

PROJECT PARTNERSHIP AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
SOUTH FLORIDA WATER MANAGEMENT DISTRICT
FOR CONSTRUCTING AND OPERATING, MAINTAINING, REPAIRING,
REPLACING AND REHABILITATING
THE
PICAYUNE STRAND RESTORATION PROJECT

THIS AGREEMENT is entered into this 13th day of August, 2009, by and between the DEPARTMENT OF THE ARMY (hereinafter the "Government"), represented by the Principal Deputy Assistant Secretary of the Army (Civil Works), and the SOUTH FLORIDA WATER MANAGEMENT DISTRICT (hereinafter the "Non-Federal Sponsor"), represented by the Chair of its Governing Board.

WITNESSETH, THAT:

WHEREAS, the Government and the Non-Federal Sponsor (hereinafter the "Parties") entered into an agreement on August 13, 2009 (hereinafter the "Master Agreement") that sets forth the terms of participation for the construction, operation, maintenance, repair, replacement and rehabilitation of projects implemented under the Comprehensive Everglades Restoration Plan (hereinafter "CERP") so as to promote uniformity of terms, ease of administration and efficiency in execution of such projects;

WHEREAS, construction of the Picayune Strand Restoration Project at Collier County, Florida was authorized by Section 1001(15) of the Water Resources Development Act of 2007, Public Law 110-114;

WHEREAS, the Government and the Non-Federal Sponsor desire to enter into a Project Partnership Agreement (hereinafter the "PPA" as defined in Article I.C. of the Master Agreement) for construction of the Picayune Strand Restoration Project (hereinafter the "*authorized CERP Project*", as defined in Article 2.1. of this PPA);

WHEREAS, Section 601(e) of the Water Resources Development Act (hereinafter "WRDA") of 2000, Public Law 106-541, specifies the cost-sharing requirements applicable to the *authorized CERP Project*;

WHEREAS, Section 601(e)(5) of WRDA 2000, Public Law 106-541, as amended by Section 6004 of WRDA 2007, Public Law 110-114, authorizes the Secretary to provide credit toward the non-Federal share of the cost of the *authorized CERP Project* for the value of work performed by the Non-Federal Sponsor in accordance with the provisions of this PPA for certain work (hereinafter the "*In-kind Work*" as defined in Article 2.2. of this PPA) that on August 10, 2009 was determined to be integral to the *authorized CERP Project*;

WHEREAS, Section 902 of WRDA 1986, Public Law 99-662, as amended (33 U.S.C. 2280), establishes the maximum amount of costs for the *authorized CERP Project* and sets forth procedures for adjusting such maximum amount;

WHEREAS, Section 601(h)(4)(B)(ii) of WRDA 2000, Public Law 106-541, specifies that the Secretary shall not execute an agreement for a project to be implemented under CERP until any reservation or allocation of water for the natural system identified in the Project Implementation Report (hereinafter the "PIR") is executed under State law;

WHEREAS, Section 221 of the Flood Control Act of 1970, Public Law 91-611, as amended, and Section 103 of WRDA 1986, Public Law 99-662, as amended, provide that the Secretary of the Army shall not commence construction of any water resources project, or separable element thereof, until each non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element; and

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the construction of the *authorized CERP Project* in accordance with the terms of this *PPA*.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree as follows:

ARTICLE 1 - INCORPORATION OF MASTER AGREEMENT PROVISIONS

Except as provided expressly in Articles 2, 3, and 4 of this *PPA*, all the terms, conditions, and provisions of the Master Agreement are hereby incorporated into this *PPA* and shall apply, as if fully set forth herein, to the construction, operation, maintenance, repair, replacement, and rehabilitation of the *authorized CERP Project* under this *PPA*. In the event of a conflict between this *PPA* and the Master Agreement, this *PPA* shall control.

ARTICLE 2 – MODIFICATIONS AND SUPPLEMENTAL PROVISIONS

The terms, conditions, and provisions of the Master Agreement incorporated into this *PPA* pursuant to Article 1 of this *PPA* are modified and supplemented by the following provisions for purposes of this *PPA*:

2.1. The term "*authorized CERP Project*" shall have the meaning as defined in Article I.B. of the Master Agreement and, for the purpose of this *PPA*, specifically shall mean the construction of spreader channels and 3 pump stations at Miller Canal, Faka Union Canal and Merritt Canal; the degrading of roads and the filling of ditches in Picayune Strand; the plugging of the Miller, Faka Union, Merritt and Prairie Canals; the construction of flood protection levees for the Port of Islands development; flood protection features to protect southern and northwestern Belle Meade by the improvement of the existing levee (6L) around southern Belle Meade and the construction of a ring levee in northwestern Belle Meade with a small pump station; and the installation of U.S. Highway 41 culverts as generally described in

the Comprehensive Everglades Restoration Plan Picayune Strand Restoration Final Integrated Project Implementation Report and Environmental Impact Statement, dated September 2004 and approved by the Chief of Engineers on September 15, 2005.

2.2. The term “*In-kind Work*” shall have the meaning as defined in Article I.Q. of the Master Agreement and, for the purpose of this *PPA*, specifically shall mean the following items that were determined to be integral to the *authorized CERP Project* on August 10, 2009:

2.2.1. the work carried out pursuant to the *Pre-Partnership Credit Agreement* between the Government and the Non-Federal Sponsor dated August 13, 2009 consisting of filling and plugging of Prairie Canal, removal of approximately 62 miles of road, removal of the Janes Scenic Drive Bridge over Prairie Canal, capping of approximately 128 wells, demolition and removal of approximately 153 homes, clearing of approximately 97 trash sites, the removal of abandoned septic sites, the construction of 7 culverts under Steward Boulevard and Janes Scenic Drive, the construction of 9 culverts under Tamiami Trail, cultural resource on-site inspection during construction, construction management, vegetation management and vegetation monitoring associated with the filling and plugging of Prairie Canal; and

2.2.2. the work that will be performed or provided after the effective date of this *PPA* consisting of continued vegetation management and vegetation monitoring associated with the completed work of filling and plugging of Prairie Canal and Phase I Road Removal, any interim operations conducted by the Non-Federal Sponsor during the *Operational Testing and Monitoring Period*, and vegetation management during the *period of construction* of the remaining features of the *authorized CERP Project*.

2.3. The term “*Operational Testing and Monitoring Period*” shall have the meaning as defined in the first sentence of Article I.G. of the Master Agreement and, for the purpose of this *PPA*, the length shall not exceed the time specified in the Picayune Strand Restoration Project Transfer Agreement, Engineering Section, approved by the Parties on August 12, 2009.

2.4. The term “*monitoring*” shall have the meaning as defined in Article I.T. of the Master Agreement and, for the purpose of this *PPA*, shall include the specific activities described in the Monitoring Plan as contained in the document entitled Picayune Strand Restoration Project Transfer Agreement dated August 12, 2009, or any subsequent amendments thereto.

2.5. The term “*project construction costs*” shall have the meaning as defined in Article I.D. of the Master Agreement, and for the purpose of this *PPA*, also shall include the Government’s costs of vegetation management that the Parties agree in writing are necessary and appropriate during the *period of construction* to achieve the *authorized CERP Project* purposes and benefits.

2.6. The term “*project OMRR&R costs*” shall have the meaning as defined in Article

I.E. of the Master Agreement, and for the purpose of this *PPA*, also shall include the Government's and the Non-Federal Sponsor's costs of the necessary and appropriate vegetation management to maintain the benefits of the *authorized CERP Project* as described in the approved MRR&R Manual.

2.7. On the effective date of this *PPA*, *project construction costs* for the *authorized CERP Project* are estimated to be \$438,000,000; the Non-Federal Sponsor's share of *project construction costs* required by Article II.G. of the Master Agreement is estimated to be \$219,000,000; the value of lands, easements, rights-of-way, and *relocations*, including incidental costs for which the Government shall afford credit in accordance with Article IV of the Master Agreement is estimated to be \$156,000,000; the amount of credit for *In-kind Work* to be afforded toward the Non-Federal Sponsor's share of the *project construction costs* is estimated to be \$17,240,000; and the annual *project OMRR&R costs* are estimated to be \$3,700,000. The Parties acknowledge that such amounts are estimates subject to adjustment by the Government, in full cooperation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and Non-Federal Sponsor.

2.8. Implementation of the *authorized CERP Project* shall be consistent with Section 601(h)(5) of WRDA 2000, Public Law 106-541.

2.9. The Non-Federal Sponsor acknowledges that it has executed under State law the reservation or allocation of water for the natural system as identified in the PIR for this *authorized CERP Project* as required by Section 601(h)(4)(B)(ii) of WRDA 2000 and the Non-Federal Sponsor has provided information to the Government regarding such execution. In compliance with 33 CFR 385, the District Engineer has verified such reservation or allocation in writing, a copy of which is attached hereto as Exhibit A. Any change to such reservation or allocation of water shall require an amendment to this *PPA* after the District Engineer verifies in writing in compliance with 33 CFR 385 that the revised reservation or allocation continues to provide for an appropriate quantity, timing, and distribution of water dedicated and managed for the natural system after considering any changed circumstances or new information since completion of the PIR for the *authorized CERP Project*.

ARTICLE 3 – MAXIMUM COST LIMITS

The Non-Federal Sponsor has reviewed the provisions set forth in Section 902 of Public Law 99-662, as amended, and understands that Section 902 establishes the maximum amount of *project construction costs* plus *total design costs* for the *authorized CERP Project*. Notwithstanding any other provision of this *PPA*, the Government shall not make a new financial obligation or expenditure for the *authorized CERP Project*, or afford credit toward *project construction costs* for the value of any contribution provided by the Non-Federal Sponsor, if such obligation, expenditure, or credit would result in *project construction costs* plus the *total design costs* incurred for design of the *authorized CERP Project* in accordance with the provisions of the Design Agreement exceeding this

maximum amount, unless otherwise authorized by law. On the effective date of this *PPA*, this maximum amount is estimated to be \$571,000,000, as calculated in accordance with ER 1105-2-100 using October 1, 2009 price levels and allowances for projected future inflation. The Government shall adjust this maximum amount in accordance with Section 902 of WRDA 1986, Public Law 99-662, as amended.

ARTICLE 4 – VALUE OF LANDS, EASEMENTS, RIGHTS-OF-WAY AND RELOCATIONS

4.1. Article IV.D. of the Master Agreement shall not apply to the *authorized CERP Project*. For the purposes of this *PPA*, and except as provided in Article II.M. of the Master Agreement, the value to be included in *project construction costs* and the amount of credit to be afforded toward the Non-Federal Sponsor's proportionate share of *project construction costs*, or, as applicable, the value to be included in *project OMRR&R costs*, in accordance with this *PPA*, for the lands, easements, and rights-of-way, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material, that are provided by the Non-Federal Sponsor in accordance with Article III of the Master Agreement shall be determined in accordance with the provisions of this Article.

4.1.1. For lands, easements, and rights-of-way within the 55,247 acres known as the Southern Golden Gate Estates Subdivision that were acquired by the Non-Federal Sponsor or the Florida Department of Environmental Protection prior to May 31, 2004, such land interests shall be valued at the actual acquisition cost but in an amount not to exceed \$75,394,333 and subject to a Peer Review Report that is described in the PIR that confirms the expended amounts are reasonable, allowable and allocable and approval of such report by the Deputy Assistant Secretary of the Army (Civil Works) and subject to a joint determination that such lands, easements, and rights-of-way are required for the *authorized CERP Project*.

4.1.2. For lands, easements, and rights-of-way within the 55,247 acres known as the Southern Golden Gate Estates Subdivision that were acquired by the Non-Federal Sponsor or the Florida Department of Environmental Protection after May 31, 2004, such land interests shall be valued at their actual acquisition cost at the time the interests are acquired subject to a joint determination that such land interests are required for the *authorized CERP Project* and a determination by the Government that the costs are reasonable, allowable, and allocable.

4.1.3. For lands, easements, and rights-of-way outside the 55,247 acres known as the Southern Golden Gates Estates Subdivision that were acquired prior to the effective date of this *PPA*, such land interests shall be valued at their purchase price subject to a joint determination that such interests are required for the *authorized CERP Project* and a determination by the Government that such costs are reasonable, allowable, and allocable.

4.1.4. For lands, easements, and rights-of-way outside the 55,247 acres known as the Southern Golden Gates Estates Subdivision that are acquired after the effective date of this *PPA*, such land interests shall be valued at the actual acquisition cost of such real property

interests at the time the interests are acquired, subject to a joint determination that such interests are required for the *authorized CERP Project* and a determination by the Government that such costs are reasonable, allowable, and allocable.

4.1.5. Eminent Domain Valuation Procedure. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted after the effective date of this *PPA*, the Non-Federal Sponsor, prior to instituting such proceedings or prior to the State of Florida or another Florida governmental entity instituting such proceedings, as applicable, shall submit to the Government notification in writing of the intent to institute such proceedings and an appraisal of the specific real property interests to be acquired in such proceedings. The Government shall have 60 calendar days after receipt of such a notice and appraisal within which to review the appraisal, if not previously approved by the Government in writing.

4.1.5.1. If the Government previously has approved the appraisal in writing, or if the Government provides written approval of, or takes no action on, the appraisal within such 60 day period, the Non-Federal Sponsor or the State of Florida or another Florida governmental entity, as applicable, shall use the amount set forth in such appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

4.1.5.2. If the Government provides written disapproval of the appraisal, including the reasons for disapproval, within such 60 day period, the Government and the Non-Federal Sponsor shall consult in good faith to promptly resolve the issues or areas of disagreement that are identified in the Government's written disapproval. If, after such good faith consultation, the Government and the Non-Federal Sponsor agree as to an appropriate amount, then the Non-Federal Sponsor or the State of Florida or another Florida governmental entity, as applicable, shall use that amount as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If, after such good faith consultation, the Government and the Non-Federal Sponsor cannot agree as to an appropriate amount, then the Non-Federal Sponsor or the State of Florida or another Florida governmental entity, as applicable, may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

4.1.5.3. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted in accordance with paragraph 4.1.5. of this Article, the value shall be either the amount of the court award for the real property interests taken, to the extent the Government determined such interests are required for construction, operation, maintenance, repair, replacement, or rehabilitation of the *authorized CERP Project*, or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

4.1.6. Incidental Costs.

4.1.6.1. For lands, easements, or rights-of-way acquired within or outside the 55,247 acres known as the Southern Golden Gate Estates Subdivision that are provided for the *authorized CERP Project*, the value of the interest shall include the documented incidental costs, including labor costs, indirect costs, and direct costs, incurred by

the Non-Federal Sponsor in acquiring the interest, subject to an audit in accordance with Article XI.C. of the Master Agreement to determine reasonableness, allocability, and allowability of such costs. In the event the Parties modify their determination made pursuant to Article III.A. or Article III.C. of the Master Agreement, the value to be included in *project construction costs* and the amount of credit to be afforded toward the Non-Federal Sponsor's share of *project construction costs*, or the value to be included in *project OMRR&R costs*, as applicable, shall include the documented incidental costs associated with preparing to acquire the lands, easements, or rights-of-way identified in the original determination, subject to an audit in accordance with Article XI.C. of the Master Agreement to determine reasonableness, allocability, and allowability of such costs. Such incidental costs shall include, but not necessarily be limited to, closing and title costs, appraisal costs, survey costs, publication and reproduction costs, plat maps, mapping costs, court costs, Non-Federal Sponsor attorney's fees and witness fees, and landowner and third party interest holder's attorney fees and witness fees required to be paid under applicable Florida law, the actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.D. of the Master Agreement, other payments by the Non-Federal Sponsor for items that are generally recognized as compensable, and required to be paid, by applicable Florida law due to the acquisition of a real property interest in accordance with Article III of the Master Agreement, and costs incurred with respect to proceedings alleging the taking of a land interest for the *authorized CERP Project* that result in acquisition of an interest in real property jointly determined to be required for the *authorized CERP Project*. The value of the interests provided by the Non-Federal Sponsor in accordance with Article III.A. and Article III.C. of the Master Agreement shall be subject to an audit in accordance with Article XI.C. of the Master Agreement to determine reasonableness, allocability, and allowability of such costs.

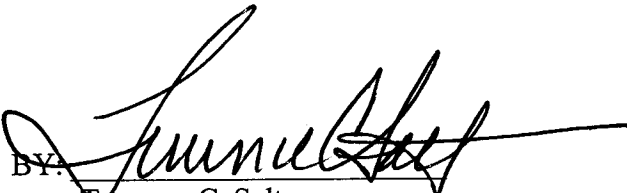
4.1.6.2. In accordance with Section 1001(15) of WRDA 2007, the authorizing legislation for the *authorized CERP Project*, for lands, easements, and rights-of-way acquired within the 55,247 acres known as Southern Golden Gates Estates Subdivision that are provided for the *authorized CERP Project*, the value of the interests shall include the incidental costs incurred by the Florida Department of Environmental Protection for the acquisition of all such lands, easements, and rights-of-way in an amount not to exceed \$29,158,914 subject to a Peer Review Report that is described in the PIR that

confirms the expended amounts are reasonable, allowable and allocable and approval of the Peer Review Report by the Deputy Assistant Secretary of the Army (Civil Works).

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the Principal Deputy Assistant Secretary of the Army for Civil Works.

DEPARTMENT OF THE ARMY

SOUTH FLORIDA WATER
MANAGEMENT DISTRICT,
BY ITS GOVERNING BOARD

BY: 
Terrence C. Salt
Principal Deputy
Assistant Secretary of the Army
(Civil Works)

BY: 
Eric Buermann
Chair


DATE: 8/13/09

DATE: 8/13/09

CERTIFICATE OF AUTHORITY

I, Sheryl G. Wood, do hereby certify that I am the principal legal officer of the South Florida Water Management District, that the South Florida Water Management District is a legally constituted public body with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and the South Florida Water Management District in connection with the Picayune Strand Restoration Project, and to pay damages in accordance with the terms of this Agreement, if necessary, in the event of the failure to perform, as required by Section 221 of Public Law 91-611 (42 U.S.C. Section 1962d-5b), and that the persons who have executed this Agreement on behalf of the South Florida Water Management District have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this
13th day of August 2009.


Sheryl G. Wood *ATC*
General Counsel
South Florida Water
Management District

CERTIFICATION REGARDING LOBBYING

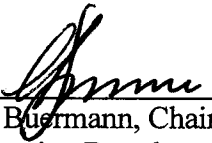
The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


Eric Busermann, Chair
Governing Board
South Florida Water
Management District

DATE: 8/13/09



DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
P.O. BOX 4970
JACKSONVILLE, FLORIDA 32232-0019

REPLY TO
ATTENTION OF

JUL 20 2009

Everglades Division
Project Execution Branch

Mr. Kenneth G. Ammon
Deputy Executive Director
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

Dear Mr. Ammon:

Thank you for the February 18, 2009, letter notifying the U. S. Army Corps of Engineers, (Corps), Jacksonville District, of the South Florida Water Management District's (SFWMD) adoption of Chapter 40E-10, Florida Administrative Code (F.A.C.), reserving water for the natural system associated with the Picayune Strand Restoration Project, a component of the Comprehensive Everglades Restoration Plan (CERP). The final rule became effective July 2, 2009. The Governing Board, executive management, and staff at the South Florida Water Management District are to be commended for completing this historic step toward restoration of the South Florida ecosystem.

Section 385.27(b) of the CERP Programmatic Regulations (33 CFR Part 385), requires the Corps of Engineers District Commander to verify in writing that the South Florida Water Management District has executed under State of Florida law the reservation or allocation of water for the natural system identified in the Project Implementation Report prior to execution of a Project Partnership (formerly Cooperation Agreement). The Picayune Strand Restoration Project Implementation Report was completed September 2004, and the project was authorized by Section 1001(15) of the 2007 Water Resources Development Act.

Jacksonville District staff maintained involvement throughout the rule development process, and attended rule development workshops and the Scientific Peer Review Workshop. As requested, my staff reviewed new Chapter 40E-10, F.A.C., the associated Technical Document prepared in accordance with rule 62-40.474 (Reservations), F.A.C., and changes to Chapters 40E-2 (Consumptive Use) and 40E-20 (General Water Use Permits) F.A.C., adopting water use permit criteria to implement the water reservations. The newly adopted rule and peer-reviewed Technical Document demonstrate that the surface and ground water within the Picayune Strand, and surface water flowing into the Fakahatchee Estuary from the Picayune Strand project and groundwater in the aquifer underlying the Fakahatchee Estuary are reserved from allocation. The changes to the Chapters 40E-2 and 40E-20, F.A.C. have also been amended to reflect the Picayune Strand water reservation.

EXHIBIT

A

(4 Pages)

This letter serves as my written verification that the South Florida Water Management District has executed under State law the required reservation or allocation of water for the natural system identified in Project Implementation Report for the Picayune Strand Restoration Project. This finding will be included in the Project Partnership Agreement to be executed between the Department of the Army and SFWMD.

As stated in the documentation accompanying your letter, the SFWMD will periodically review the reservation. Should additional information or other actions require modifications to the reservation, information should be provided to Jacksonville District so that we may determine whether any proposed modifications are consistent with the water for the natural system identified in the Project Implementation Report.

On behalf of the U. S. Army Corps of Engineers, I congratulate the South Florida Water Management District for achieving this important milestone in our collective efforts to restore the South Florida ecosystem.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul L. Grosskruger", with a large, sweeping flourish above the name.

Paul L. Grosskruger
Colonel, U.S. Army
District Commander



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

3301 Gun Club Road, West Palm Beach, Florida 33406 • (561) 686-8800 • FL WATS 1-800-432-2045 • TDD (561) 697-2574
Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

February 18, 2009

**Colonel Paul Grosskruger
District Engineer
Jacksonville District
U.S. Army Corps of Engineers
P.O. Box 4970
Jacksonville, FL 32331-0019**

Dear Colonel Grosskruger:

Subject: Reservations of Water from Consumptive Use for the Picayune Strand and Fakahatchee Estuary

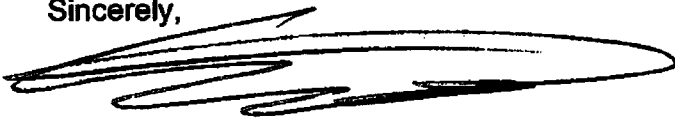
I am writing to inform you that the South Florida Water Management District ("SFWMD") has executed under Florida law the reservations of water for the natural system identified in the Congressionally approved Picayune Strand (Southern Golden Gate Estates) Hydrologic Restoration Integrated Project Implementation Report / Environmental Impact Statement ("PSRP"). Execution of this groundbreaking protection of water for the Comprehensive Everglades Restoration Plan is required by Section 601 (h)(4)(b0(ii)) of the Water Resources Development Act of 2000 and is consistent with the January 9, 2002 Comprehensive Everglades Restoration Plan Assurance of Project Benefits Agreement. Completion of this reservation allows the Department of the Army to enter into a Project Partnership Agreement with the SFWMD for construction of the PSRP.

On February 12, 2009, the SFWMD Governing Board approved adoption of new Florida Administrative Code Chapter 40E-10, Water Reservations, setting forth the water reservations for Picayune Strand and the Fakahatchee Estuary. The Governing Board also adopted changes to Chapters 40E - 2, Consumptive Use and Chapter 40E-20, General Water Use Permits, which adopt water use permit criteria implement the water reservations. These rules along with the Technical Document to Support a Water Reservation Rule for Picayune Strand and Downstream Estuaries are attached to this letter. The SFWMD is providing this information in order for the Jacksonville District to verify that these water reservations protect water identified to be reserved or allocated in the Project Implementation Report for the PSRP as required by Section 385.27(b) of the Programmatic Regulations for the Comprehensive Everglades Restoration Plan. This verification is required in writing before the Project Partnership Agreement for the PSRP can be executed.

Colonel Paul Grosskruger
February 18, 2009
Page 2

The SFWMD looks forward to receiving the Jacksonville District's verification of the PSRP water reservations. This critical step is necessary to move restoration of Picayune Strand forward through implementing construction of the PSRP.

Sincerely,



Kenneth G. Ammon, P.E.
Deputy Executive Director
Everglades Restoration Resource Area
South Florida Water Management District

KGA/bcl

Enclosures: Florida Administrative Code Chapters 40E-10, 40E – 2, and 40E-20
Technical Document to Support a Water Reservation Rule for Picayune
Strand and Downstream Estuaries

c: Eric Bush, USACE, Jacksonville District

c: (without enclosures)

Stuart Appelbaum, Jacksonville District
Greg Knecht, Florida Department of Environmental Protection
Chip Merriam, SFWMD
Tom Olliff, SFWMD
Tommy Strowd, SFWMD