

MEMORANDUM

TO: Governing Board Members

FROM: Kenneth G. Ammon, P.E., Deputy Executive Director, Everglades Restoration and Capital Projects

DATE: August 30, 2010

SUBJECT: C-44 Reservoir/Stormwater Treatment Area Letter Agreement (Agreement) for Upfront Payment for USACE to Construct Citrus Boulevard Improvements

Background:

The C-44 Reservoir/Stormwater Treatment Area Project (C-44 Project) is intended to be constructed by the U.S. Army Corps of Engineers (USACE) by utilizing three different construction contracts over the next eight years. The USACE C-44 Contract 1 for the C-44 Project includes the construction of the Intake Canal, a new Citrus Boulevard bridge across the Intake Canal, the project access road, the Citrus Boulevard turning lanes for the Project access road, the C-133A Canal, the southern portion of the C-133 Canal, the C-133 Spillway, and the larger culverts under Citrus Boulevard for conveyance of the C-133 Canal. Contract 1 construction start is scheduled for January 2011.

During the process of developing the Contract 1 construction documents and the Indian River Lagoon - South (IRL-S) Project Partnership Agreement (PPA), it was determined by the USACE that the Citrus Boulevard features were "relocation" features. It was also determined by both the USACE and the South Florida Water Management District (District) that the USACE would construct the Citrus Boulevard "relocation" features under Contract 1, because these features were integral to the other features being constructed by the USACE.

Since "relocation" features are the responsibility of the local sponsor as a cost-share cost, the District is required to provide an upfront payment for the Citrus Boulevard features at an estimated cost of \$1,983,031 as specified in a Letter Agreement to be entered into between the USACE and the District after the execution of the PPA. The PPA is anticipated to be executed in the next few weeks, after the USACE issues the Biddability, Constructability, Operability, and Environmental (BCOE) certification for Contract 1 scheduled for early-September 2010, and before Contract 1 is advertised, which is scheduled for October 2010.

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

This Letter Agreement will support the completion of the C-44 Project, which is linked to the 10-Year Strategic Plan. The USACE intends to construct the C-44 Project starting in FY11 and this upfront payment is required in order to facilitate the USACE construction schedule.

Funding Source:

This Letter Agreement provides for a one-time upfront payment in the amount of \$1,983,031 which represents an estimated cost to fulfill the District's obligation as local sponsor for "relocation" features of which \$1,983,031 of Comprehensive Everglades Restoration Plan ad valorem funds shall be transferred from CERP managerial reserves to the Everglades Restoration and Capital Projects Resource Area.

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

The Everglades Restoration and Capital Projects Resource Area and the C-44 Project site located in Martin County north of the C-44 Canal are impacted by this Letter Agreement.

What concerns could this board item raise?

There may be concerns about the actual schedule for the USACE to advertise and construct Contract 1. Also, in the event the actual costs of the relocation work exceed the estimate, any additional payment by the District to the USACE would require future Governing Board approval of an additional appropriation.

Why should the Governing Board approve this item?

Approval of the Letter Agreement will allow the District to fulfill its obligations to the USACE, which will allow the USACE to meet its construction schedule.

Attachments – Resolution, Map
KGA/sr