategic Plan. The District continues to focus on mission critical areas, protecting our springs, and funding a significant amount in capital projects including alternative water supply projects. In addition, our long-term funding plan demonstrates that the District's fiscal resources, supplemented with prudently managed project reserves, can support a healthy investment in the water resources and economy over the next five years.

On September 30, 2017, the District's Governing Board adopted a final millage, the rolled-back rate of 0.3131 mill, which is a reduction of 5.6 percent. Over the last eight fiscal years, the millage rate has been reduced more than 48 percent to help reduce the tax burden for Florida residents while protecting the region's water resources.

The FY2018 adopted budget is \$183.7 million, compared to \$180.1 million for FY2017. More than \$107 million, representing 58 percent of the total budget, is dedicated for Cooperative Funding Initiative and District projects illustrating the District's commitment to putting tax dollars to work. These projects leveraged with District partners will result in a total investment of \$151 million for sustainable alternative water supply development and other water resource management projects. Since 1988, the District and its partners have a combined investment of more than \$3 billion in critical water resource projects.

With the support of the Governor, State Legislature, and Florida Department of Environmental Protection, the District has committed \$8.6 million for the region's coastal springs systems. Springs continue to be a unique destination for both our citizens and visitors. These efforts will contribute to the beneficial reuse of reclaimed water and

restoring degraded springs and spring-fed rivers through a variety of techniques such as monitoring, research and development, and restoration.

The District has prioritized implementing water resource development projects, as outlined in the Regional Water Supply Plan. The budget includes \$40.6 million for alternative water supply projects, of which approximately \$10.5 million is budgeted for cooperatively-funded reclaimed water projects to continue to reduce the use of potable-quality water.

The District continues to build on our culture of efficiency by operating within our means without incurring debt. This budget is dedicated to the District's core areas of responsibility of flood protection, water supply, water quality and natural systems, with a significant investment in water resource projects and strategic initiatives, and is intended to provide the highest quality of service to the citizens of west-central Florida.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. Armstrong", with a long, sweeping flourish extending to the right.

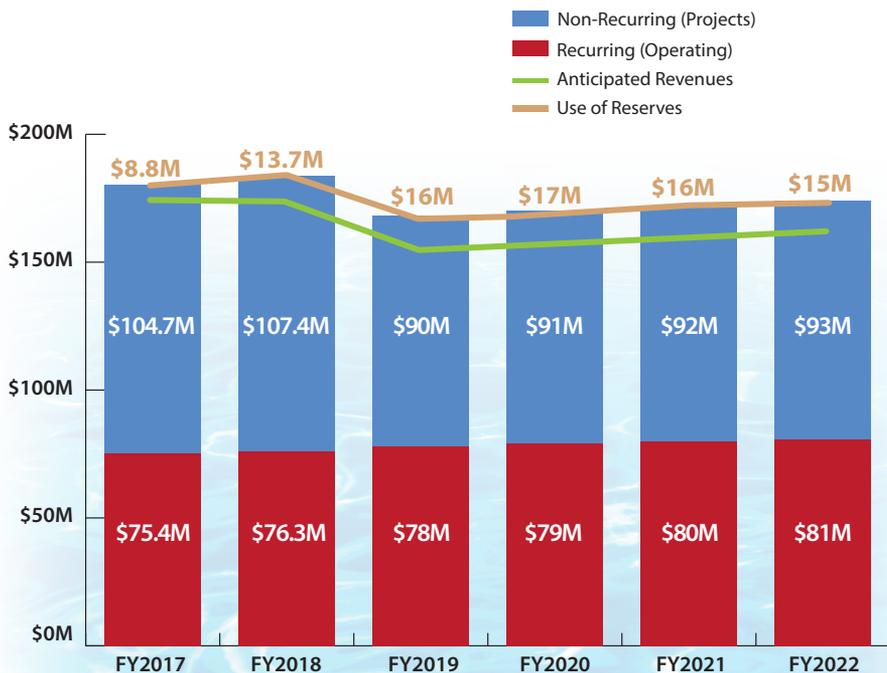
Brian J. Armstrong, P.G.
Executive Director

FY2018 Budget — Key Highlights

- ✓ \$8.6 million for springs protection budgeted by the District leveraged with an additional \$2.1 million from local cooperators for a total investment of \$10.7 million.
- ✓ \$6.9 million for the Facilitating Agricultural Resource Management Systems (FARMS) program to reduce groundwater use and improve water quality impacted by agricultural practices.
- ✓ \$10.5 million for reclaimed water projects to reduce our reliance on groundwater.
- ✓ \$10 million for projects that are collectively capable of providing 30 million gallons per day (mgd) of alternative water supplies constituting a base supply for the Polk Regional Water Cooperative.
- ✓ \$10.7 million for stormwater improvement to reduce flood risk and protect our citizens.
- ✓ \$3.3 million for watershed management planning in cooperation with local partners to assess existing flood risk in flood-prone areas. The District's advanced models also help evaluate alternative practices that can be implemented to reduce flood risk.
- ✓ \$6.2 million for stormwater projects to improve the water quality of Surface Water Improvement and Management (SWIM) priority water bodies, such as Kings Bay, Sarasota Bay and Tampa Bay.
- ✓ \$13.8 million for the restoration of impacted lands to improve water quality and re-establish wetland and upland natural systems.
- ✓ \$11.8 million for land acquisition to conserve and protect water and water-related resources.
- ✓ \$5.2 million to manage approximately 450,700 acres of conservation lands for the statutorily mandated purposes of protecting and restoring their natural condition. This includes \$2.25 million appropriated by the Florida Legislature from the Land Acquisition Trust Fund.

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. By managing our operating expenses and prudently applying reserves to vital water resource projects, the District’s fiscal resources can support a healthy investment in the water resources and economy over the next five years.

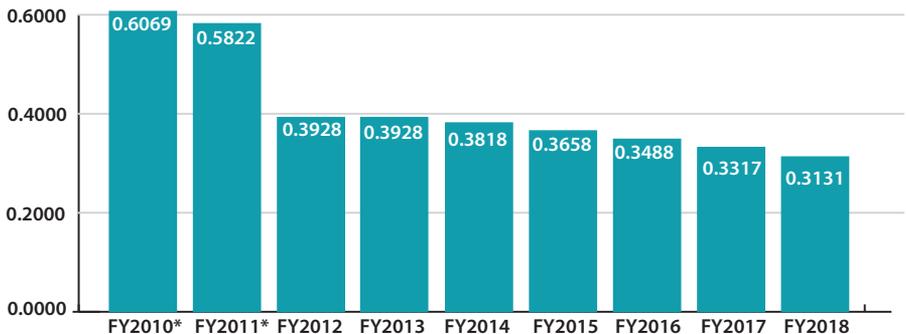


How the District is Funded

FY2018 Budget

	Revenues (in millions)	Percent of Total
Ad Valorem Taxes	\$108.1	58.9%
Property taxes levied on the taxable value of real and personal property as certified by the property appraiser in each county. The millage rate for FY2018 is 0.3131 mill, which is the rolled-back rate.		
State/Federal/Local Funding	\$15.7	8.5%
State funding includes \$4.3 million from Florida Forever Trust Fund prior year appropriations for land acquisition; \$4.25 million from the Department of Environmental Protection for Springs Initiatives; \$2.25 million from the Land Acquisition Trust Fund for land management activities; \$1.6 million for the Florida Department of Transportation Mitigation program; \$400,000 from state appropriations for the Weeki Wachee River Channel Restoration project; \$400,000 from the Florida Fish and Wildlife Conservation Commission for aquatic weed control; \$416,250 from other state programs; and over \$2 million from local entities for cooperatively funded projects where the District serves as the lead party.		
Other Funding	\$8.7	4.8%
Various funding sources such as interest earnings on investments (\$6.2 million), permit and license fees (\$1.9 million), and miscellaneous revenue (\$603,028).		
Balance from Prior Years	\$37.5	20.4%
Unexpended funds carried forward from the previous fiscal year(s) primarily related to projects completed under budget and project cancellations.		
Use of Reserves	\$13.7	7.4%
Represents restricted basin and assigned short-term project reserves to fund vital water resource management projects.		
TOTAL REVENUES	\$183.7	100%

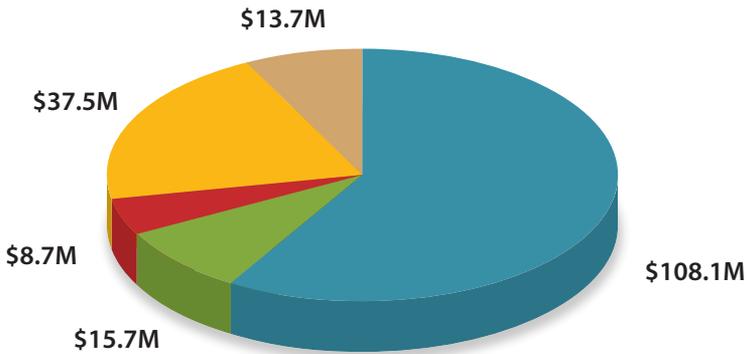
Historical Millage Rate



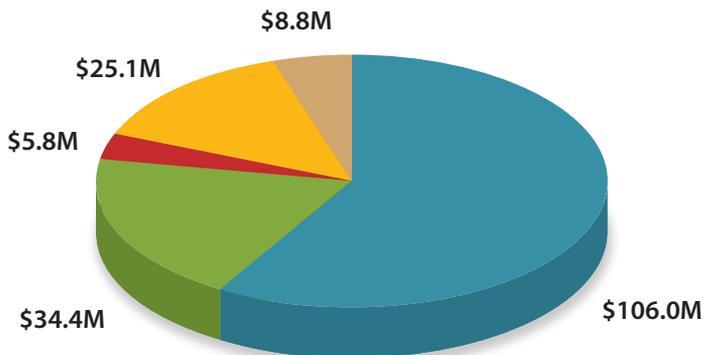
*For comparative purposes, the FY2010 and FY2011 millage rates represent the blended rate (Basins and General Fund) necessary to generate each year's ad valorem tax revenue. The District's Basin Boards were eliminated effective FY2012.

Year-to-Year Comparison

FY2018 Adopted Budget — \$183.7 million



FY2017 Adopted Budget — \$180.1 million



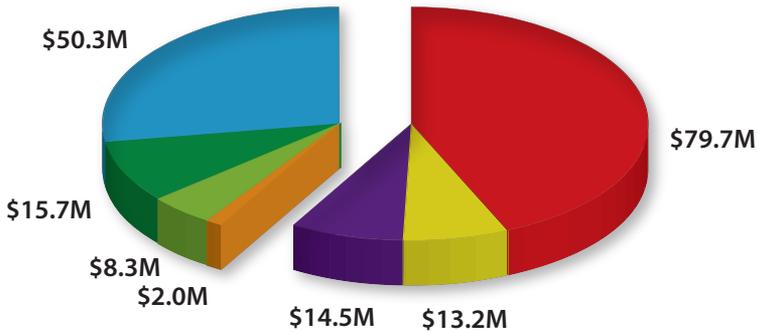
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| ■ Ad Valorem Taxes | ■ Balance From Prior Years |
| ■ State/Federal/Local Funding | ■ Use of Reserves |
| ■ Other Funding | |

How the District Allocates Resources by Category

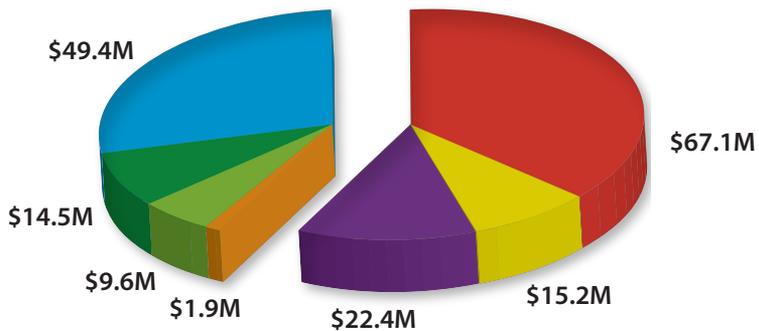
FY2018 Budget	Expenditures (in millions)	Percent of Total
Salaries & Benefits	\$50.3	27.4%
Salaries and benefits for District regular full-time equivalent (FTE) positions. The number of FTE positions remains consistent from FY2017 to FY2018 at 574 FTEs.		
Operating Expenses	\$15.7	8.5%
This includes items such as Property Tax Commissions, Software/Software Maintenance/Cloud Services, Parts and Supplies, Utilities, Insurance and Bonds, Fuels and Lubricants, Maintenance/Repair of Buildings and Structures, and Telephone/Data Communications.		
Contracted Services for Operational Support & Maintenance	\$8.3	4.5%
Outsourced services in support of the District's operations in areas such as Data Collection, Land Management, Structure Operations & Maintenance, Minimum Flows and Minimum Water Levels Establishment/Evaluation, and Information Technology.		
Operating Capital Outlay	\$2.0	1.1%
Purchases of heavy equipment, vehicles, airboats, computer hardware, and equipment with a value per item of at least \$1,000 and an estimated useful life of one or more years.		
Cooperative Funding/District Grants	\$79.7	43.4%
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 matching funds toward the cost of projects that help create sustainable water resources, enhance conservation efforts, improve water quality, provide flood protection and restore natural eco-systems.		
Contracted Services for District Projects	\$13.2	7.2%
District-led projects such as Surface Water Improvement and Management (SWIM) restoration, 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 represent direct investments into the economy.		
Fixed Capital Outlay	\$14.5	7.9%
Funding for land purchases, land easements, water control structures, well construction, buildings and bridges.		
TOTAL EXPENDITURES	\$183.7	100%

Year-to-Year Comparison

FY2018 Adopted Budget — \$183.7 million



FY2017 Adopted Budget — \$180.1 million



Recurring (Operating)

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

Non-Recurring (Projects)

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

How the District Allocates Resources by Program Area

FY2018 Budget

Expenditures

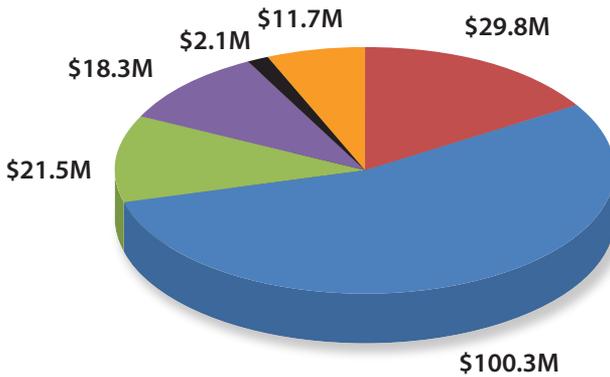
(in millions)

Percent of Total

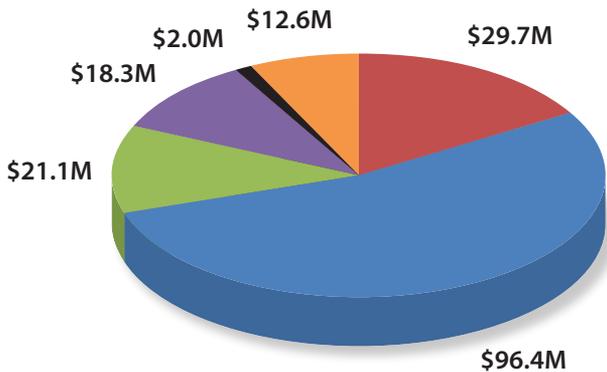
Program Area	Expenditures (in millions)	Percent of Total
Water Resource Planning and Monitoring All research, data collection, analysis, and monitoring activities (\$15.3 million); water resources planning activities including watershed management planning (\$7.5 million), development of minimum flows and minimum water levels for springs, wetlands, aquifers, lakes and rivers (\$2.2 million), and water supply planning (\$715,978); technical assistance (\$1.3 million) which includes local/regional plan and program review; and other program activities including technology and information services.	\$29.8	16.2%
Land Acquisition, Restoration and Public Works Development and construction of capital projects, including water resource and water supply development projects such as reclaimed water, Facilitating Agricultural Resource Management Systems (FARMS), and conservation projects in partnership with local governments (\$53.1 million); surface water projects for the restoration of lands and water bodies with water quality, flood protection and natural systems benefits (\$33.9 million); acquisition of land for the protection and management of water resources (\$11.8 million); and other program activities including technology and information services.	\$100.3	54.7%
Operation and Maintenance of Works and Lands Operation and maintenance of flood control and water conservation structures, canals and levees (\$7.1 million); management of public conservation lands, restoring their natural conditions, and providing for compatible recreational use (\$5.2 million); operation and maintenance of District facilities (\$3.7 million); management and maintenance of District fleet (\$3 million); and other program activities including technology and information services.	\$21.5	11.7%
Regulation All environmental resource/surface water management permitting (\$7.2 million), consumptive use permitting (\$4 million), permit administration/enforcement or any delegated regulatory program (\$2.7 million), water well construction permitting and contractor licensing (\$858,162); and other program activities including technology and information services.	\$18.3	10.0%
Outreach All water resources education initiatives including public information activities (\$1 million); springs protection campaigns and water conservation programs for builders and the hospitality industry (\$780,197); all activities relating to regional, state and federal governmental affairs (\$131,179); and other program activities including technology and information services.	\$2.1	1.1%
Management and Administration All administrative and operations support (\$8.2 million or 4.4%), and commissions to county tax collectors and property appraisers (\$3.5 million or 1.9%).	\$11.7	6.3%
TOTAL EXPENDITURES	\$183.7	100%

Year-to-Year Comparison

FY2018 Adopted Budget — \$183.7 million



FY2017 Adopted Budget — \$180.1 million



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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 and activities. Anyone requiring reasonable accommodation as provided for in the Americans with Disabilities Act should contact the District's Human Resources Office Chief, 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4703; 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).