

Everglades Restoration Update

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Governing Board Workshop
November 14, 2007

sfwmd.gov





Presentation Summary

- **EAA A1 Reservoir GMP#4 – Builder’s Risk Insurance**
- **Water Resources Development Act of 2007**
- **Northern Everglades Update**
- **Village of Wellington, ACME Basin B - Memorandum of Understanding**
- **Everglades Restoration Prioritization**

EAA A1 Reservoir

Builder's Risk Insurance Discussion



Builder's Risk Insurance – What is it and why have it?



- **Builder's Risk insurance covers repairs to structures under construction, materials and machinery to be installed on the job, if they are damaged/or stolen on the job site or in transit to the job site, labor and soft costs to repair damages to the site, and debris removal.**
- **Damages may be the result of fire, flood, theft, vandalism or hurricanes.**

District Guideline



- District currently requires Builder's Risk on all construction jobs to guarantee completion of the project.
- Upon completion of the project, the District currently self-insures structures due to limited exposure and risk of damage once the project is final.

Current Issues with the EAA Contract



- **Limits in current contract in excess of the probable maximum loss as estimated by District Engineers.**
 - **Policy covers \$100 m for fire and theft.**
- **Existing Policy has an annual aggregate limit which is inadequate to cover damages if multiple hurricanes were to occur in one year.**
 - **Policy covers \$35 m annually for GMP's 1-3.**
- **Premium subject to G&A and contractor fee mark-up.**
 - **Total estimated premium (GMP 1-4) = \$13-17 m**
 - **Total overhead and fee = \$2-3 million**

GMP #4 – Comparison of Proposed Coverage



Contractor

District

Peril	Limit	Deductible	Limit	Deductible
Windstorm (Named)	\$100MM	5% Values at Risk (Min \$1MM)	\$35MM	\$2.5 MM
Flood	\$100MM	5% Values at Risk (Min \$1MM)	\$35MM	Same
Fire/ Theft/ All Other Perils	\$100MM	\$1MM	\$35MM	\$500K

**Does the Governing Board
want to keep Builder's risk for
the EAA project?**



Staff Assessment



Potential Loss = \$35 million

- **Approx. 3000 feet of exposed embankment at any one time.**
- **Seepage canal silting.**
- **Road re-construction**
- **Equipment standby**
- **Material damage**
- **Delay Damage**



Self Insurance vs. Catastrophic Coverage



Self Insurance

Catastrophic Coverage

No Insulation from Multiple Losses	Policy Designed to Cover Multiple Losses
Loss Adjustment Disputes with Contractor Likely	Insurer Controlled Loss Adjustment to Minimize Disputes
No Financial Protection from Catastrophic Loss	Reasonable Premium for Catastrophic Loss
District Responsible for Entire Out of Pocket Loss	Deductible Capped to Limit Exposure

The issue...



Assuming the District procures the policy and saves the overhead cost and fee, staff estimates reasonable coverage will cost \$8 million with a \$2.5 million deductible per occurrence.



Discussion



Water Resource Development Act of 2007

- **Authorizes implementation of 3 CERP projects, for which all or a part of the project is included in the Acceler8 Program**
 - **Indian River Lagoon South Project, including the C-44 Reservoir and Stormwater Treatment Areas,**
 - **Picayune Strand Restoration Project**
 - **Site 1 Impoundment Project**
- **Note that before Corps can sign a Project Cooperation Agreement to credit us for construction, or initiate construction through Federal contracts, Congress must also appropriate funds for construction of each project**



Water Resource Development Act of 2007

- **Authorizes the Secretary of the Army to credit the Non-Federal Sponsor for construction expenses incurred prior to signing a Project Cooperation Agreement,**
 - **Note that legislation requires execution of a separate agreement, in addition to the Project Cooperation Agreement, to define the terms and conditions for credit eligibility for this early construction.**
- **Increases the Corps of Engineers spending cap for Critical Restoration Projects from \$75 million to \$95 million**



Water Resource Development Act of 2007

- **Increases the authorized total project cost for the Caloosahatchee ASR Pilot Project from \$6.0 to \$8.2 million**
- **Authorizes application of Section 902 cost growth allowances to the \$25 million project cost cap and the \$206 million program cost cap for projects authorized under the WRDA-2000 “Additional Program Authority”.**
 - **Allows a project that was originally estimated to cost less than \$25 million (in 1999 dollars) to grow to approximately \$32 to \$35 million and still be implemented rather than have to wait for full Congressional approval in a future WRDA bill.**



Questions

Northern Everglades Initiative Update

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River Watershed Protection Plans

- **Caloosahatchee River Watershed Protection Plan**
 - Working Team Kick-off- October 19
 - Next Working Team tentatively scheduled- November 20
- **St. Lucie River Watershed Protection Plan**
 - Working Team Kick-off- October 24
 - Next Working Team tentatively scheduled- November 29
- **Meetings for Protection Plans, Research and Monitoring Plans, and TMDLs are being coordinated**

Lake Okeechobee Technical Plan Requirements

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- **Identify facilities to achieve Lake Okeechobee Total Maximum Daily Load**
 - **Identify measures to increase water storage and reduce excess water levels in lake and discharges to estuaries while meeting other water related needs**

Alternative Formulation

- **Evaluated 4 alternatives**
 - **Alternative 1- Common Elements (Existing or Planned Projects and Programs)**
 - **Alternative 2- Emphasis on Water Storage**
 - **Alternative 3- Emphasis on Water Quality**
 - **Alternative 4- Integrates Alternative 2 (Storage) and Alternative 3 (Quality)**

Water Quality and Quantity Analyses

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- **Water Quality**
 - **Spreadsheet evaluation of phosphorus reduction**
 - **Builds upon 2007 Lake Okeechobee Protection Plan Update**

 - **Water Quantity**
 - **Water Budget analysis using Regional Simulation Model**

Identification of Plan Best Meeting Legislative Goals

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- **Refinement of Alternative 4**
 - **Builds upon existing and planned programs and projects**
 - **Emphasizes cost effective local features**
 - **Includes select regional projects to complement and build upon local features**
 - **Represents best plan that current technology allows us to implement**
 - **Recognizes need to further optimize and refine plan features**

Overview of Plan

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- **Water Quality (measures toward meeting 105 metric ton Total Phosphorus TMDL)**
 - **Source Control**
 - **Stormwater Treatment Areas**
 - **Deep Injection Wells**
 - **Innovative Nutrient Control Technologies**

 - **Water Quantity (measures toward meeting 900,000-1,300,000 ac-ft storage goal)**
 - **Alternative water storage on public and private lands**
 - **Storage need could be met by reservoirs and ASR**

Plan Implementation Strategy

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- **Multiple Stages**
 - **Initial Implementation Measures**
 - **Mid-Term Implementation Measures**
 - **Long-Term Implementation Measures**

Initial Implementation Measures

		Water Quality	Water Quantity
Projects	Agricultural and Urban BMPS and Regulatory Programs	✓	✓
	LOPP Phosphorus Source Control Projects	✓	✓
	Local Government Initiatives	✓	✓
	Florida Ranchlands and Environmental Services Projects	✓	✓
	LOER Alternative Water Storage Projects	✓	✓
	LOER Stormwater Treatment Areas	✓	✓
	CERP ASR Pilots	✓	✓
	CERP Lake Okeechobee Watershed Project	✓	✓
Technology and Model Refinement	BMP Research and Refinement	✓	
	Chemical Treatment Feasibility Study	✓	
	Water Quality Model Development	✓	
	ASR Feasibility- Pilot Cycle Testing, ASR Regional Study, ASR Optimization Analysis		✓
	Hydrologic Model Refinement		✓

Technical Plan Development Schedule

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- **Draft Plan for Public Review** **November 2007**
 - **Review comments and revise draft** **Nov-Dec 2007**
 - **Public Meetings** **November 27-28**
 - **Final Plan to Governing Board** **January 2008**
 - **Submit Plan to Legislature** **February 1, 2008**

Questions

An aerial photograph of a rural landscape. The foreground is dominated by a patchwork of green agricultural fields, some of which are divided by dirt roads. In the middle ground, there is a small cluster of buildings, possibly a farm or a small village, and a blue pond. The background shows a vast, flat expanse that could be a plain or a large body of water, under a bright blue sky with large, fluffy white clouds. The word "Questions" is overlaid in the center in a large, blue, 3D-style font with a red outline.



Acme Basin B Drainage Project

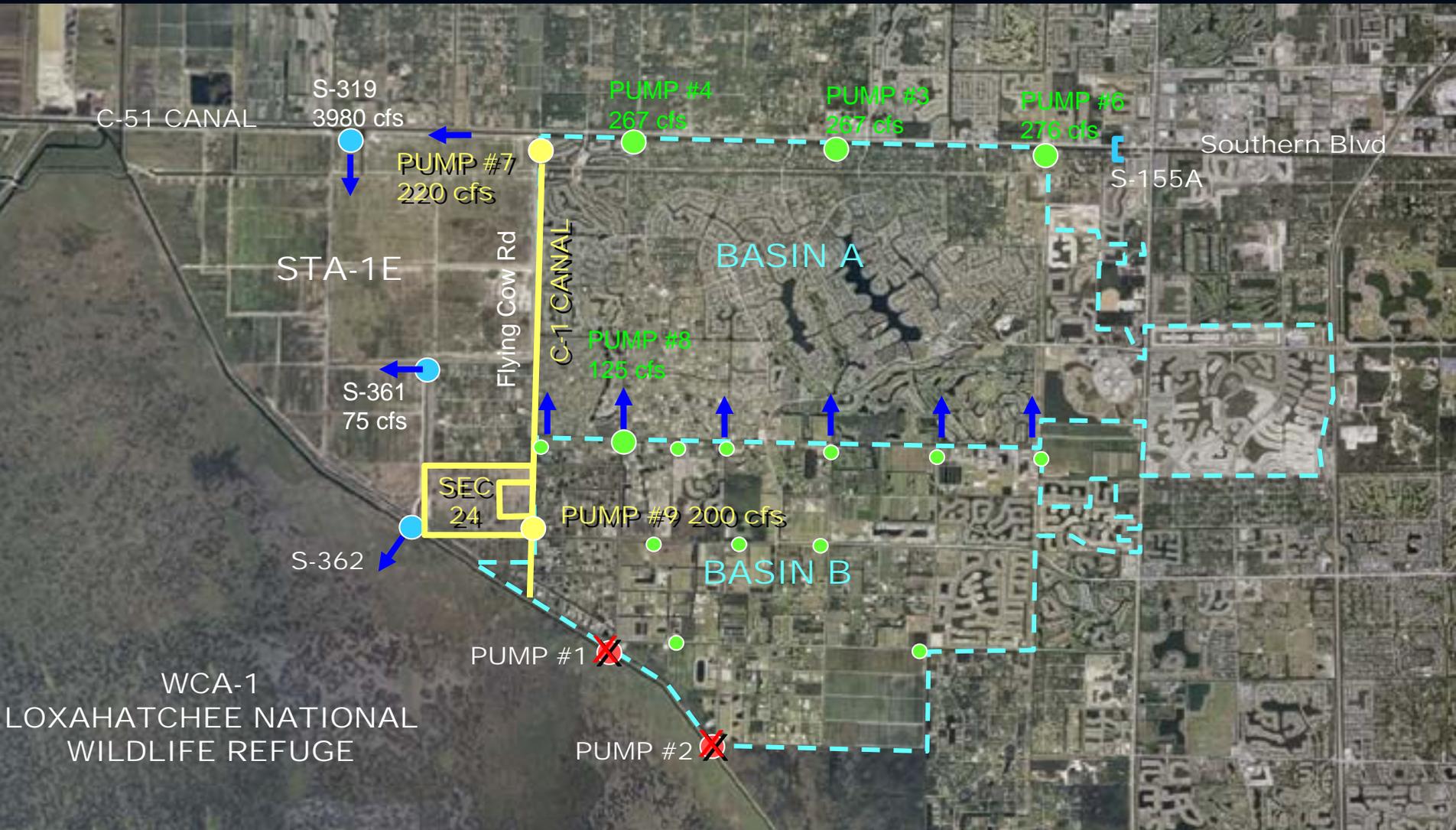
Village Of Wellington MOU - Amendment # 2

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Acme Basin B Project





Project Components

Phase 1 (Completed)

- C-1 Canal widening
- Pump Station #7 (220 cfs)

Phase 2

- Section 24 Impoundment
- Inflow Pump Station #9 (200 cfs)



Phase 1 C-1 Canal Widened





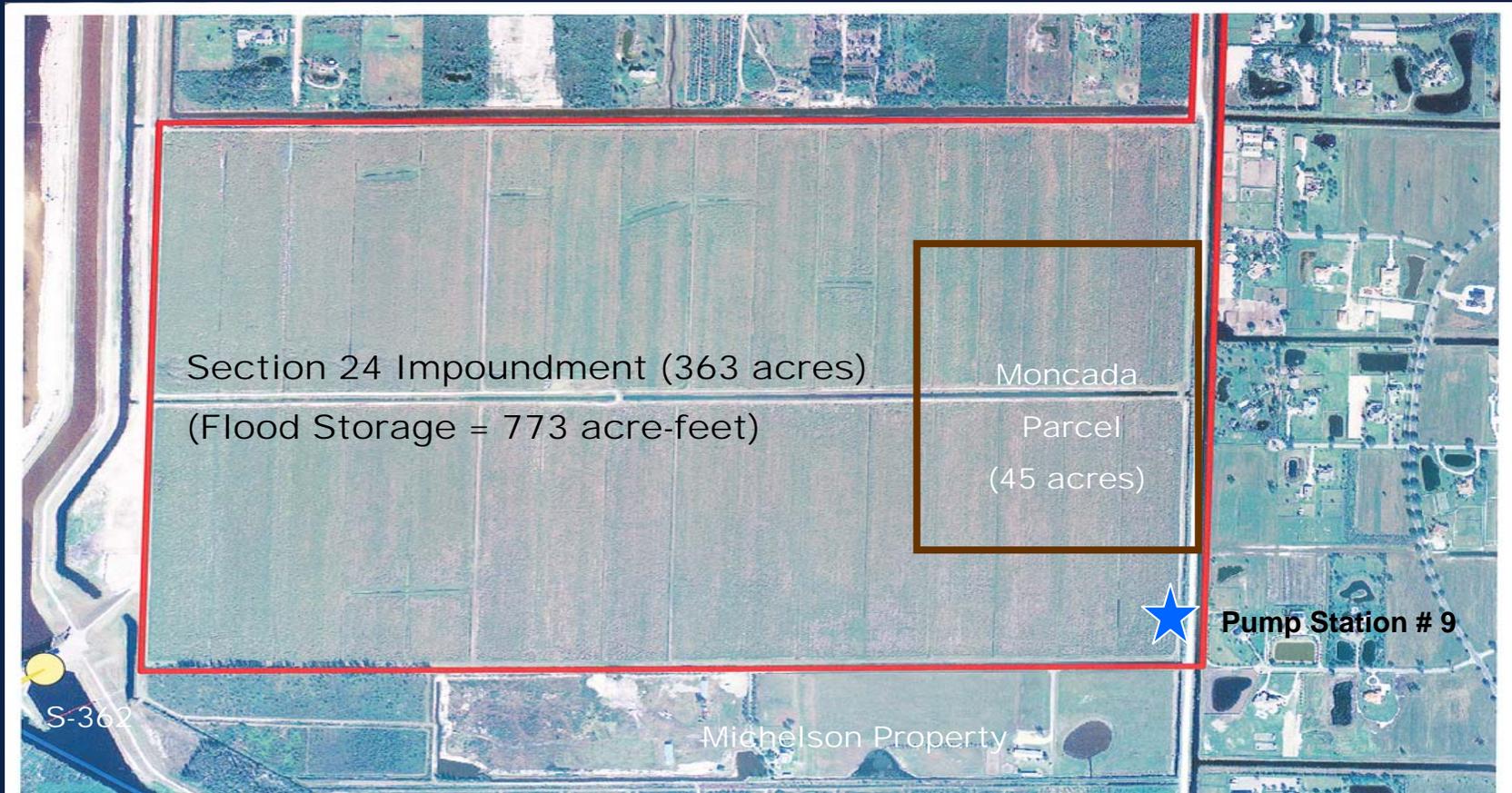
Phase 1 – Pump Station No. 7





Phase 2

Section 24 Impoundment and Pump Station #9





Phase 2 – Section 24 Impoundment and Pump Station #9

- **Pump Station # 9 capacity is 200 cfs with electric pumps similar to PS # 7.**
- **Section 24 Impoundment will provide 733 acre-feet of storage to Acme Basin B.**
- **Section 24 will include passive recreational features.**
- **The Village of Wellington will modify their existing Surface Water Management permit to include PS # 9 and the Section 24 Impoundment.**



Phase 2 Schedule & Budget

Design	9 – 12 months
Bid and Award	2 – 3 months
Construction	12 – 18 months
Total	24 – 36 months
Final Completion	June 2010

Phase 2 Project Budget = \$21.5 Million



Amendment # 2 – Memorandum of Understanding

- **Village of Wellington will design, construct, operate and maintain the Phase 2 project.**
- **Section 24 Parcel will be conveyed to the Village of Wellington.**
- **District to reimburse actual cost not to exceed \$21.5 million.**
- **MOU Amendment No. 2 Approved by Village of Wellington Council in October 23, 2007**
- **MOU Amendment No. 2 scheduled for recommendation for approval by SFWMD Governing Board in December 12, 2007**



Questions



Project Prioritization...Coming Soon



- **Proposed tax reduction referendum is quantifiable.**
- **Staff able to identify revenue projections and limitations of authorized funding sources.**
- **Proposing a discussion (s) to shape the future strategic plan of District as it relates to land acquisition and project prioritization.**
- **Begin discussions in December.**

Northlake Bridge Project



- Board previously authorized \$600,000 to cost share Northlake Bridge improvements with City of West Palm Beach and County in 2003.
- Interlocal Agreement coming to the GB in December.
- Project benefits recreational canoe access, low flow water conveyance.





Discussion