



# ***Everglades Restoration Update***

## **Governing Board Workshop**

February 11, 2009

*Tommy B. Strowd, P.E.  
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Everglades Restoration Resource Area*





# Presentation Overview

- Stormwater Treatment Area, Compartment B & C Buildouts Project Status
- Master Agreement & Pre-partnership Agreement Credit Agreement

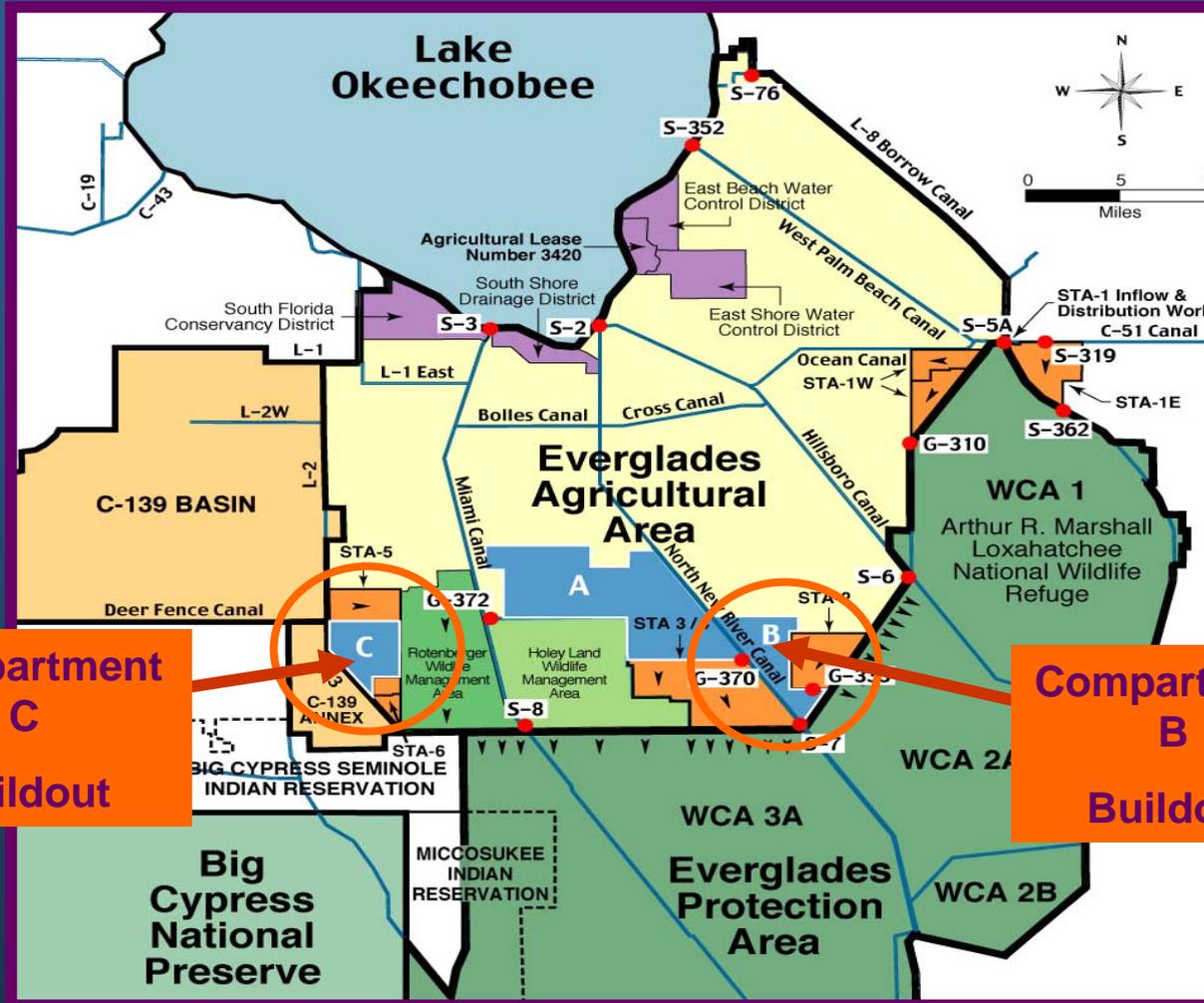


# **Compartment B & C Buildouts Status of Projects**

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Assistant Deputy Executive Director  
Everglades Restoration Resource Area

# Location of Compartment B & C Buildouts





# Status of Compartment B

- Received bids for Civil Work
  - On-hold pending receipt of Florida Department of Environmental Protection (FDEP) Permit, USACE 404 Permit and Department of Interior (DOI) Land Use Change
- Discussions ongoing with FDEP, USACE, US Fish and Wildlife, Environmental Protection Agency (EPA) and DOI regarding relocation of discharge point into Water Conservation Area 2A
- Completed Florida Power and Light (FPL) agreement for Distribution Power to the Project



# Status of Compartment B continued

- Finalizing FPL agreement for land swap of southern triangle for future FPL switching station
- Negotiating contract for Owner Purchased Pumping equipment
- Pump Station Design to be completed March 2009
- Currently on schedule for flow-capable capability by December 2010



# Status of Compartment C

- FDEP Everglades Forever Act construction permit received on January 30, 2009
- USACE 404 permit expected in March due to delay until February 28 for Record of Decision on Environmental Impact Statement
- Received bids for Civil Work and are holding pending receipt of USACE 404 Permit and DOI Land Use Change



# **Status of Compartment C continued**

- **Completed FPL agreement for Distribution Power to the Project**
- **Completed and executed contract for owner purchased pumping equipment**
- **Pump Station design to be completed May 2009**
- **Currently on schedule for flow-capable capability by December 2010**



*Questions?*



# ***Comprehensive Everglades Restoration Plan***

***Master Agreement and Project Partnership Agreements***

Governing Board Workshop – February 11, 2009

# Overview

*Rescuing an Endangered Ecosystem:  
The Plan to Restore America's Everglades*



*The Central and Southern Florida Project  
Comprehensive Review Study (The Restudy) July 1999*

- Overview of key concepts in Draft Master Agreement
- Summary of major issues and tentative resolutions
- Schedule for development and approval of agreements

# CERP Master Agreement

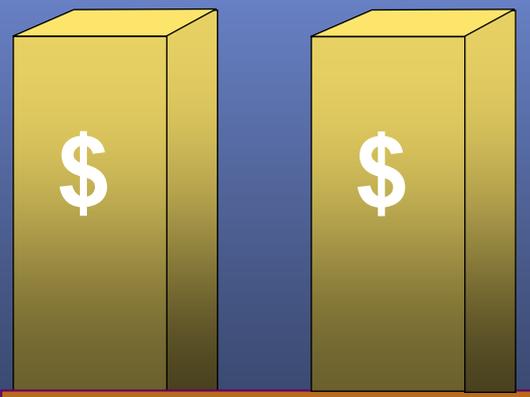
## Major SFWMD Objectives



### CERP Cost Sharing

50%  
Federal

50%  
State



- **Mutuality -- reflect equal partnership**
- **Monitoring and management of the 50-50 cost-share balance**
  - **Avoid requirement for interim cash contributions**
- **Document the key activities that are eligible for credit**



# Master Agreement

## *Examples of Mutuality in Current Draft*

- SFWMD and Corps will provide joint oversight of quality assurance during construction
- SFWMD and Corps will jointly determine:
  - When a project is operational and ready for transfer to operations and maintenance phase
  - Which portion of a project is suitable for transfer
- SFWMD and Corps will jointly develop and approve project manuals prior to transfer



# Dispute Resolution

- Issues will be resolved in accordance with the Dispute Resolution Agreement executed in September 2002
  - Commits the parties to resolving disputes at lowest organizational level
  - Establishes intermediate steps for elevating unresolved disputes, along with timeframes
    - Final step is the Governor and Secretary of the Army, if necessary
  - Agreement includes option of using mediation



# Management of the 50-50 Cost-share Balance

## ISSUE:

- SFWMD requested that the Master Agreement state that no cash contributions are required until the final accounting for CERP
- Corps is constrained by Anti-Deficiency Act

## RESOLUTION:

- Only costs for projects with executed Project Partnership Agreements will be considered
- To avoid a required cash contribution, Federal expenditures must be less than the total of SFWMD's credits plus "*projected contributions*"



# Management of the 50-50 Cost-share Balance

## RESOLUTION *(continued)*

- The Corps will recognize the SFWMD's "*projected contributions*" as follows:
  - Immediately upon signing the Project Partnership Agreement
    - The value of all lands needed for the project
    - The cost of construction completed prior to signing the agreement
  - Upon execution of a SFWMD contract for construction
    - The entire amount obligated by the contract



# Management of the 50-50 Cost-share Balance

- Quarterly financial reports
- Yearly review of Corps and SFWMD actual costs plus projected contributions
- Yearly adjustments to maintain 50-50 cost-share balance
  - Revise construction responsibilities for upcoming years
  - Provide federal funding for land acquisition
  - Reschedule execution of Project Partnership Agreements
  - Adjust construction schedules
  - Cash contributions, as necessary



# **CERP Master Agreement**

## **Credit Eligibility for Certain Costs**

- **Agreed that the following costs will be eligible for credit:**
  - **Treatment/removal of invasive exotic vegetation**
  - **Pre- and post-construction monitoring**
  - **Participation in construction oversight and inspections**
- **Will require that these activities be included in future Project Implementation Reports and Project Partnership Agreements**

# Land Valuation and Crediting

## ■ Future CERP Projects:

### ■ Lands acquired before signing a Project Partnership Agreement:

- Value will be defined as the fair market value on the date the lands are certified to the Corps for construction

### ■ Lands acquired after signing a Project Partnership Agreement:

- Value will be defined as the fair market value on the date of acquisition



**\*\*REQUIRES ARMY APPROVAL OF POLICY CHANGE**



# Land Valuation and Crediting (continued)

- For Projects Authorized in WRDA-2007
  - Land value will be defined as the actual purchase price
    - Picayune Strand Restoration
    - Indian River Lagoon – South
    - Site 1 Impoundment
- Same valuation and crediting approach will be used for lands provided by
  - SFWMD
  - State of Florida
  - Another Florida governmental entity

# Hazardous Substances

- Investigations to identify the presence of hazardous substances will be cost-shared

- SFWMD is responsible for costs of determining response or remediation requirements

- SFWMD is responsible for costs of remediation for any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act





# Hazardous Substances

## Special Circumstances

- Corps may recommend that Congress authorize cost-share for remediation, if:
  - Contamination results from commercially available agricultural chemicals
  - Soil concentrations do not exceed standards for agricultural or residential use
  - Remediation is only required because Federal project will change the land use to an aquatic environment



# **SFWMD Construction Performed Prior to Signing a Project Partnership Agreement**

- **Costs are eligible for credit if performed under a Pre-Partnership Credit Agreement**
- **Corps must determine that construction is integral to the authorized project**
  - **Determination will be made prior to signing a Project Partnership Agreement**
- **Corps must determine that construction costs are reasonable, necessary, allowable, allocable and auditable.**

# Project Coordination and Delivery Team

- Primary responsibility of team will be joint Corps-SFWMD oversight of construction
  - Quality Assurance/Quality Control
- A separate team will be established for each CERP project
- Team will be limited to a maximum of five people each from Corps and SFWMD





# Timing of Transfer to the Operations & Maintenance Phase

The SFWMD and the Corps jointly determine that a project is operational when:

- The Project has successfully completed an Operational Testing and Monitoring Period
- The Project features:
  - Meet applicable design and construction standards
  - Are operating in accordance with applicable permit conditions
  - Achieve operational criteria set forth in applicable operating manuals

# Operations and Maintenance (O&M) Responsibilities

- SFWMD will be responsible for performing all O&M activities
- Corps is responsible for providing 50% of annual O&M costs
- Corps and SFWMD will jointly develop and approve a 5-year O&M work plan and budget
- Each annual work plan and budget will be limited by the Corps' appropriation





## **Summary: Statutory Constraints on Development of an Equal Partnership**

- **Management of 50-50 cost-share balance**
- **Crediting:**
  - **All Corps costs are credited, but SFWMD costs must be approved by Corps**
  - **No credit for certain costs associated with early acquisition and construction**
  - **Very limited credit for remediation of contaminated soils**
- **No authority to carry-over excess SFWMD expenditures on operations & maintenance**
- **No mutual right to terminate a Project Partnership Agreement**



# Tentative Schedule

- Continue negotiations with Corps Feb - Mar
- Finalize Agreements and Army Policy Approvals Mar
- Request Governing Board Approval Apr
  - Master Agreement for CERP
  - Pre-Partnership Credit Agreement for Picayune Strand
  - Project Partnership Agreement for Picayune Strand



*Questions?*