



South Florida Water Management District

MINUTES GOVERNING BOARD WORKSHOP

September 10, 2008

1:00 PM

District Headquarters - B-1 Auditorium

3301 Gun Club Road

West Palm Beach, FL 33406

Members Present:

Eric Buermann, Chair

Michael Collins

Charles Dauray

Shannon Estenoz

Paul C. Huck Jr.

Melissa Meeker

Jerry Montgomery

Patrick Rooney

1. **Call to Order** - Eric Buermann, Chair, Governing Board

Chair Buermann called the meeting to order at 1:16 pm.

2. **Pledge of Allegiance** - Eric Buermann, Chair, Governing Board

Mr. Huck led the group in the Pledge of Allegiance.

3. **Approval of Minutes**

Approval of August 13, 2008, Workshop, and the August 14, Business Meeting Minutes held in West Palm Beach, Florida

Motion made by Shannon Estenoz, seconded by Paul C. Huck Jr. to Approve the following item(s): 3

Vote called. Voting yes: Shannon Estenoz, Paul C. Huck Jr., Eric Buermann, Michael Collins, Charles Dauray, Melissa Meeker, Jerry Montgomery, Patrick Rooney. Motion passed.

4. **Agenda Addendum** - Annette Carter, Director, Office of Governing Board and Executive Services

Annette Carter, Office of Governing Board and Executive Services read into the record: Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer. Based upon that authority, the Chairman has determined that good cause exists to make certain changes to the Agenda. These changes are being made in order to permit the Governing Board to efficiently accomplish necessary public business at this meeting and to reflect the items on the agenda that have been requested or suggested to be deleted, revised, supplemented or postponed. These changes have been listed in the Governing Board Workshop Addendum available at the entrance to this meeting room.

5. Abstentions by Board Members from Items on the Workshop Agenda

Mr. Huck disclosed that members of his law firm are involved in litigation with U.S. Sugar Corporation. He stated that he will be abstaining from voting on transactions related to "River of Grass" agenda items but has been advised by Counsel that he may participate in the public discussion.

6. Pull Items for Discussion from Consent Agenda

There were no items pulled for discussion from the Consent agenda.

Water Resources

7. "River of Grass" Land Acquisition Update - Ken Ammon, Deputy Executive Director, Everglades Restoration Resources (ext. 4220)

Bob Kulkleski, Lead Environmental Engineering Specialist, reported on the environmental assessment being conducted according to a protocol for ecological risk assessment (ERA) that has been approved by US Fish and Wildlife Service (USFWS) and Florida Department of Environmental Protection (FDEP). The assessment work is being reviewed by stakeholders group that includes FDEP and USFWS. The final report is to be completed by October 17, 2008. The objective of the assessment is to determine the viability of the property for the intended future land use and the necessity for corrective action.

Steve Long, Professional Service Industries, Inc., reported on the project team involved with the data collection, the methodology and statistical analysis of the assessment.

Mr. Long reported the data collection investigation includes:

- An assessment of 185 remote point sources.
- An assessment of two sugar mills, a juice plant, and two railways.
- An assessment of 187,000 agricultural acres.
- A collection of more than 12,500 soil samples and 500 water samples.

Joe Allen, NewFields, provided information on the geospatial analysis of data.

Mark Lewis PhD, NewFields, provided information on the Ecological Risk Assessment (ERA) approach. He also reported on the expanded ERA when site-specific conditions warrant additional analysis.

Mr. Dauray commented on the possible toxicity in the sediment on the property.

Kirk Burns, Senior Practice Expert, provided information on the project team's responsibility of identifying possible levels of contaminants.

Ms. Wehle reported on the policy decision of the Governing Board.

Ms. Meeker commented on the District's land acquisition process.

Mr. Collins commented on the protection of endangered species.

Ms. Estenoz questioned the hydrological aspect of the assessment.

Dr. Lewis provided additional information pertaining to the hydrological issues.

Mr. Long reported on the corrective action alternatives for possible ERA risks.

Mr. Collins requested the Board receive the ERA report as soon as it is released. He commented on possible "hot spots" on the property.

Public Comment: Commissioner Doug Smith, Martin County Board of County Commissioners, supports the U.S. Sugar Land Acquisition. He also commented on the C-44 construction, the discharges into the estuaries and the partnership between the District and Martin County for the C-44 project.

Public Comment: Commissioner Sarah Heard, Martin County Board of County Commissioners, commented on water projects and the discharges to the estuaries. She also commented on State, local and federal partnership supports, and the Indian River Lagoon.

Ms. Wehle provided comment on the C-44 project and the restricted revenue sources.

Mr. Dauray commented on the public concerns of discharges to the estuaries.

Mr. Ammon provided information on local runoff in Martin/St. Lucie County, lake discharges into the estuaries and the C-44 construction project.

Ms. Estenoz commented on the timeframe for these projects, limited funding, and federal participation.

Mr. Collins commented on funding for the existing projects.

Tommy Strowd, Asst. Deputy Executive Director, Everglades Restoration, provided information on the Engineering Assessments. He reported on Shaw Environmental, Inc., and the categories of infrastructure under evaluation: sugar mill and refinery, citrus processing plant, non-process buildings, vehicles and equipment, airport and airstrip facilities, railroads, and crop area lands and facilities.

Ms. Wehle commented on the condition of the assets and the value of the mill. She stated a business analysis will be provided to the Board.

Ms. Wehle said there will be a Workshop to discuss the reports.

Mr. Collins said information needs to be provided to the Board to discuss the issues.

Mr. Dauray requested a portfolio be provided to the Board so it be consistent among the Governing Board members.

The Board agreed to hold additional Workshop meetings in October.

Ms. Meeker commented on time constraints of the contract.

Ms. Estenoz had questions on the value of the mill.

Ms. Wehle provided information on the value of the mill.

Mr. Olliff reported additional public assurances: To ensure the District and its tax payers are getting value and the process used for due diligence was appropriate and thorough for a deal of this scope and complexity. Mr. Olliff reported on the roles of the outside auditors and/or Inspector General. Duff & Phelps have been hired to provide a "fairness opinion.

Andrew Capitman, Duff & Phelps, explained a fairness opinion: A fairness opinion is a professional evaluation by an investment bank or other third party as to whether the terms of a merger acquisition are fair.

Mr. Dauray commented on the accountability to the tax payers.

Ms. Meeker commented on the intagibles, the appraisal, and the fairness opinion.

Mr. Capitman reported on the fairness opinion and the level of comfort for the Governing Board.

Mr. Montgomery asked about similarities/differences of the appraisal and fairness opinion.

Mr. Capitman explained there will be a letter addressed to the Governing Board, from Duff & Phelps, stating whether the transaction is fair under current market conditions. Mr. Capitman explained there will be a presentation addressed to the Board on the information and how Duff & Phelps analyzed the value. They have also agreed to give a breakdown of the value of the component parts.

Mr. Collins commented on the statutory responsibilities.

Public Comment: Mayor Wayne Whittaker, City of Pahokee, commented on the economic impacts to the City of Pahokee and purchasing land to become self sufficient.

Public Comment: Sara Fain, National Parks and Conservation Association, requested the District quickly close the deal and also commented on the conditions of the leases.

Public Comment: Ardis Hammock, citizen, requested the Board come and visit the independent farmers.

Public Comment: Sean Moore, citizen, commented on the assets and his concerns about the citizens of the Glades community.

12. Overview of District Funding of Mobile Irrigation Labs - Terrie Bates, Assistant Deputy Executive Director, Water Resources Management (ext. 6952)

Terrie Bates, Assistant Deputy Executive Director, presented information on the funding history of the Mobile Irrigation Labs (MILs). Ms. Bates reported on how the MIL contracts work and the issues for consideration. She reported on staff's recommendation.

Public Comment: David DeMaio, Palm Beach Soil and Water, commented on the funding for MILs and implementing the water conservation plan.

Public Comment: Gary Bailey, St. Lucie SWCD commented on Mobile Irrigation Labs and enhancing water conservation.

Public Comment: Sonny Clayton, South Dade Soil and Water Conservation, requested continued funding for the MILs.

Public Comment: Richard Nedele, Broward County Mobile Irrigation Labs, requested continued funding for the urban MILs.

Public Comment: Jim Nikolich, MIL Colloier Soil & Water Conservation District, requested continued funding for the MILs. He said the lab has been successful.

Public Comment: Robert Perez, citizen, Miami-Dade County, requested continued funding for urban MILs.

Public Comment: Jack Tanner, Lee County Soil and Water Conservation, supports staff's recommendation.

Public Comment: Dennis Vasey, Collier Soil & Water Conservation District, requested continued funding for the MILs to save water.

19. Adjourn

Chair Buermann adjourned the meeting at 5:25 pm.

Eric Buermann
Governing Board Chairman
South Florida Water Management District Governing Board

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWMD

Motion made by Paul C. Huck Jr., seconded by Shannon Estenoz to Approve the following item(s): 19

Vote called. Voting yes: Paul C. Huck Jr., Shannon Estenoz, Eric Buermann, Michael Collins, Charles Dauray, Melissa Meeker, Jerry Montgomery, Patrick Rooney. Motion passed.