MEMORANDUM

TO: Governing Board Members

FROM: Paul E. Dumars, Sr., Chief Financial Officer, Executive Office

DATE: October 14, 2010

SUBJECT: Authorize Budget Transfers for Restoration Projects

Background: A budget transfer totaling $6,745,764 is proposed to support the following:

(1) $1,920,000 – Transferring funds from the Lake Okeechobee Trust Fund reserves to the Herbert Hoover Dike for a required cash payment to the US Army Corps of Engineers, and to fund contract engineering support for the Herbert Hoover Dike construction.

(2) $877,143 –Transferring $847,143 of District Okeechobee Ad Valorem funds previously budgeted for Herbert Hoover Dike to reserves, and $30,000 for Engineering Analysis/ Design Software of O & M structures.

(3) $7,938 – Transferring from managerial reserves, Everglades Trust fund, Restoration program to STA O & M for technical support services.

(4) $1,944,593 – Transferring funds from the Save Our Everglades Trust Fund from the Restoration Program, CERP projects C-111 Spreader Canal ($1,377,593) and C-44 Reservoir and STA ($567,000) construction to managerial reserves. The C-111 project requires monitoring to determine baseline conditions both environmentally and hydrologically. However, a determination has been made that monitoring costs are not an eligible use of this funding source. The C-23/24 component of the C-44 Reservoir project is being pushed out to 2018 and, therefore, the funding is not needed in FY11.

(5) $1,996,090 –Transferring CERP Ad Valorem funds previously budgeted for the settlement of litigation on the Biscayne Bay Coastal Wetlands CERP project due to a more conservative estimate of funds needed for this transaction. The funds are being transferred to several CERP projects to fund construction related costs not eligible for funding from the Save Oour Everglades Trust Fund including: the C-111 Spreader Canal project ($998,786); C-43 Reservoir ($48,000); IRL South ($22,160); Biscayne Bay Coastal Wetlands ($133,810); EAA Storage Reservoir ($49,000); Site 1 Impoundment ($28,198); Lake Okeechobee Watershed ($20,260); WCA 3 Decompartmentalization and Sheetflow Enhancement ($20,260); ASR Regional Study ($20,260).

How this helps meet the District's 10 Year Strategic Plan? Budget transfers will redirect budget authority to support the completion of projects that will restore the ecosystem of South Florida.

Funding Sources Impacted: The funding sources impacted are Lake Okeechobee Trust Fund, Okeechobee Basin Ad Valorem Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Ad Valorem Fund and Save Our Everglades Trust Fund.

This Board item impacts the following areas of the District, both resource areas and geography: These projects are located throughout South Florida and are managed by the Everglades Restoration and Capital Projects resource area.

What concerns could this Board item raise? The transactions will not alter the overall budget amount.

Why should the Governing Board approve this item? In accordance with the District's budgetary and financial control policy, any transfer of budget authority between resource areas and/or between programs and between departments or program elements that exceed the non-capital threshold of $150,000 and the capital threshold of $500,000 requires Governing Board approval.