



INDIAN RIVER COUNTY, FLORIDA DEPARTMENT OF UTILITY SERVICES

Date: March 18, 2019

To: Jason E. Brown, County Administrator

From: Vincent Burke, P.E., Director of Utility Services

Subject: 286 +/- acre Purchase and Sale Agreement

DESCRIPTIONS AND CONDITIONS:

The West Regional Wastewater Treatment Facility (WRWWTF) is currently operating under Florida Department of Environmental Protection (FDEP) permit FL0041637. The existing plant is currently rated at 6.0 million gallons per day (MGD) annual average daily flow (AADF) permitted capacity. Adjacent to the WRWWTF is an existing 4.0 MGD AADF discharge from the plant to the created wetland. The Wetland Treatment System (WTS) is sized at 169 acres +/- with wetted area totaling approximately 135 +/- acres consisting of one deep settling pond, nine deep marsh flow through cells and three shallow marsh cells with a final storage outfall cell at the southwest corner of the site into the Lateral D canal near I-95. Under routine operating conditions, the Indian River County Department of Utility Services (IRCDUS) receives and treats the domestic wastewater using advanced treatment capabilities in order to separate the solids and further process the liquids and to then create reclaimed or reuse water. For most of the year, IRCDUS supplies multiple golf course locations this irrigation quality reuse water in lieu of those locations using groundwater.

During times of heavy influent flows or when there is unusually high precipitation, the WRWWTF must still treat the wastes it receives and send the reclaimed water out to the system. As receiving ponds fill up, the only option is for the reclaimed water to be sent to the WTS where additional biological treatment occurs. When that scenario occurs, there is a possibility for permitted discharge to the Lateral D canal to start. During those intermittent discharges, the FDEP permit requires that certain parameters must be met for water quality and quantity, and that nutrient levels must be tracked. The current WRWWTF FDEP permit is issued under the federal program for the Environmental Protection Agency's (EPA) National Point-Source Discharge Elimination System (NPDES). The Total Maximum Daily Load (TMDL) for the facility, in concert with the Basin Action Management Plan (BMAP) for this area, is structured in order to comply with the EPA's mandate and has very restrictive Waste Load Allocations (WLA) tied to the WRWWTF for Total Nitrogen (TN) and Total Phosphorus (TP). The FDEP permit and associated WLAs restrict the way IRCDUS is able to operate the WTS in attempting to stay at or below the WLA. Thus, IRCDUS is seeking alternative wet weather reclaimed water storage/disposal options for the WRWWTF.

This need is especially critical since the County has been experiencing tremendous growth as well. IRCDUS has processed an average of 125 new meter installs each month for the past 18 months, and this growth

represents additional demand on the WWTFs the county operates. Therefore, as the County embarks on the Septic to Sewer initiative, the need to have a diverse reclaimed water system and storage alternative is ever more prudent.

ANALYSIS:

Currently, the WRWWTF has three options regarding its reclaimed water. First, it can send flows to its land application sites, which could include business parks, commercial parks, industrial parks and irrigation of golf courses or residential developments. Primarily, IRCDUS sends this water to golf courses through the unincorporated portions of the county. Secondly, it can use Rapid Infiltration Basins (RIBS), but these RIBS are small in size and have limited volumetric capacity to handle daily flows from the WWTF's. Lastly, the flow is diverted to the WTS for further treatment. The South County WWTF, operating under FDEP permit FLA0101435, has most of its reuse water flow go towards the Indian River Club to be used for irrigation. However, there are times when their receiving ponds are full so the FDEP permit requires that the reclaimed water flow be redirected to the WRWWTF WTS. Due to the WLA constraints at the WRWWTF, the potential for South WWTF flows, and the fact that there has been tremendous growth in the southern portion of the unincorporated area, there is a need to diversify the irrigation options and increase alternative storage and disposal sites should the golf courses be unable to take additional reclaimed water during heavy precipitation or reduced demand events.

On January 22, 2019, the Indian River County Solid Waste and Disposal District (SWDD) Board rejected staff's recommendation to conduct a feasibility study for use of a deep injection well for disposal of the leachate, centrate and/or reclaimed water. Staff, as part of its ongoing research into disposal options, has reached out to an adjacent property owner for the potential to purchase 286 +/- acres of undeveloped land.

Several years ago, an 80-acre property just east of the WRWWTF was going through the approval process for development. At that time, there were concerns that a high-end subdivision (Stoneybrook) would have issues from its new residents being so close to a large wastewater facility. Indeed, after some residents began to complain about odor from the WRWWTF, the Board of County Commissioners (BCC) awarded a low bid to R.J. Sullivan in January 22, 2013, for \$1.02M to build an anaerobic odor control solution.

In 2007, it was known that the subject property to the south of the WRWWTF was to be developed into a 547-unit Planned Development (PD) called Indian Springs. This was about the time the great recession occurred, and any such plans came to a halt. Now that the economy has picked up and the fact that there could be an interchange at the Oslo corridor in the next 5-7 years (pending successful design and financial approval of the project by FDOT), there is concern that additional homes could be built at this site. Not only would those homes represent more flows to the WRWWTF (approximately 137,000 gallons annual average daily flow (AADF)), but the additional residents may have concerns about the WWTF being next door to their homes. Thus, it is recommended that a visual and olfactory buffer be obtained to help insulate the WRWWTF from neighbors and to help with wet weather discharge options.

Three Potential Uses

It is anticipated that the proposed site could serve more than one purpose. This idea is subject to engineering vetting and additional research into the matter before a final judgement can be rendered as to the validity of such an idea. As part of a separate agenda item, there is a need to hire a professional engineering firm to assist IRCDUS with a feasibility study into the subject property in order to perform a

proper due diligence and to see if there are any “fatal flaws” from an economic, developmental, regulatory or hydraulic standpoint.

First, as described previously, the pressures to increase the septic to sewer conversions to help the Indian River Lagoon, if successful, will create additional demand at the County’s WWTFs. There is a need to have additional reclaimed water delivery options as well as land disposal options should wet weather or reduced demand events occur.

Second, when IRCDUS is sending its reuse to the golf course sites, there could be an opportunity to draw in canal water from the Lateral D onto the site to keep the ponds hydrated and for nutrient reduction treatment. It is hoped that any such nutrient reduction from the canal system could be used as part of the County’s innovative and holistic approach to TMDL reduction to assist with cleaning up the lagoon. Part of this research, subject to regulatory approval, is that any such reduction from the Lateral D canal system could be banked for potential future use should the WRWWTF ever exceed its WLA limits or as another innovative “scrubber” system that the County has that is instrumental as part of its aggressive TMDL removal efforts.

Third, there could be a possibility for a combination water storage/ TMDL reduction site associated with a public park. According to Community Development, a park with walking trail facilities would be allowed under the site land use (L-1 low density Residential for the property East of I-95, AG-2 Agricultural for the 44-acre +/- piece West of I-95) and zoning (RS-3 Residential Single-Family East of I-95, A-2 Agricultural West of I-95). Note that the triangular piece, west of I-95 and accessible from 4th Street under I-95, is outside the Urban Service Area (USA). There also appears to be some existing low-lying areas and/or wetlands on the rectangular piece east of I-95. The proposed project use (Limited Utility) would be the same category as the Osprey Acres Floway and Nature Preserve Project and would go through the special exemption and site plan process like the Osprey Acres.

As noted in the Indian River County Comprehensive Plan, Recreation and Open Space Element, the following policies may be applicable:

Policy 1.5 *By 2018, the county shall complete a needs analysis of its recreation services. This analysis will include an assessment of the type of parks and facilities needed in Indian River County, the quantity of facilities needed, the location where those facilities are needed, the current use of facilities, and a comparison of county needs to national standards for recreation services, and unique local conditions relevant to recreation services.*

Policy 1.9 *By 2018, the Recreation Division shall evaluate new funding options, including privatization and partnerships.*

Policy 1.12 *The county shall continue to charge park and recreation impact fees to fund a portion of the park system's capital budget needs.*

Policy 2.3 *The county shall give Parkland acquisition priority to the area south of SR 60, west of 43rd Avenue.*

As noted in the Indian River County Comprehensive Plan, Sanitary Sewer Sub-Element, the following policy is applicable:

Policy 5.2 *Proposed capital improvement projects shall be evaluated and ranked according to the following three priority level guidelines:*

- *Level One - whether the project is needed to protect public health and safety, to fulfill the county's legal commitment to provide facilities and services, or to preserve or achieve full use of existing facilities.*
- *Level Two - whether the project increases efficiency of use of existing facilities, prevents or reduces future improvement costs; provides service to developed areas lacking full service or promotes in-fill development.*
- *Level Three - whether the project represents a logical extension of facilities and services within the urban service area.*

With respect to any potential multi-use project, the County's Park and Conservation Resources, along with the Recreation Division, could have an opportunity to work with Public Works and IRCDUS for Public Park space, Nutrient reduction and wet weather water storage. Access to the site could be from 4th Street and would be advantageous since that road serves current and future development on both sides of I-95. Trails, common trailhead parking and restroom facilities, picnic and multi-purpose fields could be potential uses for a site that could encompass 10 acres +/- similar in size to the existing Charles Park located in South Vero.

A recent appraisal by Armfield Wagner #44836 for a 306.40-acre agricultural parcel located along the south side of 4th Street east of 82nd Avenue was conducted in February of 2018. The 306-acre property is outside of the Urban Service Area (USA). At that time, the opinion of market value for the fee simple property using the Sales Comparison Approach valued the property at \$4,300,000 (\$14,000/acre). This was the initial basis of discussion with the Premier property representatives in 2018. Upon further deliberations, staff and the Premier representative reached a consensus for a mutually agreed upon price for the 286 +/- acre conglomerate of three parcels (2 of which are inside the USA and 1 is outside the USA).

The Purchase and Sale agreement is presented to the BCC for consideration and approval, subject to a 90-day due diligence investigation. Such research will be performed by a professional engineering firm providing services to IRCDUS as part of the 2018 Continuing Contract Agreement for Professional Services. It is staff's intent to bring back a summary of finding in June 2019, prior to the expiration of the 90-day due diligence time period. Should the BCC, at that time, choose not to proceed, they would vote to sign the Exhibit B portion of the agreement terminating the sale process. Should the BCC continue to move forward with the purchase, the 90-day time period would expire, and the closing would happen within 30 days thereafter.

FUNDING:

There are three funding sources anticipated for the purchase of the subject properties.

1. Optional Sales Tax – 20% of optional sales tax monies are set aside for projects affiliated with the Indian River Lagoon initiative - \$1.8 million is budgeted the County's CIE in Fiscal Year 20/21 for a TMDL/Utility/Effluent Storage project.

2. Park impact fees are available for a western corridor park - \$1 million is budgeted in the County's CIE in Fiscal Year 22/23.
3. Utility Impact Fees – Growth has caused the need for additional sites to dispose of or “park” reclaimed water. \$1.8 million is budgeted the County's CIE in Fiscal Year 20/21 for a TMDL/Utility/Effluent Storage project.

Should the BCC approve the proposed land purchase, a budget amendment will be necessary to allocate funding for the project into the current fiscal year.

Note that there could be additional investment needed to further design and construct the site. Those costs are not known at this time and the funding required for any future potential project are not part of this agenda item and would be brought back to the BCC for approval at a future date.

Description	Account Number	Percent	Amount
Optional Sales tax	31524338-066110-19009	45%	\$2,160,180.00
Park Impact Fees	10321072-066110-19009	10%	\$ 480,040.00
Utility Impact Fees	472-169000-19009	45%	\$2,160,180.00
Total		100%	\$4,800,400.00

RECOMMENDATION:

Staff recommends that the Board of County Commissioners authorize the Chairman to sign the purchase and sale agreement for the Premier Citrus LLC properties for \$4,800,400.00.

ATTACHMENT(s):

1. Purchase and Sale Agreement