

Strategic Planning 2018

KRA #3 – Building the Utility & Building the City

W&WW System Expansion



Fort Pierce Utilities Authority
Water/Wastewater System

Current Expansion Programs

- Where we are now

Proposed Expansion Programs

- Where we are going
 - Infrastructure Partnering
 - W&WW System Expansion





Situation

Proposed & New Project Types

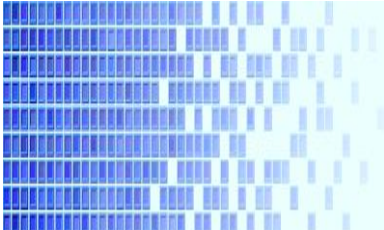
- ✓ Developer Supply Agreements/Amendments
- ✓ MSBUs- Municipal Services Benefit Units
- ✓ Oversizing of Developer Water/WW Mains
- ✓ Water Main Looping
- “Out of the Box” Infrastructure Partnering
- W&WW System Expansion



Situation

Developer Supply Agreements/Amendments

- Portofino Landings, Mixed Use
 - 335 Total ERC
- Bent Creek, Single Family Residential
 - 693 Total ERC
- Palm Breezes: Single Family Residential
 - 650 Total ERC
- Carriage Point: Single Family Residential
 - 134 Total ERC
- Sedona: Multi Family
 - 60 Total ERC
- Celebration Point: Single & Multi Family Residential
 - 630 Total ERC
- Total 2500+



Situation

MSBUs

✓ Noa MSBU: 2015

- 21 of 35 Homes Connected: 60%
- FPUA Contribution: \$51K

✓ Parkland: 2016

- 40 of 59 Homes Connected: 68%
- FPUA Contribution: \$92K

✓ Jenkins/Starcher: 2016

- 10 of 24 Homes Connected: 42%
- FPUA Contribution: \$35K

✓ Fra/Mar: 2017

- Potential: 4 Single Family, 50 Duplexes, 4 Commercial, 5 Vacant Lots
- FPUA Contribution: \$66K

✓ Iroquois: 2018

- Potential: 62 Single Family
- FPUA Contribution: \$68K

Situation

Oversizing of Developer Water Mains

✓ Precast Specialties- East of Selvitz Road

- FPUA Contribution: \$13,000
- Oversizing of 8" water main to 12" water main
- Infrastructure added: 3900 lf of 12" pipe
- Providing needed water main loop in southwest service area and facilitate connection of Precast Specialties
- Completion: 2018

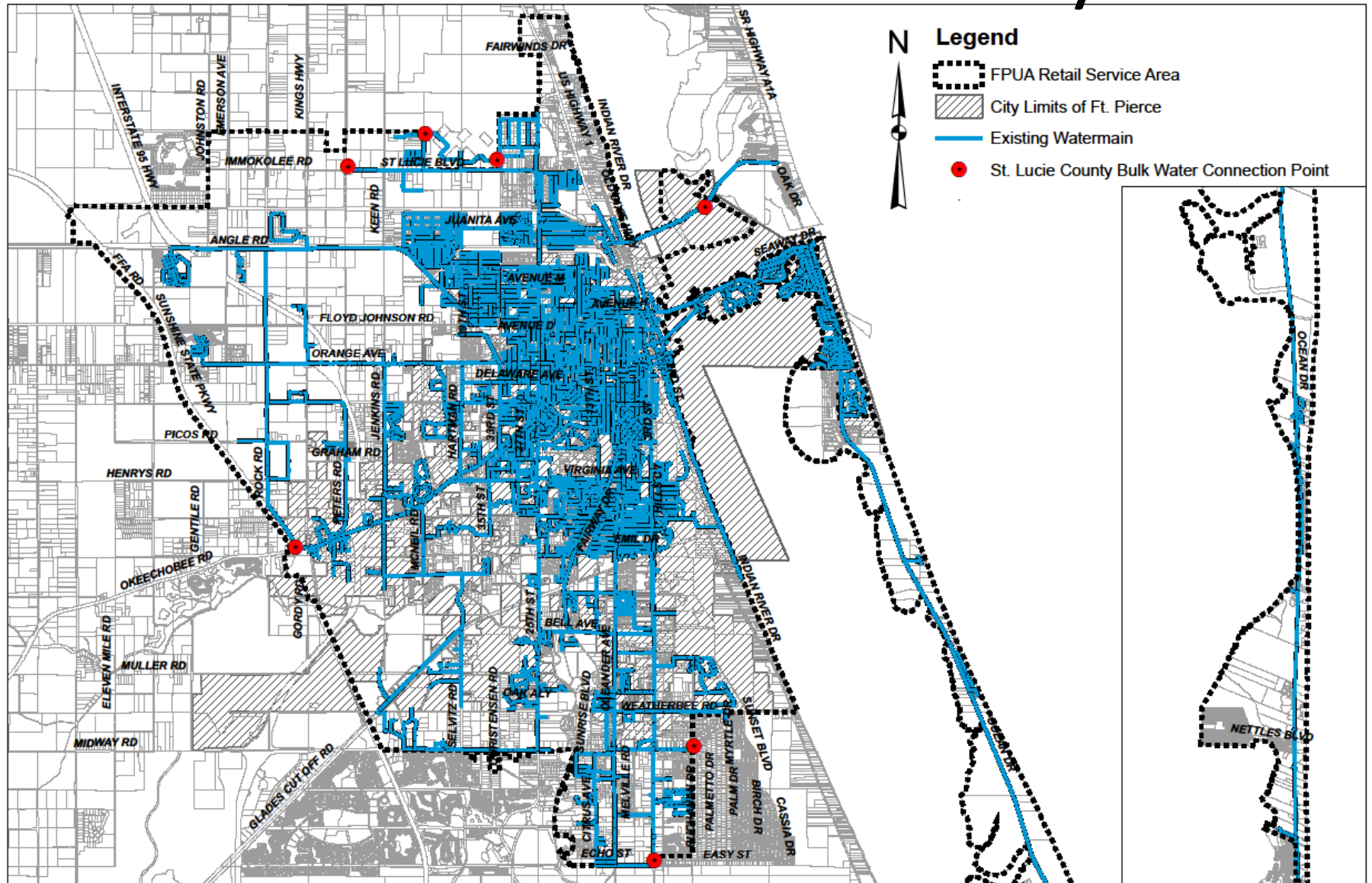
Water Main Looping

✓ Buckeye Drive

- Cost: \$60,000
- Infrastructure added: 1300 lf of 6" WM
- Loop Between Citrus & Oleander
- 15 of 20 Homes Connected
- Completion: 2009

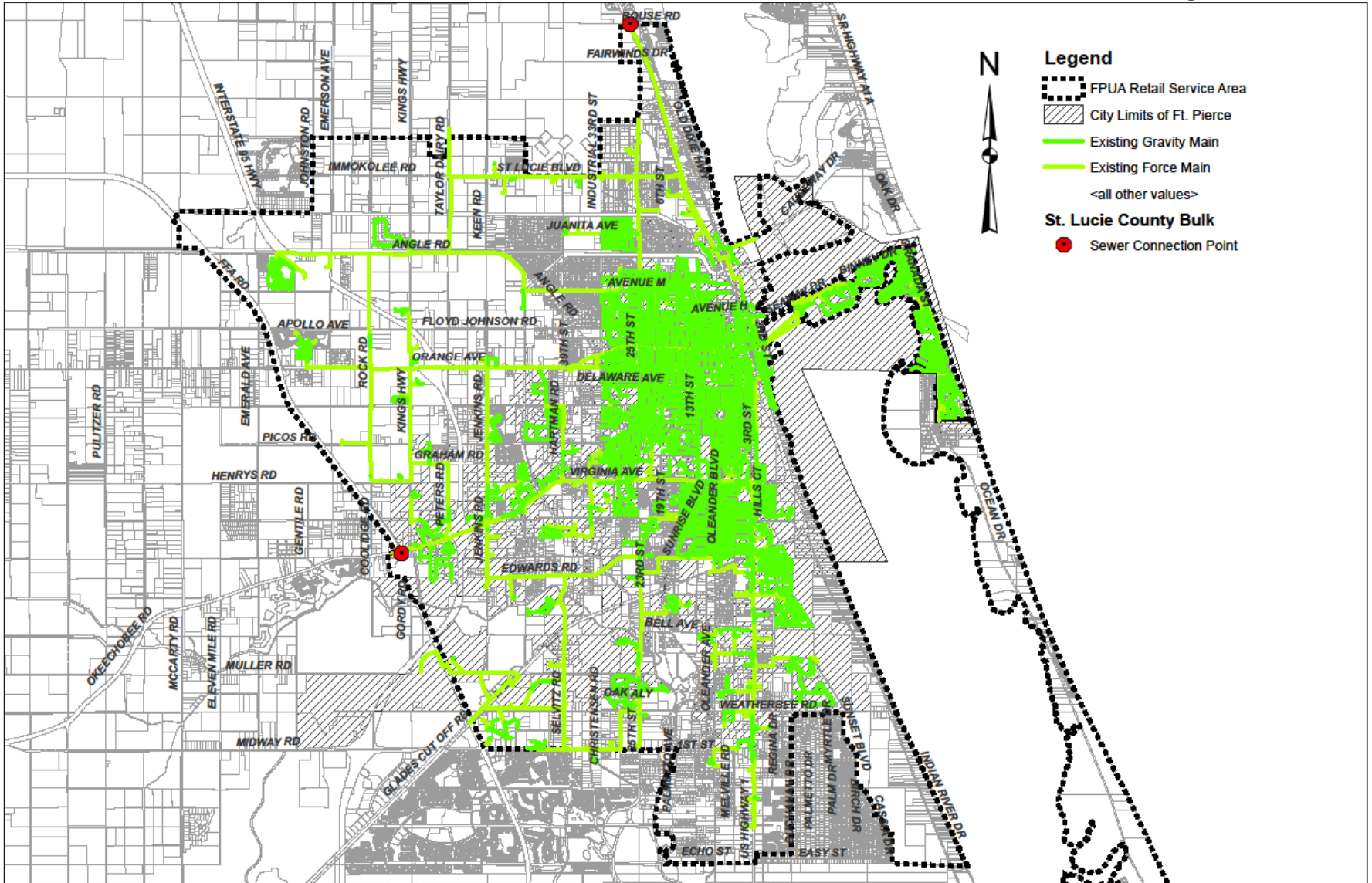
Analysis

Water Service Territory



Analysis

Wastewater Service Territory





Situation

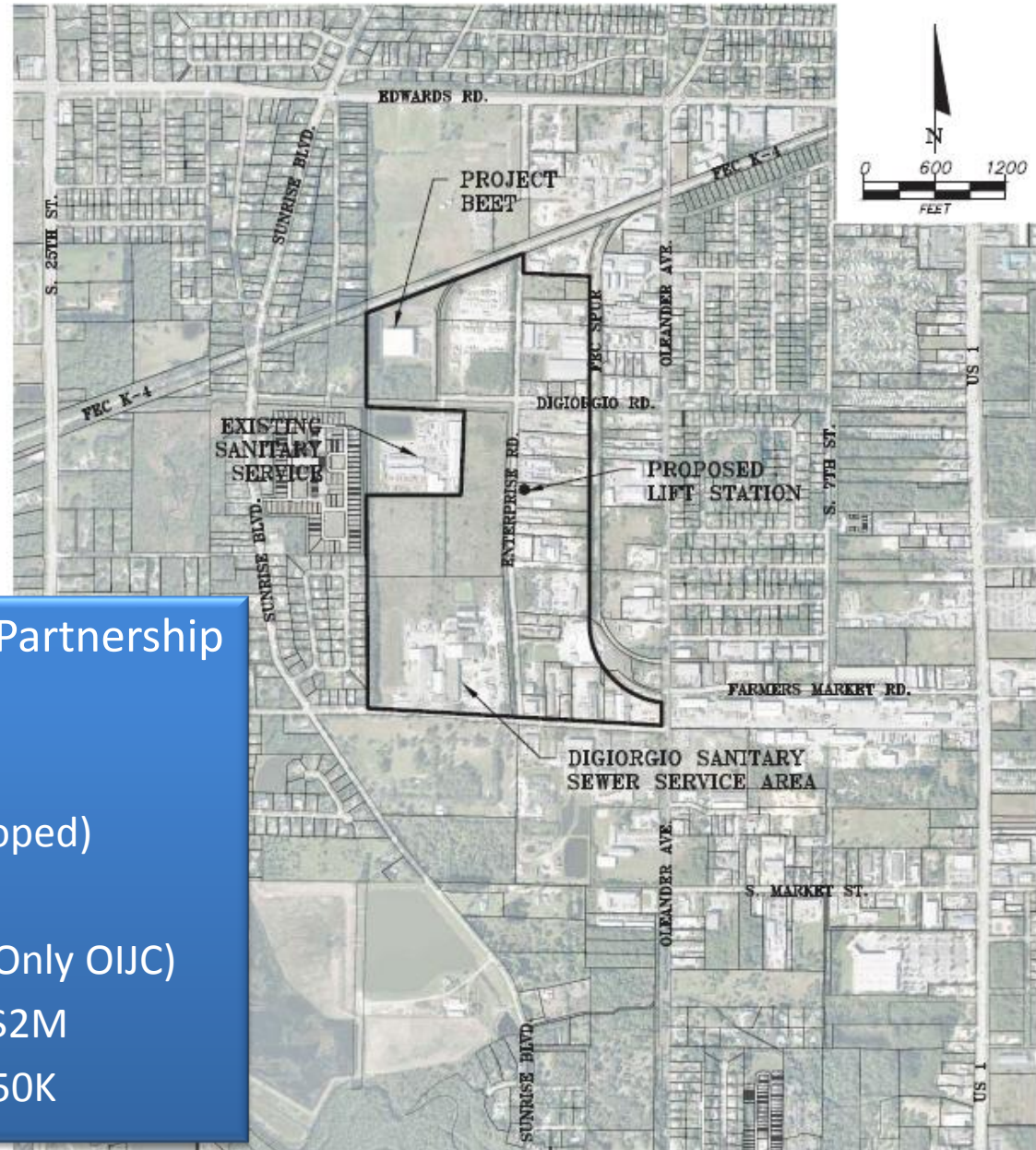
Partnering w/ Developers: WW Systems

✓ Project Beet/Orchid Island Relocation to a Location that Has No Wastewater Service

- Value to FPUA +30% @ New Location

• Avg. Annual Water Bill	\$52K	\$67K
• Avg. Annual WW Bill	\$71K	\$92K
• <u>Avg. Annual Gas Bill*</u>	<u>\$116K</u>	<u>\$330K</u>
• Total	\$239K	\$489K
- Retain High Value Customer

Situation, Regional WW Systems



- ✓ Orchid Island Cost w/o Partnership Are \$1.2 M
- ✓ Opportunity to Serve
 - 165 Acres (113 Developed)
 - 745 ERCs
 - FPUA cost of \$650K (Only OIJC)
 - FPUA Build-Out Cost \$2M
 - Orchid Island Cost \$450K

Options Pilot Project

Southeast Corner of Edwards Rd. & S. 25th St.





Options

Location Selection

- ✓ Select the Order of Neighborhoods Based on Established Criteria to Identify the Best Cost-Benefit Ratio.
 - Cost of Infrastructure
 - Paved Streets
 - Conflicts w/ Drainage & Other Utilities (coms. power, etc.)
 - Proximity to Existing Utilities
 - Contiguous
 - Looping or Reliability Enhancements
 - Future Expansions
 - Property Values – Potential Tax Base
 - Public Interest

Options

City Income

Tax Base – Annex @ yr 10

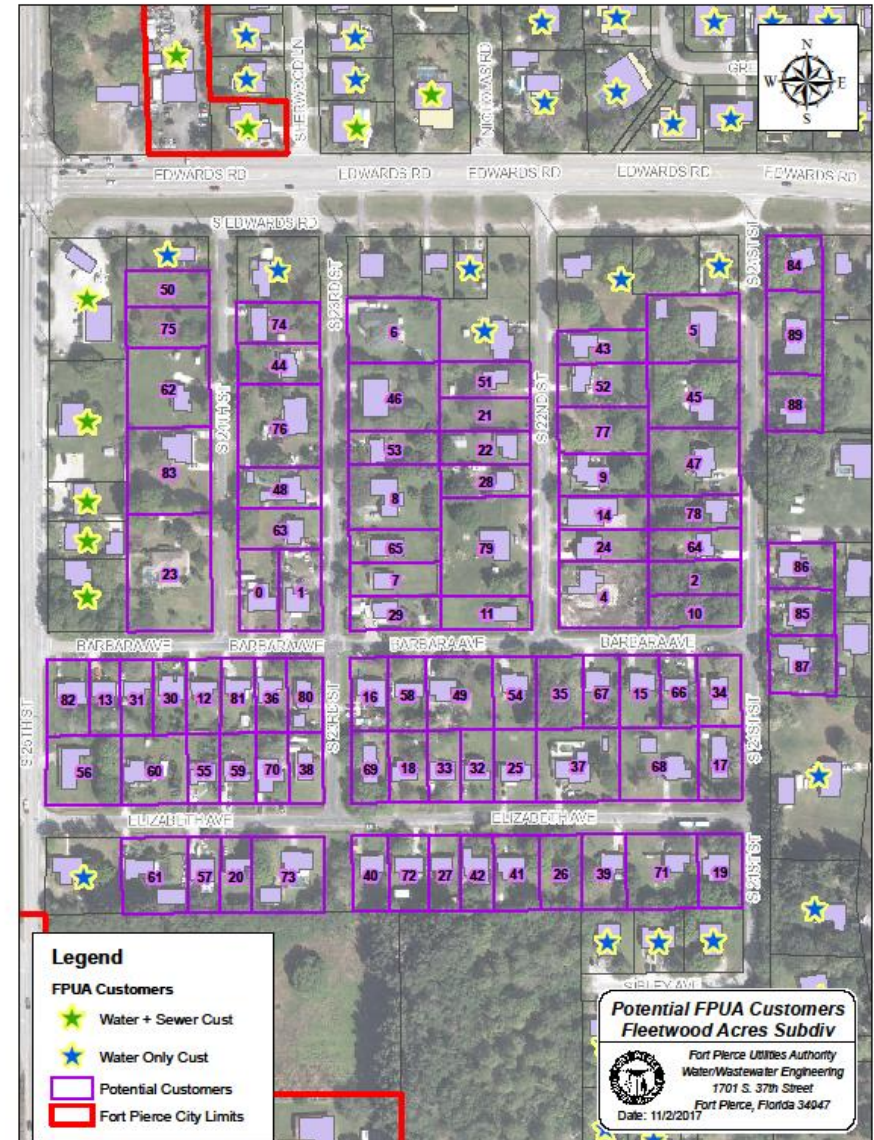
- Avg. Taxable Value is \$32K
- Avg. Tax Income is \$218/yr.
- Annual Tax Income \$20K/yr.

Pre-Annexation City Income

- 6% Transfer \$5K

Annexed City Income

- 10% City Water Tax \$4K
- 6% Transfer \$7K
- Tax Income \$20K
- Total \$31K





Options

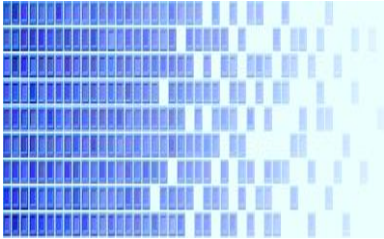
Water Costs

Water System Cost: \$470K

Income from CICs: -\$166K

Net Cost: \$304K

- Modeled @ Conservative 10% Connection Rate
- 13 Year Payback - System Life of 100 YR+
- FPUA Income @ 100% Connection: \$35K/yr.



Options

Wastewater Costs

Wastewater System Cost: \$110K

Income from CICs: -\$253K

Net Cost: -\$153K

- Modeled @ Conservative 5% Connection Rate
- FPUA Income @ 100% Connection: \$48K yr.
- Lower than Typical Cost for Wastewater System

Options

Customer Costs

Water – Avg. Bill: \$35

CIC:	\$1850 (Est. new CIC, current \$920)
Connection & Deposit	\$100
Legal Fee	\$60
Meter & Service	\$800 (Waived as Connection Incentive)
Plumbing	\$300
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Water Total	\$3110/\$2310

Wastewater – Avg. Bill: \$48

CIC:	\$2815
Connection & Deposit	\$110
Lift Station & Plumbing	\$6500
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Wastewater Total	\$9425



Recommendation

Expansion

- ✓ Initial Years Funding at \$1 Million and Increase in Out Years
- ✓ Efficient Engineering & Construction Practices
 - Increase Staffing Levels
 - Streamline Internal Processes
 - Bid Several Projects Together
 - Economies of Scale
 - More Efficient Use of Staff Time
 - Piggyback Contracts
 - Design-Build Contractors
 - Additional Unit Price Contractors
 - Hire Professional Help to Evaluate Growth Potentials



Goals FY19

Expansion

- Invest \$1 Million into Program
- Construct the Pilot Project
- Hire 1 Additional Engineer & 1 Additional Tech
- RFQ for Design-Build Contractors
- Bid for Additional Unit Price Contractors
- Hire a Consultant to Assist Staff in Evaluating Growth Potentials and Financial Implications



Recommendation

Infrastructure Partnering

- ✓ Encourage Staff to Pursue Advantageous Opportunities for FPUA and Developers Even Though They May Not Fit the Status Quo.
 - ✓ All Opportunities Will Require Strict Vetting & Board Approval
 - ✓ Must be Financially Advantageous to FPUA
 - ✓ Must be Fair to the Developers

Goal FY18

- ✓ Revise Resolution 2015-03 to Allow Staff More Flexibility to Find the Win-Win



Long Range Goals

Proposed Expansion

- Turn FPUA into an Economic Engine That Will Better Support and Grow the City of Fort Pierce and Fund Otherwise Unobtainable Goals.
- Invest Capital Funds into System Expansion to Increase our Customer Base and Annexation into the City of Fort Pierce.
- Provide Utility Infrastructure to our Entire Service Territory
- Change the Denominator (Dan Delulio 2017)
- Create Sustainable Funding for Generations