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MEMORANDUM

To: Board Members and Pat Lehman

From: Doug Manson and Laura Jacobs Donaldson

Re: Counsel Status Report

Date: July 19, 2006

Phosphate Reclamation Rules

All lands mined or disturbed by the phosphate industry after 1975 must be reclaimed. On October 29, 2004, the Department of Environmental Protection informed that public that it plans to amend Florida Administrative Code Chapter 62C-16, which is the set of rules that govern the industry's reclamation efforts. Specifically, these rules detail the specific goals (recontouring, revegetation, etc.) that the phosphate industry must achieve before reclamation is deemed to be successful and complete.

On August 4, 2005, the Department of Environmental Protection ("DEP") held a Proposed Reclamation Rule Workshop in Tallahassee, Florida. The purpose was for DEP to discuss submitted amendments to the proposed changes to Chapter 62C-16, Florida Administrative Code, and to take comments from interested parties. The Rule Workshop began with general comments. DEP Rick Cantrell stated that as soon as these proposed rules were adopted, DEP would then begin a complete rewrite of existing mining regulations. Requiring two separate processes is archaic and the two programs need to be merged together. DEP will be proposing one permit for permitting and reclamation. To achieve a complete merger, legislation may be needed. Commissioner Cummings stated that he was attending the meeting at the direction of the Charlotte County Board of County Commissioners to show that the issue of phosphate is one of the

county's most important issues. Janet Llewellyn, DEP, stated that they were not going to rule on proposed amendments during the meeting. Rather, we would find out what amendments were accepted when the revised rule was published. Additional amendments were accepted by DEP through August 15. Following review and consideration of the submitted amendments, a revised rule will be published. The revised rule has not been published.

Phosphogypsum Stack Rules

On November 12, 2004, the DEP published Notice of Public Workshop to amend Chapter 62-673, Florida Administrative Code, which governs the management of phosphogypsum stacks. The public workshop on rule development took place on December 1, 2004, in Bartow, Florida. At the conclusion of the hearing, the DEP notified all attendees that written comments about the proposed rules would be due no later than December 13, 2004. The Authority timely submitted its written comments.

On January 21, 2005, the DEP gave notice that it will be briefing the Environmental Regulation Commission ("ERC") on February 2, 2005, about the proposed rules. The DEP also released a new draft of the proposed rules on January 28, 2005, in a Notice of Proposed Rulemaking. The ERC met again on February 24, 2005, to discuss adoption of the proposed rules. Charlotte County proposed two amendments to the rules during the meeting, but those amendments were rejected. The ERC has now adopted the new phosphogypsum rules. On March 11, 2005, DEP gave notice of changes to the proposed rules, which incorporated changes by staff and public comments. The new language requires an owner or operator to provide alternate financial assurance within ten days of it no longer meeting the financial test requirements or a financial mechanism is no longer valid. In addition, DEP is authorized to require reports of financial conditions when it has a reasonable belief that financial requirements are not being met.

On June 3, 2005, Notice of Proposed Rule Development was issued for Rules 62-672 and 62-673, Florida Administrative Code. The proposed rule amendments are intended to ensure that phosphogypsum stack systems can be operated to avoid spills of process wastewater or discharges of materials that adversely affect surface or ground waters. They are proposing to provide requirements ensuring those treatment systems, or other water consumption methods, are available and can be operated at rates sufficient to avoid releases of untreated, or inadequately treated process wastewater, during or following periods of chronic or catastrophic rainfall events. In addition, changes to the existing requirements for emergency diversion impoundments are being proposed. Increased reporting requirements when process wastewater levels in the impoundments are trending towards critical high levels is also being proposed.

An adoption hearing of the Environmental Regulation Commission was held on April 27, 2006 regarding DEP's proposed amendments for Chapters 62-672 and 62-673, F.A.C., respectively. On May 19, 2006, DEP has noticed additional changes to Rules 62-672, Florida Administrative Code, in response to submitted public written comments and comments from the Joint Administrative Procedures Committee. Many, but not all, of the proposed changes are clarifying technical changes. The definition of sustained wind speed is defined for its use in determining wave height within a phosphogypsum

stack. DEP is required to approve or deny an alternatives plan required to be submitted if the water balance targets are not met pursuant to section 120.06, Florida Statutes. The proposed rule also clarifies the authorized temporary use of the design freeboard.

Ona Mine and Ft. Green Southern Reserves

In 1997, IMC Phosphates Company unveiled its plans to operate a phosphate mine on its 20,595-acre property in western Hardee County near the rural community of Ona. IMC submitted the first parts of its consolidated development application to the various permitting agencies in April 2000. The Authority challenged several of the proposed permits regarding the mine on February 11, 2003. Charlotte County, Hardee County, Alan Behrens, and Desoto Citizens Against Pollution, Inc. filed petitions challenging the proposed permits. The DEP referred these petitions to the Division of Administrative Hearings, and Administrative Law Judge Robert E. Meale consolidated them into a single proceeding. Later in the proceeding, Hardee County voluntarily dismissed its petition, and Lee County and Sarasota County petitioned to challenge the proposed permits.

IMC submitted new plans regarding the Ona Mine to DEP on January 30, 2004. In its new application materials to DEP, IMC reduced the "footprint" of the mine to approximately 4,200 acres. The final hearing was held in May-July 2004. The parties submitted their Proposed Recommended Orders to the ALJ on September 20, 2004. A Recommended Order ("RO") from the ALJ was issued on May 9, 2005. The RO recommended additional permit conditions.

On August 8, 2005, DEP Secretary Castille issued a Limited Remand Order, which sends the case back to the ALJ for additional findings of fact on specified recommended additional permit conditions and Conclusions. The Limited Remand Order states that additional fact finding by the ALJ is needed on several issues including on the closed basin-open basin issue; recharge wells mechanism; sand tailings; ERP financial responsibility. In addition, the ALJ must consider proposed revisions by DEP and IMC to the additional permit conditions that were not previously recommended by him or supported by the findings of fact in the RO. DEP defers ruling on the filed exceptions and ALJ's recommendations, including dismissal of the Authority's petition for lack of standing, until a Recommended Order on Remand is submitted to DEP. The Authority was deemed a party for purposes of the Limited Remand Order.

An administrative hearing was held October 10-14. Rather than extend the hearing, additional testimony was taken through the use of depositions. **The ALJ issued a Recommended Order on Remand on June 16, 2006. The Authority had fifteen days to file any exceptions to such order. The Authority submitted its Exceptions to the Recommended Order on Remand on June 3, 2006.**

In addition, we are currently waiting on the issuance of an Environmental Impact Statement for the Ona Mine that is being performed by the U.S. Army Corps of Engineers.

According to the Central Florida Regional Planning Council, as a result of the issuance of the Recommended Order by the ALJ, the Application for Development Agreement is being modified to be consistent. Technical meetings are being held to bring the review agencies up to speed. A February - March hearing date is possible.

On November 7th, Mosaic gave notice to DEP of its intent to use a Noticed General Permit for the construction of aerial pipeline, cable and conduit crossings, which replaces an existing pipeline and casing pipe over the Payne Creek Reroute Ditch. DEP gave notice on December 20 that the construction meets the requirements for such permit based upon the submitted drawings and documents. Mosaic now has five years to complete construction.

The Army Corp of Engineers (ACOE) Tampa Office has issued a notice of proposed agency action to issue the section 404 wetlands permit for the entire Ona Mine on March 27, 2006. Mosaic has requested in its section 404 permit, a 21 year permit to mine phosphate that will disturb a total of 2,715 acres if wetlands. After requests were filed by a number of parties including Charlotte and Sarasota Counties, Sierra Club and this Authority, the ACOE granted an extension of the Public Comment period. **The Authority filed its comments to Mosaic's permit application on June 26, 2006 and requested that the ACOE deny Mosaic's application as submitted. In addition, prior to any mining being allowed, the ACOE should conduct a cumulative impact assessment. If the ACOE determines to issue the permit, the Authority requested that the permit limit the mining to uplands. If mining is not limited to uplands, then Mosaic should only be allowed to mine within any aquatic system that Mosaic can demonstrate an ability to restore.** The ACOE has not made a determination regarding whether to hold a public hearing as of yet either though several agencies have submitted requests for a hearing to be held.

Altman Tract

The Altman Tract, otherwise known as "Tract S," is a roughly triangular-shaped 2,367.5-acre parcel located within the northern extent of the Horse Creek basin. Specifically, the Altman tract is located in the northeastern corner of Manatee County; it lies east of State Road 37, west of the Hardee County line, south of the Hillsborough County line, and just north of State Road 62.

The Altman tract is part of the Four Corners/Lonesome mine complex and is considered to be an expansion of that mine. The Altman tract and its wetlands drain entirely to the East Fork of Horse Creek. On May 30, 2002, the DEP issued notices of a proposed final agency action for both pending applications for the Altman Tract. The Authority filed its petition for administrative hearing on October 3, 2002, but later settled this case with IMC.

At its May 23, 2006 Board of County Commissioners meeting, Charlotte County voted to enter into a settlement agreement with Mosaic to resolve the outstanding issues with this permit. DEP was not a party to the settlement agreement, but has gone on record that the settlement agreement conditions will be incorporated into the permit's provisions. Charlotte County also agreed to withdraw its request for a hearing.

DEP issued a consolidated ERP/WRP to Mosaic for the Altman Tract on June 13, 2006.

DEP also issued its approval of Mosaic's request to modify the approved conceptual plan to update the premining and post reclamation land use and contours with conditions. The changes are associated with updated mapping, mining operations and reclamation activities. There is also a reduction of 22 acres

in total mine acres as a result of the removal of the State Road 36 right-of-way. Mosaic is required to update its Hydrology Analysis and Phosphatic Waste Clay Consolidation Model within one year. In addition, sand tailings and final contouring within the Altman Tract must be completed within one year from mining completion in the area upslope from unmined bayheads located adjacent to the preserved Horse Creek headwater marsh (the Central Marsh). Mosaic is also required to provide a phased conservation easement to DEP for approximately 560 acres in the Horse Creek Basin. The State Road 37 Stream Restoration project enhancement work must be completed within one year of initiating mining on the Altman Tract.

Lipman Tract

The Lipman Tract is located within the Four Corners/Lonesome Mine, in Manatee County. The tract is approximately 3.5 miles north of SR 62 and 1.5 miles west of CR 39. The wetlands within the tract are in the Long Branch Basin, which is a tributary to the Little Manatee River (Class III waters).

On October 21, 2005, DEP gave notice of intent to issue an ERP to Mosaic allowing Mosaic to conduct phosphate mining on 304.8 acres of uplands, wetlands and other surface waters. The mine will disturb 4.7 acres of wetlands and 3.8 acres of other surface waters. Reclamation of the 304.8 acres following the completion of mining includes approximately 5.1 acres of wetlands, including 3.0 acres of freshwater marsh and 2.1 acres of mixed wetland hardwood. The mitigation wetlands will be located within the upland forest buffer next to Long Branch. No clay settling areas are proposed, so all reclamation will be underlain by overburden or sand tailings.

On October 28, 2005, DEP gave notice of its approval of Mosaic's request to modify the Conceptual Reclamation Plan for Four Corners/Lonesome Mine. This modification includes an update to the pre-mining and post reclamation land use and contours for the Lipman Tract. By including this tract within the plan, the acreage of the plan has increased to 51,696 acres. The plan still identifies that 7,017 acres are to remain undisturbed by mining operations. However, as a result of enhancement work to be performed in the non-mined areas, there is a change in FLUCCS acreage from pre-mining to post reclamation. This approval still shows that the Altman Tract remains unmined.

South Fort Meade Expansion

Last year, Cargill Fertilizer, Inc. ("Cargill") unveiled its plans to expand its South Fort Meade Mine southward from Polk County into Hardee County. The proposed mine expansion is for a 11,653.8-acre parcel east of the Peace River and U.S. 17, and just south of the Polk/Hardee County line.

On July 10, 2003, Cargill provided a set of pre-application materials to the Central Florida Regional Planning Council, which reviews applications for a Development of Regional Impact ("DRI"). No formal DRI application has been submitted to the Council, and it appears that Cargill delayed submittal of this application because of its merger with IMC Phosphates into the Mosaic Phosphates Company. The

Application for Development Agreement was expected to be submitted in April 2006. At this time, a hearing date cannot be projected beyond a possible summer 2006 event.

In May 2006, Mosaic submitted a variance application to DEP related to the South Fort Meade Mine. Mosaic is requesting a variance from rule 62C-16.0032(2)(a), F.A.C. in order to delay the submission of the required Conceptual Reclamation Plan within seven days of filing an Application for Development Approval. Rather, Mosaic wants to submit the plan with its ERP application filing. It appears as though DEP indicated during a meeting with Mosaic that a modified submission timeline is acceptable. Mosaic is estimating that it will submit its ERP application during the second quarter of 2006 or early third quarter of 2006. **On June 13, 2006, DEP gave notice of its intent to issue a variance to Mosaic from the requirement regarding the submission of its conceptual reclamation plan. The variance is until October 15, 2006, unless DEP approves a later submission date.**

On May 19, 2006, DEP gave notice of the receipt of a Standard General Permit application for the S-1 corridor. The permit is for the construction of a pipeline corridor from the S-1 settling area to the existing clay settling area 1. The project provides for the pumpage of clay dredged from S-1 to the clay settling area 1. Clear water is to be returned via an additional pipeline to be used in the dredging process. Since the corridor is not in a currently approved conceptual plan, an ERP is necessary to address stormwater concerns. **According to Mosaic's Response to Additional Information, the pipeline corridor alignment has been changed moving a majority of it onto Fort Meade Mine. As a result of the modification, wetlands impacts of 0.15 acres are proposed.** The nearest water body to the proposed pipeline is Whidden Creek.

Wingate Creek Mine

The Wingate Creek Mine is located in eastern Manatee County. The mine is approximately 7,500 acres in size, comprised of a 3,024-acre parcel originally owned by Nu-Gulf Wingate Holdings, L.L.C. and a 4,400-acre parcel originally leased from the Texaco, Inc. by Nu-Gulf. The 4,400-acre parcel is east of the existing mine area, and west of the proposed Ona site. Wingate Creek is a tributary to the Myakka River, which flows through Manatee, Sarasota, and Charlotte counties on its way to Charlotte Harbor and the Gulf of Mexico. The Authority will continue to monitor the Wingate Creek Mine project, particularly any plans concerning the 4,400-acre parcel which is west of the Ona property.

On June 16, 2005, a Notice of Draft Permit for Permit No. 0032522-005-IW1S/NR was issued by DEP for the Wingate Creek Mine. This draft permit is being issued in response to an application by Mosaic Fertilizer, L.L.C., to renew the surface water discharge permit for the discharge of excess process wastewater, stormwater and reclaimed groundwater via two outfalls at Wingate Creek Mine. Outfall D-001 discharges directly into Wingate Creek and Outfall D-002 discharges into Johnson Creek, then into Wingate Creek, a tributary of the Myakka River. DEP has determined that a wastewater permit with authorization to discharge to surface waters of the State under the National Pollutant Discharge Elimination System ("NPDES") permit is required. Once specified conditions are met, Mosaic Fertilizer L.L.C. is authorized to construct and operate waste clay settling areas. In addition, Outfall D-001 is being moved to a location

5000 feet north of the existing discharge point. On August 12, 2005, DEP's Bureau of Mine Reclamation held a meeting with the Myakka River Management Coordinating Council to discuss Mosaic Fertilizer, L.L.C.'s NPDES Permit Renewal. DEP stated that it is planning on adding new permit conditions requiring monitoring for turbidity; chronic toxicity testing and stream condition index sampling. DEP is accepting additional comments on this permit renewal through September 14, 2005.

South Pasture Mine

On April 21, 1994, the United States Army Corps of Engineers ("ACOE") issued Dredge and Fill Permit No. 199301395 (IP-BL) to CF Industries, Inc. ("CFI") in connection with the opening of CFI's South Pasture Mine. On October 16, 1995, the Florida Department of Environmental Protection issued environmental resource permit number 252607909 to CFI, which granted CFI permission to conduct mining activities on the South Pasture property for the life of that mine.

The South Pasture Mine is located in Hardee County immediately south of State Road 62. CFI divided its South Pasture property into three separate mining areas: A, B, and C. The original ACOE permit and subsequent modifications to that permit approved dredge and fill activities in Areas A and B, which together constitute the middle 6,558-acre portion of the South Pasture property.

On July 18, 2001, the ACOE issued a public notice acknowledging receipt of permit application number 199301395 (IC-PS) MOD #8 (the eighth modification of the original permit) from CFI. In its permit application, CFI seeks permission to conduct dredge and fill activities on the remainder of the South Pasture property, known as Area C. As previously described, Area C actually consists of two separate land masses, separated by Areas A and B. The total acreage of these two portions of the South Pasture property, dubbed "Area C West" and "Area C East," is measured at approximately 8,858 acres. In this newest permit application, CFI's proposes to mine approximately 1,969.4 acres of wetlands and reclaim 2,038.0 acres of wetlands.

On August 13, 2001, the Authority formally requested a public hearing regarding the permit application within the original public comment period. In a newspaper article dated September 20, 2001, the Sun-Herald reported that the EPA recommended a denial of CFI's pending permit application.

In June 2004, after almost three years of reviewing CFI's permit application, and while the Authority, Charlotte County, and Sarasota County were in the midst of the ten-week trial regarding the Ona-Ft. Green Extension, the ACOE granted CFI's permit application. Despite the pending requests for a public hearing, the ACOE elected not to hold such a hearing. Further, the ACOE did not even give the Authority notice of its decision. In a letter dated January 14, 2005, the Authority requested the ACOE's district engineer provide the Authority with written reasons as to why its request for a public hearing was denied. To date, the Authority has not received a response to this letter.

On October 24, 2005, DEP acknowledge receipt of CFI Industries' intent to use a Noticed General Permit for minor activities to install a surface water monitoring station at Coons Bay Branch, a tributary of Payne Creek. According to DEP, the project meets the notice of general permit requirements. CFI Industries has five years to complete the project.

On April 19, 2006, DEP approved a modification to reclamation parcel CFM-SP-DB-4, which lies completely in the Peace River Basin. This modification, related to 101 acres, decreases the amount of pine flatwoods by approximately 10 acres and increases the amount of planted forest by approximately 10 acres. As a result, this reclamation parcel consists of 15 acres of cropland and pastureland, 46 acres of pine flatwoods, 10 acres of upland mixed forest, 11 acres of herbaceous marsh and 19 acres of forested wetlands. According to DEP, the modification is consistent with the approved conceptual plan and does not require a variance.

In regards to the South Pasture Development of Regional Impact, the Application for Development Agreement is currently being prepared but is not expected to be submitted until early 2006. The Central Florida Regional Planning Council expects that a late summer 2006 hearing on the application will be held.

Payne Creek Mine

On January 30, 2006, DEP issued a Notice of Intent to Issue a Wetland Resource Permit to Mosaic Fertilizer LLC for an area within the Payne Creek Mine known as the Walker Grove Tract, located in Polk County. The Walker Grove Tract is approximately 177.1 acres, and was included within the Payne Creek Mine Conceptual Reclamation Plan that was grandfathered into the wetland resource permitting process. The permit authorizes impacts to approximately 19.3 acres of wetlands and surface waters as a result of phosphate mining operations. The 19.3 acres of impacted area consists of wetlands, lakes, wetland mixed forest, shrubby wetlands, a ditch, and freshwater marsh. The reclamation plan includes approximately 16.5 acres of freshwater marsh and 4.6 acres of wetland mixed forest. In addition, the plan also includes 57.3 acres of lakes with 20.4 acres of wetlands within the zone of lake fluctuations. The northeast corner of the Walker Grove site lies adjacent to the Little Payne Creek, a tributary of Payne Creek, which is a tributary to the Peace River.

On February 16, 2006, DEP gave notice of a Notice General Permit regarding an aerial pipeline crossing over Little Payne Creek in the Payne Creek Mine. Mosaic Fertilizer, L.L.C. had requested an extension of an existing Notice General Permit, but DEP determined that a new permit would be required. Mosaic Fertilizer, LLC. is planning on removing the 3-24" cased, carrier pipes that were used for reclamation obligations along the north side of Little Payne Creek. Although reclamation has been completed, the pipelines were not removed and the original Notice General Permit has expired.

On July 10, 2006, Mosaic Phosphates Company submitted an application for Noticed General Permit for the HP Pipeline Crossing. The 18" in diameter pipeline is needed as it will be used to send matrix to Hookers Prairie Plant, north of Payne Creek. It will also be used to transfer excess sand tailings located in the former clarification ponds north of the Old Payne Creek plant to Hookers Mine. A return water line approximately 18" to 24" in diameter is also requested. The pipeline corridor is 150 feet wide and crosses at a small east/west jurisdictional ditch. The pipelines will be encased in 30" to 48" casings at the crossing with a northern open end that will direct any flows in the event of a pipeline break.

O-M Holdings LLC/William Ellsworth Highland Lakes 1 (A/B) and 1

On June 2, 2006, DEP gave notice that it had received an ERP application on behalf of the Double W Land company for reclamation of parcel 1(A/B) and 1(C) for previously mined property in Polk County. The project area is 347 acres and will be completed in two phases. A total of 95 acres of wetlands will be disturbed. The mined-out areas are eligible for reclamation funding from DEP through the Non-Mandatory Land Reclamation Program. These lands are included within the program as the area was mined in the 1960s. One proposed action is the recontouring of steep slopes and deep pit lakes to create uplands and wetland mitigation areas. Another action is to reestablish premining conditions and restore historic water flows within the subbasins and the Peace River Basin. It is proposed that the water, entering parcel 1(A/B) in the form of a stream channel, will be routed to a newly created herbaceous and lake systems. This new system will reconnect portions of historic Phyllis Branch, which will increase flow into Saddle Creek and the Peace River. The water from Parcel 1(C), after being routed through a stream and herbaceous wetland system, will leave the site through a structure to Bear Branch and eventually flow in to the Peace River.

Noralyn/Phosphoria Mine

On July 11, 2006, DEP gave notice of the release of reclamation parcel IMC-NP-SWB(2) from reclamation obligations. The parcel, located within the Noralyn/Phosphoria Mine in Polk County, is 83 acres and drains into Six Mile Creek, a tributary of the Peace River. The approved reclaimed parcel consists of 14 acres of wetland-vegetated, 6 acres of wetland mixed forest and a 15 acre lake. DEP also gave notice of the release of reclamation parcels IMC-P-4A, IMC-P-5A, and IMC-P-14A. These parcels combine for 118 acres within the watershed of Six Mile Creek. The approved reclaim parcel consists of three lakes of 14, 19 and 57 acres.

According to the notices, the parcels' final inspections confirmed that reclamation had been satisfactorily completed. There are no remaining wetland mitigation responsibilities or obligations for this parcel.

Peace River Cumulative Impact Study

DEP and SWFWMD will present the findings of the Peace River Cumulative Impact Study at three public meetings on: May 24 at the SWFWMD Bartow office; June 21 at the Turner Center in Arcadia; July 26 at the Punta Gorda Isles Civic Association; **and August 9th in Wauchula.** Each of these meetings will be discussing different aspects of the impact study. At the May 24th meeting, long-term flow patterns, long term changes and patterns in water quality, and historical changes in fishes were addressed. The June 21st meeting included an overview and discussions on land use and regulatory effectiveness. **On July 13th, a resource management plan scoping meeting has been scheduled.** The July 26th meeting will include discussions on water budgets, stressors, regulatory effectiveness and recommendations. There is an earlier meeting on July 26th

in Arcadia of the CHNEP TAC to delve further into the data presented. **The August 9th meeting will include a discussion on the integration of regulatory effectiveness and the watershed management plan.**

This process is an evolving process. The presentations and conclusions being made are not final. The consultants are still collecting data and other pertinent information. August is when the final draft will be completed. The focus will then be on creating a resource management plan. There is a scoping meeting on the resource management plan on July 13. However, there is little to no money allocated for the resource management plan.

Minimum Flows for the Middle Peace River

On April 28, 2006, DEP gave notice of its expedited rulemaking for a proposed amendment that will update DEP's adoption by reference of Rule 40D-8.041, F.A.C. in order to include the newly established minimum flows for the Middle Peace River and Myakka River.

The Conservation and Management of Phosphate Mine Lands Issue Team

In 1995, the Florida Fish and Wildlife Commission (FWC), DEP, Florida Department of Transportation, SWFWMD, and ACOE entered into a memorandum of understanding (MOU) regarding the Polk County Parkway Florida District Toll Road 570. The majority of the highway impacts wetlands are in the Peace River Basin. As a result, the MOU selected the state-owned Tenoroc Fish Management Area as the location to start performing the basin's mitigation. In addition, there is an August 3, 2005 FWC-DEP memorandum of agreement (MOA) for coordination on conservation issues related to permitting, reclamation and management of Florida's mines.

On June 9, 2006, Bud Cates, DEP Bureau of Mine Reclamation, distributed a memorandum with recommendations regarding the implantation of the MOA as a result of an inability to achieve quorum-meetings of the Issue Team. This memorandum provides recommendations on permitting, reclamation and management issues and is pertinent to the Saddle Creek restoration project at Tenoroc, the Peace River Cumulative Impact Study and Resource Management Plan, and ongoing land acquisition and management projects.

One of the recommendations is the creation of a Watershed Special Operations Group consisting of representatives of concerned state and regional resource agencies. In addition, a subgroup (Mine Lands Unified-Forces special operations group) should be created consisting of FWC and DEP representatives. The subgroup would also provide a more comprehensive management of those lands within the phosphate mining district that are currently owned by the Board of Trustees. The subgroup could develop a cooperative land management program and secure funding for it. The memorandum also recommends that lands critical to

the conservation of the region's natural resources need to be identified, acquired and managed, including the clay settling areas adjacent to the north boundary of Tenoroc that are not included within the Williams Acquisition Holding Company DRI.

This memorandum proposes several funding sources to be used on Tenoroc that are in addition to existing funding. According to the memorandum, there is approximately 1.5 million cubic yards of overburden and 15 million cubic yards of sand within Tenoroc that is not needed for Saddle Creek Restoration project. The memorandum proposes the sale or transfer of the fill dirt with the funds generated being used by the FWC for the monitoring and management of mitigation on Tenoroc and by the DEP for drainage and habitat restoration and enhancement within Tenoroc. The sale of marketable timber on an area of steep overburden piles should be sold with the proceeds used by the FWC management responsibilities on Tenoroc. In addition, it is recommended that the mining district be incorporated into the Gopher Tortoise Management Plan with the relocation fees generated within the region utilized on managed lands within the mining district. As a result of the desirable outdoor recreation areas, user-fees should be instituted. It is also recommended that the subgroup work with SWFWMD and the DOT to procure future transportation impact mitigation funding as a result of the proposed additional roads in the Peace River Basin.