TO: Lake County Water Authority Board of Trustees
FROM: Christina Rider, Executive Office Manager/Financial Coordinator
DATE: August 7, 2017
SUBJECT: Authorization to Surplus Water Quality Monitor at the NuRF

Consent Item

Authorization to Surplus Water Quality Monitor at the NuRF # 308

All inventoried property requires Board approval prior to disposal. Staff is seeking Board approval to surplus the following item. The monitor will be cannibalized. This item has been replaced.

<table>
<thead>
<tr>
<th>Inventory Number</th>
<th>Description/Model</th>
<th>Reason for Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>308</td>
<td>Water Quality Monitor</td>
<td>Sensors do not work</td>
</tr>
</tbody>
</table>

Executive Director Recommendation:

Authorize the Executive Director to surplus the Water Quality Monitor at the NuRF.
TO: Lake County Water Authority Board of Trustees

FROM: Christina Rider, Executive Office Manager/Financial Coordinator

DATE: August 10, 2017

SUBJECT: Authorization to Release a Request for Proposals for Hickory Point Pavilion Welcoming and Facilitating Services and Custodial Services

Consent Item

Authorization to Release a Request for Proposals for Hickory Point Pavilion Welcoming and Facilitating Services and Custodial Services

LCWA rents the Hickory Point Pavilion to private parties for events such as birthday parties, wedding and baby showers, weddings, company parties, etc. At least one staff must be on location to welcome and facilitate the parties as well as perform custodial duties. These events occur mostly on weekend days and evenings from 9:00am until 8:00pm. In the past these services have been contracted to an outside party. The agreement with the current contractor will end September 30, 2017. Staff is requesting authorization to solicit proposals for such services not to exceed $25,000 for a one (1) year period commencing October 1, 2017, with three (3) options for one (1) year extensions.

Executive Director Recommendation:

Authorize staff to release a request for proposals for Hickory Point Pavilion Welcoming and Facilitating Services and Custodial Services not to exceed $25,000 for a one (1) year period commencing October 1, 2017, with three (3) options for one (1) year extensions.
TO:          Lake County Water Authority Board of Trustees
FROM:        Ron Hart, Water Resources Director
DATE:        August 8, 2017
SUBJECT:     Hunt Island Easement Relocation

Discussion Item

Hunt Island Easement Relocation

In June 2017, Water Authority staff was contacted by Attorney Jimmy Crawford regarding an easement at Hunt Island. Hunt Island is adjacent to the Lake County Water Authority’s Cherry Lake Dam property and the easement is regularly used by staff for access and maintenance to a levee that connects to the more easterly Bryant Island and Kestrel Drive (Figure 1).

Figure 1. 2014 Aerial showing the Features near the Cherry Lake Dam and Levees.
Attorney Crawford is representing clients that have an interest in purchasing Hunt Island (alternate key numbers 1108055 and part of 1025176) from the current owners, the Carlis (Figure 2).

Attorney Crawford was the Board’s attorney prior to Attorney Barice and as such, has a good knowledge of the structures along the Palatlakaha River.

![Figure 2. 2014 Aerial showing the Location of the Cherry Lake Dam Property and the For Sale Hunt Island Properties.](image)

Attorney Crawford noted that the Carli property is burdened by two easements obtained by the Water Authority in 1955 (Figure 3). They are interested in modifying the location, width, and terms of the easement that travels southeast from the LCWA’s Cherry Lake Dam property around Hunt Island and over to Bryant Island. This easement allows for certain rights pursuant to the Water Authority governing acts, and also provides access to the levees and to Kestrel Drive. He further notes that the southeast easement runs along the shoreline of most of the east
side of Hunt Island, and feels that it impairs the Carlis’ (and the buyers’) riparian rights. He also feels that the owners may not get a dock permit over the southeast easement, and in any event the Water Authority rights under the Southeast Easement put into question the owners’ “quiet enjoyment”, as the Water Authority could legally utilize their rights under the southeast easement to diminish the owner’s riparian rights. For example, the LCWA has the right to re-dig the existing canal, or put in a public canoe launch facility along the existing easement. However, it is staff’s opinion that the owner’s rights were diminished 62 years ago when the LCWA acquired the easement. The current and future owners wish to reacquire these riparian rights thus increasing the value of these future Clermont Chain of Lakes building lots.

The Carlis’ are requesting the Water Authority revise the Southeast Easement to relocate and reduce a portion to the interior of Hunt Island. Attorney Crawford states that the relocated and reduced easement would eliminate the potential harm to the owners’ riparian rights and quiet enjoyment, and still protect the access to the LCWA property and water control structure. They
have provided a sketch of the proposed easement exchange for the Boards consideration (Figure 4).

Staff has requested a digital file format that will allow us to layer the sketch over aerials. The alignment and the width may impede the Water Authority’s ability to maintain the levee between the islands.

Access to the structure and levees are the LCWA’s primary concern. Other changes to the easement alignment or language are not as likely to result in impacts to the safety and welfare of the public. Therefore, staff is open to negotiations for modifications that do not impact these primary concerns. Staff has comprised the following list of positive and negative aspects regarding the proposed modifications:

Figure 4. Sketch of Description showing Attorney Crawford’s recommended exchange of easements.
**Modify Location of Easement** - The current location covers the transition of uplands to wetlands or to the excavated canal. Changing its location from along the shore and wetlands may hinder any future projects the Board may desire at this transitional site. The new proposed easement is through a sandy upland area where travel may require 4 wheel drive. The new alignment also has a 90° turn that is likely to become sandy and could be difficult to navigate with longer equipment. On the positive side, their attorney has expressed a willingness to compensate the LCWA for the change. They are having a realtor develop an opinion of value for the property with the easement “as is” and one with the changes.

**Modify Easement Width from 150’ to 50’** - This change substantially reduces the width where the LCWA may desire to perform any future project at the site and the proposed 50’ width may restrict the movement of long vehicles at the sandy proposed 90° turn.

**Change the Language of the Easement** - The existing language gives the LCWA broad powers to perform any and all acts allowed under the enabling legislation on the easement. The property owner still has the right to utilize these lands as long as it does not interfere with the LCWA’s works as broadly defined in the recorded easement. Redefining the language of the easement by restricting the LCWA’s use to access would greatly reduce options available to future boards. However, there are some areas of language in the easement that, if eliminated, may reduce future conflict. These include; an area to hold harmless the property owners for any damages to roads and bridges for acts that are not provable negligence, a requirement not to build any dikes that would enclose any bodies of water, and requires the LCWA to pay all subsequent taxes over the affected lands. Staff recommends that we work with our attorney to revise these areas and report back to the Board.

The Board doesn’t have to take any action on this issue. The existing easement and language has functioned well for the LCWA’s purposes and has not resulted in any issues for the past 60 years. However, there is no reason why the agreement cannot be modified as long as the LCWA is adequately compensated for any additional hardship that a change may create. For this reason, staff will attempt to negotiate an acceptable modification agreement with Attorney Crawford prior to the Board meeting. Attorney Barice shall participate in the discussions to ensure the LCWA’s legal positions are protected and considered. Any resulting agreement from this discussion will be presented at the meeting for Board’s consideration.

**Executive Director’s Recommendation:**

Authorize the Chairman and Executive Director to enter an agreement to modify the Cherry Lake Dam Easement across Hunt Island.
TO: Lake County Water Authority Board of Trustees  
FROM: Christina Rider, Executive Office Manager/Financial Coordinator  
DATE: August, 10, 2017  
SUBJECT: Approval of Contract for Governmental Auditing Services with Purvis Gray & Company

Discussion Item

Approval of Contract for Governmental Auditing Services with Purvis Gray & Company

At the July 26, 2017 meeting the Board approved the Executive Director to enter into negotiations with Purvis Gray & Company for a contract for Governmental Auditing Services. A meeting was held July 31, 2017 at 9:30 am in the LCWA conference room. Those attending were:

Michael J. Perry, Executive Director  
Kristy Mullane, Chief Deputy Clerk, County Finance  
Christina Rider, Executive Office Manager/Financial Coordinator  
Mark White, Partner Purvis Gray  
Alison Stone, Manager Purvis Gray

The Executive Director was able to negotiate a contract as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Amount</td>
<td>$15,000</td>
<td>$15,450</td>
<td>$15,913</td>
</tr>
<tr>
<td>Hourly Rate for any work beyond 115 hrs.</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
</tr>
<tr>
<td>Capped Amount</td>
<td>$18,575</td>
<td>$19,000</td>
<td>$19,750</td>
</tr>
</tbody>
</table>

The agreement is for a three (3) year period with two (2) options for one (1) year extensions.

Executive Director Recommendation:

Authorize the Executive Director to execute a Contract with Purvis Gray & Company for auditing services for a three (3) year period with two (2) options for one (1) year extensions.
TO:        Lake County Water Authority Board of Trustees
FROM:  Patricia Burgos, Land Resources Director
DATE:  August 9, 2017
SUBJECT: Approval of Site Resident Lease for Flat Island Preserve

Discussion Item

Approval of Site Resident Lease for Flat Island Preserve

Currently the Water Authority maintains annual leases with site residents living as security residences on three (3) Preserves – Crooked River Preserve, Flat Island Preserve and Sawgrass Island Preserve.

Recently the Flat Island Preserve site residence became available after 8 years due to family issues of the previous Water Authority’s resident.

Staff advertised the residence and after approximately 2 months received only two applications. The first applicant withdrew and the second applicant is still available for the residence. His name is Brandon Scrambling. He is in law enforcement with the Florida Fish and Wildlife Conservation Commission and has been working with FWC since 2013.

Some of the considerations for a successful applicant included consideration of a current law enforcement official with a marked vehicle, size of family, whether the applicant had pets, familiarity with Lake County and ability to maintain and repair the home. Based upon staff’s discussion with Mr. Scrambling, he qualifies in all the areas except that he does have a Labrador Retriever dog of approximately 45 lbs. In discussion with Mr. Scrambling and the Water Authority Executive Director, the dog will be kept in a kennel while Mr. Scrambling is at work and the refundable deposit has been increased from $500 to $750.

Staff recommends that the Authority execute a lease with FWC Law Enforcement Deputy Brandon Scrambling until the end of September 2018. Staff will utilize the lease previously approved by Attorney Barice. A draft of the lease agreement is attached for Board review.

Executive Director’s Recommendation:

Authorize the Executive Director to execute a Flat Island Preserve resident lease agreement with FWC Law Enforcement Deputy Brandon Scrambling.
TO: Lake County Water Authority Board of Trustees  
FROM: Michael J. Perry, Executive Director  
DATE: July 27, 2017  
SUBJECT: FY 2017-18 Budget

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**Discussion Item**

**FY 2017-18 Budget**

Staff presented the draft budget for Fiscal Year 2017-18 at the July 12, 2017 Board budget meeting. At that meeting, staff provided an overview of the budget and discussed each budget section and identified any changes made since the budget was distributed at the June 28, 2017 regular Board meeting.

At the Board’s regular meeting on July 26, 2017, the Board reviewed the changes and took action to establish its tentative millage rate at 0.2554. The tentative rate reflects the highest rate the board intends to consider. The board can still lower the millage rate as it continues with the budget process; however it can go no higher than the rate set on at that meeting.

At this meeting, the Board will have an opportunity to continue to review its budget and provide staff with direction in preparation for the Tentative Budget Hearing scheduled for September 13, 2017 no sooner than 5:05 pm.

Staff is providing a summary of changes discussed at the July 26, 2017 Board meeting and will review those changes at the regular August meeting. The changes made to the FY 2017-18 budget are highlighted in [red]. The following are changes to the FY 2017-18 budget as discussed by the Board at the July 26, 2017 Board meeting:

- **200-620 - Maintenance and Repair - Information Technology**
  As a result from direction from the County Clerk Financial staff, staff moved Backup Generator for Office (Line No. 174) from 200-640 Machinery and Equipment to 200-620 - Buildings (Line No. 167).

- **400-460 - Maintenance and Repair - Hickory Point**
  As a result from direction from the County Clerk Financial staff, staff moved Plant Additional Trees - TDC Funds (Line No. 217) from 400-630 Site Improvements to 400-460 - Maintenance and Repair (Line No. 203).
• **710-340 - Other Contractual Services - Water Resources**
  Due to revised calculation of the Cash Brought Forward, staff decreased the Lake Yale Whole Lake Alum Application (Line No. 328) by $482,278 (from $2,482,278 to $2,000,000).

• **710-340 - Other Contractual Services - Water Resources**
  Due to revised calculation of the Cash Brought Forward, staff decreased the ABC AG Diversion to Mine Pit (Line No. 329) by $274,000 (from $1,024,000 to $750,000).

• **710-340 - Other Contractual Services - Water Resources**
  Due to revised calculation of the Cash Brought Forward, staff decreased the NuRF Maintenance Reserve (Line No. 361) by $98,821 (from $398,821 to $300,000).

• **710-610 - Lands Acquisition - Water Resources**
  Due to revised calculation of the Cash Brought Forward, staff decreased the Lake Denham Muck Farm Acquisition (Line No. 399) by $179,638 (from $1,200,000 to $1,020,362).

• **710-810 - Aids to Government Agencies - Water Resources**
  Because a portion of this line item will be expended in the current Fiscal Year, staff decreased the Clermont West Stormwater Project (Line No. 426) by $150,000 (from $643,030 to $493,030).

• **710-810 - Aids to Government Agencies - Water Resources**
  Due to revised calculation of the Cash Brought Forward, staff eliminated the 2018 Stormwater Retrofit Grants (Line No. 429) by $150,000 (from $150,000 to $0).

• **720-610 - Conservation Lands Acquisition - Land Resources**
  Due to revised calculation of the Cash Brought Forward, staff reduced Acquisition (Line No. 644) by $150,000 (from $300,000 to $150,000).

• **720-630 - Site Improvements - Land Resources**
  Due to revised calculation of the Cash Brought Forward, staff eliminated the funds to construct the Bear Track Boardwalk & Canoe/Kayak Launch (Line No. 656) by $50,000 (from $50,000 to $0).

• **720-630 - Site Improvements - Land Resources**
  Due to revised calculation of the Cash Brought Forward, staff reduced the Improvements to Sabal Bluff - Duke Energy Funds (Line No. 660) by $37,500 (from $137,500 to $100,000).

• **Cash Brought Forward - Revenue**
  The Cash Brought Forward amount was revised to reflect the most recent calculation of expenditures through the end of the Fiscal Year (Line No. 701) and was reduced by $1,634,737 (from $12,578,855 to $10,944,118).
Executive Director Recommendation:

Provide staff with direction regarding changes to the budget to be made in preparation for the Tentative Budget Hearing scheduled for Wednesday, September 13, 2017 no sooner than 5:05 pm in the BCC Chambers/Administration Building.
TO: Lake County Water Authority Board of Trustees
FROM: Christina Rider, Executive Office Manager\Financial Coordinator
DATE: August 10, 2017
SUBJECT: Financial Policy Update

Discussion Item

Approval of Financial Policy

The Lake County Water Authority Financial Policies were last updated in May 2009. Staff is requesting approval for updated policies. Changes are highlighted in yellow on the document. The major changes are as follows:

- All expenditures over $10,000 still require Board approval as reflected in the official minutes, and the signature of the LCWA Board Chairman or Vice Chairman on the actual check request or purchasing requisition;

- The policy was updated for the NuRF Escrow demand account opened since the last Financial Policy update;

- Deposits will be made weekly unless they exceed $1,000. Receipts of $1,000 or greater will be deposited the next business day;

- The bid amount threshold has been increased to $35,000 which is in compliance with Florida Statutes;

- Sections regarding Travel Policy, Purchasing Card Policy and Tangible Personal Property have been added;

- Check runs have been changed from bi-weekly to weekly; and

- We will be eliminating a petty cash fund. The policy was updated to give the Executive Director the ability to open a petty cash fund if needed in the future. Purchases cannot exceed $25.00

Detailed Financial and Administrative Procedures will be presented to the Board at a later date.

Executive Director’s Recommendations:

Adopt Resolution 2017-01, Adopting Revised Financial Policies.
TO: Lake County Water Authority Board of Trustees
FROM: Patricia Burgos, Land Resources Director
DATE: August 10, 2017
SUBJECT: Proposed Sign for Bear Track Preserve

Discussion Item

Proposed Sign for Bear Track Preserve

In February 2017 the Water Authority Board of Trustees approved the acceptance of a $50,000 donation from the First Green Foundation of Mount Dora towards the purchase of the $175,000 18+-acre Lake Norris Acres parcel bordering on Lake Norris and adjacent to the Water Authority’s Bear Track Preserve.

In addition to applying that donation to assist with any future acquisition of the remaining 80 acres of the Lake Norris Acres parcels, the Board agreed to work with the foundation on a mutually acceptable sign to be installed at the entrance to the 18± acre parcel, which will become part of the Bear Track Preserve.

Staff has included a draft of the sign for Board review and discussion.

The objective of the sign is to inform the public of the private/public partnership, advertise the activities that can occur on the preserve, provide contact information to the public in case of any questions about the preserve and to distinguish this area from the rest of the preserve.

Executive Director’s Recommendation:

Provide staff direction regarding edits to the sign.
TO:     Lake County Water Authority Board of Trustees
FROM:   Michael J. Perry, Executive Director
DATE:   August 9, 2017
SUBJECT: Clermont Boat Ramp Replacement

Discussion Item

Clermont Boat Ramp Replacement

As part of the Victory Point (a.k.a. West Lake) Stormwater Project in the City of Clermont, the existing boat ramp on Lake Minneola located within the City will be eliminated. The City has been searching for site to construct a replacement boat ramp. The Water Authority contributed funds toward the construction of the existing boat ramp that is being removed and for the Victory Point Stormwater Project. Trustee Cox has been following the issue and alerted staff that a public meeting would be held on August 3, 2017 to get public input into the process.

Staff and Trustee Cox attended the public meeting and learned that the City has considered four (4) sites (map attached):

1) The Bell Ceramics Property
2) A site on Lake Hiawatha
3) A second site on Lake Hiawatha
4) A site on the Lake Hiawatha Preserve

The City directed the consultant away from site 1, the Bell Ceramics site, due to concerns about the nearby swimming area, the loss of special event parking, conflicts with the waterfront trail and loss of a future economic development site. The consultant stated that sites 2 and 3 in Lake Hiawatha allowed for easy access from CR 561 and ample area for parking, however the environmental impacts are significant, the permitability was unknown and the 12th St./CR 561 bridge limits the size of vessels. The consultant stated that site 4 allowed easy access from CR561; limited wetland impacts compared to sites 2 & 3, compliments other park and recreation uses, and provides the same number of parking spaces as the existing ramp. They did note the conflict with adjacent properties and that they would have to relocate CR 561. What they did not state were the need to remove several large oak trees, that this area was shallow and dredging would be required to provide access to the lake and there would likely be more wetland impacts other than just the construction due to normal boat launching operations.

The public provided feedback to the consultants. They were concerned about (in no particular order) noise from ramp activity and boats (including airboats); wetland impacts; construction impacts on the lake - dredging; traffic impacts on CR 561, boat launching and operation on the
lake and shoreline - need for a no wake zone; the proposed facility is not large enough to accommodate future growth; conflicts between paddle sports or other sports; general safety on the lake, jet skiers, law enforcement; that the proposed site 4 option is the wrong location, the City should keep the current ramp, Site 1 (Bell Ceramics) is the best location with the least conflicts, move the swimming beach if there are public safety concerns, find another lake for the ramp - partner with other cities and/or Lake County, and that Lake Hiawatha is a passive park and a boat ramp is incompatible.

This topic was scheduled for the City Council to discuss and potentially take some action at its August 8, 2017 meeting. Staff attended the meeting. At this meeting, the consultant reviewed the issue and summarized the August 3rd public meeting. The City Council took comments from the public which were very similar to the comments made at the August 3rd meeting.

During the City Council discussion, Councilman Mullins noted that the Cypress Cove boat ramp and marina is for sale. He suggested that the City, Lake County and the Water Authority could partner to consider this site as an alternative. Other Council members discussed the various issues regarding the proposed sites including not replacing the existing boat ramp. The Council took action to table the topic for 45 days to look for other alternatives and reconsider the existing site options.

Staff would expect that the Board will be approached by the City regarding funding assistance for a future boat ramp to replace the current one being displaced by the Victory Point Stormwater Project.

Executive Director’s Recommendation:

For discussion purposes only. No action required.
TO: Lake County Water Authority Board of Trustees

FROM: Sergio Duarte, Water Resources Project Manager

DATE: August 8, 2017

SUBJECT: DEP - Fracking Permit Process in Florida

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Discussion Item

DEP - Fracking Permit Process in Florida

At the July Board meeting, staff made a presentation about the nearby counties with ordinances and resolutions banning fracking in Florida at the request of Trustee Farner. The Board instructed staff to provide more information about who is applying for permits at the State level, and requested that staff check into having someone from the State level come and speak to the Board about the permit process and review.

Staff from the Florida Department of Environmental Protection (DEP) - Oil and gas program were not able to attend. LCWA staff received the following information from John Coates who is currently overseeing the Department’s Mining and Minerals Programs, including the DEP Oil and Gas Program:

- There are no current oil and gas program activities (e.g., no wells and no exploration interest) in or near Lake County.

- The criteria for issuance of an oil and gas drilling permit includes a statutorily required consideration of whether an applicant has provided sufficient information about a proven or indicated likelihood of the presence of oil. This requirements is further described under s. 377.241(3), Florida Statutes (F.S.). DEP permit applications and decisions are required in all areas where oil and gas activities occur. Historically and today, those areas are limited to the two areas in Florida with known petroleum/gas reserves (i.e. the Western Panhandle and Sunniland Trendin South Florida).

- Under Florida regulations, hydraulic fracturing of any kind is a workover operation in accordance with Rule 62C-25.002(61), F.A.C. Operators are required to notify the Department prior to conducting any such workover operation. DEP has the specific authority to regulate operations, including the perforating and chemical treatment of oil and gas wells under 377.22, F.S. While Florida does not have specific regulations or technical criteria for fracking operations, all oil drilling and production operations must be conducted in a manner that will prevent pollution and protect water resources.
• No oil and gas operator currently permitted in Florida has proposed any hydraulic fracturing activities. The geologic characteristics of the oil producing formations that are being targeted for drilling operations in Florida are naturally permeable and do not require hydraulic fracturing to promote drainage.

• The wells in Florida are not good candidates for hydraulic fracturing, because the petroleum and gas is present in carbonate rocks that have already a natural porosity and do not require fracturing with pressure. Today, DEP Drilling and separate Operation permits include conditions that do not allow hydraulic fracturing activities based on individual permit application reviews. Again, no operators in Florida are proposing to conduct any hydraulic fracturing operations. Please see enclosed, condition 9.d from a recently issued DEP permit in Jay/Little Escambia Creek.

• Acids have long been used in potable water wells and similar oil drilling operations to clean the deposits in the pipes, and for critical maintenance of drinking water well operations. Acid fracking or acid fracturing is a different procedure that encompass the injection of acid under pressure which is intended to do more than clean the well piping and immediate vicinity of the wellbore.

• Under the DEP current rule structure, hydraulic fracturing of any kind, including acid fracturing, would be part of a workover operation by definition in Rule 62C-25.002(61), F.A.C. Any change to revise a permit would be included in the web page: http://www.dep.state.fl.us/water/mines/oil_gas/permit_data.htm

• DEP reviews each individual permit application to ensure that water resources will be protected. Pollution from drilling operations is prohibited under Section 377.371, F.S.

• The Oil and gas well permit applications are being posted in the DEP web page, and additional information is available through DEP’s online file system, including any associated plans for specific operations such as well perforations, chemical treatments, etc.

Enclosed please find copies of DEP regulations

Executive Director’s Recommendation:

For information purposes only. No action required.