

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: October 22, 2024

To: Indian River County Board of County Commissioners

Through: John A. Titkanich, Jr., County Administrator
Sean C. Lieske, Director of Utility Services

From: Howard G. Richards, PE, Manager – Capital Projects

Prepared by: Robert J. Tobar, EI, Associate Engineer

Subject: Approval of Florida Department of Environmental Protection Grant Agreements LG010 for Hobart Landing and LG011 for Orchid Island Estates Septic-to-Sewer Projects, IRCDUS Project ID's 21.24.507 (Orchid Island Estates) and 21.24.508 (Hobart Landing)

Descriptions and Conditions:

The Indian River County Department of Utility Services (IRCDUS) is undertaking a multi-year septic-to-sewer (S2S) program to convert residential and commercial properties using onsite sewage treatment and disposal systems (OSTDS), commonly referred to as septic systems, to connect with the IRCDUS sewer network. In recent years, several S2S projects have been completed or are underway, including:

- North Sebastian:
 - Phase 1 (2018) – US-1 Bay Street to Sebastian Cemetery; US-1 to Jackson Street and North Central Avenue
 - Phase 2 (2023) – 128th Court to 130th Street (west-east) and 83rd Avenue to Roseland Road (north-south); east of railroad tracks to Kelso Place (west-east) and 83rd Avenue to Roseland Road (north-south); Rufner Lane; and Ercildoune Heights
- West Wabasso:
 - Phase 1 (2013) – 64th Avenue, 66th Avenue, 86th Lane, and 86th Street
 - Phase 2 (2019) – CR-510 and 83rd Street, 62nd Avenue, and 64th Avenue
 - Phase 3 (2024) – 59th Avenue and 58th Court (3B), and 61st Drive (3A); 3A is in-progress
- Floravon Shores
 - Phase 1 (2005) – 110th Place
 - Phase 2 (2025 est.) – 110th Street (in-progress)

S2S projects are generally funded using multiple sources including, but not limited to, federal and state grants/funds, optional sales tax, and utility assessments. Specific funding details for the above-listed projects were provided in the respective staff reports previously reviewed and approved by the Indian River County Board of County Commissioners (BCC).

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In continuation of the S2S Program, IRCDUS has initiated two (2) new S2S projects for Hobart Landing (Project ID 21.24.508) and Orchid Island Estates (Project ID 21.24.507). Hobart Landing is a community located between 77th Street and 79th Street with approximately 53 homes. The Orchid Island Estates community is generally located on Live Oak Drive and Seacrest Drive, south of CR-510 (85th Street) with approximately 90 homes. Both communities have proximity to the Indian River Lagoon. The homes employ OSTDS for sewage with the residents of Hobart Landing currently receiving IRCDUS drinking water service while residents of Orchid Island Estates rely on well water for domestic use.

IRCDUS submitted water quality improvements grant proposals under the Florida Department of Environmental Protection (FDEP) Protecting Florida Together program for Orchid Island Estates and Hobart Landing S2S projects on July 17, 2023, and August 31, 2023, respectively. The requested amounts were \$9,900,000.00 for Orchid Island Estates (\$7,425,000.00, or 75%, grant funds with \$2,475,000.00, or 25%, local match funds), and \$4,400,000.00 for Hobart Landing (\$3,300,000.00, or 75%, grant funds with \$1,100,000.00, or 25%, local match funds). On December 21, 2023, IRCDUS received notification of water quality improvement grant awards for both projects, agreement LG010 for Hobart Landing and LG011 for Orchid Island Estates. Funding will be made available via cost reimbursements that will require execution of separate grant agreements.

Analysis:

Since FDEP's notification of award, IRCDUS staff worked with the FDEP grant manager to provide information for preparation of the grant agreements including scopes, budgets, and schedules for both projects. FDEP has provided the attached Standard Grant Agreements LG010 and LG011 for approval and signature by IRC. Agreement LG010 has an expiration date of April 30, 2028, and LG011 has an expiration date of April 30, 2029. Both agreements reflect the same funding amounts and splits as described above. The total of IRC's funding obligation for both agreements is estimated at \$3,575,000.00 (\$2,475,000.00 for Orchid Island Estates, plus \$1,100,000.00 for Hobart Landing). It should be noted that the IRC obligation of \$3,575,000.00 is not currently budgeted in the County's Capital Improvement Element (CIE), and as such will be addressed in future agenda items to the BCC upon seeking approval to expend the funds.

Funding:

Funds, in the amount of \$3,575,000.00, for these projects will be derived from the Utilities/WIP/Orchid Island S2S account number 471-169000-24507 for \$2,475,000.00, and Utilities/WIP/Hobart Landing S2S account number 471-169000-24508 for \$1,100,000.00. Since this is an operating capital project, the funds will come from fund balance. Operating funds are derived from water and sewer sales.

Account Name	Account Number	Amount
Utilities/WIP/Orchid Island S2S	471-169000-24507	\$2,475,000.00
Utilities/WIP/Hobart Landing S2S	471-169000-24508	\$1,100,000.00

Recommendation:

Staff recommends that the Indian River County Board of County Commissioners approve agreements with Florida Department of Environmental Protection, LG010 for \$9,900,000.00 for Orchid Island Estates Septic-to-Sewer project (\$7,425,000.00, or 75%, grant funds with \$2,475,000.00, or 25%, local match funds), and LG011 for \$4,400,000.00 for Hobart Landing Septic-to-Sewer project (\$3,300,000.00, or 75%,

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grant funds with \$1,100,000.00, or 25%, local match funds) and authorize the Chairman to sign both agreements after review and approval by the County Attorney as to form and legal sufficiency.

Attachments:

FDEP Agreement LG010 (Hobart Landing)

FDEP Agreement LG011 (Orchid Island)

Grant Form for Hobart Landing S2S Project (PID 21.24.508)

Grant Form for Orchid Island Estates S2S Project (PID 21.24.507)