

March 5, 2010

Eric Buermann, Chairman
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

Dear Mr. Buermann,

As a member of the Senate Environmental Preservation and Conservation Committee, I have great respect for the South Florida Water Management District's mission of flood protection, water resources management and environmental resource protection. I am also deeply committed to the laudable goals of Everglades restoration and your agency's role in developing, managing and funding critical ecosystem restoration projects.

That is why I am most troubled by the district's current fiscal trajectory, and decisions that are being made that have the potential to bring your important agency to the fiscal brink. It has long been my belief that the proposed U.S. Sugar purchase is bad public policy. But given this week's revised revenue projections, I believe that continuing to pursue this purchase is not just fiscally irresponsible, it is nothing short of reckless.

Indeed, the district's own financial advisor provided your agency with a sobering assessment of your current financial situation. Despite your financial advisor's stern warnings, it appears that the Board is in "damn the torpedoes" mode – intent on finishing this deal despite the financial risks to the district, sweetheart terms for the seller, displaced projects for the environment and the prospect of compromised service at higher cost to the taxpayer.

Mr. Buermann, I believe that any reasonable analysis of our state's and your district's current revenue picture, current obligations, and the cost of this deal, would conclude that moving forward with the U.S. Sugar purchase at this time threatens the district's ability to fulfill its core mission. This leaves the public, and the taxpayers, at a risk that is far too great to bear.

I ask that you respond to the following questions prior to your Governing Board meeting next week:

1. How can you justify moving forward on this purchase when two weeks ago your financial advisor estimated that your operating deficits in 2011 and 2012 would be between \$89 million to \$110 million annually?

2. Do you plan to raise taxes, and if not, what projects or services do you intend to cut? Please be specific with what new revenues you intend to raise and precisely what programs will be cut. If you cannot reconcile these deficits, then how is it possible to meet your fiduciary responsibility if you move forward with the U.S. Sugar purchase?
3. Your financial advisor states that “it is clear that significant decreases in O&M will be required...” if you proceed with the U.S. Sugar purchase. How can you ensure that making deep cuts in O&M will not endanger the public from a water supply or flood protection standpoint?
4. Is it your position that board members who were appointed just last week have enough information to make an impartial and enlightened decision on this issue? Do they fully understand this complex deal? Do they understand the trade-offs required, and not just the fiscal cost, but the opportunity cost of projects lost or delayed and other unintended but inevitable consequences of moving forward with the U.S. Sugar Deal?

I look forward to receiving your responses to these questions prior to next week’s Governing Board meeting.

Sincerely,

Sen. Paula Dockery