

**MEMORANDUM OF AGREEMENT
REGARDING ACCELERATION OF THE
COMPREHENSIVE EVERGLADES RESTORATION PLAN**

WHEREAS, restoration of America's Everglades is the world's largest environmental project of its kind; and

WHEREAS, restoration of the River of Grass is reviving habitat for more than sixty threatened and endangered species, restoring the Everglades' natural water flows from Lake Okeechobee to Florida Bay, and establishing a reliable environmental, urban, and agricultural water supply while providing improved flood protection – a restoration benefit underscored by the impact of three recent hurricanes on South Florida's shores; and

WHEREAS, the 30-year, \$8 billion Comprehensive Everglades Restoration Plan is being funded, managed and implemented through an unprecedented 50-50 partnership between the state and federal governments; and

WHEREAS, Governor Bush and the South Florida Water Management District, in conjunction with their federal partners, desire to accelerate funding, design and construction to complete several Comprehensive Everglades Restoration Plan projects over the next seven years; and

WHEREAS, completion of these critical restoration projects more than ten years ahead of schedule will save money and provide immediate environmental, social and economic benefits; and

WHEREAS, Governor Bush has always advocated fiscal restraint in issuing publicly supported debt but also recognizes that the unique opportunity to accelerate the restoration of Florida's Everglades warrants borrowing funds for the construction of Comprehensive Everglades Restoration Plan projects.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, the Executive Office of the Governor and the South Florida Water Management District hereby agree to the following principles for accelerating the Comprehensive Everglades Restoration Plan:

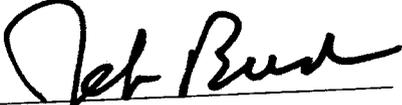
1. The acceleration of Comprehensive Everglades Restoration Plan projects shall not result in an increase in State funding or millage rates levied by the South Florida Water Management District.
2. As part of the annual statutory water management district budget review or as needed, each project to be accelerated (and not previously approved) and the related funding (including debt issuance) shall be subject to review and approval by the Executive Office of the Governor. Additionally, the finance plan and sale of each series of Certificates of Participation shall be subject to review by the

Executive Office of the Governor.

3. The finance plan for accelerating the Comprehensive Everglades Restoration Plan shall be flexible so that the amount and timing of any borrowings can be adjusted as circumstances warrant. For example, the finance plan may require modification for changes in estimated project cost, assumptions for the growth in the tax base or construction schedules.
4. The borrowing for each accelerated Comprehensive Everglades Restoration Plan project shall be consistent with the District's debt management policies that are effective from time to time. The District's current debt management policies shall be amended to limit the debt service associated with long-term debt which includes the accelerated Comprehensive Everglades Restoration Plan projects to no more than 20% of the available ad valorem, related interest thereon, and permit fee revenues.
5. The debt management policies shall require that bond financing professionals be selected through a Request for Proposals process and that debt be sold by competitive sale unless a negotiated sale of bonds is supported by an analysis and recommendation that it would be more cost-effective.
6. Consideration shall be given but not limited to the level of interest rates, duration of the debt and prepayment penalties in order to minimize the interest cost for accelerating the Comprehensive Everglades Restoration Plan.
7. The State recognizes that funding Comprehensive Everglades Restoration Plan projects assumes a minimum annual funding commitment of \$100 million in State funds in accordance with sections 215.619 and 373.470, Florida Statutes.
8. This Memorandum of Agreement for the acceleration of Comprehensive Everglades Restoration Plan projects through the issuance of Certificates of Participation shall be limited to fund the following projects:
 - a. Water Preserve Areas, including Site 1 Impoundment; C-9 Impoundment; C-11 Impoundment; Water Conservation Area 3A – 3B Levee Seepage Management; and Acme Basin B
 - b. Everglades Agricultural Area Stormwater Treatment Area Expansion (Compartments B and C)
 - c. Everglades Agricultural Area Reservoir Phase I and Bolles and Cross Canals
 - d. Southern Golden Gate Estates (Picayune Strand) Hydrologic Restoration
 - e. Biscayne Bay Coastal Wetlands Phase I
 - f. C-111 Spreader Canal
 - g. C-43 (Caloosahatchee River) West Storage Reservoir
 - h. C-44 (St. Lucie Canal) Reservoir /Stormwater Treatment Area

Issuance of Certificates of Participation for projects other than those enumerated in this Memorandum of Agreement is not addressed by this Agreement.

APPROVED AND ADOPTED THIS 14th DAY OF OCTOBER, 2004.



JEB BUSH
Governor



NICOLAS J. GUTIERREZ, JR.
Chair, SFWMD Governing Board