

MEMORANDUM

TO: Governing Board Members

FROM: Doug Bergstrom, Director, Administrative Services Division

DATE: February 9, 2012

SUBJECT: FY2012 Five-Year Capital Improvements Plan

Background: Section 373.536(6)(a)3, Florida Statutes, requires the District to develop a five-year Capital Improvements Plan (CIP). The plan must include expected sources of revenue for planned improvements and must be prepared in a manner comparable to the fixed capital outlay format set forth in Section 216.043, F.S. Pursuant to Section 373.036(7), the FY2012 Five-Year Capital Improvements Plan will be published in the 2012 South Florida Environmental Report, Volume II, Chapter 4.

Highlights: The FY2012 Five-Year Capital Improvements Plan identifies the capital projects contained in the FY2012 adopted budget, and also identifies planned future capital projects for the period of FY2013 through FY2016; reflecting the FY2012 spend down plan.

Projections of state revenue sources (Florida Forever and Save Our Everglades Trust Fund) from FY2013 through FY2016 are based on the Governor's proposed budget for FY2013.

Florida Forever proceeds are based on the \$15 million allocated in the Governor's proposed budget, of which \$1.575 million would accrue to the South Florida Water Management District. Save Our Everglades Trust Fund proceeds are based on the \$40 million allocated for Everglades Restoration, which includes \$3M annually for the Florida Department of Agriculture and Consumer Services (DACS), with the remaining \$37M annually available for capital project funding.

Total estimated expenditures for capital projects in the five year period are \$923.6M. Of this amount, \$206.6M is contained in the FY2012 budget.

The plan also includes funding for the following major projects:

1. EAA STA Compartments B and C Build-outs and Rotenberger pump station: \$15.4M (using mainly proceeds from the 2006 COPs issuance, with some ECP ad valorem funding).

2. Loxahatchee River Watershed CERP project: \$110.0M (mainly SOETF funding, with some ad valorem funding, as well as funding received through specific state appropriations).
3. C-44 Reservoir: \$36.1M (SOETF and ad valorem funding).
4. Water Quality Enhancement Projects: \$163.7M (ad valorem, COPs proceeds, SOETF, and Florida Forever funding).
5. Local (Water Quality) Projects: \$20M (SOETF).
6. Caloosahatchee Basin Storage/Treatment: \$19.0M (primarily ad valorem, with some SOETF funding).
7. Dispersed Water Management/Florida Ranchland Environmental Services Project (FRESP): \$46.1M (mostly SOETF funding, with some SOETF and Lake Okeechobee Trust Fund proceeds).
8. O&M Capital Projects: \$249.8M for the five year period. This results in an annual average of approximately \$50M per year.

The plan also reflects annual debt service payments of approximately \$35.3M associated with the 2006 COPs issuance.

How this helps meet the District's 10-Year Strategic Plan: The FY2012 Five-Year Capital Improvements Plan is a precursor to the FY2013 Strategic Plan. It reflects all the capital projects included in the District's FY2012 adopted budget, and provides a forward look to program requirements through the remainder of the five year window. This information should provide a framework from which to develop the FY2013 strategic plan.

Funding Sources: Multiple funding sources were identified for funding the FY2012 Five-Year Capital Improvements Plan. These include (figures are for the 5-year period):

1. \$419.3M of general ad valorem sources (including CERP ad valorem)
2. \$198.5M of EFA ad valorem and agricultural privilege taxes
3. \$14.2 of Big Cypress Basin ad valorem
4. \$192.6M from the Save Our Everglades Trust Fund
5. \$6.3M from the Florida Forever Trust Fund
6. \$21.0M from the Lake Belt Mitigation Fund
7. \$9.1M from the Wetland Mitigation Fund
8. \$6.6M from the Lake Okeechobee Trust Fund
9. \$53.0M of debt proceeds (2006 COPs)
10. \$3.0M Florida Bay funds, State Appropriations

This Board item impacts what areas of the District, both resource areas and geography: The FY2012 Five-Year Capital Improvements Plan impacts all resource areas and spans most of the District's geographic boundaries.

What concerns could this Board item raise? The FY2012 Five-Year Capital Improvements Plan contains priority projects. Many other worthwhile projects were not included in the Plan due to budget constraints. Additionally, two main sources of CIP revenue, the Florida Forever Trust Fund and the Save Our Everglades Trust Fund, are contingent on annual appropriation from the legislature.

Why should the Governing Board approve this item? The District is required by statute to furnish copies of this report to, among others, the Governor, the President of the Senate and the Speaker of the House of Representatives.

If you have any questions, please do not hesitate to call me at extension 6214.

DB/MS/kdb
Attachment - Resolution