

BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY, FLORIDA

AGENDA ITEM COVER SHEET

CONSENT

REGULAR

MEETING DATE:

SUBJECT: Negotiations with Tampa Bay Water Staff on the Return of the Water Rights for Cone Ranch
OFFICE: Community Services
DEPT: Water Resource Team CONTACT PERSON: Richard D. Garrity, Ph. D.

RECOMMENDATION:

Direct HCWRT to pursue the approach of a return of water rights to a portion of the Cone Ranch, consistent with the ELAPP approach regarding the application for Federal funds, per the attached memorandum summarizing the last meeting.

BACKGROUND:

The HCWRT has met 4 times with Tampa Bay Water staff to discuss the future of the Cone Ranch (see attached page). Specifically, the HCWRT has been negotiating for the return of water rights on Cone Ranch to the County. Negotiations for return of rights for the entire property have not been overly productive. A phased approach via an initial examination of the return of rights on the northern portion of the ranch appears to warrant additional consideration. HCWRT staff is seeking direction from the Board of County Commissioners prior to pursuing this action further.

Continued

Financial Impact Statement and Index/Sub-object Code: N/A

Continued

<p>SIGN-OFF APPROVALS DATE</p> <p>DIRECTOR <u> PDS </u> <u> 5/7/00 </u></p> <p>MGMT & BUDGET <u> NA </u> <u> RB </u></p> <p>CONTRACTS <u> NA </u> <u> RD </u></p> <p>LEGAL <u> ISA </u> <u> 5-8-00 </u></p> <p>ACA <u> [Signature] </u> <u> 5/8/00 </u></p>	<p><input type="checkbox"/> Affected parties notified <input type="checkbox"/> Not required</p> <p><input type="checkbox"/> Advertised <input type="checkbox"/> Not Required</p> <p>Date:</p> <p>Paper:</p> <p>CIT Project? <input type="checkbox"/> yes <input type="checkbox"/> no</p>	<p><input checked="" type="checkbox"/> Attachments Summary Sheet</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Backup on file in County Administrator's Office</p>
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— OCA STAFF ONLY —

BOARD ACTION: Approved Disapproved Continued/Deferred Until _____

OTHER/SPECIAL INSTRUCTIONS: Item 9.a. -1

Original Documents forwarded to Chief Deputy Clerk

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Following Board (BOCC) direction, members of Hillsborough County's Water Team (HCWT) have had 4 meetings to date with Tampa Bay Water (TBW) staff regarding the future of Cone Ranch. The discussions of the first two meetings centered around the fact that the Cone Ranch plus Dispersed Wells was part of the New Water Plan, and without the 12 mgd anticipated from this project, the New Water Plan would not have adequate supplies to meet required pumpage reductions plus anticipated demands. The central question posed at those first two meetings was "Where would the 12 mgd come from if the Cone Ranch plus Dispersed Wells project is removed from the New Water Plan?" TBW staff felt they were not able to consider the return of the water rights so long as there was no identified project to replace the 12 mgd lost should the Cone Ranch plus Dispersed Wells project go away. Options were discussed such as decreased pumping at Cone Ranch to a point where there was a reasonable certainty that supplemental hydration would never be necessary. TBW staff also asked if Hillsborough County would be interested in TBW purchasing Cone Ranch thus allowing the Water Department to be reimbursed for their ownership expenses. WRT staff indicated that we thought this item was not consistent with the policy of the BOCC.

At the April 10, 2000 special meeting of the TBW Board of Directors, that Board voted to prioritize a second desalination plant over the development of more groundwater supplies like Cone Ranch. The HCWRT and TBW staff met for a third time subsequent to that decision by the TBW Board. TBW staff was still unable to discuss the return of the water rights to all of Cone Ranch, given that the TBW Board did not pull the Cone Ranch project, but simply de-prioritized it. TBW staff position was that if the second desalination project proved not to be feasible, Cone Ranch was still needed to meet expected demands.

The idea of a transfer of property rights from a portion of the ranch was discussed at the third meeting. The northern third of the ranch has several aspects which make it potentially less attractive for wellfield development in comparison with the southern portion of the ranch.

- The northern third of the ranch is located closest to the Hillsborough River, which is already being heavily utilized for water supply purposes.
- The northern third of the ranch is located closest to Crystal Springs, a major baseflow tributary to the Hillsborough River and source of Zephyrhills Bottled Water.
- The northern third of the ranch is located closest to CF Industries, which already has a Water Use Permit, plus is the location of an unlined gypsum stack.
- The northern third has many small, isolated cypress wetlands and marshes that are expected to be sensitive to groundwater withdrawals.

The northern third of the Cone Ranch also has several features, which makes it unusually attractive for preservation/restoration purposes.

- This portion of the ranch has been identified as a crucial link in the establishment of a functional wildlife corridor from the Lower Hillsborough River Flood Detention Area to the Green Swamp.
- This portion of the ranch is adjacent to the restoration project being implemented by CFI.

The amount of Federal money available for the purchase of Cone Ranch will likely not be, in a single year, sufficient to acquire the entire ranch. Therefore, ELAPP staff has proposed a phased approach to the acquisition.

Given the above factors, HCWT and TBW staff discussed an option whereby the return of the water rights for the northern third of the ranch could be pursued, assuming the TBW staff analysis indicates sufficient potential to obtain some amount of water from the southern portion of the property sufficient to meet the demands in the New Water Plan. In such an event, the northern third might potentially be identified for Federal acquisition soon, leaving the rest of the ranch on the table until such time as the TBW Board decides whether the second desalination plant is feasible. This latter decision is expected to be reached sometime in the summer of 2001. Should the second desalination plant be the chosen supply by the TBW Board, the southern portions of Cone Ranch may then be available for the return of water rights and subsequent purchase by the Federal Government.

Item 9.a.

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At the fourth meeting, held May 26, Tampa Bay Water's outside legal counsel presented five DRAFT points for the two groups to utilize to focus the discussions. These are included as an attachment. On that attachment is also included some of the wording changes discussed at that meeting. The HCWRT made it clear to the TBW representatives of our plans to bring this matter back to the BOCC for guidance before moving further with negotiations.

Item 9.a.

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May 26, 2000 Meeting - Ideas presented by TBW Representative to WRT includes wording changes discussed at that meeting.

DRAFT

1. Tampa Bay Water Staff (TBW) and the Hillsborough County Water Resource Team (HCWRT) will jointly explore options for permanently reducing the area of Cone Ranch subject to TBW water rights in an effort to allow Hillsborough County to pursue federal grants with respect to the approximate northern third of Cone Ranch.
2. As part of this effort TBW Staff and HCWRT will identify potential new and/or additional water sources to replace those water rights being relinquished by TBW. ~~sufficient to meet the demands set forth in the New Water Plan.~~
3. ~~Once Concurrent with the HCWRT has identified cation~~ of potential water replacement options, ~~then~~ TBW Staff will undertake a technical evaluation/feasibility analysis regarding relinquishment of the approximate northern one-third of Cone Ranch and develop a procedure for implementation of new and/or additional water sources, including those on the remaining southern area of the Ranch, and based upon a consensus between the Hillsborough County Water Resource Team and Tampa Bay Water Staff.
4. The feasibility analysis will include determining if options meet applicable water management district permitting criteria.
5. Tampa Bay Water Staff and Hillsborough County Water Resource Team will develop a term sheet including a procedural framework and a proposed time period for implementation of any options, which are determined to be technically feasible.

Item 9. a.

DRAFT

1. Tampa Bay Water Staff (TBW) and the Hillsborough County Water Resource Team (HCWRT) will jointly explore options for elimination of Cone Ranch as a potential future wellfield, thus allowing Hillsborough County to pursue federal grants with respect to the preservation and restoration of Cone Ranch.
2. As part of this effort, TBW Staff and HCWRT will identify potential new and/or additional water sources to replace those water rights being relinquished by TBW.
3. Concurrent with the identification of potential water replacement options, TBW Staff in consultation with the HCWRT will undertake a technical evaluation/feasibility analysis on Cone Ranch to determine the amount of water to be replaced.
4. The feasibility analysis will include determining if options meet applicable water management district permitting criteria.
5. Tampa Bay Water Staff and Hillsborough County Water Resource Team will develop a term sheet including a procedural framework and a proposed time period for implementation of any options which are determined to be technically feasible.

Cone Ranch Update

- 12,900 acres
- Acquired in 1988; wellfield potential
- Past agricultural uses have resulted in wetland impacts
- Still many acres of productive wetlands
- CFI nearby

Cone Ranch Update

- 12/01/99 BOCC wrote to TBW requesting release of water supply development rights
- Rationale:
 - Eliminate potential impacts on nearby resources and activities
 - Potential to impact Hillsborough River flow
 - Site is suitable for area preserve
 - Opportunity for federal grants

Cone Ranch Update

- TBW Board voted to negotiate with Hillsborough County
- On 4/10/00 TBW Board voted to deprioritize Cone Ranch in favor of Desal II
- Negotiations commenced
- Two main options
 - Maintain request for return of water supply development rights
 - Reach compromise on future of Cone Ranch



GOAL

❖ Negotiate Return of Water
Development Rights for Cone Ranch



HISTORY

- ❖ 1988
 - ❖ WCRWSA purchased Cone Ranch in Bankruptcy proceedings, Ranch to be developed as future water supply for Hillsborough County
 - ❖ Property transferred to Hillsborough County Water Department, with proviso that if water supplies are developed on the ranch, WCRWSA will develop them.



HISTORY

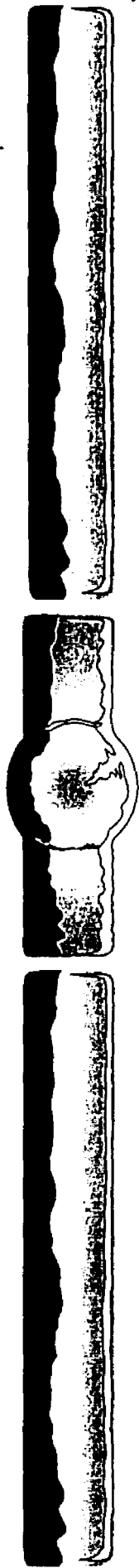
❖ 1998

- ❖ WCRWSA re-formed as Tampa Bay Water.
Contractual rights to develop water from Cone Ranch
now with Tampa Bay Water



OPTIONS


- ❖ A. Direct HCWRT to continue negotiations based upon the 5 Draft Points
- ❖ B. Direct HCWRT to continue negotiations based upon other guidance from the Board
- ❖ C. Direct HCWRT to negotiate only for entire property at one time



D R A F T – Five Points


1. Tampa Bay Water Staff (TBW) and the Hillsborough County Water Resource Team (HCWRT) will jointly explore options for permanently reducing the area of Cone Ranch subject to TBW water rights in an effort to allow Hillsborough County to pursue federal grants with respect to the approximate northern third of Cone Ranch.





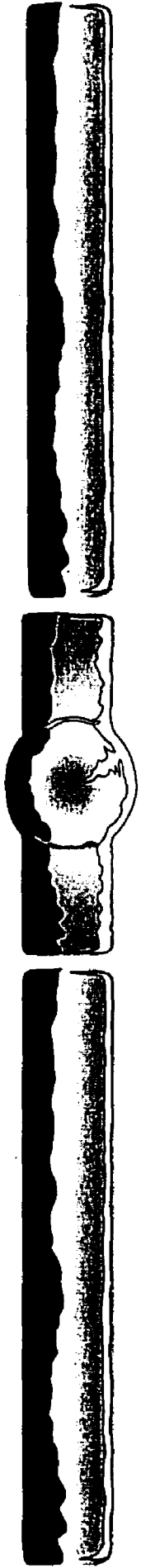
Five Points - Continued

- ❖ 2. As part of this effort TBW Staff and HCWRT will identify potential new and/or additional water sources to replace those water rights being relinquished by TBW. ~~sufficient to meet the demands set forth in the New Water Plan.~~



Five Points - Continued

- ❖ 3. ~~One~~ Concurrent with the ~~HCWT~~ has identified cation of potential water replacement options, ~~then~~ TBW Staff will undertake a technical evaluation/feasibility analysis regarding relinquishment of the approximate northern one-third of Cone Ranch and develop a procedure for implementation of new and/or additional water sources, including those on the remaining southern area of the Ranch, and based upon a consensus between the Hillsborough County Water Resource Team and Tampa Bay Water Staff.



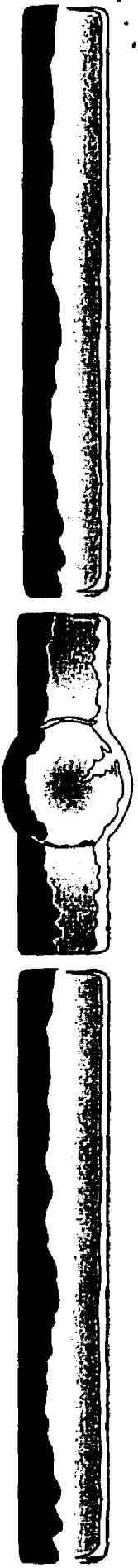
Five Points - Continued

- ❖ 4. The feasibility analysis will include determining if options meet applicable water management district permitting criteria.



Five Points - Continued

- ❖ 5. Tampa Bay Water Staff and Hillsborough County Water Resource Team will develop a term sheet including a procedural framework and a proposed time period for implementation of any options, which are determined to be technically feasible.



Possible Guidance for Continued Negotiations

- ❖ Future negotiations to include language releasing water development rights to the remainder of Cone Ranch in the event that TBW Board determines a second desalination facility is deemed feasible (decision estimated to be summer of 2001)