



Date: January 13, 2025
To: Mayor and Town Council
From: Sean O’Keefe, Town Manager
Re: Consideration and Approval: **Central Lake CDD Amended and Restated Wastewater Agreement**

Objective:

To consider and approve the **Central Lake CDD Amended and Restated Wastewater Agreement** between the Town of Howey-in-the-Hills and the Central Lake Community Development District (CDD), as well as the **Right of First Refusal (ROFR) Agreement** with Sewer & Water Plant Investments, LLC, regarding the ownership and sale of the CDD’s wastewater treatment plant.

Summary:

The Amended and Restated Wholesale Wastewater Treatment Agreement and associated Right of First Refusal Agreement resolve longstanding issues between the Town and the CDD, replacing the 2007 and 2012 Wholesale Wastewater Agreements. These agreements provide clarity on operational responsibilities, financial obligations, and future wastewater service arrangements.

Key Provisions of the Amended Agreement:

1. **Exclusivity Clarifications:**

- The CDD has exclusivity only until the remaining 1,600 Equivalent Residential Units (ERUs) at its existing treatment plant are allocated. Afterward, the Town may seek alternative wastewater treatment options without obligation to use the CDD’s facilities.

2. **Revenue and Maintenance (RAM) and Connection in Aid of Construction (CIAC) Fees:**

- RAM fees will accumulate for unallocated capacity but will be paid by the end users upon reserving capacity. The Town is responsible for collecting and remitting RAM fees.
- Developers must pay Connection in Aid of Construction (CIAC) fees and accrued RAM fees before the recording of a plat or issuance of a mass-grading permit.

3. **Right of First Refusal:**

- The Town retains the right to match any third-party offer to purchase the treatment plant, providing a 90-day decision window.

4. **Liaison Role:**

- The Town may designate a liaison to attend CDD meetings and receive agendas, minutes, and audits.

Fiscal Impact:

The agreement has no immediate, direct fiscal cost on the Town, but will allow for the addition of approximately 1,600 wastewater customers.

Staff Recommendation:

Staff recommends approval of both the **Central Lake CDD Amended and Restated Wastewater Agreement** and the **Right of First Refusal (ROFR) Agreement**.