



## Interoffice Memorandum

August 7, 2017

**TO:** Mayor Teresa Jacobs  
and Board of County Commissioners

**FROM:** Raymond E. Hanson, P.E., Director  
Utilities Department



for Raymond Hanson

**SUBJECT:** BCC AGENDA ITEM – Discussion Agenda  
August 22, 2017 BCC Meeting  
Taylor Creek Reservoir/St. Johns River Water Supply Project

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This item requests approval of five agreements and one letter to the Governing Board Chair of the St. Johns River Water Management District (the "SJRWMD") relating to development of a regional alternative water supply project known as the "Taylor Creek Reservoir/St. Johns River Water Supply Project" (the "TCR/SJR Project") and settlement of a related dispute over the use of the Taylor Creek Reservoir ("TCR") for public water supply in *St. Johns River Water Management District v. Farmland Reserve, Inc.*

In order to comply with the conditions of the County's consumptive use permits ("CUPs") issued by the SJRWMD and the South Florida Water Management District (SFWMD), Orange County Utilities applied for a consumptive use permit to withdraw water from TCR to meet a portion of its future public water supply needs. At nearly the same time, other utilities were seeking to use TCR to meet their future public water supply needs, and East Central Florida Services, Inc. ("ECFS"), the private utility serving the Deseret Ranch properties, was seeking a permit for agricultural needs. This competition for water from TCR led to challenges of the various utilities' consumptive use permit applications and also led to the dispute between the SJRWMD and Farmland Reserve, Inc. ("FRI"), over the use of TCR for public water supply. In order to amicably resolve these disputes, the parties (SJRWMD, the City of Cocoa ("Cocoa"), Orange County, Orlando Utilities Commission ("OUC"), Tohopekaliga Water Authority ("TWA"), ECFS, and FRI) entered into mediation in 2011. The attached documents were negotiated and prepared to resolve the disputes and conclude the mediation that has been ongoing.

The TCR/SJR Project agreements are a comprehensive set of agreements intended to establish the framework for the implementation of the TCR/SJR Project. They address governance; water allotments; funding allocations; capital investments and ownership rights; obligations and responsibilities of the parties; decision making by committee; methodologies for rates, charges and rate increases; phasing and flexibility of implementation; procedures for planning, permitting, construction and operation during each phase; conditions for withdrawal and failure of the project; and grant of drainage, flowage and storage easement of the reservoir.

The first phase of the project will be to develop necessary technical information and pursue regional permits for the project under the conditions established in the Permitting Agreement. The total estimated cost of the scope of work is \$6,000,000. Each party's share of the total estimated cost is based on the allotment of water from the project. Orange County's



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allotment is 15 MGD or 45% of the estimated volume, therefore, Orange County's cost share amount is \$2,700,000.

Also, as a condition of settlement of a dispute between FRI and the SJRWMD regarding the nature of the SJRWMD's easement over TCR, the SJRWMD requires a letter from each of the participants in the mediation acknowledging agreement with the terms of settlement of that litigation as outlined in the attached letter.

### Action Requested:

### Approval and execution of:

1) Taylor Creek Reservoir/St. Johns River Water Supply Project General Implementation Agreement among City of Cocoa, East Central Florida Service, Inc., Orange County, Orlando Utilities Commission, Tohopekaliga Water Authority and Farmland Reserve, Inc.;

2) Taylor Creek Reservoir/St. Johns River Water Supply Project Permitting Agreement among City of Cocoa, East Central Florida Services, Inc., Orange County, Orlando Utilities Commission, Tohopekaliga Water Authority and Farmland Reserve, Inc.;

3) Taylor Creek Reservoir/St. Johns River Water Supply Project Transmission Line Agreement by and between East Central Florida Services, Inc., Orange County, Orlando Utilities Commission, Tohopekaliga Water Authority, City of Cocoa and Farmland Reserve, Inc.;

4) Taylor Creek Reservoir/St. Johns River Water Supply Project Wholesale Water Supply Contract by and between City of Cocoa, Orange County, Orlando Utilities Commission, East Central Florida Services, Inc. and Tohopekaliga Water Authority;

5) TCR/SJR Project Land Trust Agreement by and between City of Cocoa (Trustee), City of Cocoa (Beneficiary), Orange County, East Central Florida Services, Inc., Orlando Utilities Commission, Tohopekaliga Water Authority and St. Johns River Water Management District; and

6) Orange County letter to SJRWMD Governing Board Chair in support of the settlement of *St. Johns River Water Management District v. Farmland Reserve, Inc.*

and authorization for the County Attorney or his designee to replace the unsigned agreements in Exhibits E, F, G, and H of the above-referenced General Implementation Agreement with fully executed agreements.

All Districts.

The backup documentation for this item has been delivered under separate cover. It may also be accessed online as part of the eAgenda by clicking [here](#).