



Flagler County Board of County Commissioners

Plantation Bay Utility Status Update

Presented by Jerry Cameron
Flagler County Administrator
January 22, 2020



Jerry Cameron
County Administrator

Welcome



- Housekeeping

Ground Rules

Civil Discourse



- Tonight's presentation is comprised of 4 speakers, in 3 parts.
- The last portion of the Presentation is earmarked **Questions & Answers**.
- A podium and microphone are provided and we will invite you to queue up at the podium when we begin the Q&A.
- One speaker at a time. Please yield the floor to whoever is commenting, asking or answering a question.
- Please give your name and identify yourself as a resident or other agency.
- Please comment respectfully, and listen respectfully.
- No personal attacks.
- Agreed?

Plantation Bay
Water & Wastewater

Goals

The GOAL is – and has been –

**to provide quality water and
resolve the Consent Order
issue without catastrophic
increases to rates.**



Part 1

Al Hadeed
County Attorney

History

Historic overview of the acquisition by the **City of Bunnell** and the transfer to **Flagler County** of the Utility System.



Part 2

Jerry Cameron
County Administrator

Present

- Changes in place since last update.
- We have invited FGUA: Florida Governmental Utility Authority to provide an overview, observations, and findings.



Part 3

Kevin Grace & Gary Deremer
FGUA Asst Systems Manager & US Water President

**FGUA &
US Water**

Slides 8-16 provided by
Florida Governmental Utility Authority



The Florida Governmental Utility Authority (FGUA) Concept

- Utility authorities are authorized under Section 163.01(7)(g)1, Florida Statutes
- Special purpose government (like Expressway Authority) rather than General Purpose (like City or County)
- The FGUA is a multi-jurisdictional entity for utility improvement, operation, management and ownership
- FGUA established in February 1999 by Interlocal Agreement between Brevard, Lee, Polk and Sarasota Counties to acquire Avatar utilities
- FGUA is governed by a local government appointed Board (non-elected)



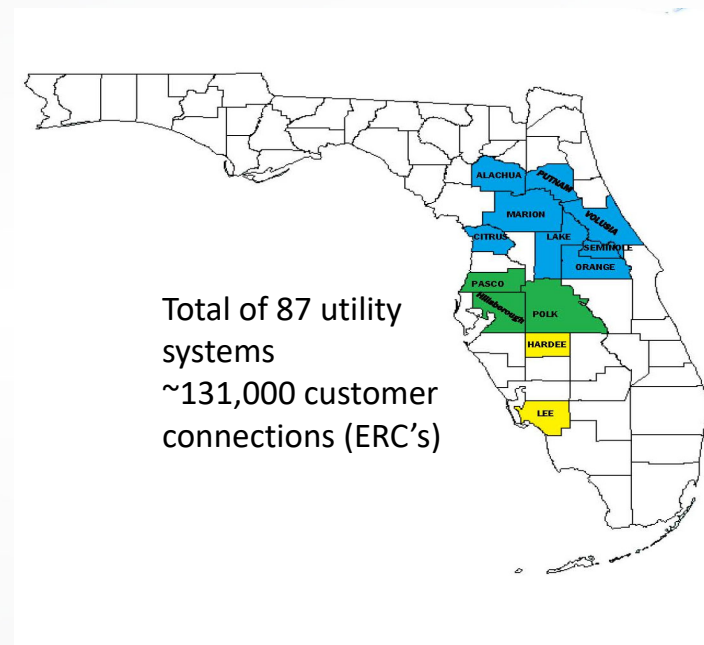
Structure of FGUA

- A six-member Board of Directors governs the FGUA, with representatives from six counties (Citrus, Hendry, Lee, Marion, Pasco, and Polk).
- Each Board Member is an employee appointed by “host” government.
- Not all host governments are members (i.e. Lake, Seminole, Putnam)
- The Board is deferential to host government’s preferences.
- Flagler County would have the opportunity to be a Board member.
- The Authority has no employees of its own and uses full service contract management, operations, maintenance, customer service and billing.



Current FGUA Utility Enterprise Systems

- Lehigh Acres Utility System (Lee County)
- North Fort Myers Utility System (Lee County)
- Pasco Utility System (Pasco County)
- Consolidated Utility System (Pasco County)
- Lindrick Utility System (Pasco County)
- MacDill Air Force Base Utility System (Hillsborough County)
- Pasco Aqua Utility System (Pasco County)
- Lake Aqua Utility System (Lake County)
- Unified Aqua Utility System
- Dunnellon Utility System



FGUA Observations and Findings

- County paid substantially more for the Plantation Bay Utility than the FGUA's original valuation;
- Flagler County has the 2nd highest rates in the area;
- County had not conducted a recent rate study;
- County has been providing significant subsidies from the General Fund to the utility, including G&A and other staff augmentation;
- General Fund had advanced the utility \$1.8m with no repayment plan; utility fund recently made a payment to GF.
- Very costly CIP initiated without fully understanding rate impact (Phase 1 WWTP - \$5.7m, Phase 2 WWTP - \$9.8m; Nanofiltration WTP - ~\$6.5m)



FGUA Observations and Findings (cont.)

- Other major system needs were not included in County capital funding plan (WW effluent disposal expansion; Secondary WW effluent disposal alternatives; W supply well rehab; W supply alternatives – interconnections/new source water)
- If County CIP were implemented, the utility debt would have ballooned to ~\$30m; debt per customer would have been \$5,400; avg. of other municipalities is \$2,200;
- County was facing a choice of large rate increases on customers (50%+) or large subsidies from the Gen. Fund (\$1.5m+/yr.);
- FGUA has identified more appropriate capital projects resulting in a ~\$12m reduction in planned projects and debt.



FGUA's Future Involvement

- **FGUA begins interim management and operation on February 1, 2020.**
 - Government Services Group (GSG) will provide management and oversight
 - USWSC will provide operation and maintenance
 - County will continue to provide customer service and billing
- **FGUA and County work towards sale/transfer of the utility systems**
- **Significant Items**
 - Repurpose \$1.8 MM grant
 - Debt forgiveness for initial purchase of Plantation Bay
 - Debt consolidation and low interest financing
 - Lowering of CIP costs
 - Minimizing rate impact
 - Timing relative to FDEP consent order compliance for the WWTP



U.S. Water Services Corporation (USWSC) Operational Observations and Findings

- USWSC began assisting the County utilities on October 7, 2019
- Stopped the practice of recycling backwash water on October 9, 2019
- Managed and coordinated an effective free chlorine burn of the water distribution system, Oct 23 to Nov 12. Measured by HPC testing.
- Began 24 hour/day operation with continuous onsite staffing on November 19, 2019 (County staff supplemented with USWSC staff)
- Developed an immediate action list with phased improvements
- USWSC assumed system operational and management responsibility and provided a full time utility manager, John Stanberry, on December 9, 2019



U.S. Water Services Corporation (USWSC)

Operational Observations and Findings (cont.)

- Performed extensive jar testing with different water treatment chemicals and dosage rates.
- Pilot testing of hydrogen peroxide feed to reduce color and disinfection byproducts
- Selected custom polymer blend; began feeding on December 19, 2019; significant improvements to water quality
- Purchased or in the process purchasing redundant chemical feed equipment to improve reliability
- Purchased and trained staff on new testing equipment
- Preliminary assessment and design work to replace the WWTP
- Assisted the County with regulatory requirements; consent order management; operational protocol



U.S. Water Services Corporation (USWSC) Operational Observations and Findings (cont.)

- The Plantation Bay system has poor source water quality and the County lacked the expertise to provide adequate treatment
- County has limited experience with management of public water and wastewater utility systems;
- County has been delivering marginal water quality to customers;
- The WWTP process train and clarification requires replacement



Jerry Cameron
County Administrator

FGUA



- Contracting Florida Governmental Utility Authority to:
 - Run daily operations.
 - Work on improving water quality in the interim.
 - Design & install additional equipment to provide reliable, quality water and complete the terms of the Consent Order on schedule
- What this means for residents

Thank you.

Q&A



Today's Presenters

- Jerry Cameron, Flagler County Administrator
- Al Hadeed, Flagler County Attorney
- Kevin Grace, FGUA, Assistant System Manager
- Gary Deremer, US Water, President