



# Reviving

*THE river OF grass*

## **“River of Grass” Land Acquisition Update**

Water Resources Advisory Commission  
September 16, 2008

# Presentation Overview



- Process Timeline
- Restoration Project Needs and Goals
- Implementation Activities
  - Due Diligence Status
  - Post-Agreement Planning
- Financial Milestones
- Outreach and Economic Transition Activities

## Process Timeline

- March – June, 2008: Executive Director and staff had exploratory meetings with U.S. Sugar Corporation representatives to discuss potential acquisition options that may be acceptable to both parties.
- June 24, 2008: Governor Crist announcement of Everglades land acquisition opportunity. Statement of Principles signed by Vice Chair.
  - (A) Is Non-Binding on Either Party, and
  - (B) Sets forth a proposed path and scope of consideration.

## Process Timeline, cont.

- June 30, 2008: Statement of Principles brought to SFWMD Governing Board for consideration.
  - (A) Governing Board, staff and public have initial discussion about acquisition opportunity
  - (B) Governing Board authorizes staff to begin negotiations.
- Executive Director must bring any proposals to Governing Board for consideration – no delegation of authority to act on behalf of Governing Board.

## Process Timeline, cont.

- July 2008: Governing Board reviews fiscal resources and proposed fiscal year 2009 budget. Public comment received.
- August & September 2008: Governing Board receives information on process, acquisition goals and financing information.

## Process Timeline, cont.

- If staff and U.S. Sugar are able to propose acceptable terms and conditions, staff will present a contract to Governing Board for public discussion at board meeting or special meeting. If approved, District will continue due diligence reviews, including surveys, title review, engineering, environmental and financial assessments.
- Contract will be contingent upon specific terms and conditions, including but not limited to availability of financing.

## Restoration Project Needs Lake Okeechobee Regulatory Releases

- Major releases currently occur on a frequency of approximately once every 5 to 7 years
  - Estuaries require ~10 years to fully recover from high flow events
    - Continued degradation over time is documented
- Typically, when Lake Okeechobee stages are high, the Water Conservations Areas are also high
  - Additional discharge to WCAs will cause some degree of immediate ecological impact
  - Emphasizes importance of federal restoration projects
    - Modified Water Deliveries to Everglades National Park
    - Comprehensive Everglades Restoration Plan Decompartmentalization (DECOMP)

## Restoration Preliminary Project Goals

### Storage & Treatment Estimates South of Lake Okeechobee

- ~1,000,000 ac-ft of managed reservoir storage
  - Temporarily stores excess water from Lake Okeechobee
  
- ~1,000,000 ac-ft/year of water quality treatment capacity on an average annual basis
  - Manages water deliveries south to meet Everglades flow targets
  
- Recognizes continued need for storage in Lake Okeechobee
  - Emphasizes importance of Herbert Hoover Dike Rehabilitation

## Restoration Project Goals

### Storage & Treatment Considerations in Other Basins

- C-139 Basin
  - Increase storage and treatment capability
- S-4 Basin
  - Redirect and treat inflows to Lake Okeechobee
- Lake Hicpochee
  - Storage, treatment and restoration

## Implementation Activities

# Due Diligence – Water Budget Analysis

- Evaluate regional implications to:
  - Northern Everglades projects
  - Lake Okeechobee operations
  - Flow conveyance (Tamiami Trail & DECOMP projects)
- Evaluate frequency and magnitude of storage utilization
- Evaluate treatment area performance
- Footprint configuration options

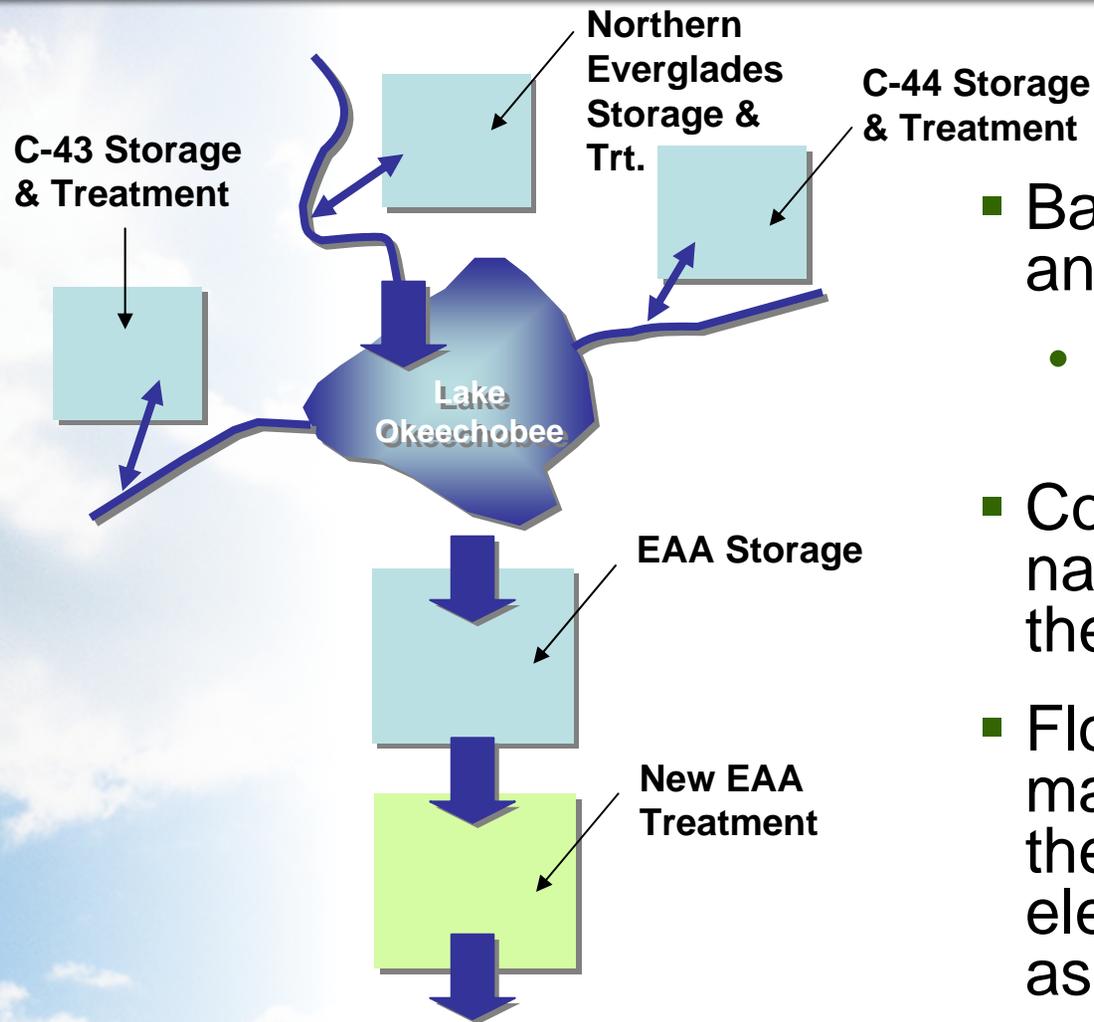
## Implementation Activities

# Due Diligence – Water Budget Analysis

- Ability to increase flows to Everglades
- Ability to treat increased flows to the Everglades
- Ability to reduce harmful regulatory discharges to the estuaries
- Ability to manage Lake Okeechobee within an acceptable ecological range
- Ability to maintain water supply for Lake Okeechobee service area

# Implementation Activities

## Due Diligence – Water Budget Analysis



Water Conservation Area 3A

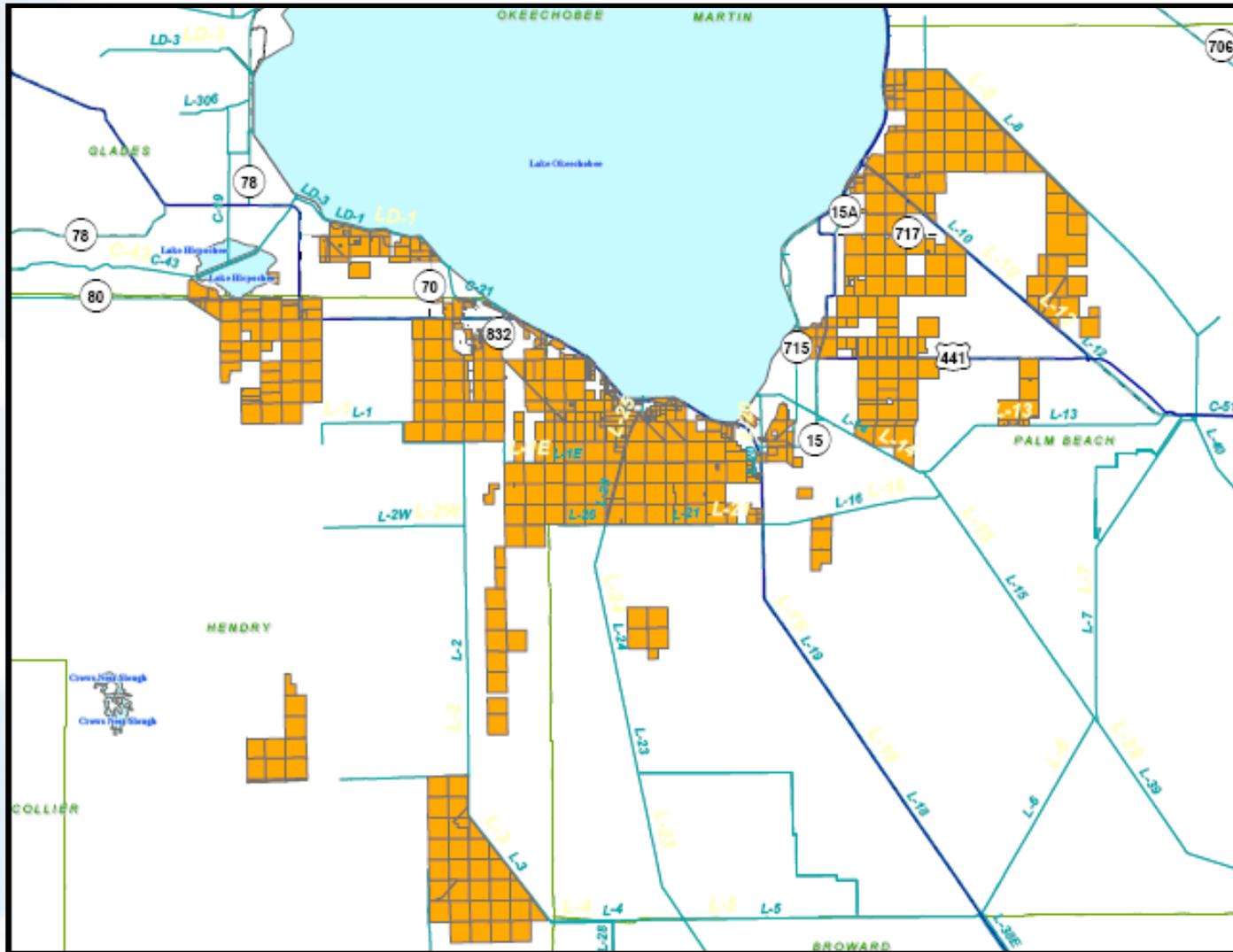
- Basic 'Water Budget' analysis
  - 41 year period of record (1965-2005)
- Considers a range of natural system flows for the Everglades
- Flows of the necessary magnitude require that the major water budget elements are considered as a system

## Implementation Activities Due Diligence – Asset Evaluation

- Engineering assessments of all assets
  - Standard of Care
  - Transition Plan
  - Assessment Report
- Major infrastructure includes:
  - sugar mill, sugar refinery, citrus plant, railroads, buildings, equipment



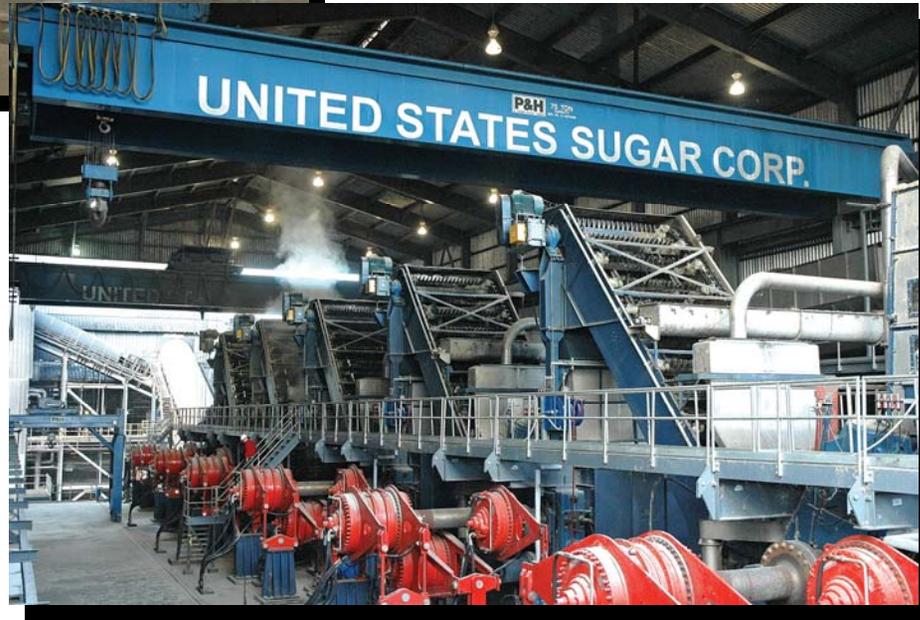
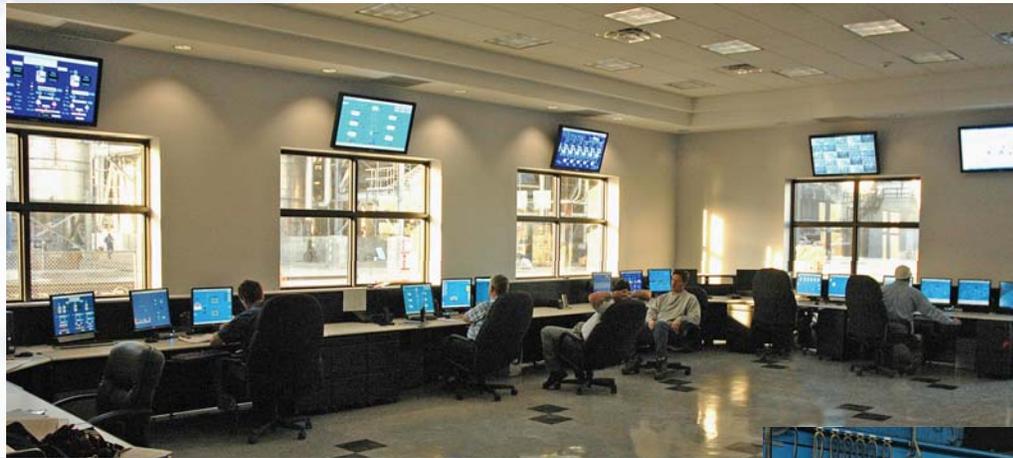
# Location of U.S. Sugar Properties



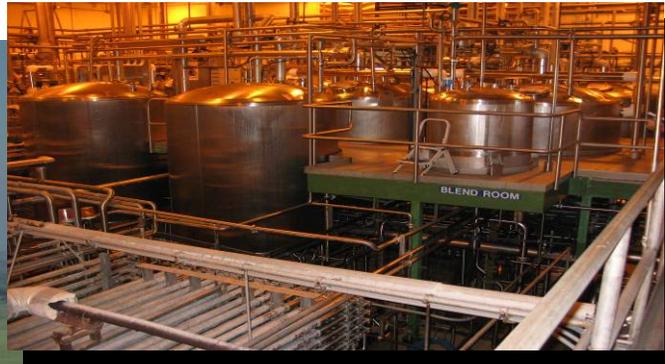
# Engineering Assessments Sugar Mill and Refinery



# Engineering Assessments Sugar Mill and Refinery



# Engineering Assessments Citrus Processing Plant



# Engineering Assessments Citrus Processing Plant



# Engineering Assessments Non-Process Buildings



# Engineering Assessments Vehicles and Equipment



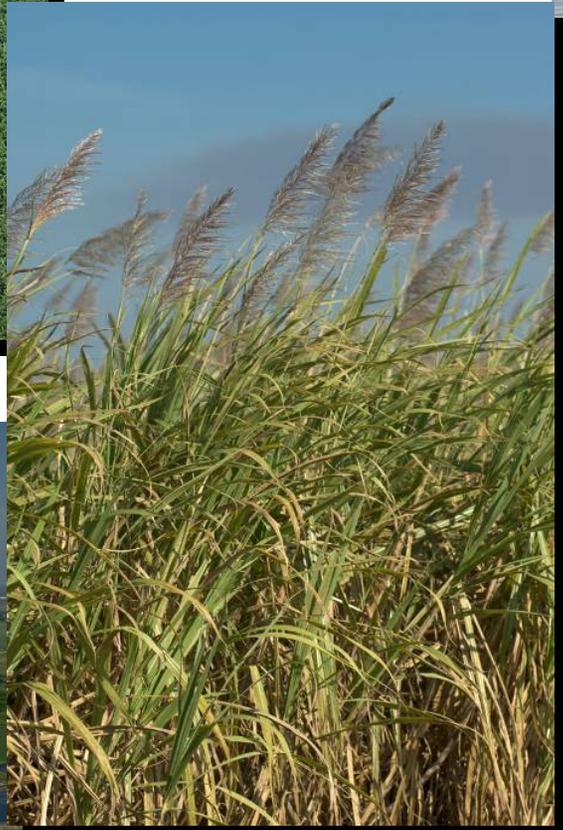
# Engineering Assessments Airstrip Facilities



# Engineering Assessments Railroads



# Engineering Assessments Crop Area Lands and Facilities



## Implementation Activities Due Diligence – Land Evaluation



- Appraisals
- Land surveys
- Environmental assessment
- Land assessment for crop utilization

## Implementation Activities Post Agreement Planning



- Ensure broad public and stakeholder participation in development of restoration project plans for the land
- Utilize Water Resources Advisory Commission (WRAC)
- Include affected communities
- Provide regular updates to Governing Board
- Provide updates at other meetings that offer opportunities for public comment

# Financial Milestones



## PHASE I

- ✓ Plan of Financing Strategy

## PHASE II

- Draft Rating Agency Presentation (in progress)
- Distribute Letter of Credit / Liquidity RFP
- Draft Financing Documents

# Financial Milestones



## PHASE III

- Rating Presentations
- Rating Agency / Insurer Review
- Board Approval

## PHASE IV

- Market Certificates of Participation (COPs)
- Sell COPs
- Closing

# Public Assurances

- Outside independent appraisals
- Independent environmental assessments
- Outside engineering assessments
- Third party inventory of assets
- Additional audit & finance related assurances:
  - Outside Auditor
  - Inspector General
  - Fairness Opinion

# Outreach Activities

Since June 24, 2008

## Media Hits

754 state  
445 national  
67 international

## Community/Government Meetings

131

## Local Government Resolutions

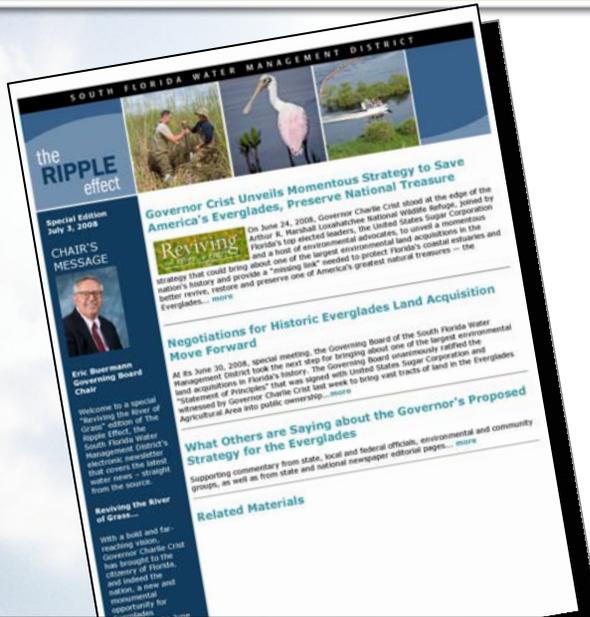
31 (26 in support; 5 economic concerns)

## River of Grass Web Site

3,051 hits

## E-Newsletter

- 12,337 distribution
- River of Grass special edition July 3, 2008
- Governing Board update July 20, 2008
- Governing Board update August 13, 2009
- The Ripple Effect August 27, 2008



# Economic Transition Activities



## District support of Rural Economic Development Initiative (REDI)

- REDI Community Meetings
  - Provide support for a series of meetings in the Glades communities August 25-29
  - Fund meeting facilitator
- REDI Communications
  - Developing REDI web site
  - Supporting meeting web-casting/video conferencing
- Economic Impact Study



# Reviving

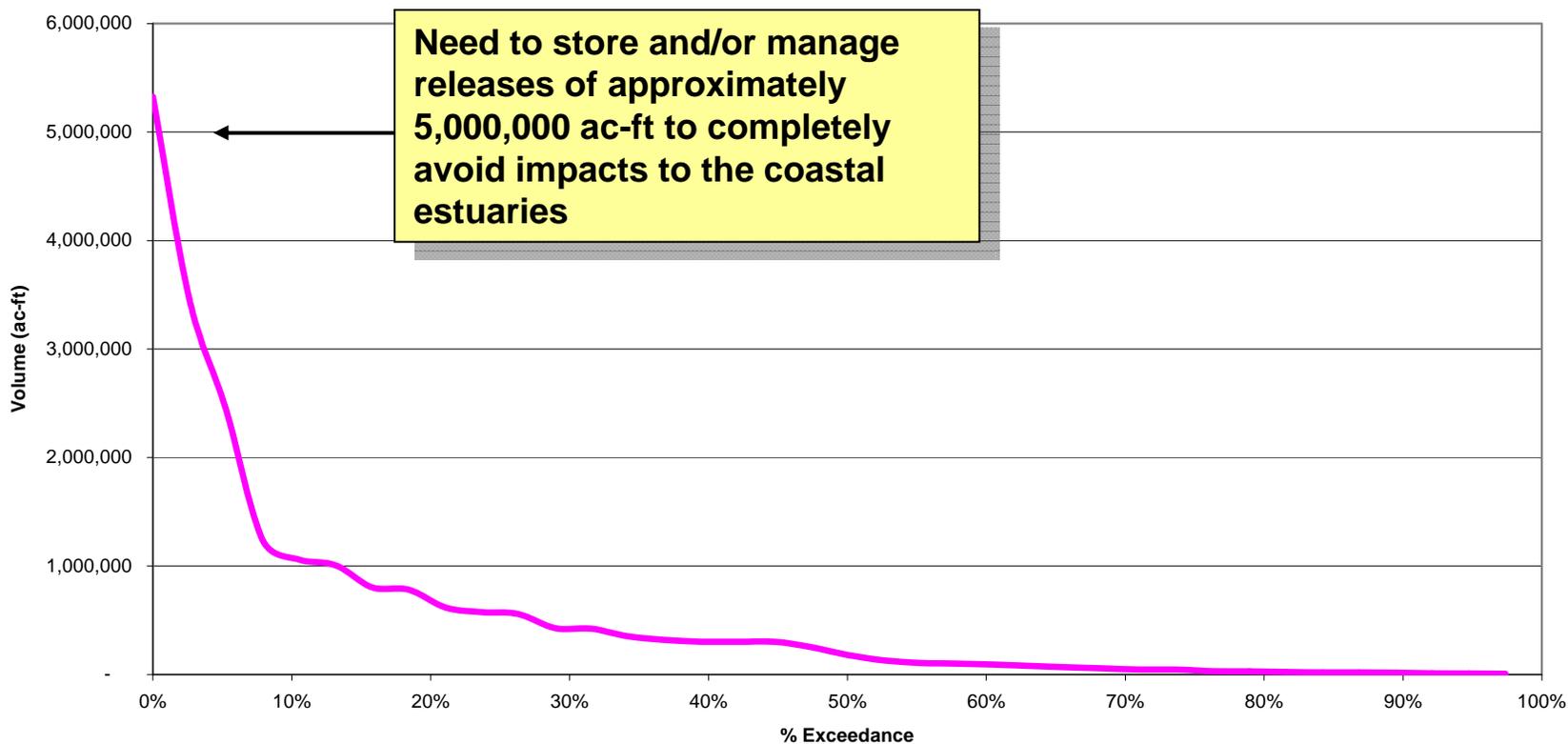
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**Questions**

# Restoration Project Needs

## Defining the magnitude of the problem

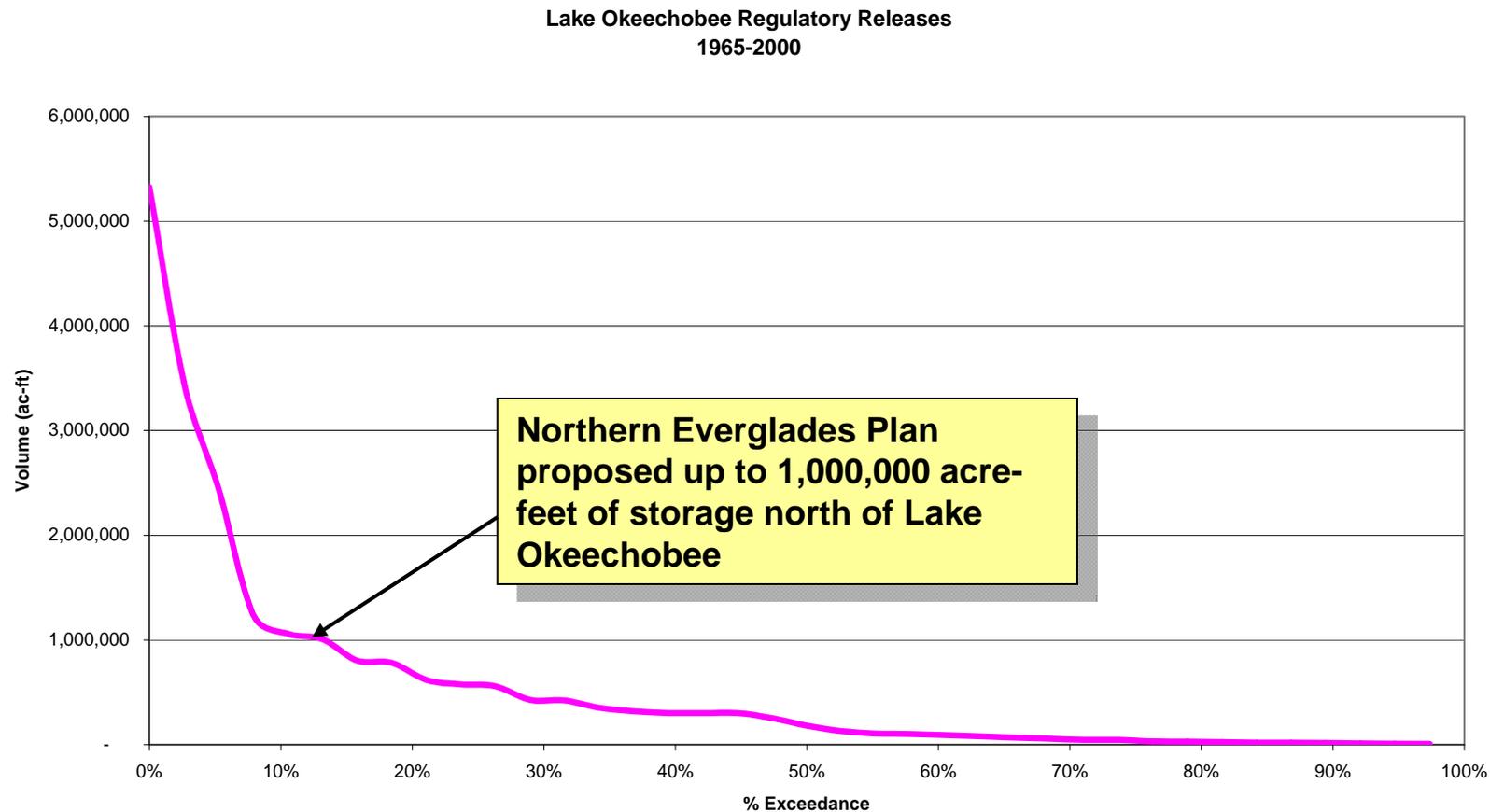
Lake Okeechobee Regulatory Releases  
1965-2000



Lake Okeechobee regulatory releases based on  
Restudy 2050 Future Base

# Restoration Project Needs

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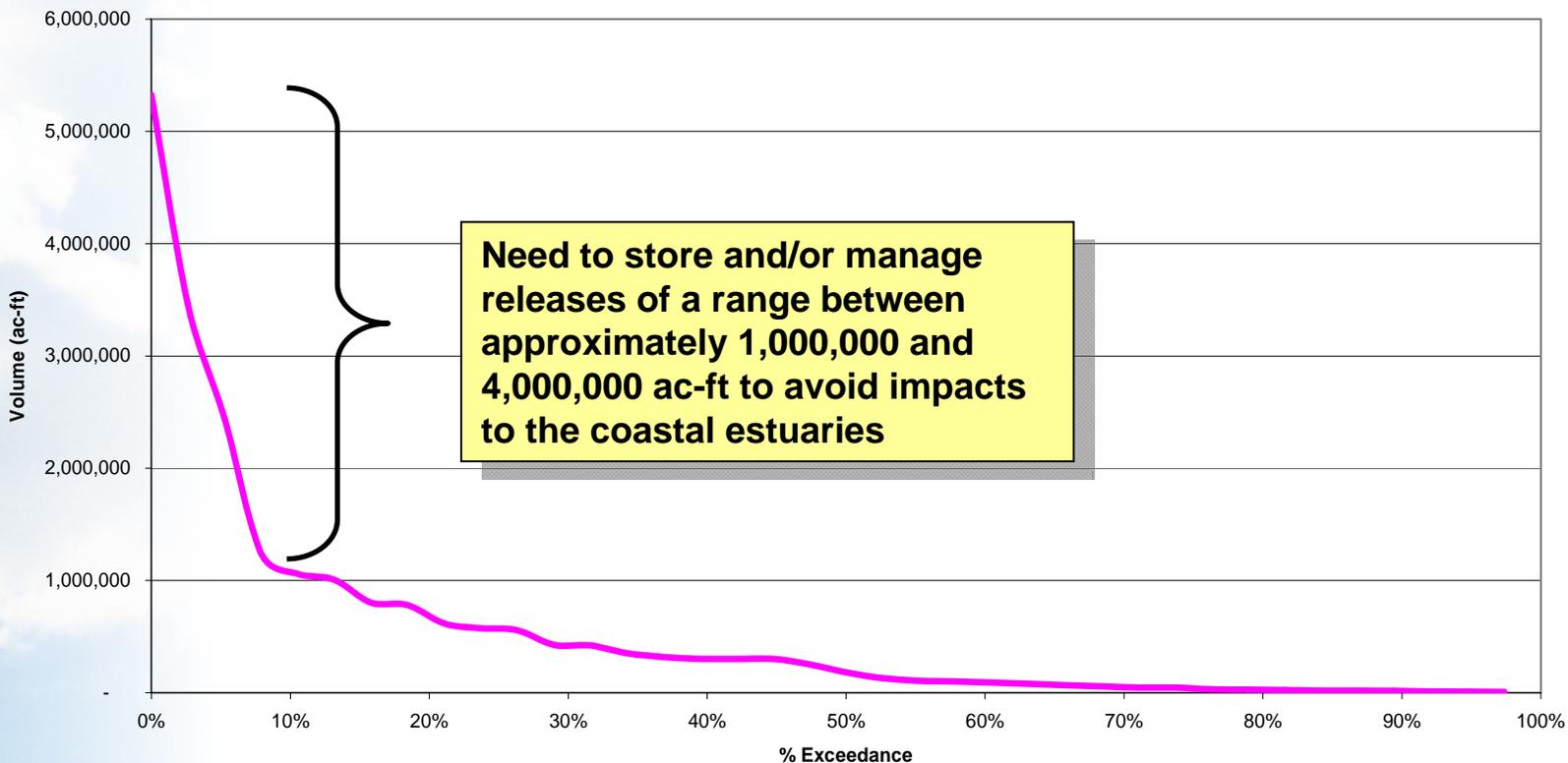


Lake Okeechobee regulatory releases based on  
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# Restoration Project Needs

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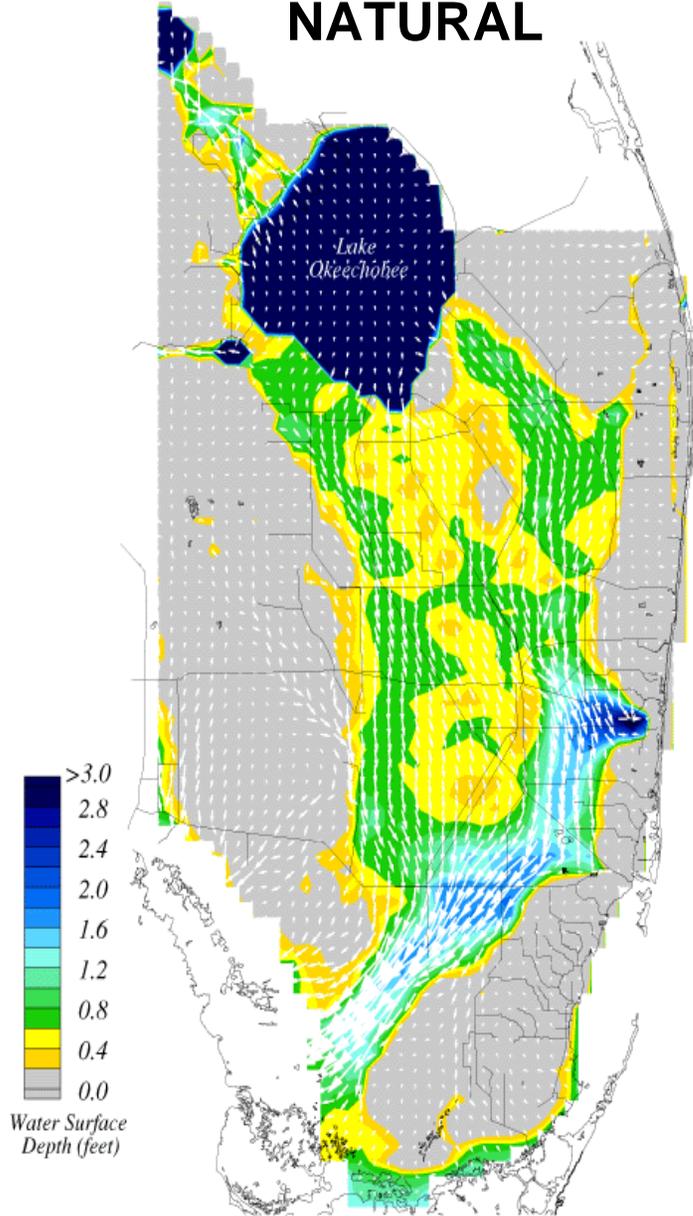


Lake Okeechobee regulatory releases based on Restudy 2050 Future Base

# Natural vs. Altered Ponding Depth Patterns

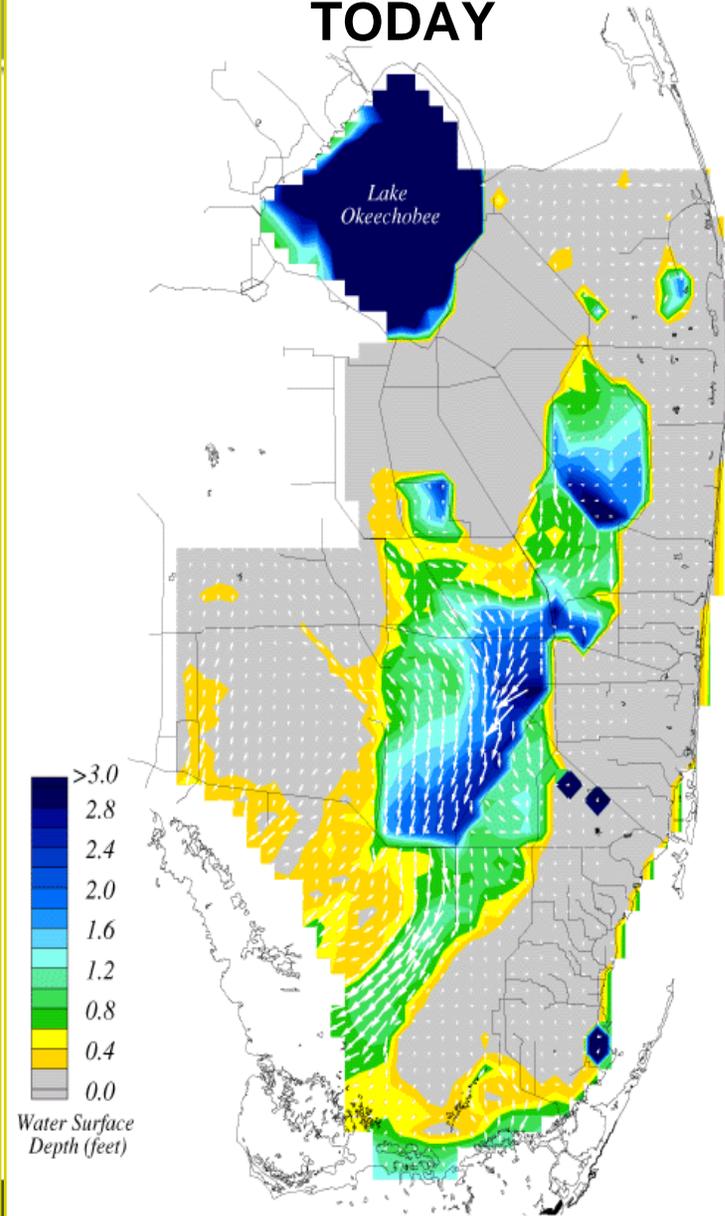
NSM V.4.5 Surface Flows and Ponding

## NATURAL



SFWM Surface Flows and Ponding (1995 Base)

## TODAY





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**Conceptual Project Configurations**

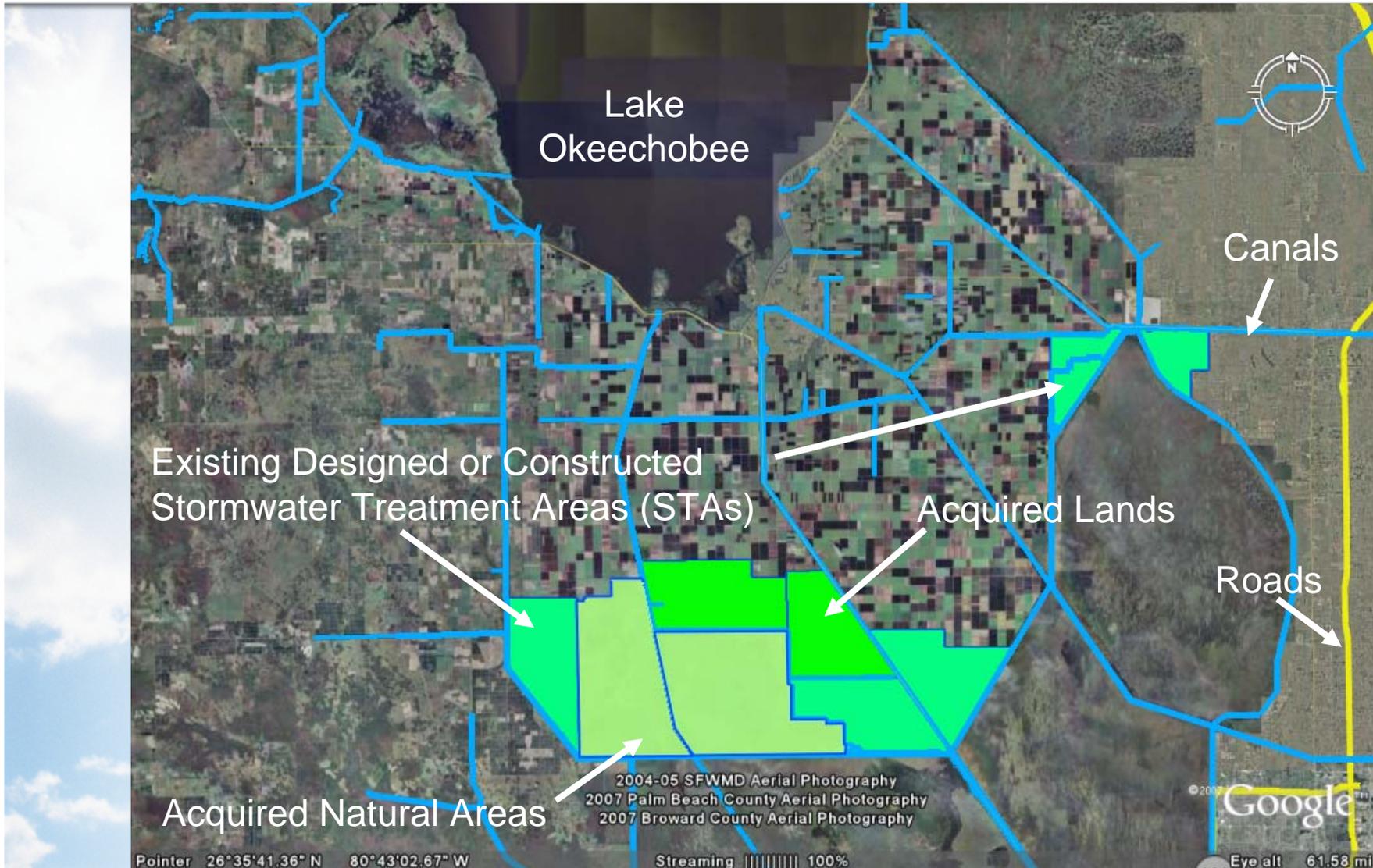
# Project Facilities Concepts



- Focused to provide water storage, water quality treatment and conveyance
- Utilizes reservoirs with depths expected between 12 and 15 feet
- Water quality treatment areas to deliver proper flows to the remnant Everglades at appropriate nutrient concentrations and loads
- Improved water conveyance capacity within the EAA

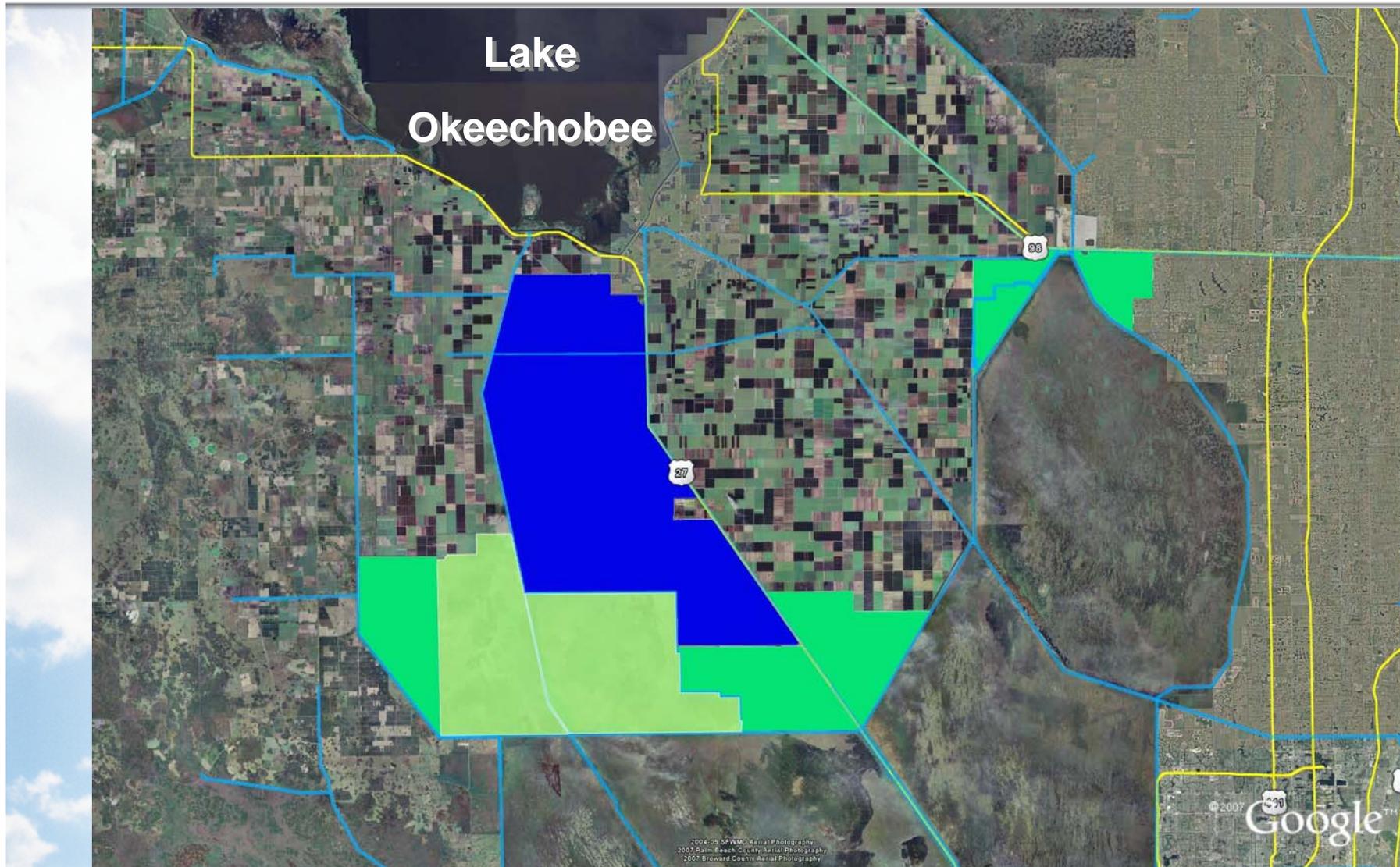
# Conceptual Project Configurations

## Existing Features



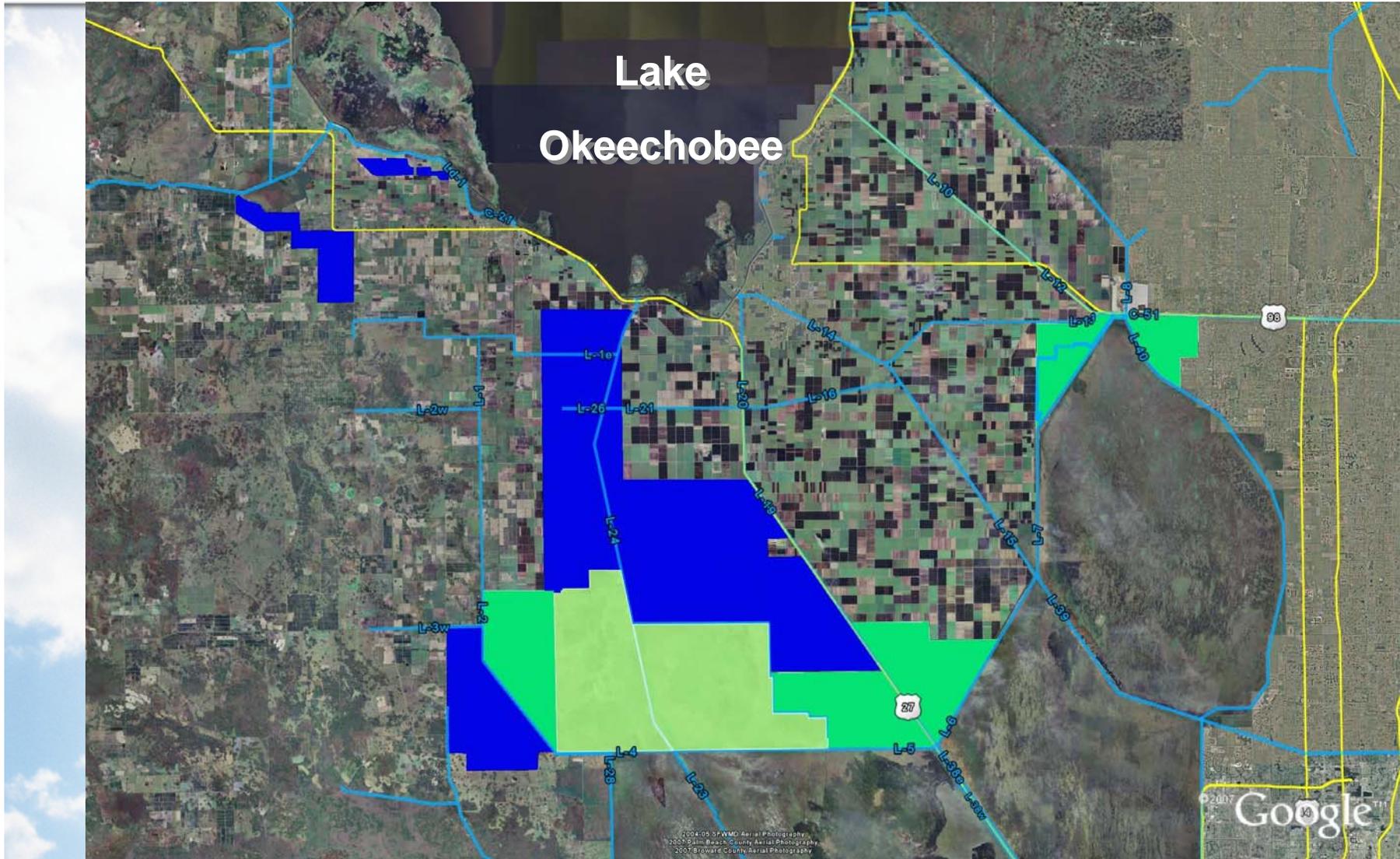
# Conceptual Project Configurations

Located Between Miami & North New River Canals



2004-05 SFWMD Aerial Photographs  
2007 Palm Beach County Aerial Photography  
2007 Broward County Aerial Photography

# Conceptual Project Configurations Adjusted to Address Land Constraints



# Conceptual Project Configurations Located Within USSC Lands

