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MEMORANDUM

To: Board Members and Pat Lehman

From: Doug Manson and Rob Birrenkott

Re: Counsel Status Report

Date: December 4, 2006 (October 27, 2006-December 4, 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 amendments to Florida Administrative Code Chapter 62C-16 became effective on May 28, 2006.

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.

On July 31, 2006, DEP issued a Final Order in this matter. On September 6 2006, the Board decided to appeal the Final Order. We are currently waiting for the appellate record to be completed then legal briefing will begin. 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.

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.

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. A final order was issued granting the variance on July 27, 2006.

On October 13, 2006, the DEP gave notice that Mosaic Fertilizer has submitted applications for an ERP and a Conceptual Reclamation Plan for the purposes of conducting mining activities on the 10,885 acre South Fort Meade Mine- Hardee County (SFMHC). The mine infrastructure needed to facilitate the proposed mining of the SFMHC Tract consists of: (1) a system of mine access corridors, including two crossings of Little Charlie Creek, one crossing each of Lake Dale and Parker Branches, one crossing of an unnamed tributary in Section 2 adjacent to CR 664, and one crossing of an unnamed tributary in Section 24 adjacent to Cowart Road; (2) three clay settling areas; and (3) surface water discharges outfall structures adjacent to Little Charlie Creek, Parker Branch, and an unnamed tributary to the Peace River in Section 2.

As part of the permitting process for the SFMHC, the Hardee County BOCC requested Mosaic to provide lakes with development potential as part of the reclamation plan. Mosaic submitted variance requests regarding the building of these lakes to DEP. On October 13, 2006, DEP gave notice of receipt of Mosaic's permanent variance requests from lake littoral zone requirements and water quality requirements for dissolved oxygen for the reclamation lakes on the SFMHC mine.

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, a tributary of the Peace River. On July 28, 2006, DEP published a Notice of Intent to Issue an Environmental Resource Permit for this pipeline corridor. On August 28, 2006, DEP gave notice of the issuance of the Environmental Resource Permit.

On November, 29, 2006 DEP issued a notice indicating its approval of Mosaic's mining and reclamation details for the Gilshey Branch Project Area, a 1,466 acre tract located within the southwest portion of the South Fort Meade Mine along the border between Polk and Hardee County. Pursuant to condition number three of the mine wide permit, wetland construction details for areas outside the initial construction phase must be submitted to the DEP for review and approval prior to construction. The project is to disturb 1,000 acres of wetlands for phosphate mining and associated activities, (775 acres of forested wetlands, 186 acres of herbaceous wetlands, 6 acres of shrub marsh, 22 acres of wet pasture, and 8 acres of cattle ponds) and to restore 1,520 acres of wetlands (861 acres of forested wetlands, and 659 acres of herbaceous wetlands) including 1,502 acres of proposed mitigation and 18.5 acres of previously required mitigation. Streams and wetlands within the project area must be constructed in accordance with the guidance report submitted by BCI Scientists and Engineers. In addition, Mosaic is required to acquire an experienced stream restoration scientist to oversee construction.

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.

A report on the mine was presented to the Tampa Bay Regional Planning Council and revealed that 46.9 acres were mined, 10 acres were graded and 4 acres were grassed and mulched this reporting year. To date, a total of 740 acres have been mined, 1,418 acres have been disturbed but not mined, 575 acres have been graded and 530 acres grassed and mulched. FDEP has released 295 acres and Manatee County has released 80 acres following completion of reclamation activities. While mining was temporarily suspended in reporting year 2005-06, the developer expects to revegetate 80 acres during the next reporting year. The report also indicated the project appears to be proceeding in a manner consistent with the Development Order. Manatee County is responsible for ensuring compliance with the terms and conditions of the Development Order.

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.

On September 25, 2006, the DEP gave notice they were processing CFI's applications for variances from specific provisions of Chapter 62C-16, F.A.C. Pursuant to the provisions of Section 378.212(1)(g), Florida Statutes, CFI is proposing to develop an Aquifer Recharge and Recovery Project (ARRP) in lieu of the currently approved reclamation within a 960 acre portion of the South Pasture Mine. In general terms, the ARRP would involve storing mine stormwater in an existing sand-clay mix area; naturally treating that water through a series of cells consisting of reclaimed wetlands constructed in an adjacent sand-clay mix area; filtering the water through a sand tailings filter basin; and then finally injecting an estimated 2-4 mgd of water into the Floridan aquifer to facilitate aquifer recovery, or for possible future withdrawal. CFI's Hardee Phosphate Complex (including the South Pasture Mine) is located in the Southern Water Use Caution Area ("SWUCA").

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 24th at the SWFWMD Bartow office; June 21st at the Turner Center in Arcadia; July 26th 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 13, a resource management plan meeting was held.

The July 26th meeting discussed 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 included 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.

During the August 9th public meeting, the following recommendations were made regarding phosphate regulations. It was noted that the non-mandatory reclamation program is unfunded and there is a backlog of good projects. Also, the program should provide greater flexibility as far as what is funded, and the incentive structure should be redone. In addition, the mandatory requirements should be amended to remove the acre for acre and type for type requirement because it limits the future use of the project site. Further, off-site mitigation should be provided for. The speaker noted not this year, but in the near future Chapter 373 and Chapter 378 may be streamlined to combine the ERP and CRP process both under the ERP criteria. The justification behind many of the proposals was because the phosphate industry is the most regulated, incentives should be offered to encourage wetland restoration. There is a stakeholders meeting scheduled for September 7, 2006 to discuss the findings of the study.

Stakeholder meetings were held on September 7 and September 29, 2006 to discuss the formulation of a "Resource Management Plan." The plan will contain recommendations on how to reduce the impacts identified by the cumulative impact study. The plan will recommend the additional funding of the "old lands"/ nonmandatory land reclamation program which provides funding for the reclamation of eligible phosphate lands mined before July 1975. Presently, there are 12,030 acres of land which are eligible for this program within the Peace River Basin. The DEP will consider rule changes which will prioritize reclamation projects which address impacts identified by the study and reevaluate the criteria for non eligible parcels. Funding from this program will be derived from the severance tax. Further, the plan will include a recommendation to continue the Upper Peace River and Saddle Creek Restoration Project at the Tenoroc Fish Management Area (TFMA). The 7,300 acre (TFMA) is comprised of portions of the former Tenoroc, Orange Park and Saddle Creek phosphate mines. The plan will also recommend streamlining the ERP and CRP permits into one permit and establish criteria to protect the floodplain. In addition, the plan will recommend the full implantation of the SWUCA Recovery Strategy. The next meeting is scheduled for October 24, 2006.

On October 24, 2006 a stakeholder meeting was held to discuss the formulation of a "Resource Management Plan." The plan will contain recommendations on how to reduce the impacts identified by the cumulative impact study. Dr. Edward Hanlon of UF/IFAS, discussed agricultural opportunities for previously mined lands. Dr. Hanlon mentioned numerous agricultural operations that may be available; sod farming, citrus, cypress for mulch, beef cattle, forage production, fish and shrimp farms, dairy replacement heifer, but especially emphasized uses tied to energy and water. Dr. Hanlon

noted the production of crops which could be used as biofuels (ethanol, methanol, etc.) could be very profitable. He pointed to short distributions combined with phosphogypsum next door as additional benefits to the use of mined lands for these types of crops. He also commented producers of these crops in other areas of the country could not produce enough crops to meet the demand and Florida has a superior growing season compared to these other regions. In addition, Dr. Hanlon noted the value using mined lands as water reservoirs. Dr. Hanlon endorsed the formation of a research center to address opportunities on reclaimed lands and stressed the importance of encouraging ingenuity and entrepreneurship in formulating a solution. He also stressed thinking on a societal level (water and energy needs) and then work backwards to craft regulations. The final stakeholder meeting is scheduled for November 9, 2006.

On November 9, 2006 a Peace River Resource Management Plan Stakeholder Meeting was held to discuss the list of cumulative impacts to water resources of the Peace River Basin as identified in the Cumulative Impact Study. The impacts were listed by the following categories; impacts to surface waters, groundwater, wetlands, fisheries, aquatic habitats, and water supplies. Under the heading of water supplies, impacts to the Peace River Manasota Regional Water Supply Authority were listed due to “concerns for dry season base flow relating to days of flow below pumping limits of 130 cfs.” Another meeting to acquire additional input has been scheduled for December 12, 2006. An Executive Summary of the study will be available on the DEP website prior to the December, 12 meeting.

Minimum Flows for the Middle Peace River

On April 28, 2006, SWFWMD gave notice of its expedited rulemaking for a proposed amendment that will update SWFWMD'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. SWFWMD is proposing in its updated minimum flow and level schedule to propose a minimum flow for the Lower Peace River in 2007.

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.

On July 13, 2006, DEP sent a letter to SWFWMD and the ACOE regarding the Upper Peace River/Saddle Creek Restoration Project. The letter requests that the agencies review and approve the proposed preliminary plans for Phase I of the restoration within the old portion of the Tenoroc Fish Management Area by July 31. Following approval, the construction bid specifications will be developed, as well as the holding of public meetings. DEP states that it hopes to begin Phase I construction by late fall/early winter. DEP is also currently developing the preliminary plans for Phase II and III.