

Governing Board Discussion Items #33 - #40

**Dispersed Water Management
Program**

**Northern Everglades –
Payment for Environmental
Services Contracts**

October 13, 2011

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Payment for Environmental Services (PES)

- FL Ranchlands Environmental Services Project (FRESP) Pilot Effort
 - Pilot projects to develop market-based approach to water and nutrient retention services
- PES Program for water retention and nutrient load reduction on working agricultural lands
- Enhance economic stability
- Implement solicitation and contracting process
- PES Program streamlined tools/processes
- In collaboration with representatives from FRESP, FDACS, NRCS

Northern Everglades – Payment for Environmental Services (NE – PES)

- **Solicitation**

- Eligibility
 - Evaluation Criteria
 - Released January 2011; closed May 10, 2011
 - FDACS & NRCS have sponsored technical and economic workshops for eligible ranchers
 - 14 proposals evaluated and ranked
 - July Governing Board approval to negotiate
- Data collection and monitoring of approved projects by World Wildlife Fund

NE – PES Proposal Funding Request Timeline

	Year	1	2	3	4	5	6	7	8	9	10*
SMALLER Projects	Capital	\$4.4M		New capital	→						
	Service Payment	\$1M	\$2.2M	\$2.2M	Out-year service payment commitment increases with new annual capital investment						
	Total	\$5.4M	\$2.2M	\$2.2M	Include new capital expenditures plus service payments from all contracts						

- FY11 solicitation over \$7M available for capital;
- Total initial solicitation (pre-negotiated) value \$26.08M over 10 years

*Renewal options

NE-PES Contracts for Approval

Northern Everglades - Payment for Environmental Services *All Water Retention*

Service Provider

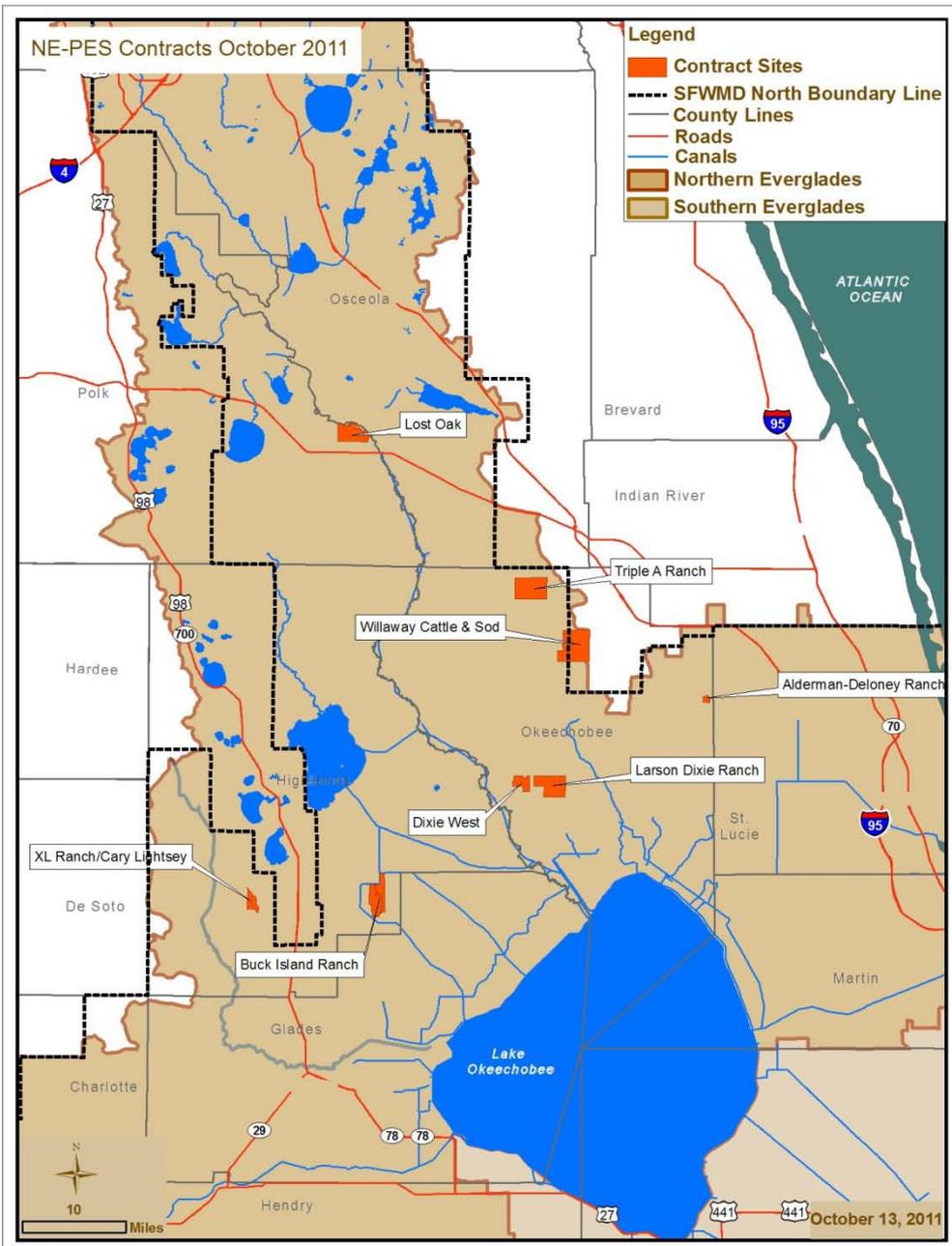
- 1 Dixie Ranch a Division of Family Tree Enterprises, LLLP
- 2 XL Ranch Limited Partnership
- 3 Archbold Expeditions DBA Buck Island Ranch
- 4 Willaway Cattle & Sod, LP
- 5 Abington Holdings, LTD (Triple A Ranch)
- 6 Pomcor Longview (Lost Oak Ranch)
- 7 Dixie West Ranch a Division of Family Tree Enterprises, LLLP
- 8 Alderman-Deloney Ranch, LLP

Contract Summary

- 8 Water Retention Projects (total 4,778 ac-ft/yr - 85% of all proposed projects)
- Price per acre-foot ranged from \$98.8/ac-ft to over \$158/ac-ft ; weighted average \$134/ac-ft and reduction of 43% (\$5M) from proposals
- Construction will be complete within 6 months

Variations in cost between projects:

- *Capital Infrastructure in place or needed*
- *Size of project (opportunity)*
- *Other cost-share funding*



NE-PES Contract Locations



NE – PES Contracts Funding Timeline

	Year	1	2	3	4	5	6	7	8	9	10*
SMALLER Projects	Capital	\$845K	New capital	—————→							
	Service Payment		\$623K	Out-year service payment commitment increases with new annual capital investment							
	Total	\$845K	tbd	Include new capital expenditures plus service payments from all contracts							

- Total negotiated amount approximately \$7M over 10 years
- Even greater interest
- Opportunity for updating solicitation and improving tools for a second solicitation

*Renewal options

Questions?

Consideration of Items #33 – 40 collectively



Governing Board Request

Item #33

Authorize entering into a contract with Dixie Ranch a Division of Family Tree Enterprises, LLLP for the Dispersed Water Management Program Northern Everglades Payment for Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$1,507,500 of which \$42,500 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002527)

Governing Board Request

Item #34

Authorize entering into a contract with XL Ranch Limited Partnership for the Dispersed Water Management Program Northern Everglades Payment from Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$1,362,896 of which \$61,396 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002528)

Governing Board Request

Item #35

Authorize entering into a contract with Archbold Expeditions DBA Buck Island Ranch for the Dispersed Water Management Program Northern Everglades Payment for Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$1,737,928 of which \$1,928 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002531)

Governing Board Request

Item #36

Authorize entering into a contract with Willaway Cattle and Sod, LP for the Dispersed Water Management Program Northern Everglades Payment for Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$344,279 of which \$302,479 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002532)

Governing Board Request

Item #37

Authorize entering into a contract with Abington Holdings, LTD (Triple A Ranch) for the Dispersed Water Management Program Northern Everglades Payment fro Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$607,186 of which \$322,186 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002533)

Governing Board Request

Item #38

Authorize entering into a contract with Pomcor Longview, LLC (Lost Oak Ranch) for the Dispersed Water Management Program Northern Everglades Payment fro Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$629,073 of which \$79,073 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002534)

Governing Board Request

Item #39

Authorize entering into a contract with Dixie West a Division of Family Tree Enterprises, LLLP for the Dispersed Water Management Program Northern Everglades Payment fro Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$548,000 of which \$33,000 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002525)

Governing Board Request

Item #40

Authorize entering into a contract with Alderman Deloney Ranch for the Dispersed Water Management Program Northern Everglades Payment from Environmental Services, for a ten (10) year contract through October 13, 2021 in an amount not to exceed \$253,272 of which \$3,272 are budgeted in FY12 (Lake Okeechobee Trust Funds) and the remainder is subject to Governing Board approval of FY13-FY2021 budgets; providing an effective date. (Contract No. 4600002530)