

Governing Board Workshop Item #34

Dispersed Water Management Program

Northern Everglades – Payment for Environmental Services Solicitation

July 14, 2011

Benita Whalen, P.E.

Dispersed Water Management

Definition:

Shallow water distributed across parcel landscapes using relatively simple structures.



Components

- **Water Storage**
 - Ledger (129,524 ac-ft operational)
 - Interim Lands (Cypress Creek – Loxahatchee, Allapattah Flats, Dinner Island Ranch, BOMA, C-23/C-24, Clewiston Site)
 - Emergency
 - Operational
- **Cost-Share cooperative projects**
- **Easements** (USDA Natural Resources Conservation Service – Wetland Reserve Program [WRP])
- **Payment for Environmental Services**
 - Florida Ranchlands Environmental Services Pilot Projects
 - Northern Everglades –Payment for Environmental Services
 - Water Farming Pilots

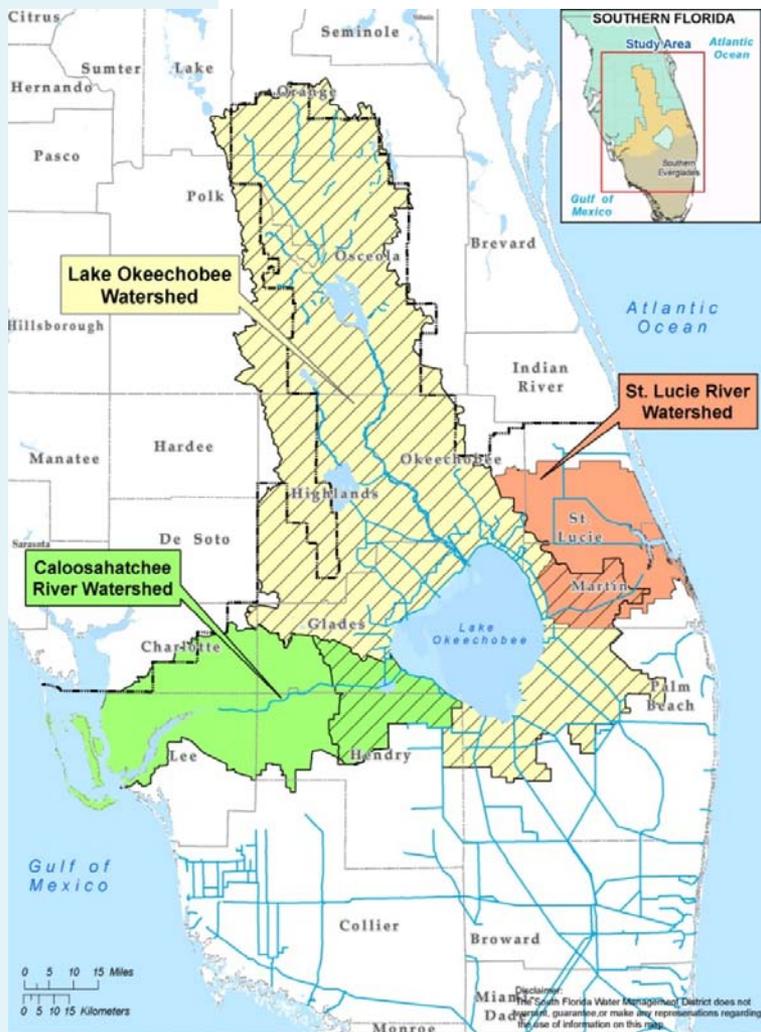
Payment for Environmental Services (PES)

- 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

Payment for Environmental Services (PES)

- PES Program tools/processes:
 - Wetlands – ACOE Regional General Permit
 - ✓ Threatened & Endangered Species – Consultation Key – USFWS
 - ✓ Baseline BMP water retention
 - ✓ Models – comparable service estimates
 - ✓ Nutrients – site assessment resulting in start-up and contract close-out actions
 - ✓ Pricing – tool for ranchers, competition driven
- In collaboration with representatives from FRESP, FDACS, NRCS

Eligibility



- Located within Northern Everglades & Estuaries Watershed
- Ranchlands
(More intensive agriculture in St. Lucie and Caloosahatchee basins on parallel pilot track)
- Large and small pool of service providers
- Participating and in compliance with FDACS Northern Everglades BMP Program
- Must be in compliance with other State and Federal rules and regulations

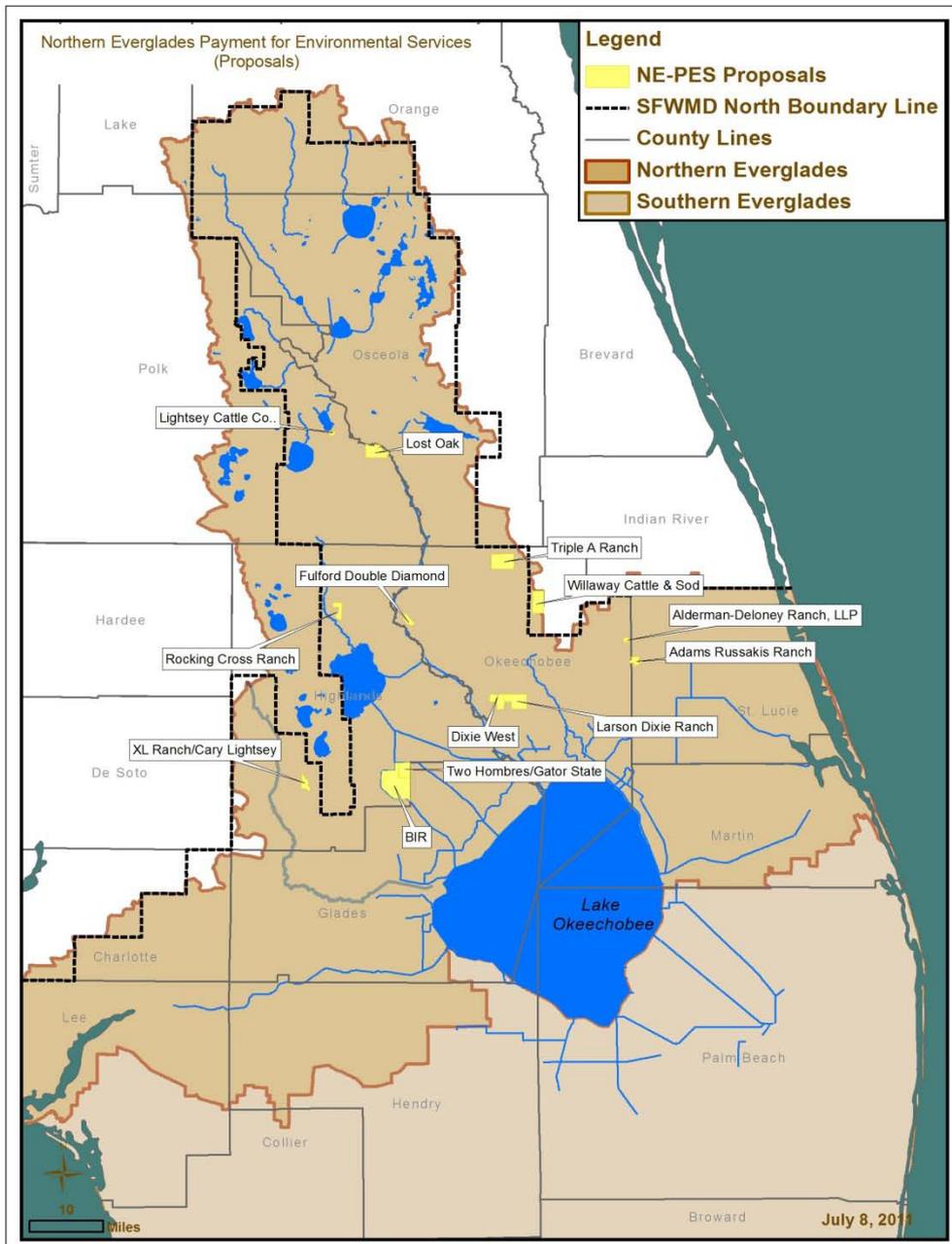
Evaluation Criteria

Program Objective	Project Evaluation Criteria	Point Scale
Objective 1: Maximize Water Retained or Phosphorus Reductions	1.1 Average Annual Water Retention or Phosphorus Load Reduction	25
	1.2 Project Benefits Multiple Water Bodies of Concern	5
Objective 2: Maximize Feasibility	2.1 Feasibility of the WMA and Assurances to Document Services	5
Objective 3: Maximize Cost Effectiveness while Minimizing Risks	3.1 Estimated Cost per Pound of P Removed or Cost per Acre-Foot of Retention	25
	3.2 Cost Sharing - % Private and Potential from Other Public Sources	10
	3.3 Level of Uncertainty	5
	3.4 Landowner Experience with Similar Projects	5
Objective 4: Maximize Ease of Implementation	4.1 Project Implementation Schedule	5
	4.2 Ease of Permitting	5
Objective 5: Maximize Environmental Benefits	5.1 Project Promotes Habitat Creation or Enhancement, or Other Environmental Benefits in addition to the Primary Water Retention or Water Quality Service	10
Total Maximum Points		100

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

- **Solicitation**

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



NE-PES Proposal Locations

Proposed PES Program Concepts Funding Timeline

	Year	1	2	3	4	5	6	7	8	9	10*
SMALLER Projects	Capital	\$2M	\$3M	New capital	→						
	Service Payment		\$1M	\$1M	Out-year service payment commitment increases with new annual capital investment						
LARGER Projects	Capital	\$1M	\$3.5M	New capital	→						
	Service Payment		\$750K	\$3M	Out-year service payment commitment increases with new annual capital investment						
	Total	\$3M	\$8.25M	\$4M	Include new capital expenditures plus service payments from all contracts						

- FY11 solicitation over \$7M available for capital;
\$200K Technical Assistance

*Renewal options

- Total initial solicitation concept value \$43.25M over 10 years

Solicitation Summary

- 14 proposals received – all were “small” category projects (<3.5 MT TP or <5,000 ac-ft)
- 12 Water Retention Projects (total 5,634 ac-ft/yr over 11,960.8 acres)
- Price per acre -foot ranged from less than \$100/ac-ft to over \$2000/ac-ft
- 2 Nutrient Retention Projects (total of 2,152 lb TP/yr over 2948 acres)
- Price per lb of Phosphorus retained ranged from approximately \$200 - \$500/lb TP

NE – PES Proposal Funding Requests 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 value pre-negotiation \$26.08M over 10 years

*Renewal options

Governing Board Request

- Discussion Item #37

Enter into negotiations in ranked order with respondents

Questions

