

Suwannee River Water Management District

Governing Board Materials

## Supplemental

The following materials have been reviewed and approved for distribution to the Governing Board and the public.

Assistant Executive Director

Executive Director

## MEMORANDUM

TO: Governing Board

FROM: Charlie Houder, Assistant Executive Director

DATE: October 8, 2010

RE: Agreement for the Management and Operations of R. O. Ranch

### RECOMMENDATION

**Staff recommends that the Governing Board terminate the Agreement for Management and Operations of the R. O. Ranch.**

### BACKGROUND

The above referenced agreement, approved by the Governing Board on September 14, 2010, includes a provision that R. O. Ranch, Inc., will secure an insurance policy to cover general liability. Although staff and Board Counsel have been working to assist R. O. Ranch, Inc., in securing this policy, we have been unsuccessful so far. The attached letter contains a clear recommendation from Board Counsel that the agreement should be terminated until the required insurance coverage is obtained. While we believe that this situation can be corrected in a matter of weeks, it seems prudent to follow Board Counsel's recommendation.

CH

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October 7, 2010

R.O. Ranch, Inc.  
696 SE CR 357  
Mayo, FL 32066

RE: Agreement for the Management and Operations of R.O. Ranch, Inc. with  
Suwannee River Water Management District

Dear Board:

We have reviewed the Agreement for Management and Operations of R.O. Ranch between R.O. Ranch, Inc. and the Suwannee River Water Management District effective October 1, 2010. We have been informed that under paragraph 11 (B) of the Agreement, R.O. Ranch was required to maintain liability insurance and events insurance. We have been advised that the application for liability insurance has been rejected by various insurance companies and R.O. Ranch is unable to obtain general liability insurance.

To protect the assets of R.O. Ranch, questions have arisen that due to the arrangement between R.O. Ranch and the Suwannee River Water Management District, whether or not R.O. Ranch would be protected under the sovereign immunity clauses of the State of Florida. We have been advised and we have determined at this point in time

that the answer is not clear as to whether or not R.O. Ranch would come under the sovereign immunity clause. Therefore without insurance, R.O. Ranch would be potentially exposing its assets to any claim that may be made against it for injury to persons or property on the Ranch and the Ranch events.

Due to the above and due to the fact that the assets of R.O. Ranch may be liable, our Firm recommends that the Agreement with the District be terminated effective immediately. This matter will then be discussed with the Suwannee River Water Management District and the District, in its opinion, may accept the termination by the R.O. Ranch of this Agreement.

It is anticipated that once the issue of liability insurance and whether or not R.O. Ranch is covered under the sovereign immunity clauses has been resolved, the Agreement may be reinstated provided both the Suwannee River Water Management District and R.O. Ranch, Inc. agree to the reinstatement of the Agreement.

Respectfully,

William J. Haley  
For the Firm

WJH/cas

Cc: Suwannee River Water Management District