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# Agriculture & Natural Resources Appropriations Subcommittee

February 19, 2014  
9:00 AM – 11:00 AM  
Reed Hall

**VOL 2**



# The Florida House of Representatives

## Appropriations Committee

### Agriculture & Natural Resources Appropriations Subcommittee

**Will Weatherford**  
Speaker

**Ben Albritton**  
Chair

#### AGENDA

February 19, 2014  
9:00 AM—11:00 AM  
Reed Hall (102 HOB)

- I. Call to Order/ Roll Call
- II. PCB ANRAS 14-01—Trust Funds/Termination & Administration/DACS
- III. Presentation on the Water Management Districts' Fiscal Year 2014-15 Preliminary Budget Presentations

Opening remarks by Dr. Tom Beck, Director, Office of Water Policy—  
Department of Environmental Protection

- Northwest Florida Water Management District—Jon Steverson,  
Executive Director
- Suwannee River Water Management District—Ann B. Shortelle, Ph.D.,  
Executive Director
- St. Johns River Water Management District—Hans G. Tanzler, III,  
Executive Director
- Southwest Florida Water Management District—Robert Beltran,  
Executive Director
- South Florida Water Management District—Doug Bergstrom,  
Executive Director

- IV. Closing Remarks and Adjournment





# Florida House Agriculture and Natural Resources Appropriations Subcommittee

## Preliminary Budget Fiscal Year 2014–2015

Hans G. Tanzler III  
Executive Director





# Presentation Agenda

- Budget development guidelines
- Budget in brief
- Proposed budget – revenues and expenditures
- Cooperative funding update
- Discussion
- Additional information
  - Program budgets
  - Workforce



# Budget Development Guidelines

- Sustainable funding for operations
  - Living within our means
  - Realistic revenue and spending assumptions
  - Organized to promote accountability and control
- Sustainable funding for cooperative programs
  - Core mission driven
  - Emphasize selected Initiatives
  - Funded by District revenue sources (target of 10% of District revenues), fund balance, and state revenues



# Revenue Assumptions

- **Ad valorem revenues**
  - Use projected rolled back rate (0.3243)
  - New construction estimated to generate 1.5% ad valorem revenue growth
- **State/Federal sources**
  - Residual appropriations from FY 2013-2014 budget
- **Other District sources**
  - Nominal indexed increases as appropriate



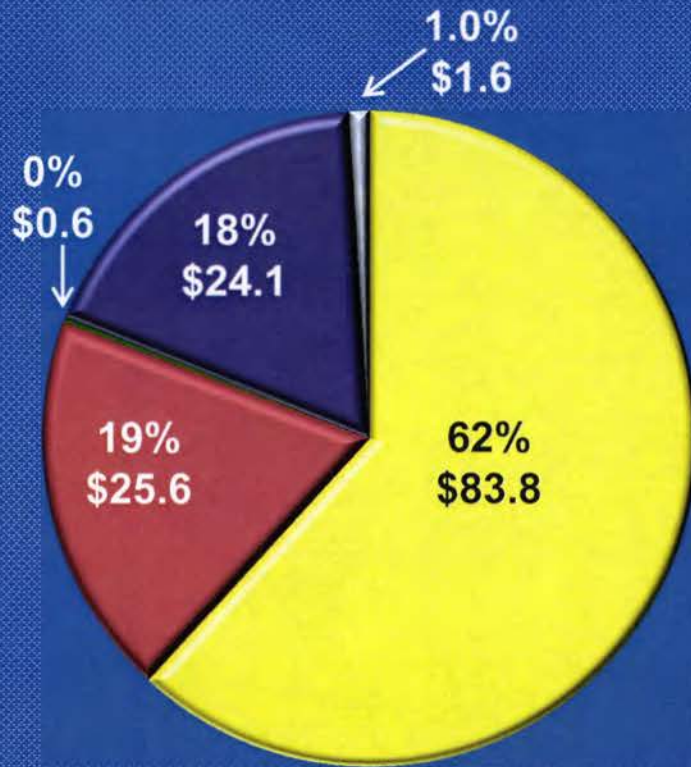
## Budget in Brief – Revenues

- Revenues (\$127.6 million):
  - Ad valorem: \$81.8 million
  - Federal: \$0.9 million
  - State: \$14.7 million
  - Other District Sources: \$4 million
  - Local: \$0.2 million
  - Use of fund balance for capital / cooperative projects: \$26.0 million



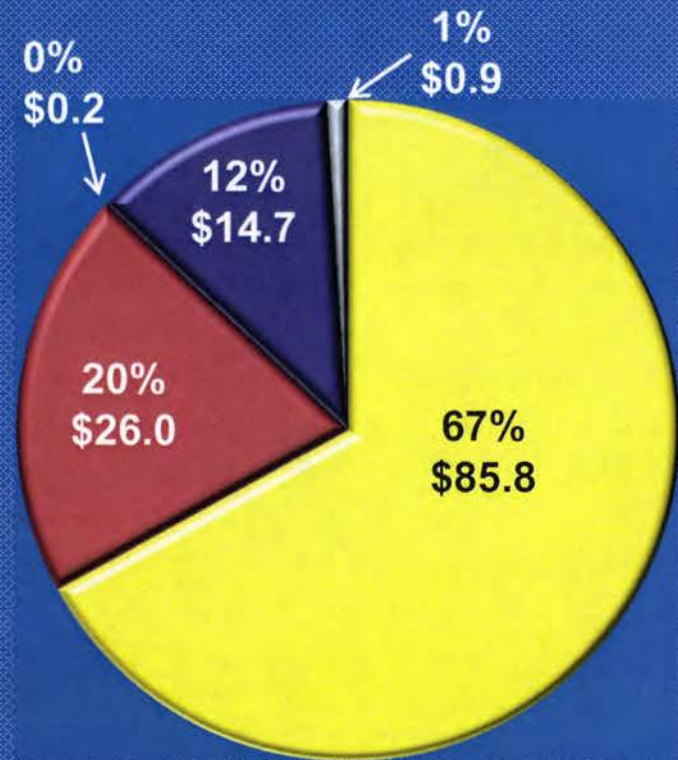
# Revenue Comparison

Fiscal Year 2013–2014  
(Adopted – \$135.6 million)



\$ in millions

Fiscal Year 2014–2015  
(Preliminary – \$127.6 million)



\$ in millions



# Expenditure Assumptions

- **Salaries and benefits**
  - No increase in total budgeted salaries
  - 589.6 FTEs (total authorized FTEs unchanged at 591.1)
  - Health insurance increase projected at 10%
- **General operating and contractual services**
  - No increase
- **Priority allocation to capital and cooperative**



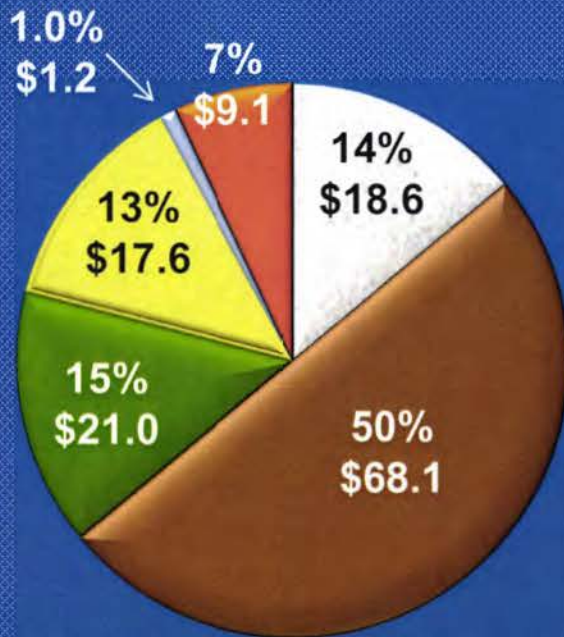
# Budget in Brief – Expenditures

- Expenditures (\$127.6 million)
  - Water resources planning and monitoring (\$17.9 million)
  - Acquisition, restoration, and public works (\$62.4 million)
  - Operation and maintenance of land and works (\$19.3 million)
  - Regulation (\$17.5 million)
  - Outreach (\$1.2 million)
  - District management and administration (\$9.3 million)



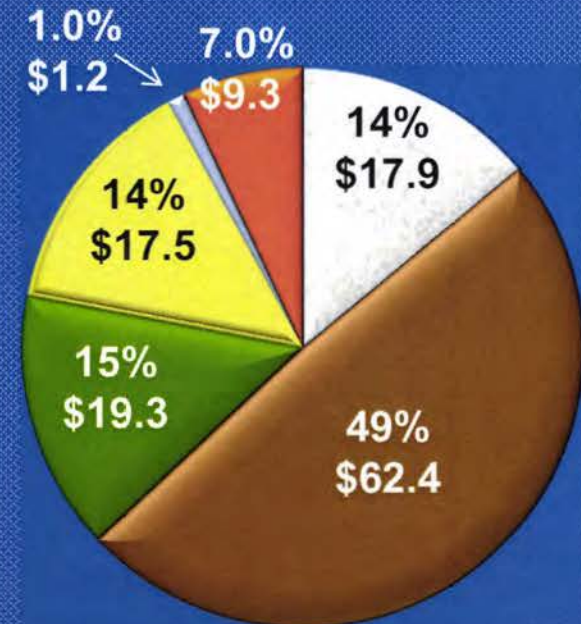
# Expenditure Comparison by Program

Fiscal Year 2013–2014  
(Adopted – \$135.6 million)



\$ in millions

Fiscal Year 2014–2015  
(Preliminary – \$127.6 million)



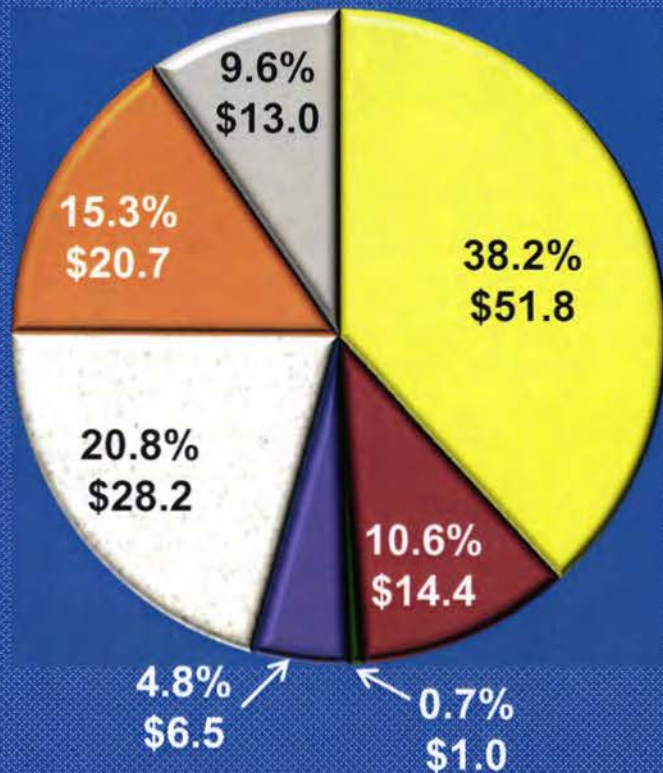
\$ in millions

- Water Resources Planning and Monitoring
- Acquisition, Restoration and Public Works
- Operation and Maintenance of Lands and Works
- Regulation
- Outreach
- District Management and Administration



# Expenditure Comparison by Major Object

Fiscal Year 2013–2014  
(Adopted – \$135.6 million)

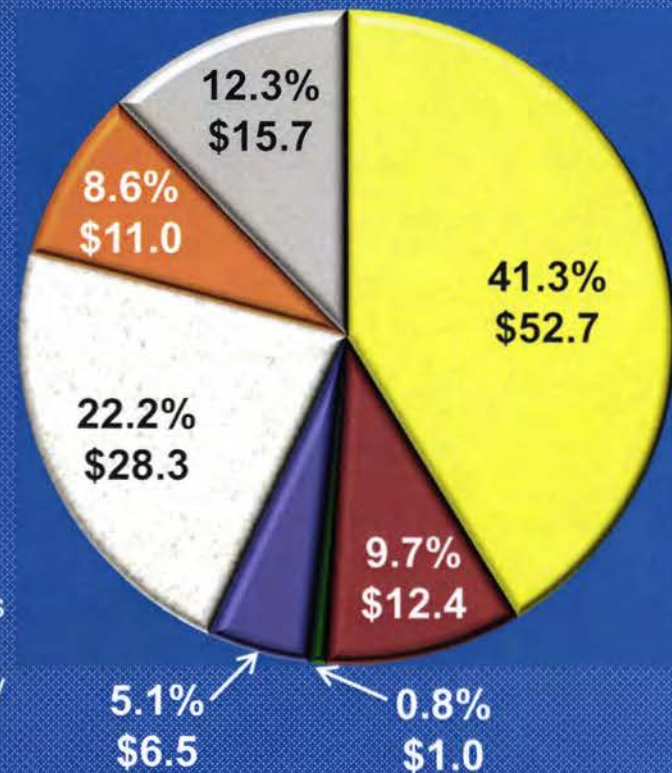


\$ in millions

## Object

- Salaries and Benefits
- Operating Expenses
- Operating Capital Outlay
- Debt
- Cooperative Funding/District Grants
- Contracted Services
- Fixed Capital Outlay

Fiscal Year 2014–2015  
(Preliminary – \$127.6 million)



\$ in millions



# Budget Highlights

## Cooperative Funding History

- Approximately \$250 million awarded since FY 2003-2004 resulting in approximately 104 million gallons a day (mgd) of “new” water
  - Projects funded in 15 member counties
  - Projects funded in cooperation with SFWMD
  - Cooperated with more than 100 local agencies





# Budget Highlights

## Cooperative Funding

### Fiscal Year 2013-2014

- Approximately \$28 million from all funding sources
- 23 projects approved for funding
- Agreements with 19 different local jurisdictions approved and executed
- Focused on selected major initiatives:
  - Springs Protection
  - Central Florida Water Initiative
  - North Florida Water Initiative
  - Minimum Flows and Levels (MFLs) prevention and recovery



St. Johns River Water Management District

# Springs Projects and Partners Fiscal Year 2013-2014

Spring	Contract Status	WMD & Partners	DEP contribution	WMD contribution	Partner and local contribution	Total Project Cost
Silver Spring - City of Ocala	Executed	SJR, City of Ocala	\$1,920,000	\$1,920,000	\$8,304,000	\$12,144,000
Silver Spring - Marion County	Executed	SJR, Marion Co.	\$1,596,000	\$1,596,000	\$5,031,738	\$8,233,738
Ichetucknee Springs	Executed	SR, Lake City, Columbia Co.	\$3,900,000	\$400,000	\$300,000	\$4,600,000
Wekiva Springs System	Executed	SJR, City of Apopka	\$700,704	\$700,704	\$2,102,112	\$3,503,520
Suwannee River Springs	Executed	SR, Dixie Co.	\$1,548,000	\$277,000	\$75,000	\$1,900,000
Kings Bay - Hunters Cove and Three Sisters	Executed	SWF, Hunters Cove, Friends of Three Sisters	\$350,000	\$600,000	\$50,000	\$1,000,000
Kings Bay - Citrus County	Executed	Citrus Co.	\$1,000,000	\$0	\$1,000,000	\$2,000,000
Rainbow, Kings Bay, Homosassa, Chassahowitzka, Weeki Wachee	Executed	SWF, Local Growers	\$0	\$750,000	\$250,000	\$1,000,000
Jackson Blue Spring	Executed	NWF, Area Producers, FDAC, NRCS	\$752,000	\$72,000	\$429,711	\$1,253,711
Williford Spring	Executed	NWF, FWCC, Washington Co.	\$377,000	\$1,401,652	\$69,800	\$1,848,452
<b>Total</b>			<b>\$12,143,704</b>	<b>\$7,717,356</b>	<b>\$17,612,361</b>	<b>\$37,473,421</b>

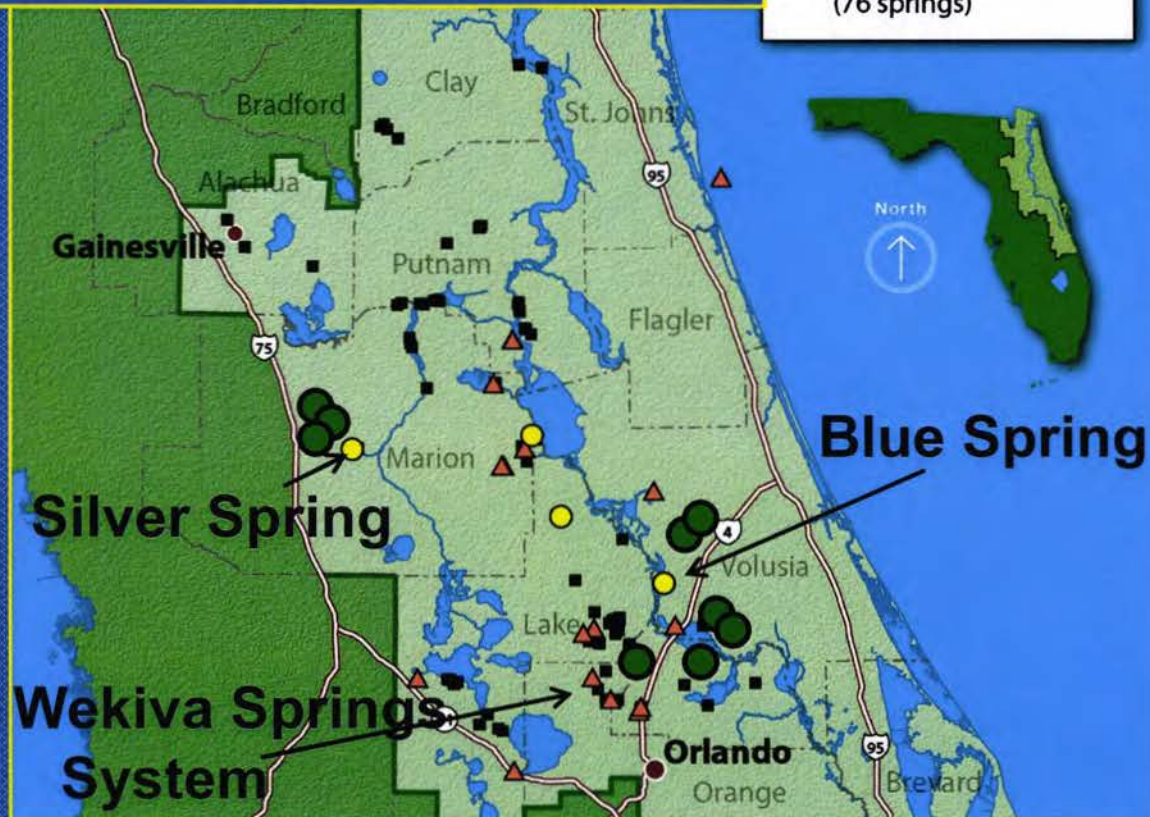


# Springs in SJRWMD

- Legislative appropriations: \$ 9,829,684
- SJRWMD: \$ 8,244,374
- Local Partners: \$ 29,899,825
- Total cost of projects: \$ 47,973,883

## Legend

- First-magnitude spring (4 springs)
- ▲ Second-magnitude spring (16 springs)
- Spring — 10 cfs or less volume of flow (76 springs)





# Silver Springs – Ocala

## City of Ocala Water Reuse Facility Nutrient Reduction

*Facility upgrades to improve effluent discharge*

Total Project Cost	\$12,144,000
DEP Contribution	\$ 1,920,000
SJRWMD	\$ 1,920,000
City of Ocala	\$ 8,304,000



### *Results*

- Estimated reduction of **663,000 pounds** of nitrogen pollution per year going into the Silver Springs watershed



# Silver Springs – Ocala

## Marion County Utilities Silver Springs Shores Reuse

*Redirect effluent disposal for beneficial reuse irrigation*



Total Project Cost	\$8,233,738
DEP Contribution	\$1,596,000
SJRWMD	\$1,596,000
Marion County	\$5,031,738

### *Results*

- Estimated reduction of more than **40,000 pounds** of nitrogen entering the aquifer per year.



# Wekiva Springs System – Orlando Area

## City of Apopka Reclaimed Water Transmission

*Expand City's reclaimed water service*

Total Project Cost	\$3,503,520
DEP Contribution	\$700,704
SJRWMD	\$700,704
City of Apopka	\$2,102,112

### *Results*

- Estimated reduction of **66,400 pounds of nitrogen** per year to the Wekiva River by utilizing this reclaimed water and reducing discharges.



# Budget Highlights Cooperative Funding Fiscal Year 2014-2015

- Approximately \$28 million from all funding sources
  - \$21.2 million District Sources
  - \$ 6.9 million state sources
  - \$ 0.2 million federal sources
- Solicited districtwide:
  - All chief city/county elected officials
  - All city and county managers
  - Key agricultural contacts
  - Utility and public works directors



# Budget Highlights

## Cooperative Funding

### Fiscal Year 2014-2015

- Soliciting construction ready projects that provide:
  - Nutrient-loading reduction in springsheds, the Indian River Lagoon and other water bodies
  - Water conservation through irrigation efficiency (both crop and landscape)
  - Water resource development that increases the source of available water
  - Alternative water supply that replaces existing or planned groundwater use





# Budget Highlights Cooperative Funding Fiscal Year 2014-2015

- **Expanded** list of major initiatives
  - Springs Protection
  - Central Florida Water Initiative
  - North Florida Water Initiative
  - Minimum Flows and Levels (MFLs) Prevention and Recovery
  - **Indian River Lagoon**
  - **Middle and Lower St. Johns River Water Quality Improvement**
  - **Northern Coastal Basins**



**Thank you.**









# Florida House of Representatives

## Agricultural & Natural Resources Appropriations Subcommittee

### Fiscal Year 2014-15 Preliminary Budget Submission

February 19, 2014



Robert Beltran, Executive Director  
robert.beltran@watermatters.org



## Presentation Agenda

- ✓ Budget in Brief
- ✓ Major Budget Items
- ✓ Leveraged Investments
- ✓ Key Criteria for Budget Development
- ✓ Preliminary Budget – Expenditures & Revenues
- ✓ Long-Term Funding Plan
- ✓ FY2013-14 District Springs Activities
- ✓ Discussion





# Budget in Brief – Policy Goals & Outcomes

## Goals:

- ✓ Project expenditures equal 50% of budget
- ✓ Majority of projects cooperatively funded
- ✓ Operating costs maintained with budget increase dedicated to projects
  - Salary and benefits do not exceed 50% of ad valorem revenue
  - Total recurring operating expenses do not exceed 80% of ad valorem revenue


## Outcomes:

- ✓ Preliminary FY2014-15 budget - \$179.9M, an increase from \$170.8M in FY2013-14
- ✓ 100% of overall increase allocated to projects
  - Reclaimed Water projects \$26M, an increase of \$4M
  - Stormwater Improvement – Water Quality projects \$16M, an increase of \$6M
  - Brackish Groundwater Development projects \$10M, an increase of \$4M
  - Aquifer Storage & Recovery Feasibility/Pilot Testing projects \$9M, an increase of \$6M
- ✓ Operating expenditures reduced by 2% through implementing new, improved business processes and leveraging technology
  - Workforce reduction of 2%





## Major Budget Items

- 
- ✓ **\$57 million** for Water Supply projects to ensure an adequate supply of water resources for all existing and future reasonable and beneficial uses.
  - ✓ **\$12.4 million** for Springs Initiatives.
    - **\$6.8 million** for springs protection by implementing water clarity projects.
    - **\$5.6 million** for water supply activities, which contributes to reducing groundwater withdrawals in the springs regions.
  - ✓ **1.8 million** for 31 minimum flows and levels (MFLs) projects. The current priority list and schedule includes a total of 285 MFLs, of which 200 MFLs have been completed (70 percent).
  - ✓ **\$29.3 million** for Flood Protection to minimize flood damage to protect people, property, infrastructure and investment:
    - **\$5.1 million** for 83 modeling and planning phase projects cooperatively-funded with local governments
    - **\$8.3 million** for the implementation phase of 60 Watershed Management Program projects cooperatively-funded with local governments
    - **\$6.3 million** for the District's Environmental Resource Permitting program
    - **\$4.5 million** for 81 water control structures and 63 miles of canals to manage water levels and reduce the risk of flooding



# Leveraged Investments

## Cooperative Funding Since 1988:

- ✓ \$1.4 billion District-funded
- ✓ \$2.5 billion combined regional investment

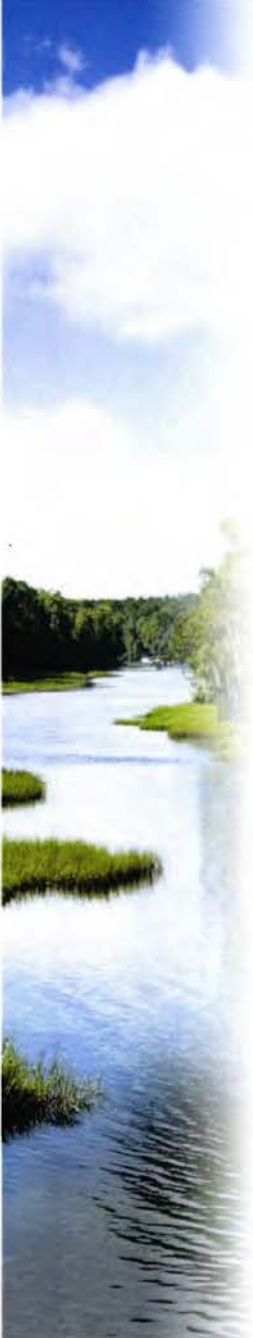
## FY2014-15 Preliminary Budget:

- ✓ \$84 million leveraged of \$106 million in projects





## Key Budget Criteria – Expenditures

- 
- ✓ Total Workforce dollars reduced by 2%
    - Workforce FTEs reduced by 2%, from 585 in FY2013-14 to 574 for FY2014-15
  - ✓ Operating expenses held at FY2013-14 levels
    - Reduced by 34% over last three years (FY2010-11 – FY2013-14)
    - Early in budget process to evaluate current year budget; will continue efforts to reduce as further efficiencies are gained.
  - ✓ Operating Capital Outlay increased by 40%
    - Reduced by 66% over last three years (FY2010-11 – FY2013-14)
  - ✓ Contracts for Recurring Operational Support & Maintenance decreased by 11%
    - Reduced by 44% over last three years (FY2010-11 – FY2013-14)
  - ✓ Projects zero-based and separately justified



## Key Budget Criteria – Revenues

- ✓ Maintain millage rate at FY2013-14 level (0.3818 mill)
- ✓ No new state revenue from trust funds
- ✓ Permit Fee Revenue
  - \$1.7 million based on actual fees collected for FY2012-13 - consistent with FY2013-14
- ✓ Interest Earnings Revenue
  - \$3.6 million based on 0.75 percent estimated yield on investments
- ✓ Reserves will be utilized only to fund projects

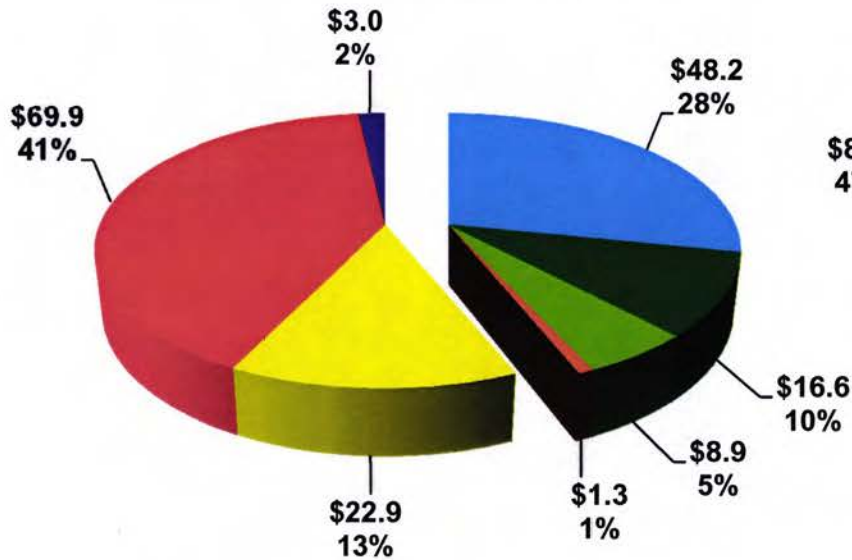




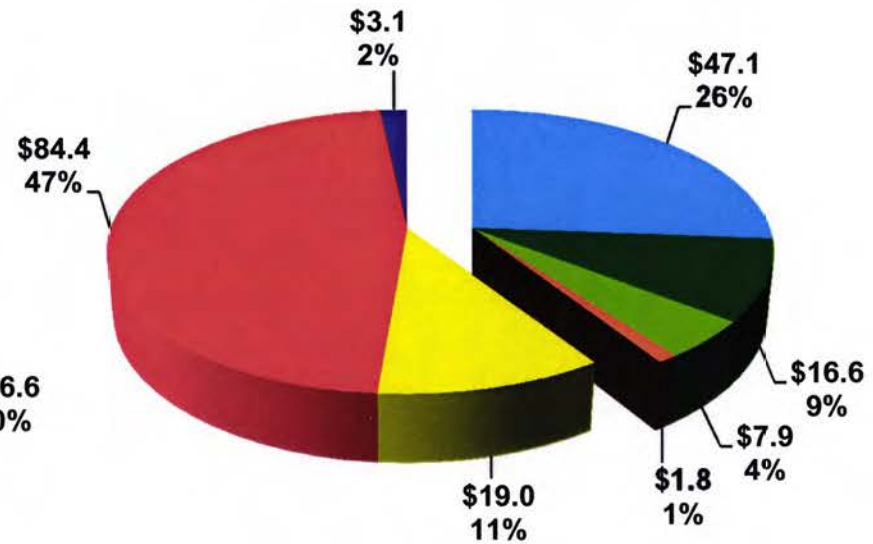
# Expenditure Budget by Category

(In millions)

**Adopted  
FY2013-14 Budget  
(\$170.8 Million)**



**Preliminary  
FY2014-15 Budget  
(\$179.9 Million)**



- Salaries & Benefits
- Contracted Services for Operational Support & Maint
- Contracted Services for District Projects
- Fixed Capital Outlay

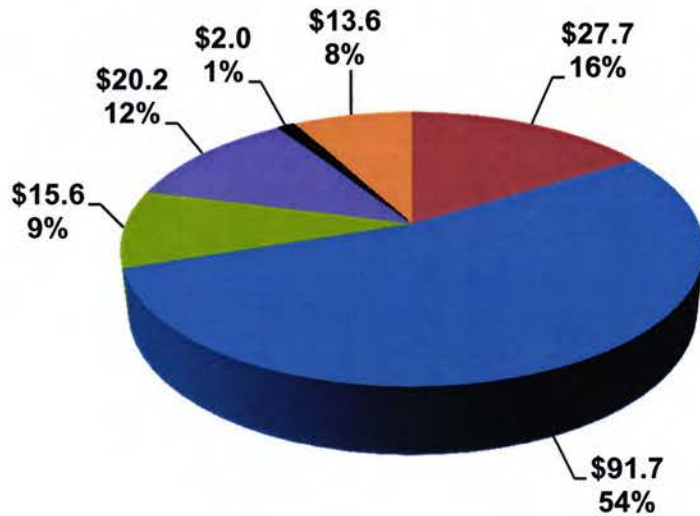
- Operating Expenses
- Operating Capital Outlay
- Cooperative Funding / District Grants



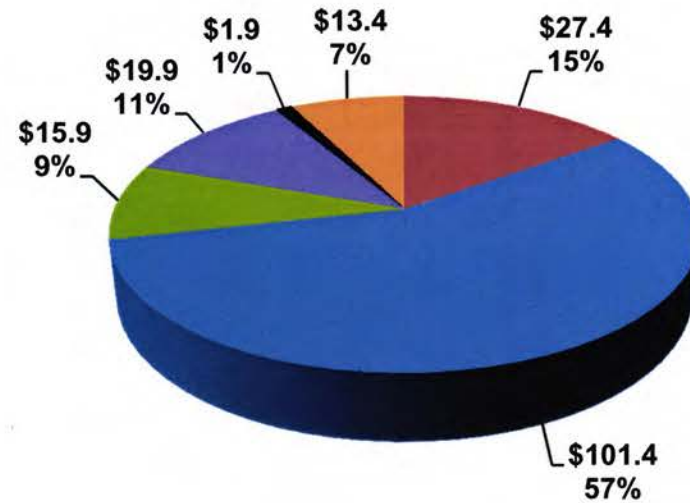
# Expenditure Budget by Program

(In millions)

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(\$170.8 Million)**



**Preliminary  
FY2014-15 Budget  
(\$179.9 Million)**



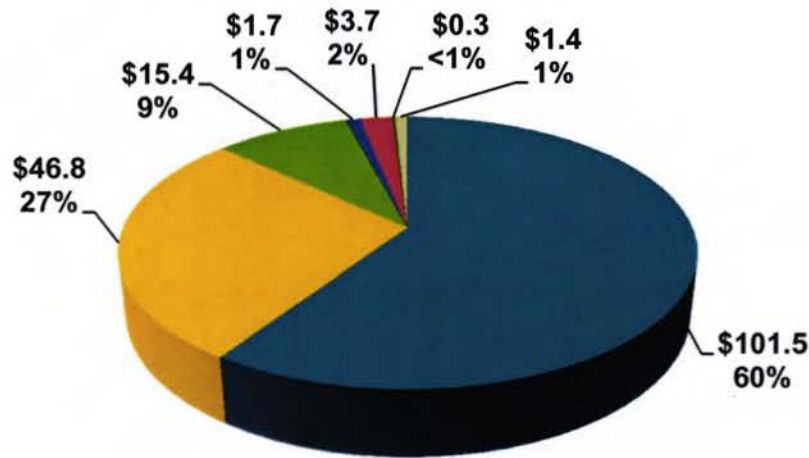
- 1.0 Water Resources Planning and Monitoring
  - 3.0 Operation and Maintenance of Lands and Works
  - 5.0 Outreach
- 2.0 Acquisition, Restoration and Public Works
  - 4.0 Regulation
  - 6.0 District Management and Administration



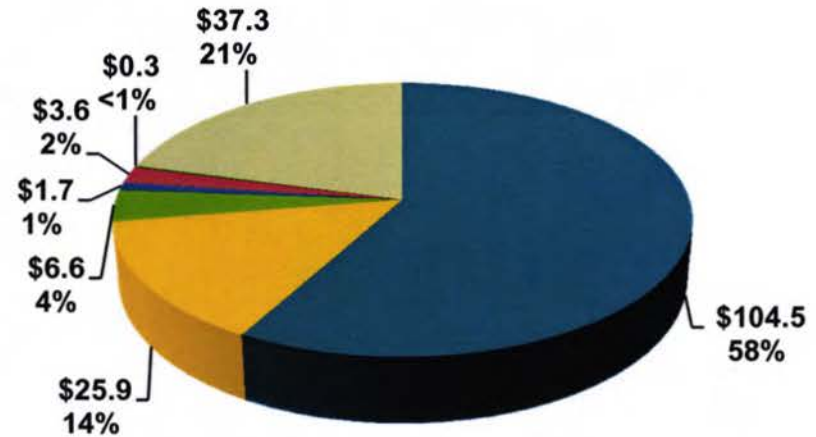
# Revenue Budget

(In millions)

**Adopted  
FY2013-14 Budget  
(\$170.8 Million)**



**Preliminary  
FY2014-15 Budget  
(\$179.9 Million)**

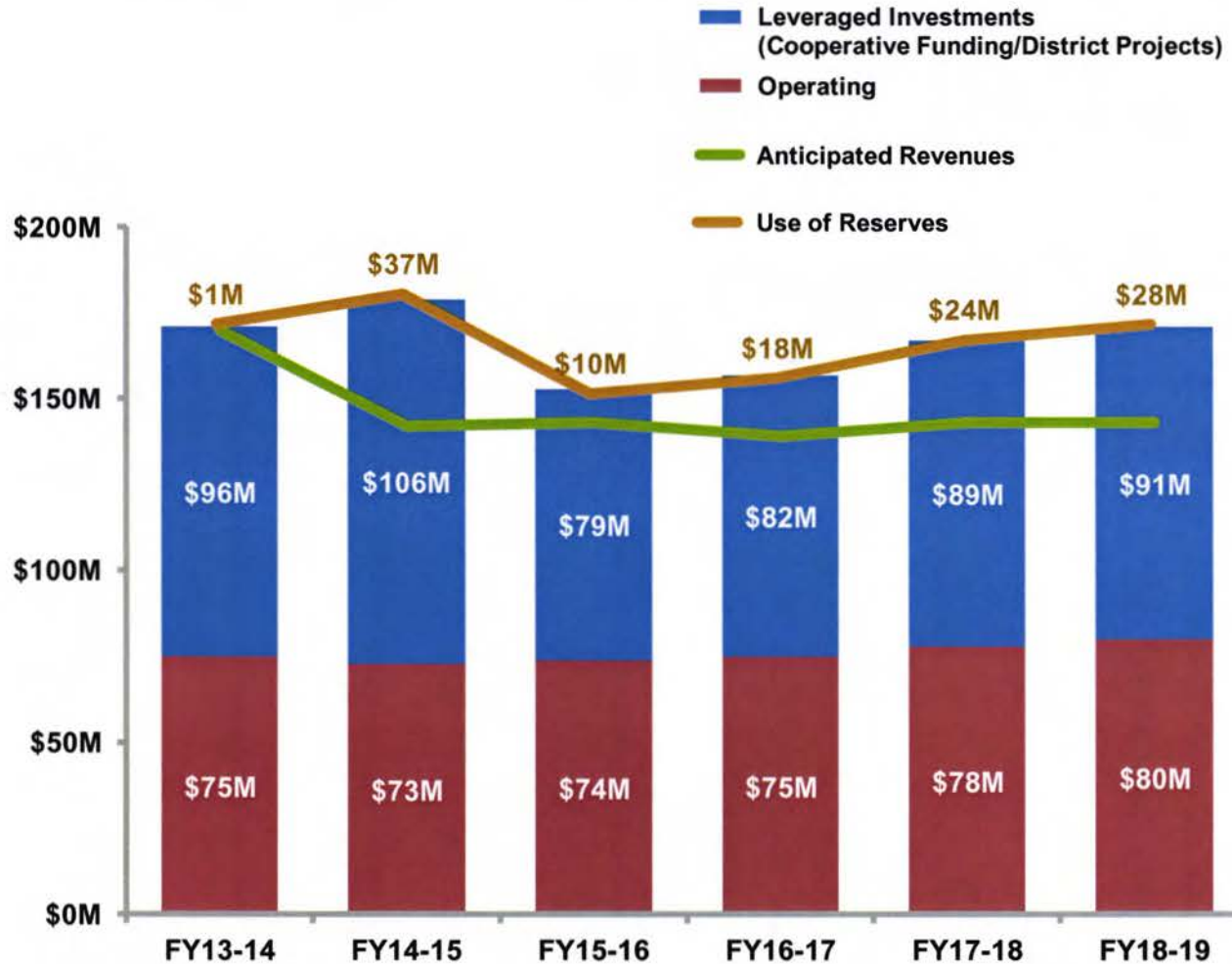


- Ad Valorem Taxes
- Licenses and Permits
- Reserves (Use of Reserves)
- Balance From Prior Years
- Interest
- State/Federal/Local
- Other



# Long-Term Funding Plan

FY15 – Millage at RB + 3% New Constr; FY16 – Millage at RB + 3% New Constr (\$52M Reserve Balance by FY25)





## Projects and Partners

Spring	Contract Status	WMD & Partners	DEP contribution	WMD contribution	Partner and local contribution	Total Project Cost
<b>Silver Spring - City of Ocala</b>	Executed	SJR, City of Ocala	\$1,920,000	\$1,920,000	\$8,304,000	\$12,144,000
<b>Silver Spring - Marion County</b>	Executed	SJR, Marion Co.	\$1,596,000	\$1,596,000	\$5,031,738	\$8,223,738
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<b>Kings Bay - Hunters Cove and Three Sisters</b>	Executed	SWF, Hunters Cove, Friends of Three Sisters	\$350,000	\$600,000	\$50,000	\$1,000,000
<b>Kings Bay - Citrus County</b>	Executed	Citrus Co.	\$1,000,000	\$0	\$1,000,000	\$2,000,000
<b>Rainbow, Kings Bay, Homosassa, Chassahowitzka, Weeki Wachee</b>	Executed	SWF, Local Growers	\$0	\$750,000	\$250,000	\$1,000,000
<b>Jackson Blue Spring</b>	Executed	NWF, Area Producers, FDAC, NRCS	\$752,000	\$72,000	\$429,711	\$1,253,711
<b>Williford Spring</b>	Executed	NWF, FWCC, Washington Co.	\$377,000	\$1,401,652	\$69,800	\$1,848,452
<b>Total</b>			<b>\$12,143,704</b>	<b>\$7,717,356</b>	<b>\$17,612,361</b>	<b>\$37,473,421</b>



# Kings Bay

## Citrus County Ft. Island Trail Wastewater Force Main Project

*Connections to municipal sewer & Reuse of reclaimed water*

<b>Total Project Cost</b>	<b>\$2,000,000</b>
DEP Contribution	\$ 1,000,000
SWFWMD	\$0
Citrus County	\$1,000,000

### **Results**

- estimated reduction of **6,272 pounds** of nitrogen pollution per year and creation of ~90,000 gal per day of reclaimed water for irrigation.





# Rainbow, Kings Bay, Homosassa, Chassahowitzka, Weeki Wachee

## Facilitating Agricultural Resource Management Systems (FARMS) Program - Springs Coast

*Create partnerships to improve fertilizer and pesticide application practices*

<b>Total Project Cost</b>	<b>\$1,000,000</b>
DEP	\$0
SWFWMD	\$750,000
Local Growers	\$250,000

### **Results**

- estimated reduction of ground water withdrawals and nutrient loading to the Upper Floridan Aquifer system through improved BMPs.





# Discussion









# House Agriculture & Natural Resources Appropriations Subcommittee

## South Florida Water Management District Standard Format FY 2014-15 Preliminary Budget Briefing

February 19, 2014



Doug Bergstrom  
Administrative Services Director





# Presentation Agenda

- ✓ Budget in Brief
- ✓ Key Criteria for Budget Development
- ✓ FY15 Revenue & Expenditure Overview
- ✓ Projected Utilization of Fund Balance





## Budget in Brief

- ✓ Preliminary FY2014-15 budget of \$642.0M is an increase of \$19.8M or 3.2% over the FY14 adopted budget
  - Includes \$31.8M re-budget of prior year SOETF appropriations
    - C-44 Reservoir/STA – \$16.5M
    - Picayune Strand - \$14.2M
  
- ✓ Revenues:
  - Ad valorem revenue increased \$0.7M
    - Assumes levying rolled-back tax rates (no tax increase)
  - Budgeted fund balance is earmarked for Spend Down Plan and Governor's Restoration Strategies Initiative
  - \$72M requested in new Save Our Everglades Trust Fund (SOETF) appropriations (excludes \$3M in DACS)



## Key Budget Development Criteria - Expenditures

- ✓ Expenditures:
  - No new positions requested; reduction of 9 permanent FTE's
  - Preliminary budget does not include funding for salary adjustments
  - No new debt issuance is proposed
  - New Works increase (incremental operating impacts of completed capital projects) - \$0.6M
  - Capital projects reflect core mission priorities:
    - C&SF flood control system refurbishments - \$51.7 M
    - Governor's Restoration Strategies Initiative - \$77.8M
    - Balance of FY15 Fund Balance Utilization - \$162.4M



## Outstanding Budget Issues to be Addressed

- ✓ Ad Valorem recurring budget includes \$6.6M in fund balance to support recurring operations
  - Principal need is in projected group health insurance costs.
- ✓ Action steps currently underway:
  - Third party reviewer engaged to review District health plan and develop recommendations to reduce costs
  - Reviewing District organizational structure and work processes to maximize efficiencies.
  - Each vacant position is being reviewed for necessity, prior to initiating the hiring process.
- ✓ Identify funding for cooperative projects.
- ✓ Goal is to balance recurring revenues and expenses prior to submittal of the August 1 report



## Key Budget Development Criteria - Revenues

### ✓ Revenue Assumptions:

- Levy rolled-back tax revenue - \$264.1M baseline (\$2.5M less than FY14), plus \$3.2M (new construction); rolled-back tax rates = no tax increase.
- \$72M in requested SOETF funds (excludes \$3M DACS)
  - \$40M - C-44 Reservoir/STA;
  - \$32M- Restoration Strategies
- \$6.9M from the Water Management Lands Trust Fund (WMLTF) to fund debt service expense; WMLTF bonds will be retired in FY16
- Prior year Certificates of Participation (COPs) proceeds allocated for Everglades Agricultural Area (EAA) Flow Equalization Basin (Restoration Strategies)
- Fund balance appropriated primarily for Restoration Strategies and Spend Down Plan capital projects



# Key Budget Criteria – SOETF FY15 New Funding Request\*

✓ Restoration Strategies: \$32.0M	
• STA1W #1 Expansion	\$16.5M
• A-1 Flow Equalization Basin	\$6.9M
• MECCA Flow Equalization Basin	\$4.0M
• L-8 Divide	\$2.6M
• G-716 Structure Expansion	\$1.0M
• S-5AS Divide	\$1.0M
✓ CERP: \$40.0M	
• C-44 Reservoir/STA	<u>\$40.0M</u>
<b>Total SOETF Funding Requests</b>	<b>\$72.0M</b>

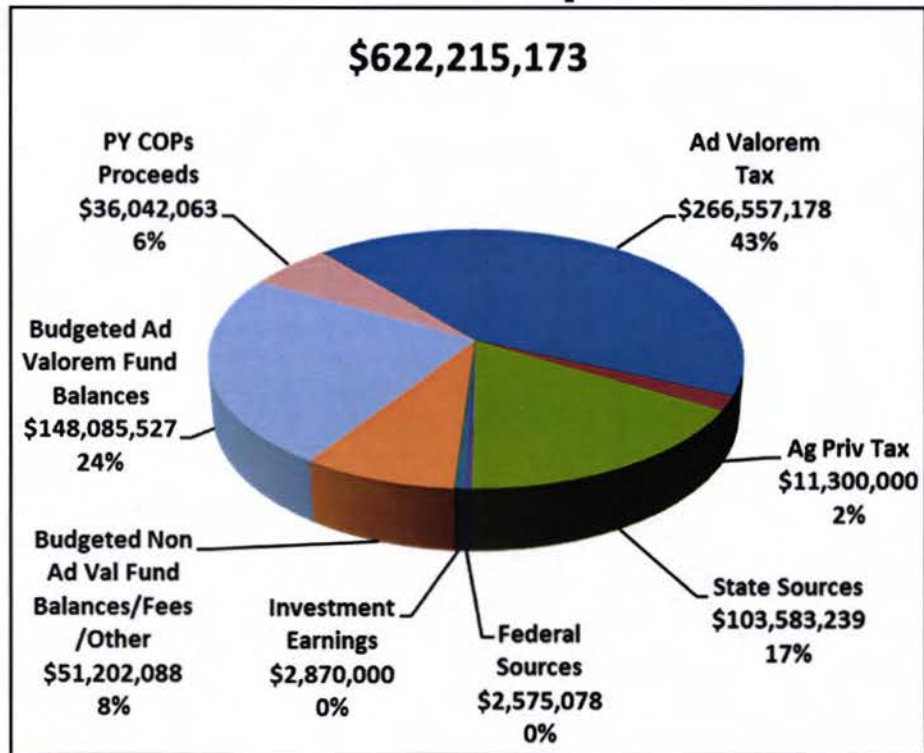
\*Final FY15 SOETF funding will be updated based on results of the legislative session. 7



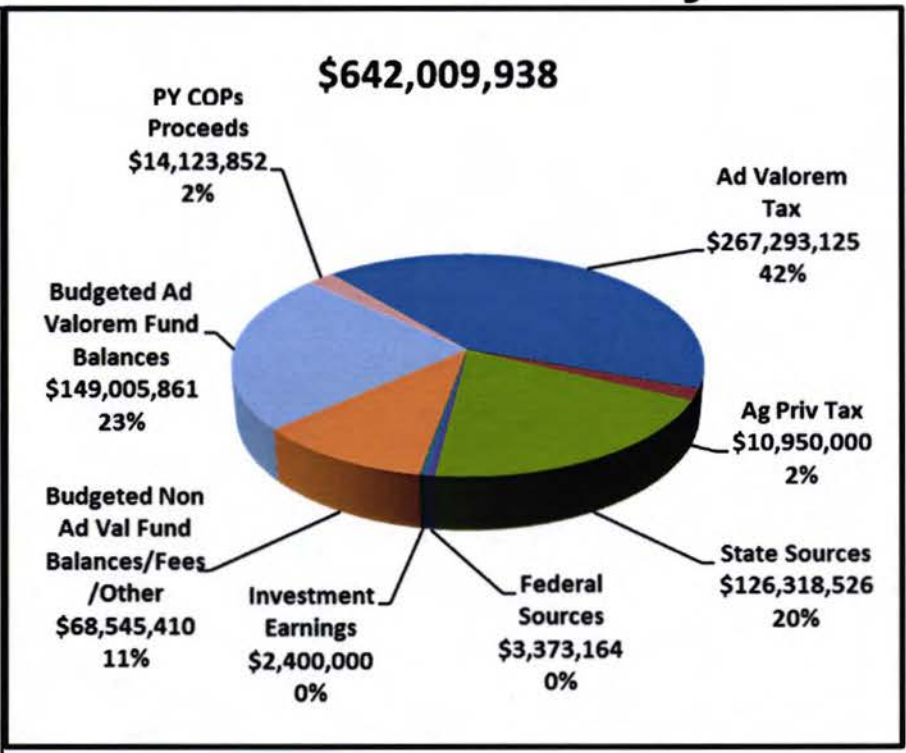


# FY14 and FY15 Revenues by Source

## FY14 Adopted



## FY15 Preliminary

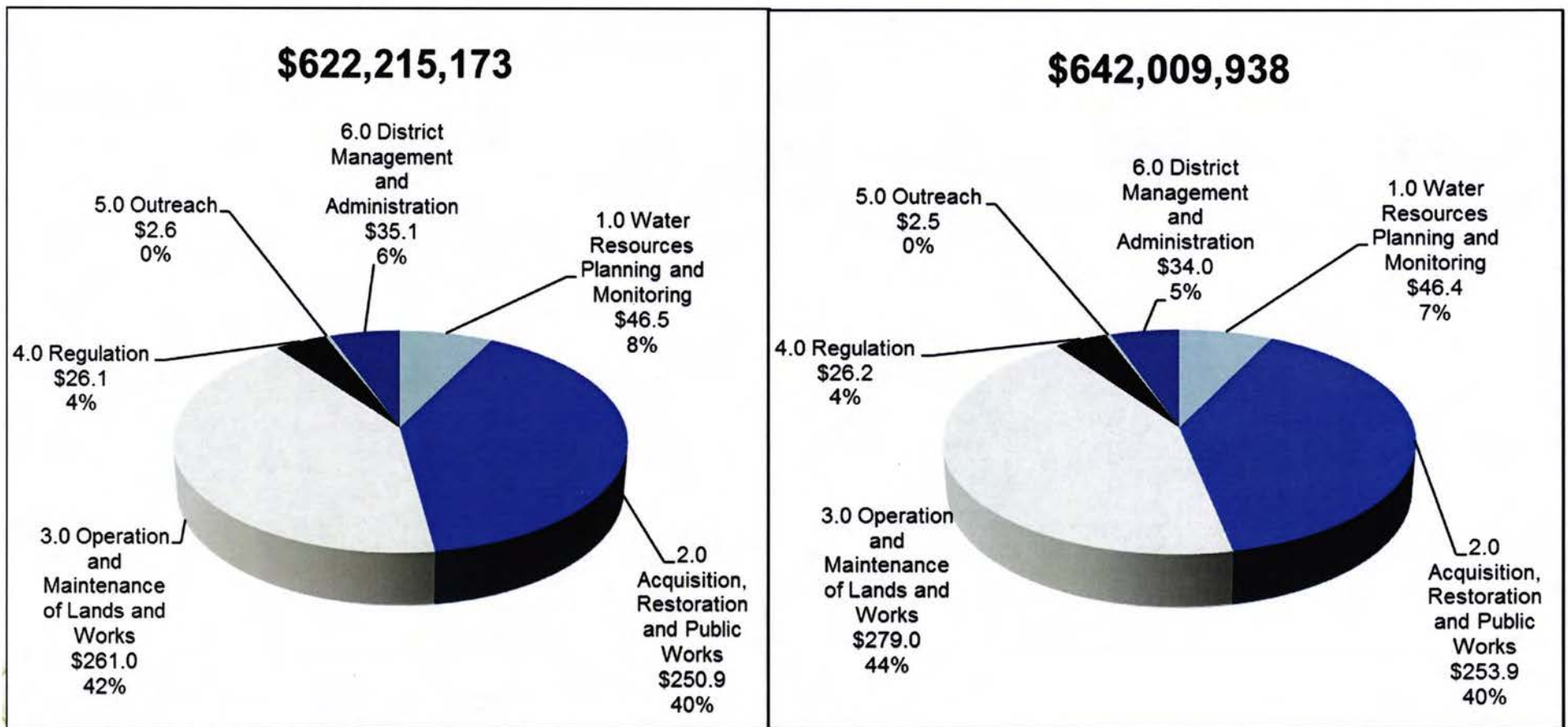




# Comparison of Budgeted Expenditures by State Program Category

**FY14 Adopted**

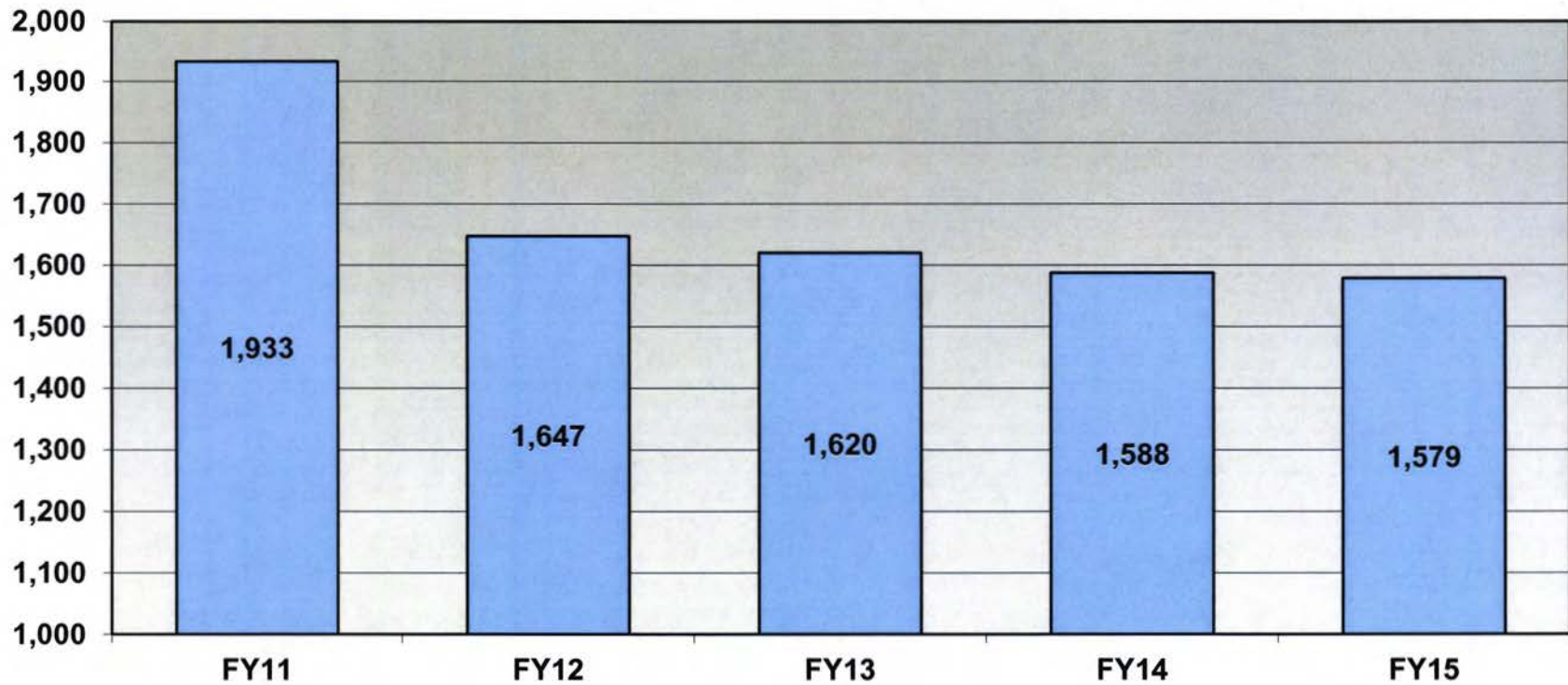
**FY15 Preliminary**





# Permanent Workforce (FTE) Trend

District Workforce  
(FY11 – FY15)





## Utilization of Fund Balance

Fiscal Year	Amount
FY2015	\$199.7
FY2016	\$111.3
FY2017	\$33.6
FY2018	\$14.9
FY2019	\$14.9





# FY15 Preliminary Budget

# Thank You

