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Sep. 10--WEST PALM BEACH -- South Florida water managers say they struck a good deal when they agreed to pay a contractor \$12 million to walk away from a massive, half-finished reservoir intended to feed water to the parched Everglades.

The agreement comes in addition to \$13 million the district paid to put the project on hold, bringing the total cost of the cancelled reservoir project to more than \$280 million.

The South Florida Water Management District last year halted work on the reservoir, an \$800 million above-ground lake the size of Boca Raton, just before Gov. Charlie Crist announced plans for a massive land purchase from U.S. Sugar for Everglades restoration.

The district said it put the project on hold because of an environmentalist lawsuit, but critics call the aborted project a monumental waste caused by shifting priorities to the governor's plan.

Dexter Lehtinen, attorney for the Miccosukee Tribe, which is suing to stop the proposed \$536 million, 73,000-acre U.S. Sugar deal, called the positive assessment of the mid-stream cancellation of the reservoir "silliness."

The termination fee includes \$3.6 million to dismantle a rock crushing plant that the agency paid \$113 million to build on the 16,700-acre reservoir site.

"I'm wishing they had finished the project and not just walked away," said Lehtinen. "These people are irresponsible at the least and morally corrupt at the worst."

The contractor, Barnard Parsons Joint Venture, sought a \$26 million fee for canceling the contract, which the agency negotiated down to \$12 million. Water managers say the project is not a total waste, as the reservoir property will likely be converted to a pollution-cleaning marsh under a revamped Everglades restoration plan that incorporates the U.S. Sugar land.

"The staff has done a marvelous job of bringing this in," board member Jerry Montgomery said at a water district meeting Thursday.

Only board member Mike Collins, who said the sugar deal derailed worthy restoration plans such as the reservoir, voted against the settlement.

"We could have had this project done in 2011 or 2012," Collins said. "I believe very strongly that this should have been the priority."

Board member Charles Dauray worried aloud that such settlements might make the agency appear an "easy mark" for contractor lawsuits and claims.

"In just one after the other, after the other, after the other, we pay," said Dauray, "and we're using the taxpayer dollars to ameliorate the amount of risk that the private sector is taking."

Two years into construction, the water agency in May 2008 voted to suspend the reservoir project. For six months afterward, it paid Bernard Parsons a monthly, \$1.9 million holding fee before canceling the construction contract altogether.

Agency officials say the suspension was ordered in response to a lawsuit filed by the Natural Resources Defense Council that sought assurances that the project would only supply water to the Everglades, rather than new urban development.

But the NRDC has said they did not seek to stop construction and that the water agency sought to blame their lawsuit for the sudden change-of-plans necessitated by Crist's land deal with U.S. Sugar.

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