

Lake County Board of County Commissioners
Workshop
1:00 P.M., April 17, 2007
Agriculture Extension Service

AGENDA

- I. Future Water Supply
- II. Alternative Water Supply Options
- III. Future of the Water Alliance

Does the BCC desire to be involved in supply of water to County residents?

No involvement

Lake County has by policy not been involved in provision of water to residents in any form. Current/new residents rely on either the municipalities or private utilities to provide potable/reclaimed water or install a private well with minimal treatment.

Pros

No need for utilities personnel or consultant fees to manage program.
Supports current/proposed comprehensive plan.

Cons

No ability to manage where growth occurs in the County.
Failed water systems revert to the County by F.S. 367.165, no knowledge base or ability to accept them easily.
Inability to respond to needs, regulate services or charges, guarantee quality/level of service.
“Incentivize” private utilities and municipalities in unincorporated area.
Unincorporated residents subject to price surcharge of municipalities, forced to annex into cities.
No ability to effect environmental change.
Economic development initiatives must rely on municipal utilities and annexation mandates limiting viability of some business ventures due to cost/taxation issues.

Potential Cost: Negligible

Limited/Indirect involvement

County could indirectly provide infrastructure/limited utility service in areas of “special interest.” This might include contracting with an existing provider or authority to operate existing facilities, build/operate a water supply/waste water treatment facility for a new commerce park in an isolated area; or putting in a small system at a regional park to service the park and/or County service center or jail; or if (for example) Mt. Plymouth/Sorrento area recommends utility provision and Mt. Dora or Eustis are unwilling to provide. This level of involvement may be forced upon County if any of many small private water providers fail for any reason ([F.S. 367.165](#)).

Pros

Targeted approach could benefit specific areas of the County and provide opportunities for economic development outside municipal service areas.
Agreement with utility company to acquire/manage/operate facilities could produce limited revenue with minimal risk.
County in better position to accept/manage failing systems.
Provide some relief to unincorporated residents from municipal water surcharges.
Some ability to effect control over quality of service/rate structure/level of service.
Takes away annexation incentive.
May benefit smaller cities without a utility.

Cons

Conflicts with current/proposed comp plan policies.
Cities assume control of larger areas of unincorporated Lake County through their water service policies.
Competition with municipalities
Limited ability to effect environmental change/protection.

Potential Cost: Anticipate the County’s cost to be negligible. For failing utilities, cost could be significant depending on state of infrastructure with potential for major expenditures. However, acquisition/improvement/expansion costs could be borne by users within an approved rate structure.

Full-service Provider

County could target areas of unincorporated County for provision of water/waste water services. Regional water supply plants/waste water plants could be built/purchased to consolidate existing private provider systems and install additional infrastructure to replace well and septic systems to create a County utility system.

Pros

Prepared to easily deal with failed systems that are not already County assets
County control of development by tying building to service provision areas.
Could be source of revenue for County that could supplement general fund services.
Easier to implement/enforce County-wide policies for conservation.
Allow controlled/targeted economic development without reliance on municipalities.

Cons

Cities might look at this as usurping municipal authority unless they buy into “regional” concept.
Potential loss of revenues to cities.
Liability for systems/provision of services, environmental compliance.
If system functions well, no issue; if some problem surface, could be major fallout for minor problem. (Any problem, however small, will be big headache.)

Potential Cost: Depends on project size. Potential to offset costs/expand system with special assessments on users and through rate structure.

Does the BCC desire to be involved in provision of alternative water supply?

No involvement

Upon completion of Water Alliance water supply study, County would cease future involvement in water-related issues. If they chose to do so, cities would partner with other suppliers to obtain alternative water supplies for development past 2013. Non-participating cities would need to find alternative water sources at prevailing rates or potentially face imposing water restrictions on residents.

Pros

No additional expenditures of County resources in area it's not interested in pursuing.

Cons

Municipalities and private providers may not have the will to proceed as a group.
Availability of funds may limit cities ability to address issue in a timely manner resulting in delays to project, water limitations post-2013, fiscal problems for city-run utilities, etc.
Unincorporated residents receiving water from municipal suppliers could bear brunt of financial impact for water if cities charge additional surcharge on alternative water.
No say in where water goes/development occurs.

Potential Costs: Negligible, if any.

Limited involvement

County could participate as a partner in development of alternative water supply options through partnership with cities/other partners in preliminary design review. Services the County might provide could include procurement, contract management, assistance in developing the PDR scope, etc. (As mentioned in a number of briefings, PDR/interlocal agreement decision should be made soon in order to obtain SJRWMD funding in FY08 budget.) As options develop and associated costs are determined, County could decide to continue in partnership role of some sort (if the other partners agree) and/or actually assist in funding of ultimate project (this decision could be 2-4 years away). Level of participation/control could be varied depending on costs associated with various options, potentially ranging from "silent partner" who contributes some level of funding for some economic return to equal partner with voting rights and stake in the infrastructure and associated risks.

Pros

Minor County contribution in PDR could make project more affordable for smaller municipalities.
Potential to "strike a deal" to limit impact of increased water costs on non-municipal residents by limiting municipal surcharge on blended rate to ground water so all residents pay same rate on alternative water.
May be able to have some impact on future development plans in unincorporated areas of County.
County already has some commitments for alternative water from OUC/OCU as a result of settlement agreements.

Cons

Depending on results of study and development agreement costs for the project could severely impact County resources without additional revenue sources.

Potential Costs: Significant but controllable. Decisions for future involvement based on cost/other factors.

Full involvement

County could take the lead in process and provide resources up-front to conduct PDR and fund alternative water supply project, ultimately acting as a source of alternative water to municipalities and private providers at the wholesale level. Funding could be provided by creation of an MSTU, ad valorem tax increase, sales tax (legality?), or other revenue source. Alternatively, County could take the lead in creation of Regional Water Supply Authority ([F.S. 373.1962](#)) with participation by as many municipalities as desire to join.

Pros

Costs of project could be spread over wider user base.
Provision at wholesale level could include guarantee of non-city residents not paying surcharge on alternative water.
Private well users could be "guaranteed" acceptable levels in the aquifer to ensure continued viability of wells.
Additional revenue sources become available to assist in funding of project.
Could ultimately be a new revenue source.

Cons

Costs would increase significantly and could tax County's bonding capacity without additional revenue sources.
Additional staff required to implement and/or management consultant contract to oversee program.
Additional costs to all residents that without education process would be difficult to explain reasoning.

Potential Costs: Large. RWSA creation would bring in additional funding options including up to additional 0.5 mill ad valorem opportunity. MSTU for alternative water supply could be used potentially to ensure availability of water to those on private wells by diverting large providers to alternative sources.

Does the BCC desire to be involved in a future Water Alliance?

No involvement

Upon completion of the Lake County Water Supply Plan in September/October, Lake County would withdraw from future involvement if Water Alliance continues to exist.

Pros

County would be out of the business of monitoring water and could concentrate on/devote resources to other issues.

Cons

Municipalities may fall back into habit of not coordinating with each other on water issues.

Potential Costs: Negligible

Limited involvement (status quo)

Should Water Alliance continue to exist/function following delivery of Water Supply Plan, County could participate as a member/observer (assuming municipalities consent). As follow-up activities are unknown at this point, what that might entail is unknown.

Pros

County will continue to monitor and keep some knowledge base.
In event of some future event/program requirements County would be somewhat knowledgeable/prepared to participate.
Ability to interject policy-level comments into process where needed.
Resources of County could be brought to bear if needed without lengthy debate on issues.
Potential to protect non-municipal residents way of life by ensuring viability of private wells.

Cons

Continued staff/BCC involvement would require resources (limited) to continue involvement including meetings.
Potential requirement for County to assist monetarily in Alliance projects with no benefit to non-municipal residents.

Potential Costs: Unknown but probably controllable

Leadership Role

County assume advocacy role in maintaining Alliance, expanding its role to include monitoring of all CUPs and coordinating municipal CUPs and potential consolidation of municipal CUPs into regional ones. Alliance could become clearinghouse for municipal projects and work toward interconnects of municipal systems. Alliance could assume an MPO-like role for water efforts county-wide and mechanism for regional cooperation.

Pros

Could be advocate for all residents including non-public provider served (those on private wells).
Could act as neutral third party to aid in dispute resolution.
Could aid in developing regional water solutions with other counties/regional entities.
Could assist in integration of municipal systems (policy or monetarily).

Cons

Could be "dragged" into disputes with no favorable outcome or benefit to residents as a whole.
Could require diversion of limited county resources to aid in resolution of non-county problems.

Potential Costs: Could be significant depending on developed scope and need for professional staff to manage. Cost could be shared with participating municipalities/water suppliers.