

You are invited to a meeting on January 6, 2022 at 1:00 PM at the Marianne Beck Memorial Library (112 W. Central Avenue, Howey-in-the-Hills) to discuss wastewater service for your property/development. Representatives of the Central Lake Community Development District (Central Lake CDD) will attend.

### **The Town's Water and Wastewater Systems**

In 2003, the Howey Town Council established its water and wastewater service area under Chapter 180 of Florida Statutes. The service area includes the entire town of Howey and much of the unincorporated areas surrounding Howey. A map of the Town's utility-service area is available at Town Hall.

The Town owns and operates a potable-water system and wastewater-collection/transmission lines, but does not own a wastewater-treatment plant. The Town purchases wastewater-treatment services from the Central Lake CDD on a wholesale basis. The Town then provides wastewater services to its customers on a retail basis. The wastewater is collected and transmitted by the Town to a wastewater plant operated by the CDD on land leased from Sewer & Water Plant Investments, LLC. The CDD treats the wastewater and disposes of the treated effluent.

### **The District's Treatment Capacity**

The CDD states a current treatment plant capacity of 870,000 gallons per day (gpd), or 3,480 "equivalent residential units" (ERUs). The CDD tells us that it has committed 100% of its current capacity to properties and developments in and outside of the Town, including Venezia, Talichet, Bishop's Gate, The Reserve, Las Colinas, Boondocks, the School Board of Lake County, and others. Although the full capacity is reserved, developments needing access to capacity before the plant expansion is complete may make use of unutilized capacity as described at the end of this letter.

The district says it has a plan for expanding plant capacity. The district tells us it can expand its plant capacity by up to 2,610,000 gallons per day, which the district says will allow the Town to service future development in its service area.

### **Expansion Plan**

We are told the following by the district, based on discussions the district and its landlord have had with their engineers and consultants and a general contractor:

- The minimum plant expansion must be 435,000 gpd, or 1,740 ERUs. Any greater expansion must be in increments of 435,000 gpd. The next level would be 870,000 gpd, and so on.
- Start to finish will take approximately 24 months.

The CDD says it believes its capital charge of \$3,517.50/ERU will be sufficient to fund the plant expansion costs. This is subject to final confirmation upon receipt of construction bids.

The CDD says it plans to fund the expansion as follows:

- Each property owner/developer must pay in advance the district's capital charges for the ERUs the owner needs for its property. This is how construction of the existing

wastewater plant was financed. As an example, if a property owner/developer needs 200 ERUs, then its expansion cost would be \$703,500.

- To make that payment, each property owner/developer must provide an irrevocable letter of credit (“LOC”) in an amount equal to the sum of the capital charges for the needed ERU’s.
- Draws will be made against the LOC as construction progresses.
- The LOC must be renewed annually.
- If a property owner/developer fails to provide a replacement LOC no later than 30 days before expiration of the current LOC, the balance of the current LOC will be drawn in full.

The district says that if a property owner needs ERUs before the 24-month timeline above, the CDD– through an understanding with an existing property owner holding a substantial number of unused ERUs – will be able to provide the needed ERUs to the owner.

The Town is optimistic that the meeting will be informative for both the Town and the property owners/developers needing future wastewater service. We look forward to seeing you on January 6, 2022.