



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
CIVIL WORKS
108 ARMY PENTAGON
WASHINGTON DC 20310-0108

SEP 19 2012

Honorable Joseph R. Biden, Jr.
President of the Senate
U.S. Capitol Building, Room S-212
Washington, D.C. 20510-0012

Dear Mr. President:

In accordance with Section 601(d) of the Water Resources Development Act (WRDA) of 2000, the Secretary of the Army supports the authorization and construction of the Biscayne Bay Coastal Wetlands Phase I project in Miami-Dade County, Florida, for the purposes of ecosystem restoration and recreation. The proposal is described in the report of the Chief of Engineers, dated May 2, 2012, which includes other pertinent documents. The views of the South Florida Water Management District (SFWMD), the State of Florida, the Department of the Interior, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Department of the Air Force are set forth in the enclosed report. The Secretary of the Army plans to implement the project at the appropriate time, considering National priorities and the availability of funds.

The project would be a major step in the modification of the Central and Southern Florida (C&SF) project to help restore, preserve, and protect the South Florida ecosystem, while providing for other water-related needs of the region. The Comprehensive Everglades Restoration Plan (CERP), which was approved by Section 601(b)(1) of the WRDA of 2000 as a framework for modifying the C&SF project, included a project for restoring wetlands on the Atlantic coast south of Miami and reducing point source discharges into Biscayne Bay. Phase I of that project, as recommended herein, would redistribute freshwater runoff from existing canals to provide a more natural and historic overland flow through existing coastal freshwater and saltwater wetlands, and into nearshore bay habitat. A future Phase II report would address restoring freshwater wetlands further south in the Barnes Sound area.

The recommended project would significantly contribute to three of the major CERP objectives – increase the spatial extent of natural areas, improve habitat and functional quality, and improve native plant and animal species abundance and diversity. It would also contribute to the socioeconomic objective of providing incidental recreation opportunities. Cost effectiveness and incremental cost analysis techniques were used to ensure that an appropriate ecosystem restoration plan was recommended. The report identifies the recommended ecosystem restoration improvements as the National Ecosystem Restoration (NER) Plan.



The recommended improvements would be constructed in three hydrologically distinct regions. They include:

- Deering Estate: construct a 500 foot canal extension, a 100 cubic feet per second (cfs) pump station, and a spreader structure to convey water to a freshwater wetland.
- Cutler Wetlands: construct a 400 cfs pump station, about 7,000 linear feet of canal, three culverts, and about 13,160 linear feet of spreader canal to convey water to saltwater wetlands, and place about 2,500 linear feet of mosquito control ditch plugs to discourage channelization.
- L-31 East Flow Way: construct five pump stations ranging in capacity from 40 to 100 cfs along with outlet spreaders, an inverted siphon, and water control structures to deliver water to freshwater and saltwater wetlands.

The recommended project would redirect about 59 percent of the fresh water runoff that is currently discharged directly into Biscayne Bay through man-made canals and then discharge it to coastal wetlands. This would create more natural water flow patterns, which would increase the productivity of freshwater wetlands, reestablish critical ecotones, and improve estuarine areas in Biscayne Bay. The diversion would reduce the nitrate and total phosphorus loads to Biscayne Bay by about 50 percent. The plan would rehydrate about 283 acres of freshwater wetland habitat and increase the hydroperiod from approximately 70 days per year to nearly 200 days per year – an increase of 261 average annual habitat units. These wetlands provide critical habitat to prey fish and wading birds. The plan would provide 5,909 average annual habitat units by rehydrating saltwater wetlands, reducing the salinity and increasing the hydroperiod. This should improve habitat for the endangered American Crocodile. For the nearshore bay area (within 500 meters of the shoreline), which is nursery habitat for pink shrimp, the plan would add about 3,106 habitat units by improving salinity and other water qualities. Overall, about 30,700 acres of wetlands and about 8,600 acres of nearshore habitat would benefit from the project. The plan would provide a total 9,276 habitat units, which constitutes a significant benefit to fish and wildlife habitat. This would affect habitat for 21 Federally-listed threatened or endangered species, including the West Indian Manatee, Florida Panther, Cape Sable Seaside Sparrow, and American Crocodile.

Based on October 2011 price levels, the estimated Total Project First Cost is \$192,418,000, which includes \$190,578,000 for ecosystem restoration. In accordance with Section 601(e) of the WRDA of 2000, the estimated Federal and non-Federal costs for ecosystem restoration would be \$95,289,000 each. The first cost estimate includes about \$1,917,000 to monitor project performance and Endangered Species impacts. Based on a discount rate of 4.0 percent and a 40-year period of analysis, the equivalent average annual cost for restoration is estimated at \$11,003,000, which includes the cost of operation, maintenance, repair, rehabilitation, and replacement (OMRR&R) estimated at \$1,873,000 annually. Ecological monitoring beyond the construction phase would be

funded separately under the CERP Monitoring and Assessment Plan. In accordance with Section 601(e)(4), OMRR&R activities for ecosystem restoration are a non-Federal responsibility and would be shared equally between the Federal Government and the non-Federal sponsor. The project would be located on 3,761 acres south of Miami in Miami-Dade County. The estimated cost of lands, easements, rights-of-way, and relocations for the recommended plan is \$80,985,000.

The project would also provide recreation opportunities. The estimated Total Project First Cost includes \$1,841,000 for recreation features, which include interpretive signs, shade shelter, restrooms, parking, tent platforms, pedestrian bridge, benches, bike rack, trash receptacles, security gate, trail signage, potable water, and a bird watching platform. The estimated Federal and the non-Federal costs of the recreation features would be \$921,000 each in accordance with Section 103(c) of the WRDA of 1986. The average annual cost for recreation is estimated at \$123,000, which includes \$25,000 for annual OMRR&R. The OMRR&R for recreation would be a non-Federal responsibility in accordance with Section 103(j) of WRDA 1986. The average annual benefits for recreation are estimated at \$210,000, resulting in net average annual benefits of about \$87,000 and a benefit-to-cost ratio of about 1.7 to 1. These estimates supersede the recreation benefit estimates presented in the Report of the Chief of Engineers.

The total estimated Federal and the non-Federal costs for the project are \$96,209,000 each. The total average annual cost is estimated at \$11,126,000, which includes \$1,898,000 for OMRR&R and \$193,000 for monitoring.

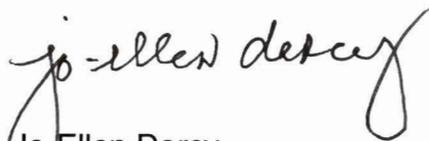
The SFWMD would be the non-Federal project sponsor and is legally capable of fulfilling those responsibilities. In accordance with Sections 601(h)(4)(A)(iii)(IV) and (V) of the WRDA of 2000, the SFWMD would be responsible for reserving available water and additional water made available by the project that would be necessary to achieve the project's restoration goals and objectives. The report states that the State of Florida will reserve or allocate for the natural system the additional water made available by the project. The project would not provide additional water for water supply or other water-related needs in the watershed. It also would not reduce levels of service for flood risk reduction in accordance with Section 601(h)(5)(B) of the WRDA of 2000.

Section 601(e)(5)(B) of the WRDA of 2000 authorizes credit toward the non-Federal share for non-Federal design and construction work, subject to the execution of the design or project partnership agreement, and subject to a determination by the Secretary that the work is integral to the project. The SFWMD executed a Pre-Partnership Credit Agreement with the Department of the Army on August 13, 2009, in order to enable credit eligibility under Section 601(e)(5)(B) for certain work completed prior to an authorization of the project by the Congress and the execution of a project partnership agreement. The SFWMD initiated design and construction in January 2010, has completed an estimated \$11,986,000 worth of in-kind work, and intends to seek

credit under this agreement. The actual amount of credit to be afforded will be subject to audit and a determination that the work has been constructed in accordance with applicable Federal and State laws.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. A copy of OMB's letter dated, September 14, 2012, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Transportation and Infrastructure of the Senate Committee on Environment and Public Works, and the Subcommittee on Energy and Water Development of the Senate Committee on Appropriations. I am also providing an identical letter to the Speaker of the House of Representatives.

Very truly yours,

A handwritten signature in cursive script that reads "Jo-Ellen Darcy". The signature is written in black ink and is positioned above the printed name.

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

Enclosures

10 Enclosures

1. Report of the Chief of Engineers, May 2, 2012
2. Florida Dept. of Environmental Protection memorandum, January 20, 2012
3. Environmental Protection Agency letter, February 2, 2012
4. National Oceanic and Atmospheric Administration letter, February 6, 2012
5. Dept. of the Air Force, Air Force Reserve Command, Homestead Air Reserve Base, letter, February 6, 2012
6. Department of the Interior letter, February 7, 2012
7. USACE response to Florida Dept. of Environmental Protection, April 12, 2012
8. USACE response to Homestead Air Reserve Base, April 12, 2012
9. OMB Clearance Letter, September 14, 2012
10. Integrated Project Implementation Report and Environmental Impact Statement, July 2011, revised March 2012



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
CIVIL WORKS
108 ARMY PENTAGON
WASHINGTON DC 20310-0108

SEP 19 2012

Honorable John A. Boehner
Speaker of the House
of Representatives
U.S. Capitol Building, Room H-232
Washington, D.C. 20515-0001

Dear Mr. Speaker:

In accordance with Section 601(d) of the Water Resources Development Act (WRDA) of 2000, the Secretary of the Army supports the authorization and construction of the Biscayne Bay Coastal Wetlands Phase I project in Miami-Dade County, Florida, for the purposes of ecosystem restoration and recreation. The proposal is described in the report of the Chief of Engineers, dated May 2, 2012, which includes other pertinent documents. The views of the South Florida Water Management District (SFWMD), the State of Florida, the Department of the Interior, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Department of the Air Force are set forth in the enclosed report. The Secretary of the Army plans to implement the project at the appropriate time, considering National priorities and the availability of funds.

The project would be a major step in the modification of the Central and Southern Florida (C&SF) project to help restore, preserve, and protect the South Florida ecosystem, while providing for other water-related needs of the region. The Comprehensive Everglades Restoration Plan (CERP), which was approved by Section 601(b)(1) of the WRDA of 2000 as a framework for modifying the C&SF project, included a project for restoring wetlands on the Atlantic coast south of Miami and reducing point source discharges into Biscayne Bay. Phase I of that project, as recommended herein, would redistribute freshwater runoff from existing canals to provide a more natural and historic overland flow through existing coastal freshwater and saltwater wetlands, and into nearshore bay habitat. A future Phase II report would address restoring freshwater wetlands further south in the Barnes Sound area.

The recommended project would significantly contribute to three of the major CERP objectives – increase the spatial extent of natural areas, improve habitat and functional quality, and improve native plant and animal species abundance and diversity. It would also contribute to the socioeconomic objective of providing incidental recreation opportunities. Cost effectiveness and incremental cost analysis techniques were used to ensure that an appropriate ecosystem restoration plan was recommended. The report identifies the recommended ecosystem restoration improvements as the National Ecosystem Restoration (NER) Plan.



The recommended improvements would be constructed in three hydrologically distinct regions. They include:

- Deering Estate: construct a 500 foot canal extension, a 100 cubic feet per second (cfs) pump station, and a spreader structure to convey water to a freshwater wetland.
- Cutler Wetlands: construct a 400 cfs pump station, about 7,000 linear feet of canal, three culverts, and about 13,160 linear feet of spreader canal to convey water to saltwater wetlands, and place about 2,500 linear feet of mosquito control ditch plugs to discourage channelization.
- L-31 East Flow Way: construct five pump stations ranging in capacity from 40 to 100 cfs along with outlet spreaders, an inverted siphon, and water control structures to deliver water to freshwater and saltwater wetlands.

The recommended project would redirect about 59 percent of the fresh water runoff that is currently discharged directly into Biscayne Bay through man-made canals and then discharge it to coastal wetlands. This would create more natural water flow patterns, which would increase the productivity of freshwater wetlands, reestablish critical ecotones, and improve estuarine areas in Biscayne Bay. The diversion would reduce the nitrate and total phosphorus loads to Biscayne Bay by about 50 percent. The plan would rehydrate about 283 acres of freshwater wetland habitat and increase the hydroperiod from approximately 70 days per year to nearly 200 days per year – an increase of 261 average annual habitat units. These wetlands provide critical habitat to prey fish and wading birds. The plan would provide 5,909 average annual habitat units by rehydrating saltwater wetlands, reducing the salinity and increasing the hydroperiod. This should improve habitat for the endangered American Crocodile. For the nearshore bay area (within 500 meters of the shoreline), which is nursery habitat for pink shrimp, the plan would add about 3,106 habitat units by improving salinity and other water qualities. Overall, about 30,700 acres of wetlands and about 8,600 acres of nearshore habitat would benefit from the project. The plan would provide a total 9,276 habitat units, which constitutes a significant benefit to fish and wildlife habitat. This would affect habitat for 21 Federally-listed threatened or endangered species, including the West Indian Manatee, Florida Panther, Cape Sable Seaside Sparrow, and American Crocodile.

Based on October 2011 price levels, the estimated Total Project First Cost is \$192,418,000, which includes \$190,578,000 for ecosystem restoration. In accordance with Section 601(e) of the WRDA of 2000, the estimated Federal and non-Federal costs for ecosystem restoration would be \$95,289,000 each. The first cost estimate includes about \$1,917,000 to monitor project performance and Endangered Species impacts. Based on a discount rate of 4.0 percent and a 40-year period of analysis, the equivalent average annual cost for restoration is estimated at \$11,003,000, which includes the cost of operation, maintenance, repair, rehabilitation, and replacement (OMRR&R) estimated at \$1,873,000 annually. Ecological monitoring beyond the construction phase would be

funded separately under the CERP Monitoring and Assessment Plan. In accordance with Section 601(e)(4), OMRR&R activities for ecosystem restoration are a non-Federal responsibility and would be shared equally between the Federal Government and the non-Federal sponsor. The project would be located on 3,761 acres south of Miami in Miami-Dade County. The estimated cost of lands, easements, rights-of-way, and relocations for the recommended plan is \$80,985,000.

The project would also provide recreation opportunities. The estimated Total Project First Cost includes \$1,841,000 for recreation features, which include interpretive signs, shade shelter, restrooms, parking, tent platforms, pedestrian bridge, benches, bike rack, trash receptacles, security gate, trail signage, potable water, and a bird watching platform. The estimated Federal and the non-Federal costs of the recreation features would be \$921,000 each in accordance with Section 103(c) of the WRDA of 1986. The average annual cost for recreation is estimated at \$123,000, which includes \$25,000 for annual OMRR&R. The OMRR&R for recreation would be a non-Federal responsibility in accordance with Section 103(j) of WRDA 1986. The average annual benefits for recreation are estimated at \$210,000, resulting in net average annual benefits of about \$87,000 and a benefit-to-cost ratio of about 1.7 to 1. These estimates supersede the recreation benefit estimates presented in the Report of the Chief of Engineers.

The total estimated Federal and the non-Federal costs for the project are \$96,209,000 each. The total average annual cost is estimated at \$11,126,000, which includes \$1,898,000 for OMRR&R and \$193,000 for monitoring.

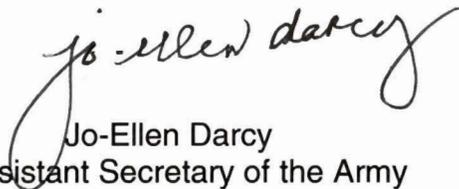
The SFWMD would be the non-Federal project sponsor and is legally capable of fulfilling those responsibilities. In accordance with Sections 601(h)(4)(A)(iii)(IV) and (V) of the WRDA of 2000, the SFWMD would be responsible for reserving available water and additional water made available by the project that would be necessary to achieve the project's restoration goals and objectives. The report states that the State of Florida will reserve or allocate for the natural system the additional water made available by the project. The project would not provide additional water for water supply or other water-related needs in the watershed. It also would not reduce levels of service for flood risk reduction in accordance with Section 601(h)(5)(B) of the WRDA of 2000.

Section 601(e)(5)(B) of the WRDA of 2000 authorizes credit toward the non-Federal share for non-Federal design and construction work, subject to the execution of the design or project partnership agreement, and subject to a determination by the Secretary that the work is integral to the project. The SFWMD executed a Pre-Partnership Credit Agreement with the Department of the Army on August 13, 2009, in order to enable credit eligibility under Section 601(e)(5)(B) for certain work completed prior to an authorization of the project by the Congress and the execution of a project partnership agreement. The SFWMD initiated design and construction in January 2010, has completed an estimated \$11,986,000 worth of in-kind work, and intends to seek credit under this agreement. The actual amount of credit to be afforded will be subject

to audit and a determination that the work has been constructed in accordance with applicable Federal and State laws.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. A copy of OMB's letter, dated September 14, 2012, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am also providing an identical letter to the President of the Senate.

Very truly yours,

A handwritten signature in cursive script that reads "Jo-Ellen Darcy". The signature is written in black ink and is positioned above the printed name.

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

Enclosures

10 Enclosures

1. Report of the Chief of Engineers, May 2, 2012
2. Florida Dept. of Environmental Protection memorandum, January 20, 2012
3. Environmental Protection Agency letter, February 2, 2012
4. National Oceanic and Atmospheric Administration letter, February 6, 2012
5. Dept. of the Air Force, Air Force Reserve Command, Homestead Air Reserve Base, letter, February 6, 2012
6. Department of the Interior letter, February 7, 2012
7. USACE response to Florida Dept. of Environmental Protection, April 12, 2012
8. USACE response to Homestead Air Reserve Base, April 12, 2012
9. OMB Clearance Letter, September 14, 2012
10. Integrated Project Implementation Report and Environmental Impact Statement, July 2011, revised March 2012