



# ISLAND WATER RECLAMATION FACILITY RELOCATION





# Welcome & Introductions



# Time Is Now

- Environmental
  - Storms Are Getting Worse & More Frequent
  - Discharges
  - Sea Level Rise
- Solid Partnership Plan
  - District Needs Capacity for Growth
  - District is Ready to Invest in Mainland Plant
  - FPUA Needs a Financial Partner
  - Eliminate Duplication of Services
  - Best Service at Lowest Cost
  - Grants Favor Cooperative Projects
- Solid Financial Plan w/ Clear Benefits
  - Construction Is Not Getting Any Less Expensive
  - Causeway Redevelopment Hinges on Relocation



# Evolution

- Original Interlocal (City of Fort Pierce, St. Lucie County “District” & FPUA) executed in February 2004.
- Interlocal Amended in April 2019
  - WRF Relocation Analysis by an Independent Financial & Engineering Firm
- Best Inter-Jurisdictional Coordination
- Momentum



# Goals

## Educate & Update

1. Timing
2. Economic Opportunity from Reutilization of the Causeway
3. Cost
4. Funding
5. Entity Creation & Governance

## Achieve Consensus

Schedule Future Workshops On Each Specific Milestone

# Opportunity

## Conservative Impact Analysis

- GAI Consultants & Comm Solutions
- Similar to Harbor Isles
- Net Cost-Benefit 4:1 or \$556M
- Direct & Indirect Jobs – 593

## Maximum Reutilization

- Redtail Design Group
- Residential, Retail, Restaurants, Hotel, Amphitheatre, Event Center

## Department of Economic Opportunity Grant Potential

## Environmental Stewardship



FORT PIERCE CAUSEWAY  
WATERFRONT PLAN



Proposal by Redtail DG





# Costs & Offsets

- 2021 Dollars \$131.5M
- 2027 Dollars & Capitalized Interest \$156M
  
- Initial Capital Cost Share 70%/30% (Worst Case – No Grants)
  - FPUA: 5.6 MGD @ \$109M
  - SLC: 2.4 MGD @ \$47M
  
- Cost Offsets
  - Reuse/Cooling Water to Florida Municipal Power Association, Est \$1.1M
  - Reliable Leachate Disposal, Est. \$600K
  - Strong Waste Charges & Industrial Permits, \$80K
  - Septage Hauling Revenues, \$40K
  - Reduce Combined Treatment Cost From \$1750 to \$1412 MGD/Day



# Debt Service Strategy

## ➤ 6 Year Plan

- 2021: Entity Creation, Interlocal Agreements
- 2022-2023: Design, Permitting, Easement Acquisition
- 2024-2027: Construction

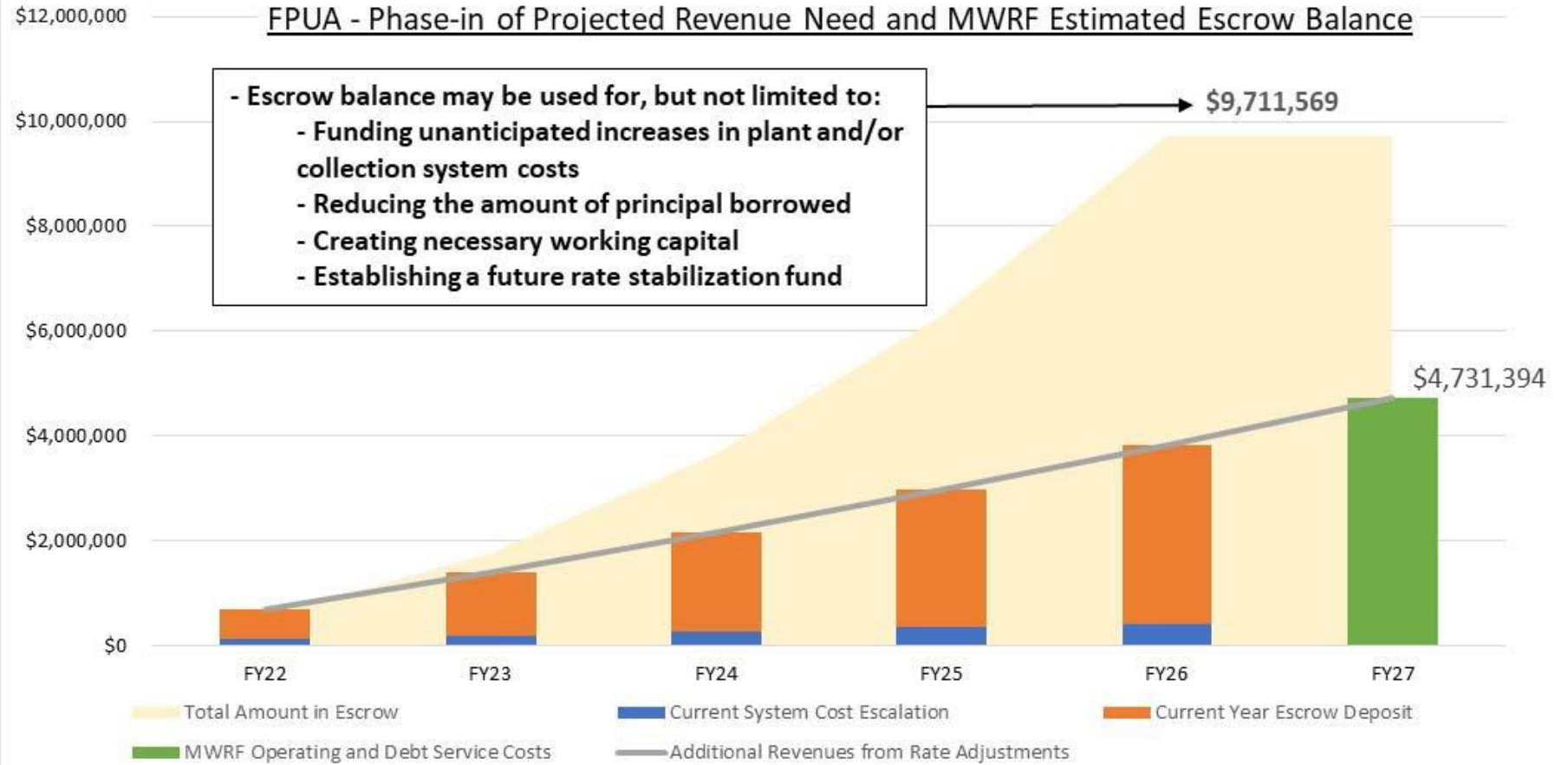
## ➤ Landranomics

- Ramp Up Realistic Utility Rate Increases from 2022-2027
- Structure WIFIA and SRF Loans to Defer Debt Service Until 2027
- Create Escrow Accounts from 2022-2027 w/ Funds Prior to Payments
  - Offset Capital Expenditures
  - Offset Rate Increases
  - Provide Working Capital to Joint Operational Board

### Wastewater Plant Relocation Conceptual Analysis

#### FPUA - Phase-in of Projected Revenue Need and MWRf Estimated Escrow Balance

## FPUA Debt Service



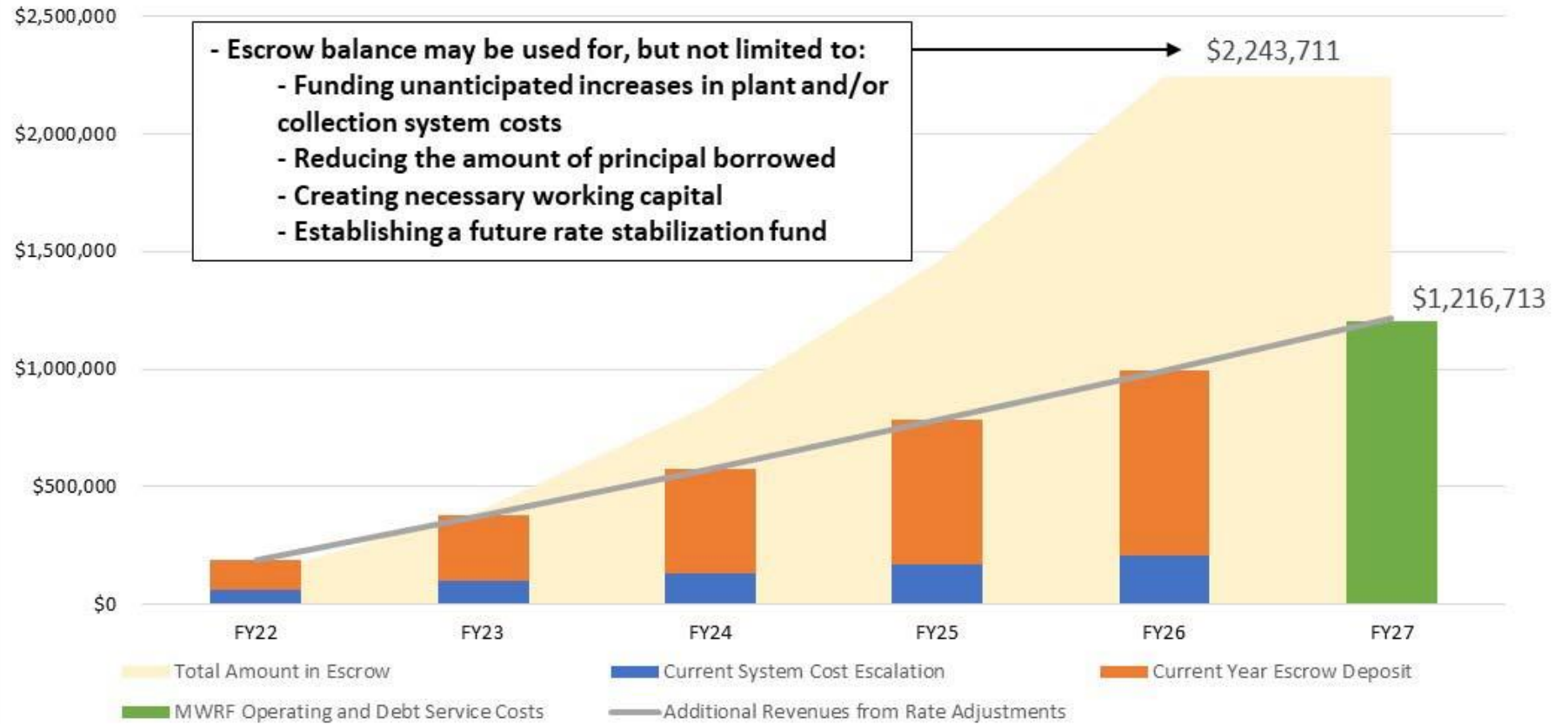
**- Additional revenues from rate adjustments are based on two cost recovery approaches that achieve an incremental revenue need of approximately \$4.7 million per year by FY27 to recover only the incremental increase in the MWRf operating and debt service costs:**

(1) Applied Wastewater Revenues Only: 5.5% per year for a combined increase of \$16.93 for the existing residential customer (based on 5,000 monthly gallons) or an average monthly increase of \$2.82 per month per year.

(2) Applied Water and Wastewater Revenues: 2.5% per year for a combined increase of \$12.76 for the existing residential customer (based on 5,000 monthly gallons) or an average monthly increase of \$2.13 per month per year.

*[\*] For identification of major study assumptions and disclosures, please refer to Raftelis' presentation dated December 16, 2020.*

Wastewater Plant Relocation Conceptual Analysis  
SLCU - Phase-in of Projected Revenue Need and MWRP Estimated Escrow Balance



# District Debt Service

**- Additional revenues from rate adjustments are based on two cost recovery approaches that achieve an incremental revenue need of approximately \$1.2 million per year by FY27 to recover only the incremental increase in the MWRP operating and debt service costs:**

**(1) Applied Wastewater Revenues Only: 3.5% per year for a combined increase of \$14.60 for the existing residential customer (based on 5,000 monthly gallons) or an average monthly increase of \$2.43 per month per year.**

**(2) Applied Water and Wastewater Revenues: 2.1% per year for a combined increase of \$14.52 for the existing residential customer (based on 5,000 monthly gallons) or an average monthly increase of \$2.42 per month per year.**

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# Governance

## Joint Operational Board

- MWRf as Independent Entity
- 5 Member Board of Technical Experts
- Secure Funding
- Control Construction
- Propose Budgets for Approval by SLC, CFP & FPUA
- Utilities Maintain Their Own Customer Base

## Modeled After Successful Partnerships

- East Central Regional WW Treatment Board
- Seacoast Utility Authority
- Peace River Water Management District

Models Provided by Philip Gildan Esq.



# Path Forward

- Commit to the Concept and Commit to Overcoming Obstacles
- Establish Joint Operational Board by Interlocal Agreement
- Focused Joint Workshops & Discussions
- Marketing
- Empower Your Staff's to Succeed



# Everybody Wins

- City of Fort Pierce
  - Control of Valuable Property
  - Increased Tax Base
- Saint Lucie County
  - More Wastewater Capacity with Partnership
  - More Cost-Effective Wastewater Treatment
- Fort Pierce Utilities Authority
  - Mitigate for Eminent Environmental Issues
- Citizens
  - Jobs
  - Reduced Overall Wastewater Treatment Costs
  - Funding For Infrastructure Improvements – Roads
  - Expanded Public Use



# Public Comment & Discussion

