LAKE BELT MITIGATION COMMITTEE
Meeting Summary
South Florida Water Management District
3301 Gun Club Road, (B-1 2nd Floor East End)
West Palm Beach, Florida 33406
This meeting will be conducted as a teleconference
Meet-me number 850-921-5551 (Suncom 291-5551)
Friday, September 30, 2005  9:00 A.M.

1. Call to Order by Janet Llewellyn
   a) Meeting began at 9:00 AM.

2. Opening Comments / Attendees
   a) Committee Members
      1. Janet Llewellyn, DEP, Committee Chair (Teleconference)
      2. Terrie Bates, SFWMD, Committee Vice Chair
      3. Matt Davis, Miami-Dade DERM (Teleconference)
      4. Veronica Fasselt, U.S. E.P.A
      5. John Studt, COE
      6. Tom MacVicar, MF&L (Non-voting)
   b) Other meeting attendees
      1. Ray Palmer, SFWMD
      2. Marjorie Moore, SFWMD
      3. Lee Chitty, SFWMD Contractor
      4. Anita Bain, SFWMD
      5. Leah Oberlin, Alternate COE
      6. Jeff Rosenfeld, Alternate MF&L
      7. David Steinau, SFWMD
   c) Teleconference attendees
      1. Howard Hayes, Alternate DEP
      2. Mike Spinelli, Miami-Dade DERM
      3. Bertha Goldenberg, Miami-Dade Water & Sewer
4. Alan Whitehouse, DEP
5. Evan Skornick, SFWMD Miami SC

3. Tim King will replace Steve Lau as representative for Fish & Wildlife Conservation Commission. He was not able to attend this meeting.

4. Old Business from Agenda
   a) Pennsuco Cost Estimates – Marjorie Moore
      Marjorie presented an extensive analysis of land and mitigation costs within the Pennsuco. Her analysis revealed that current appraised land costs were between $11,000 and $17,000 within Pennsuco. In addition her analysis detailed the following support costs for each acre of land acquired: Acquisition, Staff & Administrative costs $397.24, Restoration and Associated costs $907.53 and Long Term Management (Endowment) costs of $722.00. The total support costs of acquisition, administration, restoration and long term maintenance is $2,026.77 / acre. A draft schedule of Mitigation Costs is attached to this report.
   b) Economic Model – Veronica Fasselt
      Veronica spoke with Chris Dockens from EPA. He was part of the original team that developed the initial cost escalation model. Veronica stated that at this time there are no funds to hire Chris to update or develop a new model to provide for a land value escalator component. Veronica indicated that Chris would review a new model if it is developed.
   c) State Lands Purchase Update – Terrie Bates
      Terrie stated the District had been waiting several months to receive the contract from State Lands. The contract was received by David Steinau in the SFWMD legal department several days ago. David mentioned that he was reviewing the contract and there may be several changes before it was ready for signature.

5) New Business
   a) Review and Approval of Meeting Minutes: - Janet Llewellyn
      The May 20, 2005 Committee Meeting Minutes approved with no changes.
b) Request from SFWMD for payment of $7,047,331 in funds previously encumbered by the Committee – Terrie Bates

Terrie discussed an unsigned letter from Tom Olliff, Assistant Executive Director, SFWMD requesting payment of the $7,047,331 encumbered balance. The Committee discussed the potential use of these funds to buy additional Pennsuco lands, if a new mailing is made to acquire lands from willing sellers. Janet suggested continuing the discussion after reviewing the financial report and the proposed expenditures.

c) Reimburse State Lands and SFWMD for costs associated with the Tarmac 320.9 acre land swap – Jeff Rosenfeld.

Jeff discussed the 320.9 acres within Pennsuco that Tarmac recently swapped with the Division of State Lands for property within the mining allowable portion of the Lake Belt. The Committee was requested to approve the purchase of the Pennsuco property from State Lands for the purpose of mining mitigation. The cost of the land is 320.9 acres x $10,000/acre or $3,209,000. In addition, the committee would restore the land. The restoration costs (using the new estimate of $1,630 / acre x 320.9 acres) would be $523,067.00. Total costs for the land purchase and restoration is $3,732,067.00.

Janet discussed that the concept of land swaps, acquisitions and leases had been discussed during the development of the Lake Belt Plan. Three mining companies, Florida Rock, Tarmac and Rinker all owned land within the Pennsuco which could be swapped for State owned lands within the mining allowable portion of Lake Belt. This completes the Florida Rock and Tarmac swaps, leaving only Rinker with over 1,700 acres in the Pennsuco available for a future swaps or acquisition.

According to Janet the Board of Trustees for State Lands is agreeable to a delayed payment of 6 to 12 months, knowing that the Committee is trying to hold cash in reserve to maximize land purchase opportunities.

d) Reimburse SFWMD for restoration and long-term management costs of the April 2005 180 acre land purchase – Jeff Rosenfeld

Jeff stated the original land purchase by the District was from the developer’s mitigation funds but did not include restoration or long term management costs. Jeff proposes reimbursement to the District for funding the restoration/long-term management of these 180
acres at $1,630 / acre for a total expenditure of $293,400. The developer fund paid $15,000 / acre and Jeff indicated that he would prefer not to purchase/reimburse the developer fund at this time at that price per acre. This purchase/reimbursement could be made at a later date depending on willing sellers and market values.

If the Committee were to expend the money for the State Lands (Tarmac 320 acres) and the restoration of the 180 acres, the total expenditure would be $4,025,467 leaving a Trust fund balance of approximately $5,775,000.00 at the end of 2005. If this balance is not immediately distributed to SFWMD, it would leave cash available to send new offer letters to private land owners’ in the Pennsuco. Terrie indicated that the District would be willing to hold off reimbursement of the encumbrance balance temporarily to see the response from the new offer letters. The request will be discussed again at the January meeting, when the Annual Report is reviewed.

Discussion ensued on the proportion of mitigation credit that should be earned for restoration/long-term management versus acquisition. It was decided that it would probably be best not to separate the mitigation credit for these 180 acres and the mining industry could choose to reimburse the District for both acquisition and restoration/long-term management in the future. A portion of the acquisition costs for these parcels was paid from a Miami-Dade DERM mitigation fund and District and DERM staff was to discuss which portion of the costs could be reimbursed.

Jeff suggested that the Committee may want to revisit the amount of encumbered funds set aside for restoration. The updated estimate for restoration/long term management is $1,630/acre, versus the estimated amount of $3,071/acre which had been used in the original calculations. Terrie indicated she would not be in favor of going back and adjusting the amount, because the District and Committee had already made the commitment and any reevaluation would involve previous payments from both the developer and miner funds.

e) Mitigation fee evaluation / mitigation approach – Tom MacVicar

Tom MacVicar opened the discussion by presenting a summary of Jeff Rosenfeld’s mitigation fee analysis. The evaluation indicated that a significant fee increase was necessary in order to meet the future mitigation costs. One alternative presented to the Committee was the following phased cost increases. In January of 2007 the fee would increase to $.12 / ton, in January 2008 increase to $.18 / ton, in January 2009 to $.24 / ton and after 2009 annual
recalculations would resume under the current formula based on the federal Producer Price and Employment indices (estimated 5.3% annual increase.) The evaluation was based on tables utilized in the Corps permit and indicated an ecological balance at the end of the 10-Year permits. Janet discussed the need to go to the legislature with the fee increase. She mentioned that she had heard of other potential legislative changes (enabling the Committee to reimburse / purchase land from Miami-Dade County, adding additional acres to the Lake Belt boundaries, and using mitigation banks as a mitigation option) and asked that the Committee be made aware of other potential changes.

Terrie recommended that the Committee meet Friday, November 4, 2005, 9:00 AM at the District to review and follow-up on the fee proposal and other topics that may be presented to the Legislature in 2006.

6. Motions to approve Committee actions – Janet Llewellyn

   a. Motion #1 – Approve purchasing from the Board of Trustees, 320.9 acres of land previously owned by Tarmac, at the total value of $3,209,000. At a future date, staff will be directed to draw up a contract to complete the sale. Terrie Bates made the motion and it was 2nd by John Studt. Motion passed.

   b. Motion #2 – Authorize the District to complete restoration on the 320.9 acres of land to be purchased from State Lands and encumber funds of 320.9 x $1,630 / acre = $523,067 for this restoration and long term maintenance. Terrie made the motion and 2nd by Veronica Fasselt. Motion passed.

   c. Motion #3 – Send out purchase offer mailing to all land owners within the Pennsuco and authorize the District to negotiate up to the existing appraised value with any willing land owner. Motion made by Terrie and 2nd by John. Motion passed. Motion made by Terrie Bates and 2nd by John Studt. Motion passed.

7. Review Financial Reports – Jeff Rosenfeld discussed the revenue tables and projections throughout the meeting.
8. Next Meeting

   Next full Committee meeting scheduled for Friday, November 18, 2005, 9:00 at SFWMD. Committee members who have materials for the next meeting should forward them to Beth McArdle at SFWMD for inclusion as backup for the November 18 meeting agenda.

9. Public comment – None

10. Tom MacVicar will have the mining industry submit a letter to the Committee replacing him as the industry representative and appointing Jeff Rosenfeld in his place. In addition, Janet will notify Tim King that a letter should be submitted to the Committee from Fish & Wildlife Conservation Commission appointing him as the new committee member.

11. Adjourn