

MEMORANDUM

TO: Governing Board Members

THROUGH: Kenneth G. Ammon, P.E., Deputy Executive Director, Everglades Restoration Resource Area

FROM: Ruth P. Clements, Director, Land Acquisition and Land Management Department

DATE: December 13, 2007

SUBJECT: **Authorize the Granting of a Natural Gas Transmission Pipeline Easement over the L-8 and the L-65 Rights of Way comprising approximately 262.25 acres, more or less, in Palm Beach and Martin Counties for the Approved Appraised Value of \$567,800 in Settlement of a Federal Condemnation to be filed by Gulfstream Natural Gas Systems, L.L.C. against the South Florida Water Management District; Providing an Effective Date.**

Staff Recommendation:

Authorize the Granting of a Natural Gas Transmission Pipeline Easement over the L-8 and the L-65 Rights of Way comprising approximately 262.25 acres, more or less, in Palm Beach and Martin Counties for the Approved Appraised Value of \$567,800 in Settlement of a Federal Condemnation to be filed by Gulfstream Natural Gas Systems, L.L.C. against the South Florida Water Management District; Providing an Effective Date

Background:

Gulfstream has contracted with Florida Power & Light Company to supply natural gas to power the West County Energy Center power plant located in western Palm Beach County. Gulfstream (a utility with Federal condemnation authority) has obtained a designated corridor for the installation of a below-ground gas pipeline through the Federal Energy Regulatory Commission which runs approximately 6.2 miles on the L-65 right of way and 16.7 miles on the L-8 right of way for the construction of a 30 inch diameter gas transmission line.

The original design proposed by Gulfstream used an alignment on the westerly portions of the L-8 and L-65 rights of way that impacted the berm and design levee sections. This alignment was objectionable to both Operations and Maintenance and Comprehensive Everglades Resource Program staffs as it limited the District's flexibility in planning for possible future widening of the L-65 and L-8 borrow canals. Gulfstream has agreed to relocate the alignment to the easterly side of the right of way, as generally depicted on attached Exhibit "A", addressing the concerns of District staff.

While Gulfstream had originally applied for Right of Way Occupancy Permits to authorize the transmission line encroachment, they desire perpetual easement rights for the construction operation and maintenance of the transmission line. Because the District does not own all of its canal and levee rights of way in fee simple, the stipulated consent

judgment to be filed by the parties provides that Gulfstream will obtain the consent or an easement from the underlying fee owner. Gulfstream will indemnify the District with respect to fee owner claims.

The District will grant a permanent pipeline easement to Gulfstream over approximately 55.78 acres, more or less, and temporary easements over approximately 206.47 acres, more or less within these rights of way. The rights acquired from the District have been appraised and the District will be compensated at the approved appraised value of \$567,800.

How this helps meet the District's Mission:

There are no apparent benefits to the District in having this transmission line located on the rights of way. However, since the rights of way are already disturbed, allowing the transmission line to be constructed on the rights of way may minimize impacts on environmentally sensitive lands if another route were chosen. The realignment of the transmission line to the east side of the right of way minimizes the impacts to future canal widening projects.

This item impacts what areas of the District, both resource areas and geography:

The subject item impacts both Palm Beach (L-8) and Martin (L-65) Counties. The installation has potential impacts on the future widening of the L-8 and L-65 borrow canals which could impact future Operations & Maintenance or Comprehensive Everglades Restoration Program projects. Having the transmission line located within the easterly levee rights of way minimizes this impact.

What concerns could this item raise?

The installation of transmission lines within the District's rights of way is prohibited under the District's Right of Way Permitting Rule (40E-6) due to the permanence of such installations. However, Gulfstream's condemnation authority renders this issue moot.

Why should the Governing Board approve this item?

Under the existing set of circumstances the District has little ability to stop the construction of this transmission line. However, shifting the alignment to the easterly L-65 and L-8 rights of way lessens potential impact on future canal widening projects

NOTE: For purposes of conflict check, the entities associated with Gulfstream Natural Gas Systems, L. L. C. are as follows:

Duke Energy Corporation
The Williams Companies, Inc.
Spectra Energy, Corporation