



MINUTES

City Commission Workshop: Utility Expansion

4:30 PM – Thursday, January 18, 2024 – City Hall

CALL TO ORDER: 4:33 P.M.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

PRESENT: Vice Mayor Emily Lee, Commissioner Gary Ashcraft, Commissioner Nan Cobb, Commissioner Willie Hawkins, Mayor Michael Holland

1. WORKSHOP ITEM WITH DISCUSSION, PUBLIC INPUT AND DIRECTION

1.1 Utility Expansion

Rick Gierok, Public Works Director, explained the purpose of the workshop regarding the City's utility system, plans for the future and challenges. He provided an overview of the Water System both within the City limits and outside including a mapping of all Eustis parcels with a water main within 100 feet. He noted the In-City System has four interconnected water plants located at Ardice, Haselton, CR44 and Grand Island. He explained the interconnection provides for backup in the event of a plant going down. He added the City has nine water wells all operated under one Consumptive Use Permit through St. Johns.

Mr. Gierok reported the Eastern Area has two separate plants referred to as Eastern and Heathrow (Red Tail) with separate Consumptive Use Permits for each plant. He indicated that those plants were constructed to serve a specific development and were not planned for expansion.

Mr. Gierok reviewed the in-City system consisting of 186 miles of piping and 11,465 connections. He commented that these four plants are "inter-connected" to allow for increased reliability and operated under one Consumptive Use Permit (CUP) which allows the City to draw an annual average of 4.13 MGD of water from the aquifer daily with allocation increases which will cap at 4.91 MGD in 2031. He commented that the plants' combined treatment capacity is 14.805 MGD and currently have 3.85 MGD reserved thru permits and they have experienced a daily maximum use of 5.176 MGD. He explained what is included in the reserves. He assured the Commission that the plants are in good shape as they are capable of processing up to three times the daily consumption. He reported that the Water and Wastewater Master Plan studies were completed in September 2023. He commented on staff's confidence in the models used for the master plans and explained that the master plans are routinely updated.

Mr. Gierok presented the projected demand for the main service area and explained what those projections are based on for existing demand, fill-in demand, planned development demand and total customer demand. He noted that in 2031 the City will have to redo its consumptive use permit. He then explained what consists of non-revenue water.

Mr. Gierok pointed out the planned developments and explained that the projections are looked at over the next 20 years. He cited the need for some water main upgrades in 2032 due to a large development near Lake Yale; however, that development is currently not active. He indicated that if the project does not come to fruition then that improvement will not go forward. He explained that any additional expansions internal to the developments is at the cost of the developer. He reviewed the planned plant improvements in 2032 as well as minor upgrades to the Grand Island plant.

Mayor Holland announced for the audience that the project near Lake Yale is actually a Lake County project but it is in the City's utility district.

Mr. Gierok reviewed the current situation for the Eastern water plant and the history of the two plants. He cited the amount of transmission and distribution piping and capacity for each plant. He explained that the CUP's for each of the plants is based on the developer's agreement for each of the developments. He noted that the Eastern plant serves Sorrento Springs, Sorrento Pines and Sorrento Pines West and cited the number of users connected and future.

Mr. Gierok reviewed the Heathrow (Red Tail) Plant and noted that CUP runs through 2035 with no annual increases, and a plant treatment capacity of 1.368 MGD. He indicated there is no extra capacity at that plant. He stated the plant serves Red Tail, Serenity at Red Tail, the elementary school and the park and cited the number of connected users.

Mr. Gierok emphasized that the City has no opportunity to expand in that area nor do they have any plans to expand there. He indicated that the projects that are there include Sorrento Hills, Sorrento Pines and a draft developer's agreement that is not in the capital plan nor the CUP. He stated those costs would have to be born by the developer and would require the CUP to be modified. He cited a large project proposed for south of SR 46 consisting of 1800 units with water and sewer. He added that would be paid for by the developer and would require further modification of the CUP.

Mr. Gierok reviewed the opportunities and challenges for the Eastern Area water plants and required improvements. He stated that both the CUP's and transmission limit the City. He explained that the developer's agreement states the improvements required by the developer to the City's system. He noted that the last time they went for a CUP, St. John's requested that the City run the models to pull from the lower, lower Floridan aquifer. He stated that the City does not know if its water plant could treat that as they have never pulled from there. He added that the model showed it would have more of a negative effect on the Wekiva Springhead; therefore, St. John's changed its mind.

Mr. Gierok commented on conversations staff has had regarding the proposed 1800+ development. He stated that, if they come in, they will have to pay for the water mains to the development and whatever plant modifications are required for the CUP. He questioned whether or not the City will be serving any other areas and indicated that, if so, they would have to upsize the water mains. He then commented on the previously planned interconnect between the two eastern water plants; however, that plan was stopped due to the failure of the ISBA.

Mr. Gierok concluded that to expand the water system to the east would require a bigger workshop and to discuss what the City has and what could be done. He noted that neither Mount Dora nor Apopka want to serve the area. He added that will be the biggest challenge to the system for both water and wastewater.

The Commission discussed the City's possible plans for expansion. It was noted that there is pending legislation that may affect the City's utility district and what it can charge to nonresident properties. It was noted that neither one of the eastern water plants will be in the City limits and it was suggested that the City sell those plants to keep the City residents from subsidizing those plants.

The Commission discussed having a future discussion once they have further financial information and see what the legislature does.

Mr. Gierok noted that the City is in the process of contracting for a new rate study which will give a better breakdown of true cost and capital expenditures.

Mayor Holland noted that, in the near future, the Commission will be in Tallahassee for Legislative Action Days and it would be good to have the figures before then.

Mr. Gierok provided an overview of the Wastewater System within and outside the City limits. He noted there are a number of areas that are on septic and there are a number on private sewer systems. He commented on the number of septic to sewer projects and indicated they are working on getting some assistance from the County to do that. He stated that in-City the system consists of 92 miles of gravity piping, 27.5 of pressurized force main, 37 lift stations and just under 7,200 connections.

The Commission asked if the City gets funding for the septic to sewer conversions does the resident have to pay anything. Mr. Gierok responded that if they get grant money they do not. He cited funding available through St. John's. It was noted that the County also has ARPA funding available.

Commissioner Cobb indicated that a resident would have to pay a connection fee with Mr. Carrino indicating they would have to pay meter fees.

Mr. Gierok indicated that there are areas that the City could force to connect due to proximity to existing lines. He expressed opposition to doing that. He indicated that will be built in to the larger area expansion.

The Commission asked if the City had used all its ARPA funds with Mr. Gierok responding affirmatively.

Mr. Gierok then reported on the ongoing expansion of the Bates WWTP from 2.4 mgd to 2.99 with an anticipated completion date of Fall 2024. He stated their current mgd is 1.99 reserved thru permits with a daily maximum use of 2.02. He stated the daily annual average is 1.43 mgd. He cited the projected flows noting that the 2027 projected usage is 2.6 mgd.

Mr. Gierok then reviewed the upcoming opportunities and challenges for the wastewater system over the next 20 years including \$9.5 million in improvements for 2027. He reviewed the planned projects for 2027. He explained how some of those projects may be pushed out farther including the master pump station upgrades currently projected for 2027. He explained how some of the projects are dependent upon how quickly expected growth comes in. He then stated that the anticipated expansion would generate \$24 million in impact fees; however, the anticipated projects total \$30 million.

The Commission asked about Umatilla and what type of growth they anticipate with Mr. Gierok responding that the contract requires them to pay impact fees if they want to increase over 300,000. He added that, if the Lake Yale development comes in, it will be

brought in to the Umatilla line. He noted that the City increased the size of that line over what Umatilla required.

Mr. Gierok then reviewed the current situation for the eastern area wastewater plant. He noted that there is an old plant that is scheduled for demolition. He reviewed the reserved capacity and current daily use. He indicated there is capacity in the plant but not in the transmission lines. He added that a customer requiring a sewer main would be required to pay for off-site utility improvements.

Mr. Gierok then reported on the reclaimed water system and stated that the system does tie the two wastewater plants together. He explained how the reclaimed is stored and cited where the reclaimed water is currently being served noting that any extra is pumped to the hayfield. He added that any subdivisions are required to dual pipe for irrigation. He cited the subdivisions that are augmented by potable water. He commented that the City is currently limited in its reclaim expansion capability due to not being able to meet "dry weather" demands.

Mr. Gierok explained that the City does not have the ability to limit someone's use of reuse water which resulted in one user in the eastern area using most of the available reclaim water. He indicated that they are charged for reclaim as well as the potable. He indicated that the augmented potable is charged at the same rate as potable, not reclaim. He stated that the City is producing just under 634 million gallons of reuse per year and using 537 million with 140 million going to the sprayfield. He added that if they added a tank for the 140 million then they could serve everyone.

Mr. Gierok then reviewed the alternate water source options as follows: 1) Storm ponds for irrigation; 2) Indirect potable reuse which allows reuse to be pumped back into the ground and later withdrawn and treated; and 3) Direct potable reuse in which reuse is routed directly from the wastewater plant to be used for treatment at the water plant.

Mr. Gierok then noted the possibility of doing a study on the ground injection for a new irrigation well for irrigation only, not drinking water. He indicated that could be in the next budget.

The Commission discussed holding a bigger workshop to discuss the future of the eastern water and wastewater plants.

Mr. Gierok indicated that when they do the water rates they will have more figures pertaining to those plants. He added that he would also talk to some of his consultants regarding how to value those plants.

The Commission discussed holding off on the White Rose project until they see where the legislature is going with proposed legislation.

2. ADJOURNMENT: 5:33 P.M.

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording of the meeting can be obtained from the office of the City Clerk for a fee.*

CHRISTINE HALLORAN
City Clerk

MICHAEL L. HOLLAND
Mayor/Commissioner