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OFFICE OF THE CHIEF OF ENGINEERS  
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CECW-ZB (1105)

16 JUNE 2026

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

SUBJECT: Comprehensive Everglades Restoration Plan, Central Everglades Planning Project, Florida, Section 902 Post Authorization Change Report

1. Purpose. To provide for your review and concurrence of the enclosed Comprehensive Everglades Restoration Plan, Central Everglades Planning Project (CEPP), Florida, Section 902 Post Authorization Change Report (PACR). The report presents a revised cost estimate and updated analysis of the authorized project to support the authorization of the new project cost. The report documents the need to increase the authorized project first cost from \$4,362,091,000 (Fiscal Year (FY)20 price levels) to \$12,321,618,000 (FY26 price levels). The recommended changes necessitating the increase to the cost limit imposed by section 902 of the Water Resources Development Act (WRDA) of 1986, as amended (33 U.S.C. § 2280), are within the existing authority of the project. The current cost variance is independent of, and not driven by, recent efforts to accelerate EAA delivery.

2. Authorized Project. The CEPP was first authorized in Section 1401 of WRDA 2016 for ecosystem restoration. The Central and Southern Florida (C&SF), Everglades Agricultural Area (EAA) Project, was authorized in Section 1308 of WRDA 2018, Public Law 115-270. The EAA Project was based on the South Florida Water Management District's (SFWMD's) Section 203 Report, with such modifications as the Secretary (ASA(CW)) determined appropriate. Subsequently, Section 324 of WRDA 2020 modified CEPP to include the EAA Project and authorized CEPP, as so combined, at a total cost of \$4,362,091,000 (FY20 price levels).

The purpose of CEPP is to improve the quantity, quality, timing, and distribution of water flows to the Northern Estuaries (St. Lucie and Caloosahatchee), central Everglades (Water Conservation Area 3 and Everglades National Park (ENP)), and Florida Bay, while increasing water supply for municipal, industrial, and agricultural users.

The CEPP contains four phases: EAA, North, South, and New Water. The CEPP EAA phase includes a 10,500-acre aboveground storage reservoir with 240,000 acre-feet of storage, a stormwater treatment area, and increased conveyance in the Miami and North New River canals. The CEPP North Phase includes gated culverts, pump stations, canal modifications, and backfill of a segment of the Miami Canal. The CEPP South Phase includes gated culverts, pump stations, spillways, canal and ditch backfills,

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levee degrades, and a new levee. The CEPP New Water Phase includes a seepage barrier wall. Project features will be constructed over a multi-year period with staggered completion dates. Realization of benefits is contingent upon integrated operations within the C&SF Project water management system. Implementation of the CEPP ensures incremental benefits are realized as construction of features is complete.

3. Post-Authorization Change. CEPP EAA, North, and South Phases currently have features in both design and construction phases. The CEPP New Water Phase construction is complete. A list of all contracts in the design and construction phases is included in the PACR Report.

Section 324 of the WRDA of 2020, Public Law 116-260, modified Section 1401(4) of the WRDA of 2016 to authorize a total cost for CEPP of \$4,362,091,000 (FY20 price levels). The fully funded total project cost for the four phases of CEPP is estimated to be \$12,812,509,000 (FY26 price levels) and the project first cost is \$12,321,618,000 (FY26 price levels). This cost increase exceeds the authorized cost-plus inflation plus 20%, requiring authorization of a new cost by Congress.

The 2014 CEPP Final Project Implementation Report/Environmental Impact Statement (PIR/EIS) was authorized using the lower bound of a Class 3 cost estimate with approximately 10 percent design maturity. The 2014 CEPP Final PIR/EIS recognized that there were uncertainties that would be evaluated during the preconstruction engineering and design (PED) phase. In the PED phase, design changes and refinements were made based on the lessons learned from CEPP and other projects. Since 2020, all phases have advanced significantly in design, with many components transitioning into the construction phase. Currently, aggregate design maturity for all features is 92 percent, meeting requirements for a Class 2 estimate designation.

Design refinements are attributable to federal dam safety requirements, risk informed design standards, hydraulic modeling results impacting project functionality, updates to long-term operations and maintenance needs, and updates to federal requirements for data management. These changes have collectively contributed to the maturation of the design. Along with updates to cost estimating policies and changes to market conditions, design refinements resulted in corresponding adjustments to project costs.

Major cost changes for design, construction, and acceleration can be categorized as follows:

- a. \$2.41 billion due to design maturity advancement (new hydraulic modeling), design requirement updates over time (dam safety requirements, risk-informed design standards, adaptation to long-term operations and maintenance needs, etc.), and other necessary refinements;

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- b. \$57.5 million due to lessons learned/observations being applied to estimates;
- c. \$659 million due to differences in means and methods assumptions between the government and bidding contractors;
- d. \$541 million due to various construction phase modifications;
- e. \$55 million for impacts from administrative actions such as splitting contracts into parts and schedule shifts that could not be absorbed;
- f. \$436 million due to increases in planning, engineering, design, and construction management, as well as the addition of an operational plan; and
- g. \$2.25 billion due to project contingency updates related to cost and schedule risk, from the originally certified 39.1 percent to the current aggregate 60.9 percent.

4. Relevant Information. A Memorandum of Agreement (MOA) between State of Florida and Department of the Army for Expediting and Advancing the Restoration of America's Everglades was executed July 18, 2025, by the Acting Assistant Secretary of the Army (Civil Works) and the Governor of Florida. This MOA and a companion Memorandum of Understanding (MOU) have the goal to accelerate Everglades restoration. Potential future actions and agreements resulting from the MOA and MOU include:

- Expedite the completion of all remaining components of the CEPP A-2 Reservoir by 2029;
- Empower the State of Florida to execute the design, construction, management, and delivery of federal projects under the CERP;
- Identify and agree to additional authorized and funded federal CERP studies and projects that are appropriate for non-federal implementation; and
- Pursue Project Partnership Agreements that allow non-federal implementation of projects using federal funding under various authorities, including Section 1043(b) of the WRDA of 2014, as amended, Section 204 of the WRDA of 1986, and other authorities that may allow or support non-federal implementation.
- No costs are associated with this MOA or recent acceleration efforts. On the contrary, accelerating this initiative is projected to curb cumulative cost growth and potentially realize overall program savings.

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5. Project Justification. The CEPP will beneficially affect more than 1.5 million acres in the St. Lucie and Caloosahatchee estuaries, Water Conservation Areas 3A and 3B, ENP, and Florida Bay. The project will reduce the magnitude and frequency of high releases of water from Lake Okeechobee to the estuaries and deliver water to Water Conservation Areas, ENP, and Florida Bay. The project will increase water available for agricultural, municipal and industrial use in Broward and Miami-Dade counties and will maintain existing water supply performance for agricultural users in the Lake Okeechobee Service Area and the Seminole Tribe of Florida.

6. Environmental Compliance. The CEPP was authorized in WRDA 2016 and was modified in WRDA 2020 to add the EAA Phase. Environmental impact statements and Records of Decision were prepared for both authorizations. The 2014 Chief's Report for CEPP required "Limited Reevaluation Reports...to support" the North, South, and New Water phases to provide more detailed information and document changed conditions. Integrated Validation Reports / Environmental Assessments were prepared for CEPP South (2022), incorporation of the Decomp Physical Model into CEPP (2023), CEPP North (2025), and CEPP New Water (2025, approval pending). The cumulative changes in these validation reports are within the Chief's discretionary authority. All updates in the 2026 CEPP 902 PACR are addressed in these integrated Validation Reports / Environmental Assessments for each phase.

7. Recommendation. I report that the project remains engineeringly feasible, environmentally acceptable, and justified based on the benefits provided. I recommend the enclosed Section 902 PACR be transmitted to Congress as a basis for consideration for increasing the authorized project cost of the CEPP to \$12,321,618,000 (FY26 price levels).



JASON E. KELLY

Major General, USA

Deputy Commanding General

for Civil and Emergency Operations