

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

Date: January 6, 2023

To: Michael C. Zito, Interim County Administrator

From: Sean C. Lieske, Director of Utility Services

Prepared By: Robert J. Tobar, EI, Utility Design Engineer

Subject: Septic to Sewer Funding Status and Direction – West Wabasso Phase 3A and 3B

Background:

On April 6, 2021, Saint John's River Water Management District (SJRWMD) awarded Indian River County Department of Utility Services (IRCDUS) a grant of not-to-exceed \$1,250,000.00. The grant funding from SJRWMD is contingent upon receiving commitments from 90% of the residents within the community to connect to the sewer once it has been installed. In addition, IRCDUS has applied to the Florida Department of Environmental Protection (FDEP) for a grant in the amount of \$1,568,492.00. The grant award is still pending, but if awarded, it requires a 50% match from the county. The match can be met with other grant funds such as the funds we have received from the SJRWMD, American Recovery Plan (ARP), or any other financing option.

Due to the complexities associated with this project, the project was split into two separate phases. West Wabasso Phase 3A includes 14 properties along 51st Drive just north of CR-510, and Phase 3B includes 17 properties along 59th Avenue and 58th Court just south of CR-510. On September 13, 2022, the Board of County Commissioners (BCC) awarded Centerline, Inc. the construction contract for West Wabasso Phase 3B Septic to Sewer (S2S) in the amount of \$1,403,350.48; however, West Wabasso Phase 3A S2S is still in the design phase. It is estimated that the construction cost for Phase 3A will be roughly \$1,454,993.78, but that number will not be solidified until design is complete.

The construction costs above are to cover the cost of the public sewer infrastructure necessary to provide sewer service to these communities. The purpose of this memo is to summarize the costs and funding of the public infrastructure and to solidify the funding source for the private-side sewer infrastructure.

Analysis:

While the aforementioned grant funding should cover the majority of the construction and engineering costs, it will not be sufficient to cover the impact fees and the private-side sewer infrastructure necessary to ensure we receive the 90% commitment from the homeowners. In order to secure the 90% commitment from the homeowners, we are requesting the BCC to consider the use of ARP funding to cover the cost of the private-side connection costs, which include the septic tank abandonment and the sewer connection from the home to the sewer main.

The tables below outline the estimated costs for Phase 3A and 3B.

Construction Costs	Estimated Cost
West Wabasso Phase 3A S2S Construction =	\$ 1,454,993.78 ¹
West Wabasso Phase 3B S2S Construction =	\$ 1,403,350.48 ²
Sub-Total	\$ 2,858,344.26³
Design & Engineering	Estimated Cost
Design, Engineering, Construction Management (Bowman Consulting)	\$ 353,112.60
Total Construction & Engineering	\$ 3,211,456.86

Customer-side Construction Costs	Estimated Cost
West Wabasso Phase 3A Customer-side =	\$ 97,563.06
West Wabasso Phase 3B Customer-side =	\$ 118,469.43
Impact Fees for Phase 3A and 3B (36 ERUs @ \$2796/ERU)	\$ 100,656.00 ⁴
Total	\$ 316,688.49

1. Preliminary Estimated Cost
2. Contract Cost that was awarded to Centerline, Inc.
3. Cost to be funded by grant funds and optional sales tax
4. Cost to be covered by optional sales tax

* Estimates are subject to change based on market condition and material price fluctuation. IRCBUS has no control over the cost of labor, materials, equipment, or services furnished by others, or other methods of determining price, or over competitive bidding or market conditions

IRCBUS is proposing to use Optional Sales Tax to cover the total cost of the impact fees at \$106,118.60 as well as to cover any difference between the SJRWMD grant and the amount necessary to ensure we are eligible to receive all matching funds necessary from the FDEP grant, which amounts to \$318,492.00. Thus, the total amount of optional sales tax would be around \$424,610.60.

Funding:

Grant funding for the County's construction costs will come from the SJRWMD Water Quality Grant, in the amount of \$1,250,000.00, combined with the Water Protection Grant from the FDEP, in the amount of \$1,568,492.00, for a total of \$2,818,492.00, which will come from the Impact Fee/West Wabasso Sewer Phase 3 account, number 472-169000-21512. Additional grant funding, in the amount of \$74,472.86, will come from the ARP Fund/West Wabasso Sewer Phase 3 account, number 13821936-066510-21512. The remaining \$318,492.00 will come from the Optional Sales Tax/WW Collection/West Wabasso Sewer Phase 3 account, number 31526836-066510-21512, for an overall total amount of \$3,211,456.86 for the County's construction costs.

County Construction Costs			
Funding Source	Account Name	Account Number	Amount
SJRWMD Water Quality Grant	Impact Fee/West Wabasso Sewer Phase 3	472-169000-21512	\$1,250,000.00 ¹
FDEP Water Protection Grant			\$1,568,492.00 ²
Total			\$ 2,818,492.00
American Rescue Plan Act Grant	ARP Fund/West Wabasso Sewer Phase 3	13821936-066510-21512	\$ 74,472.86
Optional Sales Tax	Optional Sales Tax/WW Collection/West Wabasso Sewer Phase 3	31526836-066510-21512	\$ 318,492.00
		GRAND TOTAL	\$3,211,456.86

1. A Not-to-exceed amount that only covers up to 77% of eligible costs
2. Grant is pending and requires a 50% match requirement. This grant cannot exceed 50% of the project cost.

The customer-side construction costs will come from the ARP Fund/West Wabasso Sewer Phase 3 account, number 13821936-066510-21512, in the amount of \$210,569.89, combined with funding in the amount of \$106,118.60, which will come from the Optional Sales Tax/WW Collection/West Wabasso Sewer Phase 3 account, number 31526836-066510-21512, for a total amount of \$316,688.49.

Customer-Side Construction Costs			
Funding Source	Account Name	Account Number	Amount
Optional Sales Tax	Optional Sales Tax/WW Collection/West Wabasso Sewer Phase 3	31526836-066510-21512	\$106,118.60
American Rescue Plan Act	ARP Fund/West Wabasso Sewer Phase 3	13821936-066510-21512	\$210,569.89
Total			\$316,688.49

1. Optional Sales Tax breakdown: \$382,000 for construction and \$100,656 for impact fees

The total cost for this project, which includes county construction and customer side construction, equals \$3,528,145.35.

Recommendation:

Indian River County Department of Utility Services is recommending the Board of County Commissioners provide direction to staff to utilize \$210,569.89 in American Rescue Plan funding to cover the cost of the private-side connections within the Wabasso Phase 3A and 3B Septic-to-Sewer project.