

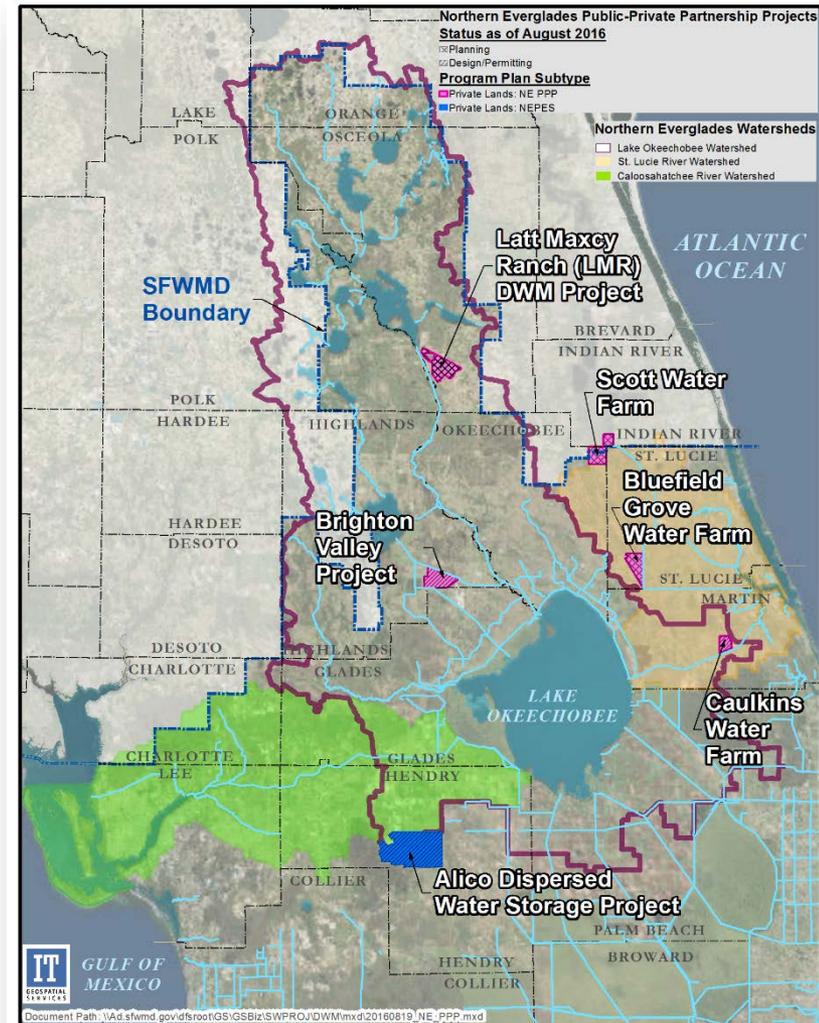
# Northern Everglades Public-Private Partnerships Interagency Working Group Update

Ernie Marks, Division Director  
Everglades Policy and Coordination Division

Governing Board Meeting  
October 13, 2016

# Northern Everglades Public-Private Partnerships (NE PPP) Background

- January 2016: Florida Department of Environmental Protection (FDEP) surveyed for large, regional-scale Basin Management Action Plan (BMAP) projects
- February 2016: FDEP identified 6 projects
- March 2016: Florida Legislative Budget, General Appropriations Act, Chapter 2016-66, Specific Appropriation 1590A
- April 2016: FDEP, SFWMD and Florida Department of Agriculture and Consumer Services (FDACS) met to find a path forward to implementation
- June 2016: Interagency Working Group convened
- July – September 2016: Landowners Meeting, Cost Share Agreements, Technical Suitability Criteria, Draft Template Contract



# Roles and Responsibilities

- **Service Providers** will plan, model, design, permit, construct, operate, monitor, maintain and revert the NE PPP project.
- **FDEP** is the lead agency of the Interagency Working Group. FDEP will verify the selected project's stated water quality benefits.
- **FDACS** will provide technical assistance and cost share to the Service Provider during the planning, modeling, design and permitting phases of the project as part of the Best Management Practices (BMP) Program.
- **South Florida Water Management District (District)** will provide pass-through funding from FDEP and the Florida Legislature to the Service Provider during the construction, operation, monitoring, maintenance and reversion phases of the project. The District will provide technical assistance and verify the project's stated water quantity benefits.



**Example Project on Ranchlands at Nicodemus Slough, Glades County (2016)**



**Caulkins Citrus WFPP on the C-44, Martin County (2016)**

# Interagency & Service Provider Coordination

- Prior to execution of a contract for construction, each NE PPP project will be assessed based on the following technical suitability criteria:
  - Cost-effectiveness
  - Water quantity benefits above and beyond baseline
  - Water quality benefits above and beyond baseline
  - Project benefits to the regional system towards BMAP goals
  - Ease of implementation
- NE PPP Projects presented at September meetings of the Water Resources Advisory Commission and the Project and Lands Committee



**Evans Ideal 1000 Grove WFPP,  
St. Lucie County (2016)**



**Example Agricultural Style Pump Station  
at BOMA, Hendry County (2016)**

# Caulkins Water Farm

- Service Provider: Caulkins Citrus, Ltd.
- Martin County
- St. Lucie River Watershed
- Project area: 3,274-acre fallow grove
- Primary benefit: retention of onsite rainfall and storage of regional surface waters
- High soil infiltration
- Status: Design and Permitting
- Estimated construction cost: \$5,205,507



Caulkins Citrus WFPP, Martin County (2016)

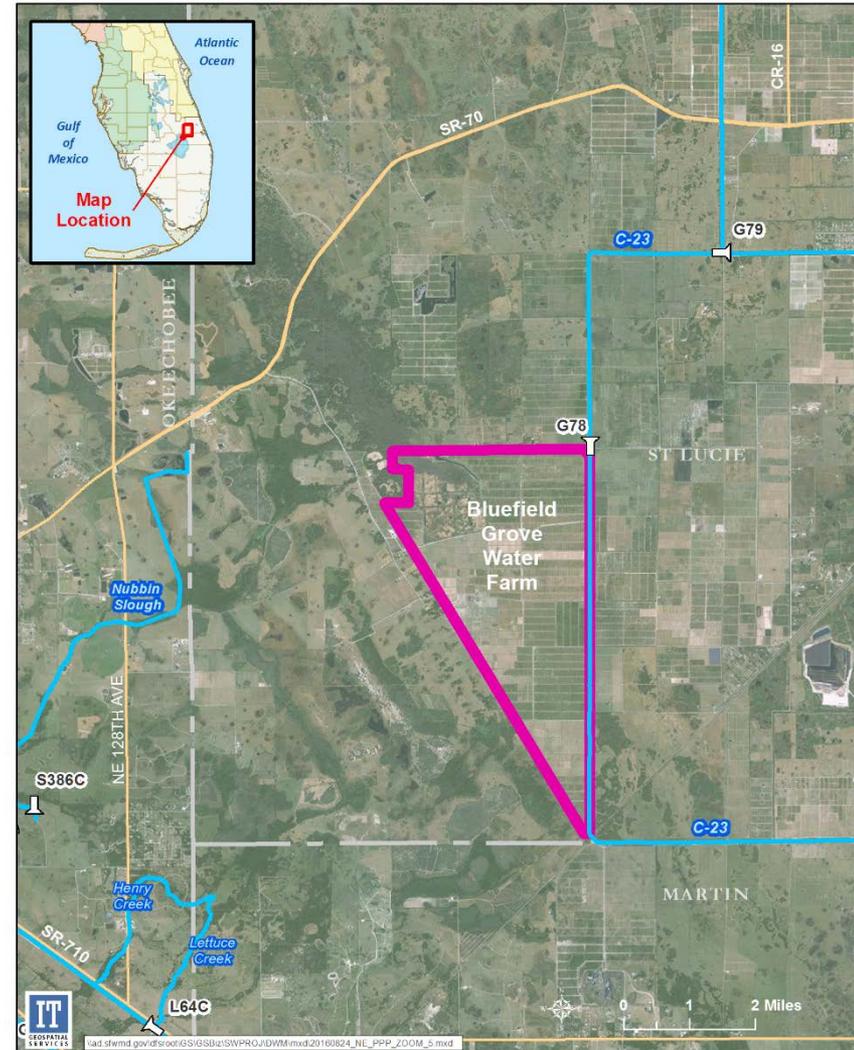


# Bluefield Grove Water Farm

- Service Provider: Evans Properties, Inc.
- St. Lucie County
- St. Lucie River Watershed
- Project area: 6,603-acre fallow grove
- Primary benefit: retention of onsite rainfall and storage of regional surface waters
- Status: Planning
- Planning-level estimate for construction: \$4,220,000



Bluefield Grove, St. Lucie County (2016)



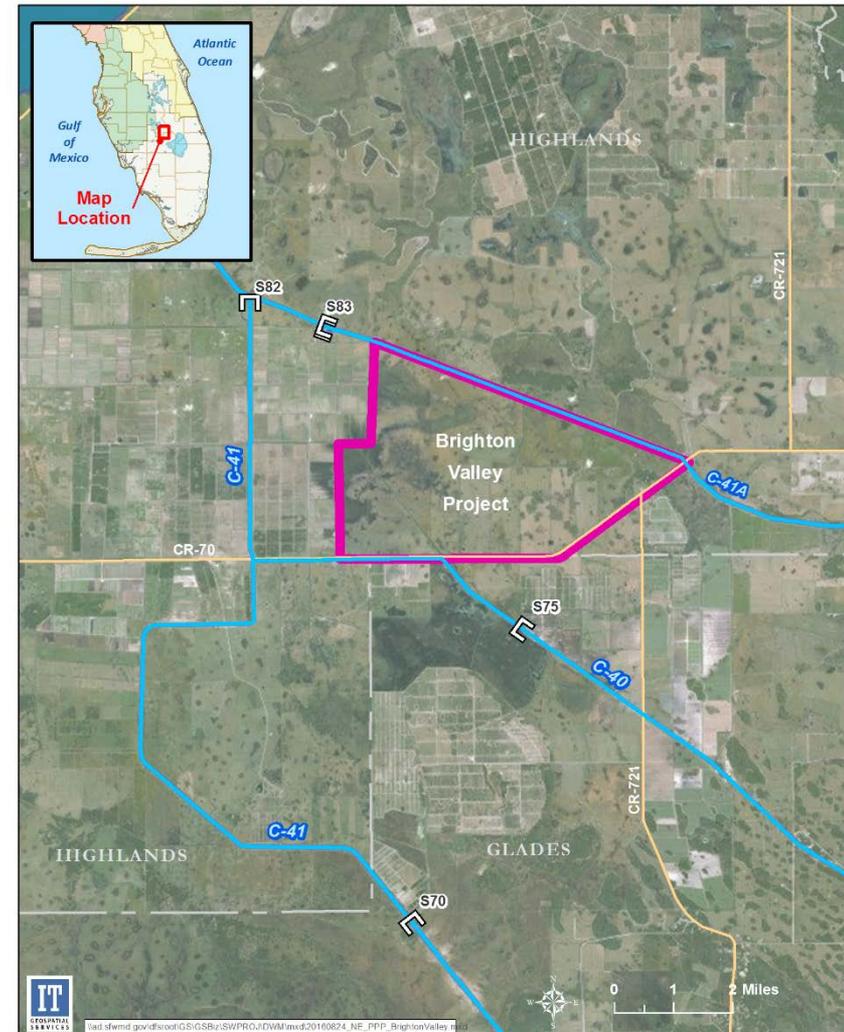
# Scott Water Farm

- Service Provider: Evans Properties, Inc.
- Okeechobee, Indian River Counties
- St. Lucie River and Indian River Lagoon Watersheds
- Project area: 7,788 acres
- Primary benefit: retention of onsite rainfall and storage of regional surface waters
- Status: Planning
- Planning-level estimate for construction: \$7,803,000



# Brighton Valley Project

- Service Provider: Lykes Bros, Inc.
- Highlands County
- Lake Okeechobee Watershed
- Project area: 8,200 acres
- Primary benefit: water quality treatment through attenuation of regional runoff as well as onsite rainfall
- Status: Design and Permitting (ERP issued, ACOE 404 in review)
- Planning-level estimate for construction: \$11,500,000

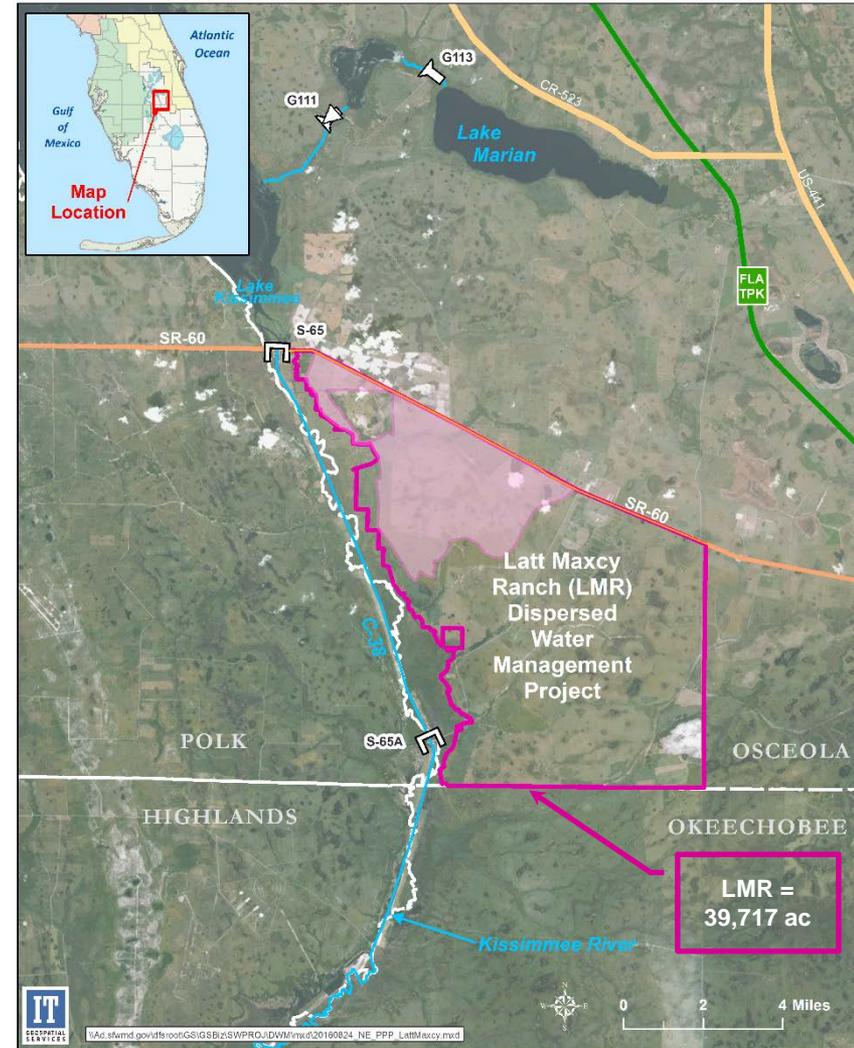


# Latt Maxcy Dispersed Water Management

- Service Provider: Latt Maxcy Ranch
- Osceola County
- Lake Okeechobee Watershed
- Project area: 9,175 acres
- Primary benefit: water quality treatment through attenuation of regional runoff as well as onsite rainfall
- Status: Planning
- Planning-level estimate for construction: \$10,580,398

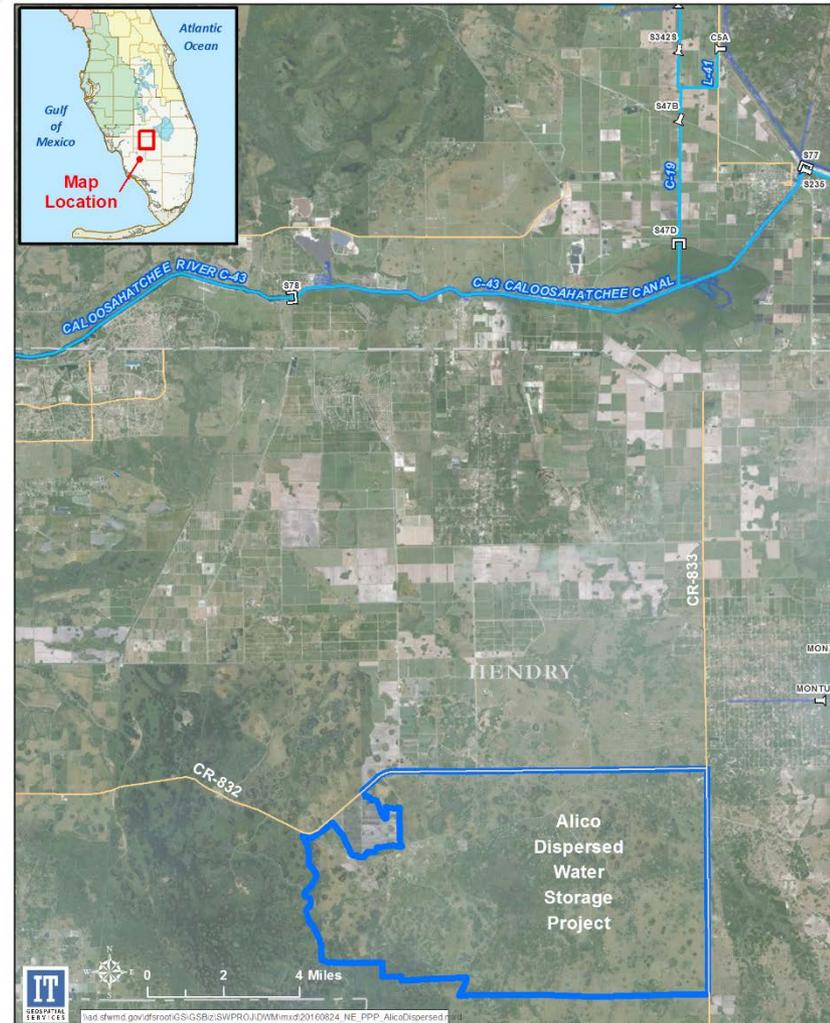


Latt Maxcy Ranch, Osceola County (2016)



# Alico Dispersed Water Storage

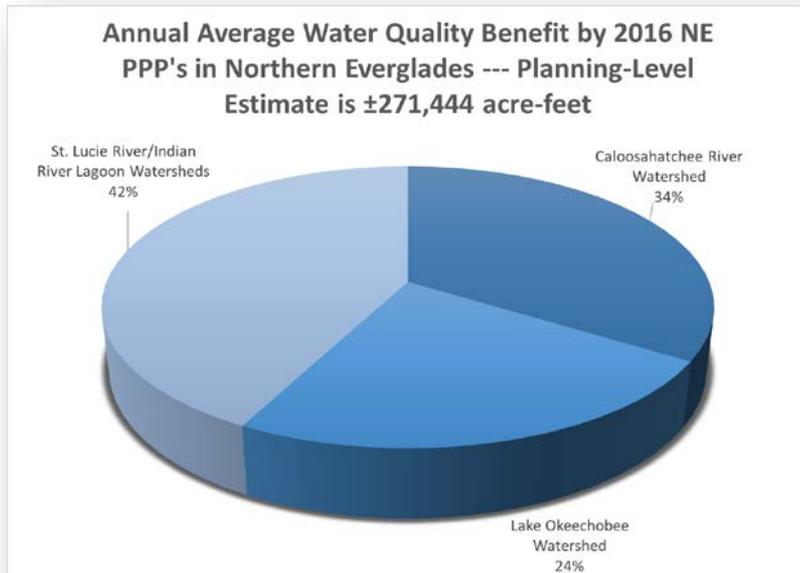
- Service Provider: Alico, Inc.
- Hendry County
- Caloosahatchee Watershed
- Project area: 35,192 acres
- Primary benefit: retention of onsite rainfall and storage of regional surface waters
- Status: Design and Permitting
- Northern Everglades Payment for Environmental Services 2 (NE-PES 2)
- Contracted construction cost: \$4,000,000



# Summary of Costs and Benefits

- Planning-level estimates

Watershed	Area (acres)	Planning-Level Estimate for Construction	Planning-Level Estimate for Recurring Payments
<b>Caloosahatchee River</b>	35,192	\$4,000,000	\$12,000,000
<b>Lake Okeechobee</b>	17,375	\$22,080,398	\$6,863,204
<b>St. Lucie River/Indian River Lagoon</b>	17,665	\$17,228,507	\$16,780,377
<b>Totals</b>	<b>70,232</b>	<b>\$43,308,905</b>	<b>\$35,643,581</b>



# Overview of Proposed Contract for Environmental Services

- Contract term is up to 11 years
  - 1 year for construction and up to 10 years of service
- Compensation and Payment
  - Contract based on Service Provider's cost estimate
  - Reimbursement for actual construction costs with a not-to-exceed amount
  - Payment for services based on performance with a minimum (floor) and a maximum (ceiling)
- Baseline Condition
  - As required by Section 373.4591, Florida Statutes



# Overview of Proposed Contract for Environmental Services

## ■ Monitoring

- Per Monitoring Plan, the District's contractor will install monitoring equipment and collect data.

## ■ Reporting

- District's contractor will create a report and provide it to the Service Provider and the District.
- Service Provider shall review and verify the report and add any other pertinent information to monthly and annual reports.

## ■ Compliance

- Service Provider must meet the Project Objectives in the Statement of Work.
- Service Provider must submit all items in Payment and Deliverable Schedule.
- Service Provider must complete all Permitting and Design deliverables to the District's satisfaction before Service Provider may proceed to construction.

# Overview of Proposed Contract for Environmental Services

- Annual Funding by Legislature
  - No ad valorem funds
  - Funding for each year of this contract is subject to the District receiving funds for this project from FDEP, the Florida Legislature, and the District Governing Board budget appropriation.
  - If the Governing Board does not approve funding for any subsequent fiscal year, this contract will terminate immediately after the District pays the last payment due for services provided.
- Termination
  - By District for convenience (may also apply to Service Provider on a case-by-case basis)
  - By District for cause



# Existing Dispersed Water Management Program

- Recurring payments based on a District public solicitation and contract negotiations including:
  - Reimbursement of actual operation and maintenance costs with a not-to-exceed annual amount
  - Fixed annual participation payments based on average potential benefit
  - Total is \$5 million per year

Project	Sum of Annual O&M and Participation Payments (Budgeted from SA 1586)
Evans Properties, Water Farming Pilot	\$542,836
Abington Holdings, Ltd., NE PES	\$30,000
Adams Ranch, NE PES	\$57,500
Alderman Deloney Ranch, NE PES	\$25,000
Archbold Expeditions, NE PES	\$173,600
Babcock Property Holdings, LLC, NE PES	\$121,222
Bull Hammock Ranch, LTD, NE PES	\$28,500
Dixie Ranch, NE PES	\$146,500
Dixie West, NE PES	\$51,500
MAERC – Buck Island Ranch, NE PES	\$163,500
Mudge Ranch, NE PES	\$47,500
Pomcor Longview, LLC, NE PES	\$55,000
Rafter T. Realty, NE PES	\$162,736
Willaway Cattle & Sod, LP, NE PES	\$1,878
XL Ranch Limited Partnership, NE PES	\$137,000
Llano Partners, LTD, NE PES	\$361,200
BOMA, District DWM	\$74,950
Nicodemus Slough, Lykes Bros, Coop. Ag.	\$1,240,930
Public Lands Projects (inc. construction)	\$1,124,753
Ongoing Monitoring (District's Contractor)	\$453,895
<b>TOTAL</b>	<b>\$5,000,000</b>

# Northern Everglades Public-Private Partnerships

- Service Providers made direct proposals to Legislature
- Recurring payments based on FDEP survey and District contract negotiations including:
  - Payment is an all-inclusive unit cost
  - Pay for performance with a minimum (floor) and a maximum (ceiling)
  - Total planning-level estimate is \$36 million per year
- NE PPP contract negotiations by District will compare proposed, public-private partnership to the proposal made to the Legislature



# Caulkins Water Farm - Comparison

## Water Farming Pilot Program

- Selection based on District's Water Farming Pilot Project solicitation
- Funded by Ad Valorem, State appropriations and Federal 319h Grant
- Term is 3 years
- Compensation in District contract inclusive of all phases
  - Design and Permitting = \$50,000 (paid by Caulkins)
  - Construction = \$430,224
  - Annual Operation and Maintenance (avg) = \$303,279
  - Annual Service Payment = \$264,930
  - Contracted Cost Effectiveness = \$103 per acre-foot
  - Actual Cost Effectiveness = \$55 per acre-foot

## NE PPP

- Selection Based on TMDL/BMAP survey by FDEP
- Funded by State appropriations
- Term is 11 years
- Compensation for construction and environmental services only. Design and permitting paid by FDACS. Service Provider's proposal to Legislature included the following:
  - Construction (including rent) = \$7,459,180
  - \$100 per acre-foot Service Payment (\$5,500,000 annual)

# Dispersed Water Management Challenges

- Projects are temporary
- Operational flexibility differs from site to site
- Volumes per acre require numerous contracts
- Comparisons to regional projects is 'apples to oranges'
- Dispersed Water Management is not the solution to all storage and water quality challenges.
- Funding



# Next Steps

- Completion of work in cost-share agreements between Service Providers and FDACS
- Technical assessment of provisional data at ERP submittal milestone by Interagency Working Group
- Contract negotiations
- Final contracted rates
- Governing Board approval
- Contract execution



**Questions?**