



SLWSD Anticipated Rate Adjustments for FY2025-FY2029

St. Lucie West Services District

August 28, 2024



Purpose for Rate Adjustments

The purpose in rate adjustments for utility services is to keep up with the customer growth, aging infrastructure, regulatory requirements, and increasing operating costs. The two primary causes are listed below:

- **Economical/Inflation-** SLWSD has a Rate Sufficiency Analysis completed annually to determine a recommendation for rate adjustments.
- **Capital Improvement Needs-** Major Projects that involve outside funding or impact the required revenue coverages to operate.

History of St Lucie West Services District Utilities Major Projects



Water Treatment Plant & Wastewater Treatment Facility Design and Expansions

- St. Lucie West Services District, is a community development district and local unit of special purpose government organized and is existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes.
- St Lucie West Utilities began under the developer in 1987. This consisted of a 1.0 Million (MGD) Water Treatment Plant (ROWTP), a 0.99 MGD Wastewater Treatment Facility (WWTF) and a 1.0 MGD Reuse Irrigation Pump System.
- The ROWTP design was expanded to 2.0 MGD(1998), 3.4 MGD(2005), 3.6 MGD(2014).
- The WWTF design was expanded to 2.0 MGD(2001), 2.13(2015), Re-rated to 2.60 MGD(2022).
- Reuse Irrigation System was expanded to 2.8 MGD(1997), 5.0 MGD(1998), 7.2 MGD(2001), 10.0 MGD(2014), 10.8 MGD(2019).

Background and Anticipated Growth



- The St. Lucie West Services District (SLWSD or District) provides water and wastewater services to the entire District and BULK water and wastewater services to the adjacent the Reserve CDD Community.
- SLWSD owns and operates a 3.6 MGD design Reverse Osmosis Water Treatment Plant (ROWTP) with a Florida Department of Environmental Protection (FDEP) permitted capacity of 3.4 million gallon per day (MGD) and a permitted 2.6 MGD Wastewater Treatment Facility.
- The District anticipates the need to begin the planning for an expansion of the ROWTP capacity soon due to several factors including:
 - Increasing system demand due to redevelopment and additional commercial growth.
 - Additional capacity request from the Reserve CDD community.
 - Potential additional demand from Indian River State College Future Expansion.

RO Water Treatment Plant Capacity Needs



- Anticipated growth of future water demands through 2045
 - Multifamily Redevelopment – Additional 500 ERCs (0.125 MGD)
 - Commercial & Institutional – Additional 1,300 ERCs (0.325 MGD)
 - The Reserves WTP Demand – Additional 400 ERCs (0.1 MGD) in 2025
 - The Reserves Future Growth – Additional 200 ERCs (0.05 MGD)
- ROWTP is projected to approach its current permitted rated capacity in 2035; additionally, based on demand projections SLWSD should expect a max finished daily water demand of 3.75 by 2045.
- Considering these observations, a treatment plant capacity expansion of at least 1.0 MGD was recommended.

Water Treatment Plant Improvements Estimated Cost



Cost of Expansion

Description	Estimated Cost
Design Engineering	\$1,910,000
Construction Cost	33,628,000
Construction Engineering	<u>1,357,500</u>
Total Cost of Expansion	\$36,895,500

Key Assumptions

- Estimates Provided By District's Consulting Engineer - June 2024
- Construction Schedule = FY-2025 – FY-2026
- Portion of Design Engineering Funded From Connection Fees
- Remaining Funding From Proposed Series 2024 Bonds

Water System Total Project Cost Estimate



Proposed Capacity Expansion Improvements	Probable Construction Cost
New Raw Water Supply Wells	\$2,680,000
New Raw Water Transmission Main	\$463,000
Chemical Feed System Replacements	\$910,000
Upgrades to ROWTP Cartridge Filtration	\$390,000
Upgrades to ROWTP High-Pressure Pumping Capacity	\$1,050,000
New ROWTP Membrane Skid	\$6,560,000
Upgrades to Calcite Contactors	\$504,000
Upgrades to ROWTP Degasifier and Odor Control System	\$1,780,000
Upgrades to ROWTP Chlorine Contact Chamber/Clear Well System	\$1,020,000
Upgrades to Transfer Pumps	\$236,000
Upgrades to High-Service Pumps	\$402,000
Underground Injection Well ^A	\$13,900,000
Underground Injection Well Site	\$970,000
Electrical System Upgrades	\$2,350,000
I & C System Upgrades	\$413,000
Construction Cost Subtotal	\$33,628,000
Design Engineering Cost, Study, Permitting Services	\$1,910,000
Engineering Services During Construction	\$1,357,500
Project Cost Total	\$36,895,500



Recommended Rate Adjustments

Fiscal Year	Price Index	Additional	Total Rate Adjustment
2025	2.5%	6.5%	9.0%
2026	2.5%	6.5%	9.0%
2027	2.2%	1.3%	3.5%
2028	2.2%	1.3%	3.5%
2029	<u>2.2%</u>	<u>1.3%</u>	<u>3.5%</u>
Cumulative	12.1%	17.9%	31.7%

- Potential To Reduce Future Rate Adjustments From Reserve CDD Service Area Incorporation Negotiations, Additional Growth, & Reduced Expenses after WTP Improvements are Completed.



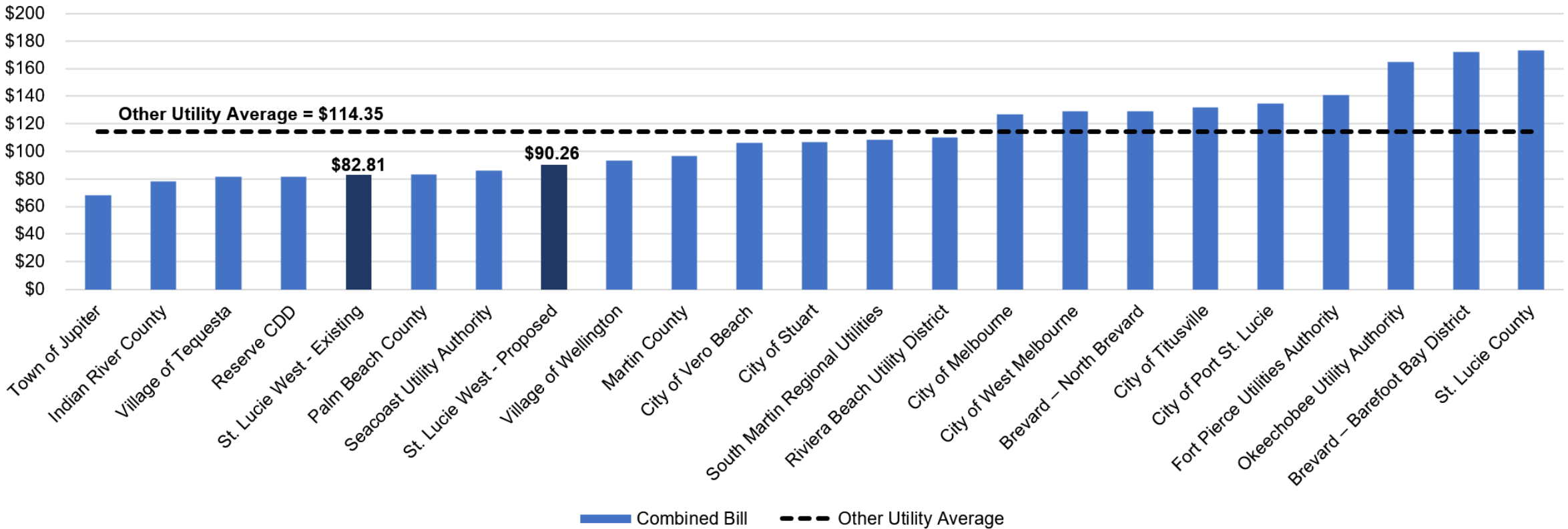
SLW Utility Rate Adjustments 1994-Present

- FY1994- 7% increase
- FY1996- 4% increase
- FY1997- 4% increase
- **FY1998- 10% increase(WTP Expansion)**
- FY1999- 4% increase
- FY2001- 4% increase
- FY2002- 4% increase
- **FY2004- 7.5% increase(WTP Expansion)**
- FY2006- 4% increase
- FY2007- 3% increase
- FY2009- 4% increase *(10% recommended)*
- FY2010- 4% (recommended not passed)
- FY2011- 4% (recommended not passed)
- FY2012- 4% (recommended not passed)
- FY2013- 10% (recommended not passed)
- **WWTF Expansion**
- FY2014 thru FY2016- 2.5% (recommended not passed)
- FY2017 thru FY2021- 2.4% (recommended not passed)
- FY2014 thru FY2016- 2.5% (recommended not passed)
- FY 2022- 2.4% (recommended not passed)
- FY2023- 5% increase
- FY2024- 5% increase
- **FY2025- 9% increase(proposed)**
- **FY2026- 9% increase (recommended)**
- FY2027- 3.5% increase (recommended)
- FY2028- 3.5% increase (recommended)
- FY2029- 3.5% increase (recommended)



Rate Comparison – Residential Service

Comparison of Monthly Residential Bill Assuming 3,000 Gallon of Water and Wastewater Service and 5,000 Gallons of Irrigation Service





Future Goals To Minimize Rate Adjustments

Areas of Focus

- Continue Reserve CDD Negotiations
 - FY25 & FY26 Rate Adjustments **do not include Reserve CDD Retail Revenue Funding**
- Continue Monitoring Growth
 - Forecast Based on Known Capacity Requests / Limited Future Growth
- Implement Operating Expense Reductions
 - Use cost reductive strategies to minimize operating costs and capital costs
 - Use more efficient technology and equipment.
- Monitor WTP & WWTF Operations and Resiliency Project Costs
 - Potential Savings (energy, chemicals, operating supplies, and overtime.)



Thank you!

Joshua Miller

District Manager

jmiller@slwsd.org

(772) 340-0220 x133