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South Florida water managers raise questions about expanding rock mining near Everglades restoration

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09/11/2009
Orlando Sentinel
Andy Reid

WEST PALM BEACH - Environmental concerns are growing for plans to expand rock mining in an agricultural area targeted for Everglades restoration.

Star Ranch, mined by Ron Bergeron's excavation operation, would expand its digging to almost 600 additional acres west of U.S. 27 in southwestern Palm Beach County.

Bergeron, who serves on the Florida Fish and Wildlife Conservation Commission, has mined Star Ranch for two decades and contends his excavations do not hamper Everglades restoration.

Star Ranch, owned by Noel Shapiro, is located beside thousands of acres the South Florida Water Management District acquired in a decades-long, multi-billion-dollar effort to store and clean stormwater needed to replenish the Everglades.

The rock mine expansion "could potentially affect the district's restoration plans and future facilities and reduce the environmental benefits of the projects," according to a Sept. 9 letter from district Executive Director Carol Ann Wehle to Palm Beach County officials.

The mining proposal goes before the Palm Beach County Commission Sept. 29 and the county asked the district to weigh in on the potential environmental effects.

Digging a rock mine in potentially porous geological areas near Everglades restoration work could allow underground saltwater to seep into freshwater supplies, with damaging effects on the environment and public supplies, according to the district.

A "conclusive determination" about whether the expanded mine would interfere with district plans won't be known until the district completes analyses for the yet-to-be-finalized restoration plans, Wehle said.

"We have some concerns about water quality, about flood control," Wehle said Thursday.

Lonnie Bergeron, who helps lead his father's family-run business, pointed out that the water management district was excavating rock on its property nearby for a reservoir once intended to be part of Everglades restoration. The reservoir project was stopped because the district is trying to acquire land elsewhere.

If excavating was OK on district land, why would there be a problem with Bergeron -- an avid outdoorsman and Everglades advocate -- doing it a mile away, Lonnie Bergeron asked.

"He himself is not going to be in the mining business if he is going to be interfering with Everglades restoration," Lonnie Bergeron said.

Any environmental issues will be addressed during the state's rigorous permitting process and should not be a concern for county officials considering the zoning approvals that come up for a vote Sept. 29, said development consultant Kieran Kilday, who represents the property.

"This applicant has met all those standards," Kilday said.

Mining operations in recent years have been pushing for more land in the Everglades Agricultural Area, 700,000 acres drained for farming south of Lake Okeechobee. The mines produce rock for road building and other construction.

A coalition of environmental groups has filed suit to try to stop rock mining planned in the agricultural area, warning that it threatens to get in the way of restoration.

Palm Beach County commissioners have been criticized for approving previous rock mines on land that ended up getting targeted for restoration.

The water management district plans to pay U.S. Sugar Corp. \$536 million to for 73,000 acres in the agricultural area that would be used to build reservoirs and treatment areas intended to restore water flows to the Everglades.

The district on Thursday agreed to pay \$12 million to terminate a construction contract for a massive Everglades restoration reservoir planned on land near the Star Ranch rock mine. Taxpayers have invested almost \$280 million to start building a reservoir that now does not fit in with plans for the U.S. Sugar land. The district still intends to use the reservoir property for water storage or treatment.

Star Ranch last year was cited for mining with an expired permit that Bergeron blamed on a paperwork mix-up. Commissioners in 2008 approved another mining proposal that would allow Bergeron to expand to 500 acres.

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EVERGLADES RESTORATION Water district taking \$25M hit for halted Glades reservoir work

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09/10/2009

Miami Herald, The
Morgan, Curtis

Water managers are ready to pay a contractor \$12 million not to build something.

And they consider it a really good deal.

``It's the best we can do under the circumstances," said Mike Collins, a member of the South Florida Water Management District's governing board. ``We were potentially on the hook for \$26 million."

The proposed settlement is part of a \$25 million hit the district will take for halting construction of a reservoir the size of Boca Raton once touted as the keystone of Everglades restoration. That was before Gov. Charlie Crist announced his controversial land deal with the U.S. Sugar Corp. last year.

Critics call the unfinished reservoir -- scuttled after \$260 million in construction costs and now slated for redesign at uncertain expense -- the most glaring example of the expensive hidden costs of the governor's sugar deal, which will pay the sugar giant \$536 million for 77,000 acres of fields and groves.

``This is a political decision from beginning to end," said Dexter Lehtinen, an attorney for the Miccosukee Tribe. The tribe, along with rival grower Florida Crystals, has sued to block the land buy, calling it a bailout for U.S. Sugar that will siphon money from other Everglades projects and delay restoration.

THURSDAY VOTE

The district's governing board will vote Thursday on the proposed settlement with contractor Barnard Parsons Joint Venture. Eric Buermann, the district's chairman, defended it on Wednesday as a good deal for taxpayers.

He also dismissed ``conspiracy theories" and attempts ``to connect the dots" he insisted don't exist between the board's decision to suspend work on the reservoir in May 2008 and the sugar deal announced a month later. Board members, Buermann said, weren't even told the governor was negotiating with the sugar giant until a few days before Crist made national headlines with the blockbuster bid.

Water managers blame environmentalists for derailing the reservoir. Buermann said a lawsuit filed by the National Resources Defense Council and two other environmental groups put the massive project in western Palm Beach County ``under a black cloud of litigation."

The agency, he said, couldn't afford the risk of committing another \$400 million to the second phase of construction for a reservoir it might not be able to use.

``If somebody is challenging your building permit, are you just going to blindly continue building your house?" Buermann asked.

Instead the board, in a unanimous vote last year, opted to suspend work and award Barnard Parsons \$1.9 million a month in exchange for not suing until legal issues were resolved. A month later, Crist's land deal made the shutdown permanent, prompting a broad and ongoing overhaul of Everglades restoration plans.

Water managers insist the \$250 million already spent on the reservoir won't go to waste. They are considering converting the 16,700-acre project into a marsh to treat polluted water flowing from farms, pastures and suburbs.

To rebut allegations that the then-secret sugar deal influenced the decision, the district released transcripts of a confidential board discussion on the reservoir lawsuit.

STILL SKEPTICAL

Brad Sewell , an NRDC attorney, remains skeptical.

Before the district halted the work, he sent a letter stressing that environmentalists did not want the work halted. The suit, actually filed against the U.S. Army Corps of Engineers, was a procedural dispute seeking legal assurances that the reservoir's 62 billion gallons would go to the Everglades, not farms and suburbs.

Sewell, who supports the sugar land buy, believes the suit provided an excuse. ``It was killing two birds with one stone to blame us," he said.

Not long after the sugar deal was announced, Barnard Parsons filed a termination claim for \$26 million. The district, in mediation, knocked that down to a \$12 million settlement. In all, however, the tab for breaking the contract will still top \$25 million.

In addition to paying the company \$1.9 million for six months, the district also paid a \$1.5 million cancellation penalty.

Lehtinen scoffed at arguments that decision to halt work was a good deal.

There are no plans, timelines or cost estimates for converting the reservoir. And after scraping out much of the muck, he said, it could cost tens of millions to haul in soil to make it a treatment marsh.

``Under the logic that they're using, we might as well stop all restoration projects," he said. ``That would save a lot of money."

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Fla. water district takes \$25 million hit for halted Everglades reservoir

09/10/2009

McClatchy Company Washington DC Bureau

Curtis Morgan

Water managers are ready to pay a contractor \$12 million not to build something. And they consider it a really good deal.

"It's the best we can do under the circumstances," said Mike Collins, a member of the South Florida Water Management District's governing board. "We were potentially on the hook for \$26 million."

The proposed settlement is part of a \$25 million hit the district will take for halting construction of a reservoir the size of Boca Raton once touted as the keystone of Everglades restoration. That was before Gov. Charlie Crist announced his controversial land deal with the U.S. Sugar Corp. last year. Critics call the unfinished reservoir — scuttled after \$260 million in construction costs and now slated for redesign at uncertain expense — the most glaring example of the expensive hidden costs of the governor's sugar deal, which will pay the sugar giant \$536 million for 77,000 acres of fields and groves.

Read the full story at miamiherald.com.

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South Florida water managers agree pay another \$12 million for an unfinished Everglades reservoir

09/10/2009

Sun Sentinel

Reid, Andy

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WEST PALM BEACH - South Florida water managers Thursday agreed to pay another \$12 million of taxpayers' money to pull the plug on an unfinished Everglades restoration reservoir.

That increases taxpayers' total investment in the massive project in western Palm Beach County to almost \$280 million.

The South Florida Water Management District in June 2008 stopped construction on the 16,700-acre reservoir the same month Gov. Charlie Crist announced plans to buy U.S. Sugar Corp. farmland to store water needed to replenish the Everglades.

The district now contends that the location of the Everglades Agricultural Area reservoir, west of U.S. 27, doesn't fit in with Everglades restoration plans being reconfigured by the proposed half-billion-dollar deal for 73,000 acres of U.S. Sugar land.

The reservoir was intended to hold stormwater that would be directed to treatment areas that clean water headed to the Everglades.

"We could have had this project done (in) 2011, 2012," said District Board Member Michael Collins, who cast the only vote against terminating the construction contract. Collins has opposed the U.S. Sugar deal. "That should have been the priority."

The district in 2008 initially blamed a year-old legal challenge from the National Resources Defense Council environmental group for stopping construction on the reservoir. At that point, taxpayers had already paid about \$250 million to start construction. National Resources Defense Council representatives at the time said they did not want construction stopped, but instead sought better safeguards in how the water would be divvied up.

The district then paid the contractors, Barnard Parsons Joint Venture, about \$13 million from June to December 2008 to standby while the agency decided whether the reservoir construction should proceed along with the U.S. Sugar deal.

Since then, the district decided that the reservoir construction in its current design should not continue. The agency negotiated a \$12 million termination settlement with Barnard Parsons. Barnard Parsons had sought about \$26 million. Completing the reservoir would have cost at least another \$400 million, according to district estimates.

District officials contend that taxpayer money wasn't wasted on the reservoir project because the land can still be used as a treatment area or another project that fits in with Everglades restoration.

It was not a "willy nilly" decision to stop the reservoir, said district board Chairman Eric Buermann who Thursday still blamed the environmental challenge for initially halting the project.

"The whole thing has been difficult," Buermann said.

While board members credited district staffers for negotiating the charge down to \$12 million to terminate the contract, Board Member Charles Dauray worried that it could make the district an "easy mark" in future deals.

Each month the district board considers millions in spending on construction, land deals and consultants for the agency that oversees water supplies from Orlando to the Keys.

Crist's proposed deal calls for the U.S. Sugar land to be used to build reservoirs and treatment areas, intended to restore water flows from Lake Okeechobee to the Everglades.

Environmental groups have hailed the deal as a historic opportunity to acquire strategically located farmland that was once part of the Everglades.

Critics of the U.S. Sugar land deal point to the unfinished reservoir as evidence that the land buy diverts money from other stalled projects, delaying help for the Everglades.

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Contractor on killed Everglades project to get \$12 million for walking away

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09/10/2009

Palm Beach Post

Quinlan, Paul

WEST PALM BEACH — South Florida water managers say they struck a good deal when they agreed to pay a contractor \$12 million to walk away from a massive, half-finished reservoir intended to feed water to the parched Everglades.

The agreement comes in addition to \$13 million the district paid to put the project on hold, bringing the total cost of the cancelled reservoir project to more than \$280 million.

The South Florida Water Management District last year halted work on the reservoir, an \$800 million above-ground lake the size of Boca Raton, just before Gov. Charlie Crist announced plans for a massive land purchase from U.S. Sugar for Everglades restoration.

The district said it put the project on hold because of an environmentalist lawsuit, but critics call the aborted project a monumental waste caused by shifting priorities to the governor's plan.

Dexter Lehtinen, attorney for the Miccosukee Tribe, which is suing to stop the proposed \$536 million, 73,000-acre U.S. Sugar deal, called the positive assessment of the mid-stream cancellation of the reservoir "silliness."

The termination fee includes \$3.6 million to dismantle a rock crushing plant that the agency paid \$113 million to build on the 16,700-acre reservoir site.

"I'm wishing they had finished the project and not just walked away," said Lehtinen. "These people are irresponsible at the least and morally corrupt at the worst."

The contractor, Barnard Parsons Joint Venture, sought a \$26 million fee for canceling the contract, which the agency negotiated down to \$12 million. Water managers say the project is not a total waste, as the reservoir property will likely be converted to a pollution-cleaning marsh under a revamped Everglades restoration plan that incorporates the U.S. Sugar land.

"The staff has done a marvelous job of bringing this in," board member Jerry Montgomery said at a water district meeting Thursday.

Only board member Mike Collins, who said the sugar deal derailed worthy restoration plans such as the reservoir, voted against the settlement.

"We could have had this project done in 2011 or 2012," Collins said. "I believe very strongly that this should have been the priority."

Board member Charles Dauray worried aloud that such settlements might make the agency appear an "easy mark" for contractor lawsuits and claims.

"In just one after the other, after the other, after the other, we pay," said Dauray, "and we're using the taxpayer dollars to ameliorate the amount of risk that the private sector is taking."

Two years into construction, the water agency in May 2008 voted to suspend the reservoir project. For six months afterward, it paid Bernard Parsons a monthly, \$1.9 million holding fee before canceling the construction contract altogether.

Agency officials say the suspension was ordered in response to a lawsuit filed by the Natural Resources Defense Council that sought assurances that the project would only supply water to the Everglades, rather than new urban development.

But the NRDC has said they did not seek to stop construction and that the water agency sought to blame their lawsuit for the sudden change-of-plans necessitated by Crist's land deal with U.S. Sugar.

Water management district holds line on tax rate, tentatively OKs \$1.53 billion spending plan

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09/09/2009

Palm Beach Post

Quinlan, Paul

WEST PALM BEACH — South Florida's largest environmental agency has opted to hold its tax rate steady despite the real estate market's plunge, anticipating a 12 percent hit to its property tax take.

The South Florida Water Management District on Tuesday tentatively approved a \$1.53 billion spending plan for the 2010 fiscal year, which starts in October.

The agency's governing board also agreed not to change the property tax rate it levies across 16 counties to fund its water supply, flood control and Everglades restoration efforts. For most South Florida homeowners, the rate will remain at 0.6240 mills, or about 62 cents per every \$1,000 of a home's taxable value.

District officials boasted that they are bucking the trend of other government agencies in Palm Beach, Broward and Miami-Dade Counties, most of which are raising taxes to make up for the drastic drop in real estate values.

"The bottom line here is, almost two-thirds of the taxing entities in these three counties proposed a millage increase," said budget director Doug Bergstrom.

The decision will translate into a \$65 million, or 12 percent, drop in property tax revenue at a time when the agency works to close the state's most expensive conservation land deal ever: Gov. Charlie Crist's proposed \$536 million, 73,000-acre land deal with U.S. Sugar Corp.

Crist has pledged that the district, whose board he appoints, would pay for the sugarcane and citrus land, which will be used for Everglades restoration, without having to raise property taxes.

Everglades restoration, which includes the U.S. Sugar deal, accounts for the vast majority — about 73 percent — of the \$1.53 billion in expenditures budgeted for the next fiscal year.

South Florida water managers hold the line on taxes, despite U.S. Sugar land deal

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09/09/2009

Sun Sentinel

Reid, Andy

WEST PALM BEACH - South Florida water managers Wednesday approved a \$1.5 billion budget plan that avoids a property tax increase next year while including a half-billion-dollar Everglades restoration land deal with U.S. Sugar Corp.

Residents in Broward and Palm Beach counties and most of South Florida would pay a tax rate of about 62 cents per \$1,000 of taxable value to the district, which manages water supplies from Orlando to the Keys.

At that rate, the owner of a home valued at \$230,000, and eligible for a \$50,000 homestead exemption, would pay the district about \$111 in property taxes. That is in addition to the property taxes paid for cities, schools and other government agencies. The district's final vote on the budget and tax rate is Sept. 22.

A major expense in the proposed budget is the \$536 million plan to purchase 73,000 acres of farmland from U.S. Sugar Corp. The deal includes an option to purchase another 107,000 acres from U.S. Sugar if the district can come up with the money over the next 10 years.

Economic concerns prompted Gov. Charlie Crist to scale down his initial plan to buy all of U.S. Sugar's land and facilities to clear the way for restoration.

The district leads Everglades restoration for the state. The agency plans to borrow the money for the 73,000 acres, with South Florida taxpayers paying off the long-term debt. The 73,000 acres would be used to build reservoirs and treatment areas to restore water flows from Lake Okeechobee to the Everglades.

Critics of U.S. Sugar deal question whether the district long-term will be able to afford to buy and build on the land without raising taxes. The Miccosukee Tribe and U.S. Sugar competitor Florida Crystals have filed legal challenges arguing it costs taxpayers too much and would stall other Everglades restoration projects.

"There are a lot of folks out there who don't want this to succeed," district Board Member Charles Dauray said about restoration plans for U.S. Sugar land. "This will succeed."

In addition to the U.S. Sugar deal, other major expenses in the budget include \$60 million to maintain flood control systems and \$400,000 to acquire land for work to strengthen Lake Okeechobee's dike.

The district estimates that the struggling economy and a drop in property values will mean \$65 million less in tax revenues for the agency. The district held the line on tax rates while almost two-thirds of the local governments in Broward, Miami-Dade and Palm Beach counties opted to increase tax rates to compensate for declining revenues.

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Costs grow for Everglades reservoir left unfinished by sugar deal

09/08/2009

Sun Sentinel

Reid, Andy

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WEST PALM BEACH - Tack on another \$12 million to the taxpayers' tab for the cost of a massive, unfinished reservoir rendered obsolete by a proposed half-billion-dollar Everglades-restoration land deal with U.S. Sugar Corp.

A suggested \$12 million settlement to terminate the construction contract of the city-sized project in western Palm Beach County pushes the total reservoir cost to almost \$280 million.

The South Florida Water Management District in June 2008 stopped construction on the 16,700-acre reservoir the same month Gov. Charlie Crist announced plans to buy U.S. Sugar land to store water needed to replenish the Everglades.

The district now contends that the location of the Everglades Agricultural Area reservoir, west of U.S. 27, doesn't fit in with Everglades restoration plans being reshaped by the still-pending U.S. Sugar deal.

Critics of the U.S. Sugar land deal point to the unfinished reservoir as evidence that the blockbuster land buy diverts money from other stalled projects, delaying help for the Everglades.

"It's a waste of money for the public and a disaster for the Everglades," said Dexter Lehtinen, Everglades advocate and attorney for the Miccosukee Tribe, which has gone to court to stop the U.S. Sugar deal. "We are going backward with restoration."

When the U.S. Sugar deal was announced last year, South Florida taxpayers already had invested about \$250 million to start building the reservoir. The district then paid the contractor, Barnard Parsons Joint Venture, about \$13 million from June to December 2008 to stand by while the agency decided whether the reservoir construction should proceed along with the U.S. Sugar deal.

The district initially blamed a legal challenge filed by an environmental group for stopping construction on the reservoir. After the U.S. Sugar deal became public, the district decided that the reservoir construction in its current design should not continue and the district negotiated a \$12 million termination settlement with Barnard Parsons. Barnard Parsons had sought about \$26 million, according to the district. The district's governing board is to vote on the proposed settlement Thursday.

District officials contend that taxpayer money wasn't wasted on the reservoir project. The land still could be used as a stormwater treatment area or a shallower reservoir that would better fit in with the plan to store, clean and redirect water flows to the Everglades, they say.

Completing the reservoir would have cost at least another \$400 million, according to district estimates.

Crist's deal with U.S. Sugar calls for the district to pay \$536 million to U.S. Sugar for 73,000 acres that would be used to build reservoirs and treatment areas, intended to restore water flows from Lake Okeechobee to the Everglades. The deal gives the district a 10-year option to buy another 107,000 acres from U.S. Sugar.

A judge's ruling last month, in a legal challenge to the financing plan, allowed the deal to move forward. The Miccosukee Tribe plans to appeal to the Florida Supreme Court. The district has until June 2010 to borrow the money it needs to close on the deal with U.S. Sugar.

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