

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

Date: January 6, 2021
To: Jason E. Brown, County Administrator
From: Vincent Burke, PE, Director of Utility Services
Prepared By: John M. Boyer, PE, Utilities Engineer
Subject: Work Order No. 3 for Bowman Consulting Group, Ltd., West Wabasso Sewer Phase III

Background:

Governor Ron DeSantis and the Florida Legislature appropriated \$25 million to the St. Johns River Water Management District (SJRWMD), under line item 1641A of the General Appropriations Act for Fiscal Year (FY) 20-21 for the Indian River Lagoon Water Quality (IRL WQ) Improvement Grant. On August 21, 2020, the Indian River County Department of Utility Services (IRCDUS) submitted a \$1,400,000 grant application for the West Wabasso Phase III Septic to Sewer (S2S) project. On December 8, 2020, the Governing Board of the SJRWMD pulled all recommended awards for S2S grant projects and asked district staff to gather more information regarding hook-up commitments on the part of the potential grant recipients to connect to sewer and abandon their septic systems. The main concern from the Governing Board was strengthening the assurance that benefitting properties would immediately connect to central sewer once the project was constructed. On January 12, 2021, after district staff gave a presentation to the Governing Board, all S2S projects that were pulled from the December 8, 2020, meeting were unanimously approved.

IRCDUS has received approval for a FY 20-21 IRL WQ grant from SJRWMD to assist in the funding of the West Wabasso Sewer Phase III project. Although IRCDUS requested \$1,400,000, a grant of \$1,250,000 was awarded.

The purpose of this agenda is to advise the Indian River County Board of County Commissioners (BCC) of the grant award and to obtain direction on moving forward with this S2S project, including the ability to seek engineering design plans, specifications, and required permits to support construction.

Analysis:

IRCDUS initially requested \$1,400,000 from the SJRWMD but was only awarded \$1,250,000. A contract between SJRWMD and the County will be brought back to the Board at a future date. The estimated costs of the project are as follows:

Description	Estimated Cost
Design, Engineering	\$ 155,562
Construction	\$ 1,632,000*
Impact Fees (36 ERUs)	\$ 100,656
Total	\$ 1,888,218

** The construction cost is an estimate only, based on the Engineers Estimated Opinion of Probably Cost (OPC) for Phase 3. Note that the project has not yet been bid and these prices could be subject to change for material and labor prices that are outside the control of IRCDUS. The design and engineering costs are provided through Work Order #3 and the impact fees are set as approved by the Board that remain unchanged from years past and were formally approved to go into effect March 2019.*

The Phase III S2S project is a continuation of work IRCDUS started in 2010 when the County installed sewer services for the West Wabasso Community, north of county road 510, as part of Phase I. Phase II, south of CR510, was completed in late 2019. Phase III is shown in Attachment 2. For tracking purposes, the two geographically separated areas are divided into Phase IIIA (along 61st Drive) and Phase IIIB (59th Avenue and 58th Court).

At the time of Phase II, residents along 61st Drive voiced strong support for sewer, but the economics of including that area in Phase II did not work. There is an opportunity to continue the needed S2S conversions in the area with the award of the IRL WQ grant, but there is a funding deficit that requires board approval. The table below outlines the funding deficit that is requested for the project:

Total Project Cost	\$1,888,218
SJRWMD Grant	(\$1,250,000)
Design/Engineering paid by IRCDUS	(\$155,562)
Deficit	\$482,656

Optional sales tax dollars can be used to offset infrastructure projects, and it is recommended that the BCC approve the proposed allocation of funds for this project as outlined in the table below:

Description	Funding Source	Funding Account	Amount	Percent of Project Cost
Design/ Engineering	IRCDUS	472-169000-21512	\$ 155,562	8.2%
Construction	SJRWMD IRL WQ Grant*	472-169000-21512	\$1,250,000	66.3%
Deficit	Optional Sales Tax	31526836-066510-21512.	\$ 482,656	25.5%
Total			\$1,888,218	100.0%

* The IRL WQ grant is a reimbursable grant based on qualified expenses

On March 20, 2018, the BCC approved an update to the 2030 Comprehensive Plan Chapter 3A Sanitary Sewer Sub-Element. Upon recommendation from the Planning and Zoning Board, an emphasis on applying for and obtaining grants to assist the conversions from septic systems to sanitary sewer systems was incorporated into Policy 5.6, which states:

The County Shall identify and pursue opportunities for state and federal funding for the improvements and expansion of the utility services to include septic to sewer conversion projects and sewer connections.

Pursuant to BCC direction, IRCDUS applied for and obtained state funding for the S2S project while continuing the tradition of assisting the West Wabasso community. This funding opportunity was not known in advance, and IRCDUS had little time to prepare an application for the IRL WQ grant. However, this project scored well enough to obtain SJRWMD funding, and it is recommended for approval in order to continue S2S conversions that benefit both the environment and the community that it will serve.

As with past S2S projects that obtained grant funding, it is imperative that the community recognize the importance of connecting to central sewer as soon as it is built. To incentivize property owners to connect to public sewer, the BCC approved a uniform S2S policy in November 2018. The Uniform S2S Policy includes mandatory connection after the third year. Thus, the incentive program recommendation is as follows:

Year	Subsidized Cost	Impact Fee Paid by the County	Impact fee – Property Owner Responsibility
Sign-up prior to FDEP clearance of construction	100%	\$2,796.00	\$ 0.00
1 st Year of availability	75%	\$2,097.00	\$ 699.00
2 nd Year of availability	50%	\$1,398.00	\$ 1,398.00

Additionally, per Florida Statue 381.00655 - *"The owner of a properly functioning onsite sewage treatment and disposal system, excluding an approved onsite graywater system, must connect the system or the building's plumbing to an available publicly owned or investor-owned sewerage system within 365 days after written notification by the owner of the publicly-owned or investor-owned sewerage system that the system is available for connection."*

Finally, the remaining twenty-five (25) vacant parcels will be required to connect to the centralized sewer system (and available potable water, if not already connected) when those properties are developed as per Indian River County Ordinance Section 918.05, unless the matrix detail in code provides an alternative.

To begin the necessary design and engineering work for this project, staff reached out to Bowman Consulting Inc. (Bowman), who, as of April 17, 2018, is approved as per the County's Continuing Contract Agreement for Professional Services. In accordance with that agreement, Bowman will provide professional services as described in their Work Order #3, to prepare engineering design plans and specifications, and apply for required permits.

Funding:

Funds for this project are derived from multiple sources.

Description	Funding Source	Funding Account	Amount
1. Design/ Engineering	1. IRCDUS	472-169000-21512	\$ 155,562
2. Construction	2. SJRWMD IRL WQ Grant	472-169000-21512	\$ 1,250,000
3. Deficit	3. Optional Sales Tax	31526836-066510-21512	\$ 482,656

1. IRCDUS' portion of project funding is derived from utilities capital funding. Utilities capital funds are generated from impact fees. Furthermore, new growth has created the need for the expansion or construction of the facilities, and that new growth will benefit from the expansion or construction of the facilities.
2. The construction portion of the project will be funded mostly from the SJRWMD IRL WQ grant in an amount of \$1,250,000.

3. The remaining \$382,000 needed for construction, as well as potential impact fee incentives of \$100,656 for thirty-six (36) properties totals \$482,656. Optional Sales Tax funds will be allocated via a future budget amendment using cash forward from October 1, 2020.

Recommendation:

Staff recommends that the Board of County Commissioners approve the following:

1. Work Order No. 3 for Bowman Consulting, Inc., for a lump sum amount of \$155,562.00.
2. Use of Optional Sales Tax dollars to fund the project deficit and offset impact fees to entice property owners to connect for a not-to-exceed amount of \$482,656.

Attachments:

1. Work Order No. 3: Bowman Consulting, Inc.
2. Location Map