

MEMORANDUM

TO: Governing Board Members

FROM: Deena Reppen, Deputy Executive Director, Regulatory and Public Affairs

DATE: February 1, 2010

SUBJECT: Authorize a resolution requesting a budget transfer from Everglades Restoration and Capital Projects, Coastal Program to Regulatory and Public Affairs, Lake Okeechobee Program in the amount of \$1,107,910 and the release of funds from the Save Our Everglades Trust Fund by the Department of Environmental Protection for the Highlands County acquisition of land interests containing 401.13 acres for the Istokpoga Marsh Watershed Improvement District/Highlands County project in Highlands County which was approved by the Governing Board in January 2010, in the amount of \$2,807,910, together with associated costs; pending contract for sale; providing an effective date.

Background:

- Budget Transfer – A budget transfer totaling \$1,107,910 is proposed to support the Highlands County acquisition of 401.13 acres of land critical to the increased performance of the proposed Istokpoga Marsh Watershed Improvement District (IMWID) Dispersed Water Storage/Treatment and Stormwater Recycling Project.
- Project – In February 2009, the Governing Board approved a cooperative agreement (Contract Number 4600001716) with IMWID/Highlands County and Florida Department of Agriculture and Consumer Services (FDACS) to cost-share a water quality improvement project, which resulted in the acquisition of 308.30 acres by IMWID/Highlands County. In July 2009 a no-cost, no-extension amendment to the cooperative agreement (Contract Number 4600001716-A1) was issued whereby the District, at the request of IMWID/Highlands County, directly procured services for a Phase I/II Environmental Assessment of 308.30 acres of land to be acquired by IMWID/Highlands County. In August 2009, the Governing Board approved a resolution requesting release of funds from the Save Our Everglades Trust Fund by the Florida Department of Environmental Protection (FDEP) in the amount of \$3,183,318, plus associated costs for the 308.30 acre land acquisition by IMWID/Highlands County. In January 2010, the Governing Board approved an amendment to the cooperative agreement (Contract Number 4600001716-A2) in the total amount of \$2,623,146. This resolution requests the FDEP to release the budgeted funds from the Save Our Everglades Trust Fund to the District for distribution to IMWID/Highlands County to acquire additional project lands based on the amendment approved in January 2010.

The IMWID Dispersed Water Storage/Treatment and Stormwater Recycling project proposes to capture excess stormwater that in turn will be used for farm irrigation through containment of stormwater runoff and gravity discharge back into the IMWID canal system.

The proposed system would include the phased design and construction of Above-Ground Impoundments (AGIs) and the installation of pump stations to lift water into the AGI's, as well as the design and installation of gravity control structures.

Current engineering estimates indicate the AGIs combined with on-farm best management practices (BMPs) could provide a reduction in average annual discharge volume of approximately 60% from implementing the AWS/D and stormwater reuse system. In addition, it is anticipated that the proposed system will remove approximately 70% of the Total Phosphorus (TP) currently discharged from the IMWID to the Harney Pond Canal and subsequently to Lake Okeechobee.

How this helps meet the District's 10-Year Strategic Plan?

- Budget Transfer – Budget transfers will redirect budget authority to support the completion of projects listed in the District's Annual Work Plan that are linked to the 10 Year Strategic Plan.
- Project – The Northern Everglades and Estuaries Protection initiative and the Lake Okeechobee protection and restoration are major programs and priorities in the District's 10 year strategic plan. Dispersed water storage and recycling of excess surface water and water quality treatment assists in achieving the overall Lake Okeechobee restoration and estuary protection goals.

Funding Source: The budget transfer pertains to dedicated funds (Save of Everglades Trust Fund). The State (Save of Everglades Trust Fund) is providing \$6,423,146 million toward implementation of this project, which is estimated to cost approximately \$12.5 million. FDACS has contributed and will continue to provide funding and in-kind services. Highlands Soil and Water Conservation District (HSWCD) has also committed funding to the project. The Parties shall pursue other federal, state and local grant programs to increase partners and cost-share funding. There is no commitment for additional funding from the District; however the District will continue to support efforts to secure additional funding for the project.

This Board item impacts what areas of the District, both resource areas and geography:

- Budget Transfer – The Everglades Restoration and Capital Projects, Coastal Program and Regulatory and Public Affairs, Lake Okeechobee Program are impacted by these transfers.
- Project – This is a project which will impact flows within the Lake Okeechobee Watershed, specifically flows reaching Lake Okeechobee from the Lake Istokpoga Sub-basin. Resource areas include Regulation, Everglades Restoration, Operations and Water Supply.

What concerns could this Board item raise?

- Budget Transfer – In the absence of further funding, acquisition of the additional 401.13 acres may not occur. Not acquiring the additional land will decrease the water quality and stormwater recycling performance of the IMWID Dispersed Water Storage/Treatment and Stormwater Recycling Project from an estimated 60% to an estimated 25%.

- Project – Sufficient funding from other entities is necessary to complete all phases of the project. Funds provided by the District are expected to be sufficient to complete acquisition of approximately 710 acres of land. If funding is not obtained for future phases of the project, the terms of the agreement with the IMWID/Highlands County provide for land surplus and return of funds to the District. Permitting issues/concerns will need to be successfully resolved with the IMWID/Highlands County and other parties following completion of the final design.

Why should the Governing Board approve this item? In accordance with the District's budgetary and financial control policy, any transfer of budget authority that exceeds the non-capital threshold of \$150,000 and the capital threshold of \$500,000 requires Governing Board approval. Approval of the funding transfer will allow for further land acquisition by Highlands County critical to the increased performance of the proposed IMWID Dispersed Water Storage/Treatment and Stormwater Recycling Project. The District and its partners are committed to Northern Everglades and Estuaries protection goals.

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