

Utilities Department

**Pluris Wedgefield
Water & Wastewater System Update**

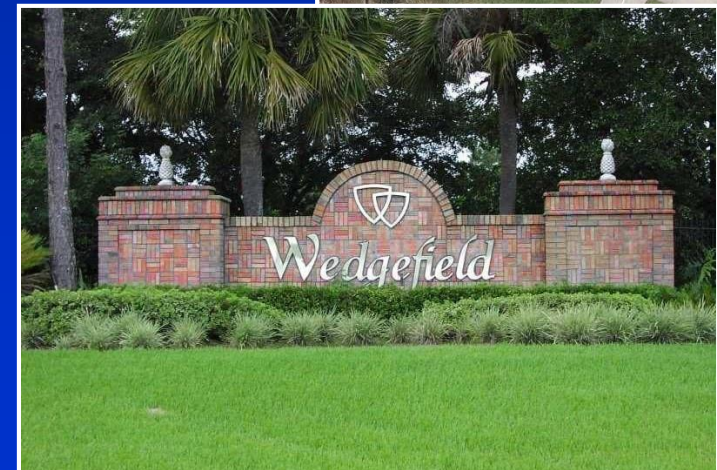
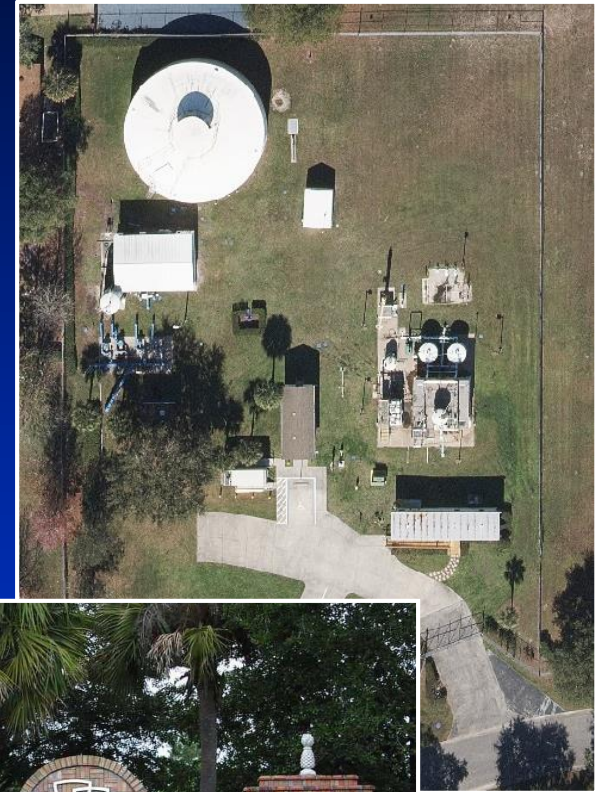
Discussion Item

July 15, 2025



Presentation Overview

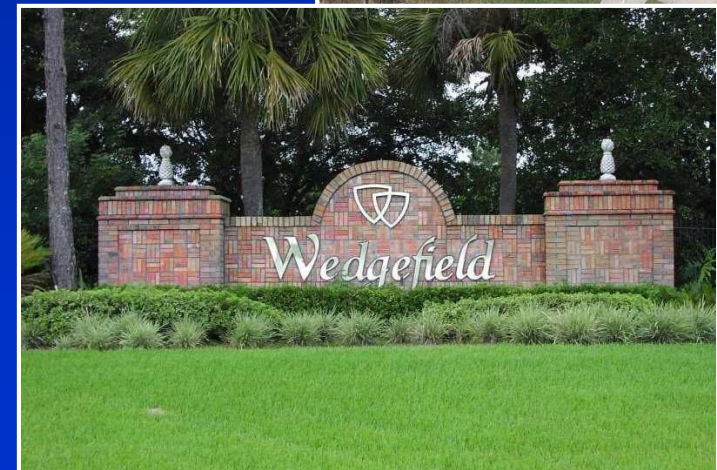
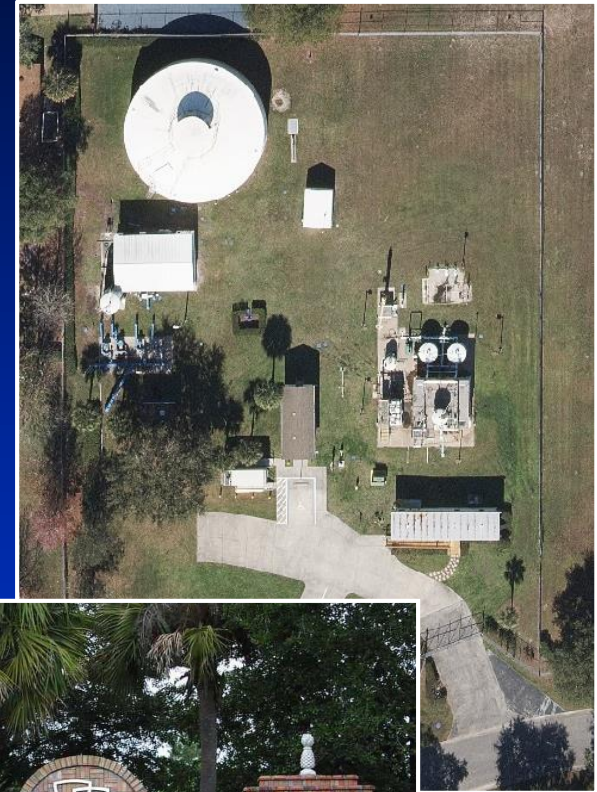
- Purpose
- Background
- Options
- Summary
- Board Direction





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Purpose

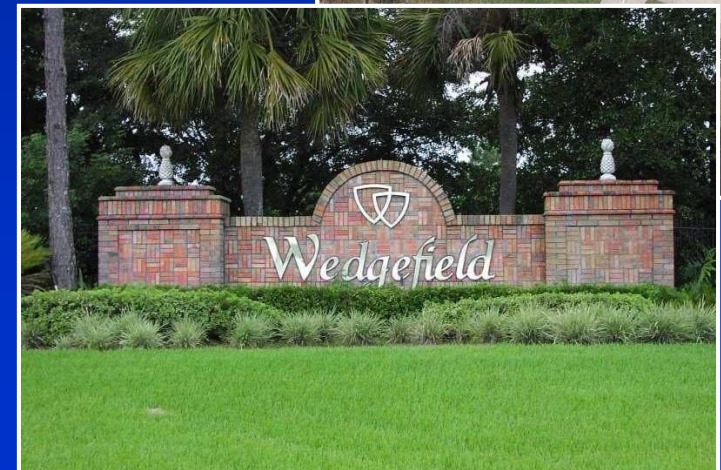
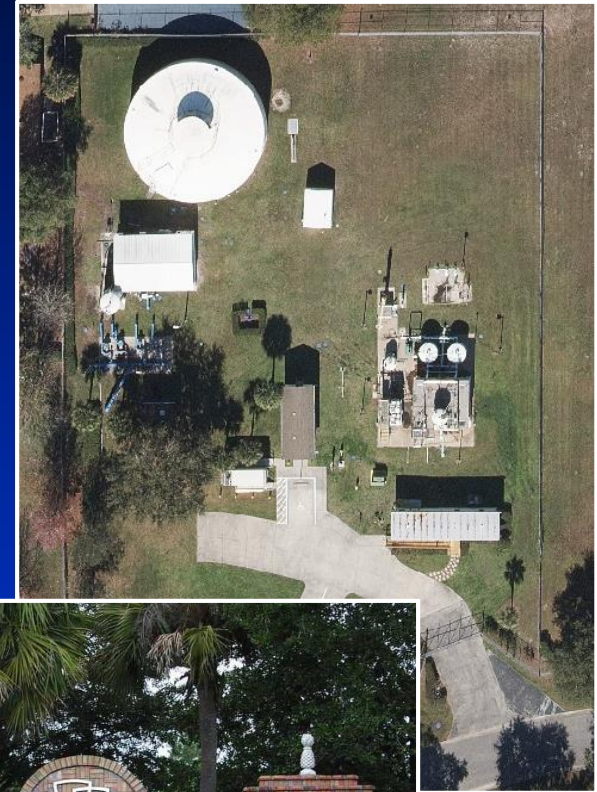
- Provide State of Florida project appropriation update coming out of recently concluded legislative session
- Support policy discussion on potential public benefits and costs
- Options
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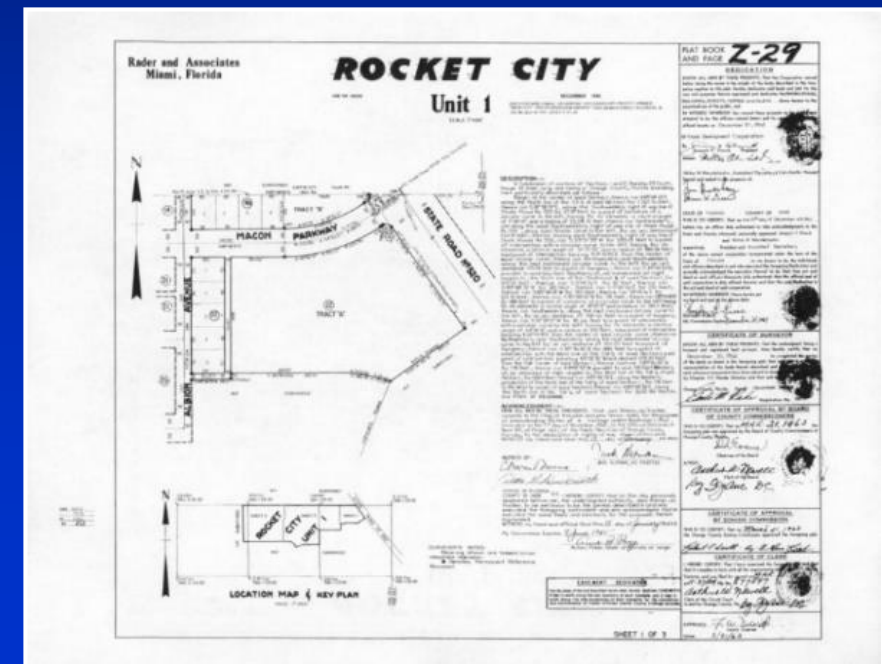
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Background

- **Rocket City – started by All State Development Corp. in 1962**
 - Billed as a 20,000-acre development that would supply housing for Kennedy Space Center staff
- **Utilities privately owned since inception**
 - Early 1960s – Econ Utilities Corp.
 - 1996 – Wedgefield Utilities, Inc.
 - 2009 – Pluris Holdings, LLC
 - 2018 – Pluris Wedgefield, LLC



Background

▪ Pluris Wedgefield, LLC

– Water and wastewater services to 1,766 parcels

– **Orange County has no regulatory oversight**

- Rates – Florida Public Service Commission (FPSC)

 - FPSC approved return on equity – 8.75%

- Water Quality/Operations – Florida Dept. of Environmental Protection

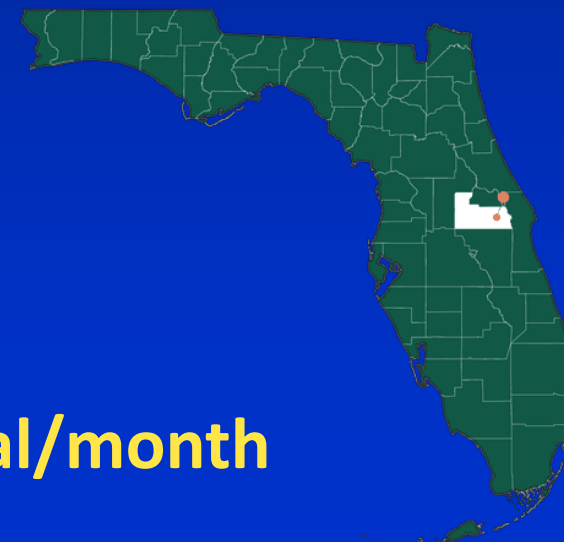
▪ Historic concerns voiced by Wedgefield residents:

– Lack of responsive customer service

– Water quality

– Water aesthetics

– **High rates – 209% higher than OCU customers using 5Kgal/month**



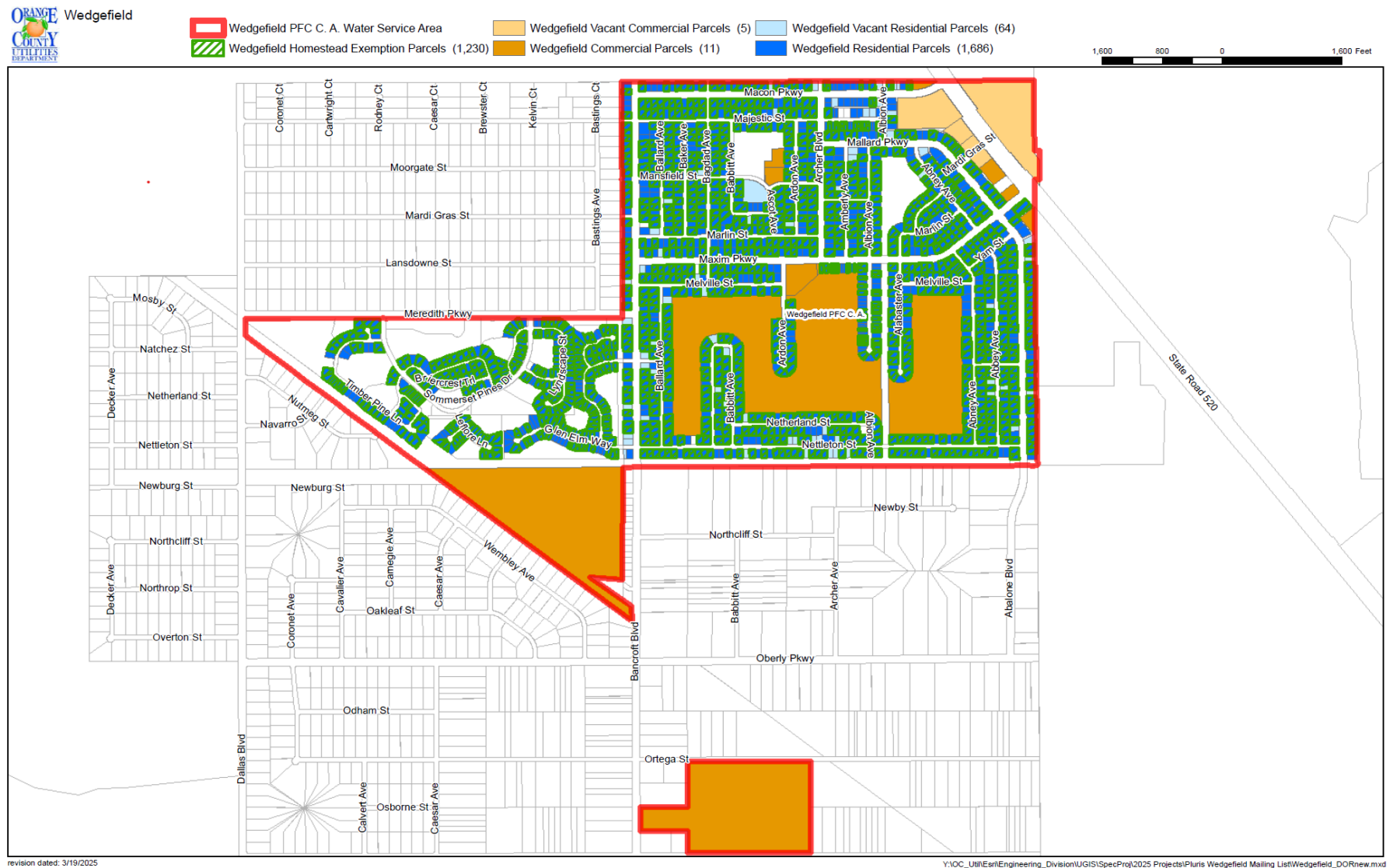


Background

Residential
1,750 parcels

Commercial
16 parcels

Total
1,766 parcels

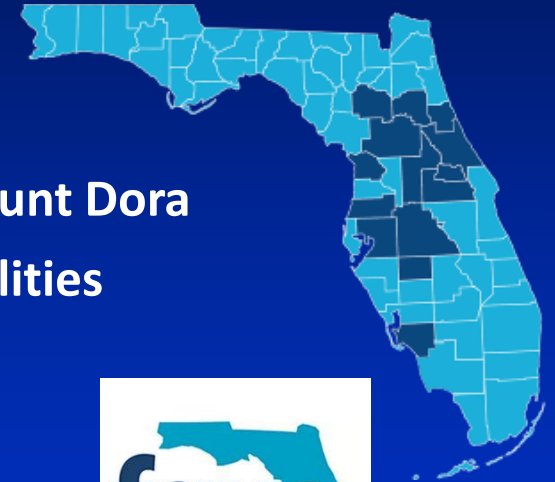




Background

▪ Meetings with Florida Governmental Utility Authority (FGUA)

- Founded in 1999, FGUA is a special purpose government that acquires, owns, improves and operates water and wastewater utilities
- Currently owns over 98 systems in 14 Florida counties
- Approximately 120,000 customer connections
- One in Orange County – Tangerine where they serve water to 321 residents in Mount Dora
- Resolution & Agreement approved by BCC in 2012/13 for purchase from Aqua Utilities
- FGUA Board made up of 8 appointed utility professionals
- Executive Director is Utility Director at Polk County
- Would require their interest and subsequent due diligence
- Direct negotiations with Pluris for an acquisition
- Same purchase/no purchase decision
- Would require Orange County to approve the purchase similar to the Tangerine system in Mount Dora





Background

▪ BCC Direction - Work Sessions: 7/30/24, 4/8/25

Commissioner's Report: 10/8/24

- No funding scenario where County partners without fair contribution by the affected property owners toward the total acquisition price
- No support for subsidizing acquisition via rate increases to OCU customers or through General Fund
- Property owners to garner community support and determine a fair contribution toward the total acquisition price
- Meetings with community and FGUA
- Meet with Pluris to negotiate a purchase price for their water/wastewater systems
- Determine if project appropriations are allocated out of the current legislative session
 - Session was extended and budget approved on 6/16/25
 - Followed closely with the assistance of our outstanding legislative team
 - **\$7.5M state budget appropriation was line item vetoed by the Governor on June 30, 2025**



Background

Estimated Total Acquisition Costs – with \$19.5M purchase price

Description	Estimate (2025)
Purchase Price	\$ 19,500,000
Transactional Cost*	\$ 430,000
Financing Cost	\$ 750,000
Renewal & Replacement Fund	\$ 1,500,000
Rate Stabilization Fund	\$ 250,000
Transitional Cost	\$ 200,000
Working Capital	\$ 400,000
Five (5) Year CIP	\$ 57,768,000
Deferred Maintenance	\$ 100,000
Debt Service Reserve Fund	\$ 2,500,000
Total Estimated Acquisition Cost	\$ 83,398,000

*Phases I-V costs are included here

OCU assessment completed

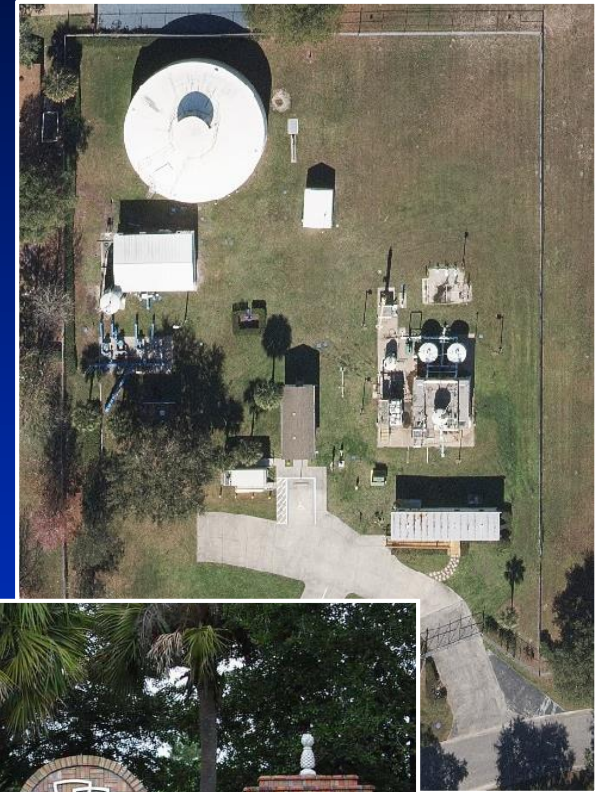
- Consultant System Condition Ratings (Best to Worst)
 - New
 - Very Good
 - Good
 - Average
 - Fair
 - **Poor**

5-year CIP - OCU Assessment minus ≈ \$1M in FDEP-required repairs



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1. Purchase the Pluris Water & Wastewater System

- A. Wedgefield affected property owners fund total acquisition costs via MSBU
- B. Wedgefield affected property owners fund community proposed contribution via MSBU

2. FGUA option



Options – 1A

▪ Full Cost Impacts to Affected Property Owners – \$83.4M MSBU

	MSBU	20-years	\$79,296.49
		Annually	\$3,964.82 would be added to tax bill
		Monthly	\$330.40
	OCU BILL	20-years	OCU - \$68.72* - Saving \$27,799.20
		Annually	OCU - \$68.72* - Saving \$1,389.96
		Monthly	OCU - \$68.72* - Saving \$115.83
	OVERALL	20-years	\$51,497.29
		Annually	\$2,574.86
		Monthly	\$214.57

* Reflects OCU's current 5 Kgal water/wastewater rates + 15%
 20-year MSBU @ 5.7% interest for 1,765 affected property owners
 Pluris current monthly bill of \$184.55 @ 5Kgal



Options – 1B

Community Proposed Contribution - \$35M MSBU

	MSBU	20-years	\$33,277.90
		Annually	\$1,663.90 would be added to tax bill
		Monthly	\$138.66
	OCU BILL	20-years	OCU - \$68.72* - Saving \$27,799.20
		Annually	OCU - \$68.72* - Saving \$1,389.96
		Monthly	OCU - \$68.72* - Saving \$115.83
	OVERALL	20-years	\$5,478.70
		Annually	\$273.94
		Monthly	\$22.82

* Reflects OCU's current 5 Kgal water/wastewater rates + 15%
 20-year MSBU @ 5.7% interest for 1,765 affected property owners
 Pluris current monthly bill of \$184.55 @ 5Kgal



Options – 1B

Community Proposed Contribution

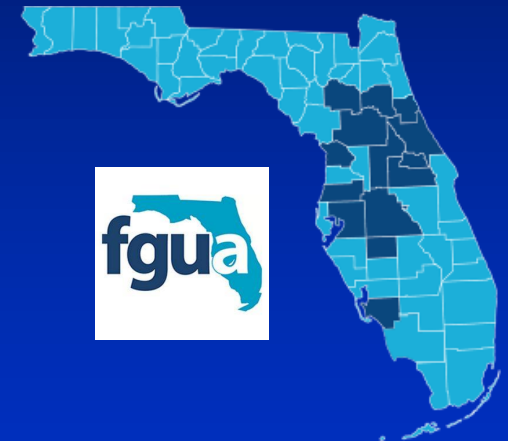
Purchase Price – Pluris Counteroffer	\$	19,500,000
10 Buckets of Funding	\$	6,100,000
Capital Improvement Program	\$	57,800,000
Total Acquisition Cost	\$	83,400,000
Property Owner Contribution (MSBU) – 42%	\$	(35,000,000)
Unfunded Acquisition Balance	\$	48,400,000



Options – 2

▪ Florida Governmental Utility Authority (FGUA)

- Prior to their due diligence, execute resolution and agreement similar to the Tangerine Water System in Mount Dora
- FGUA needs 90 – 120 days to determine financial feasibility of acquisition
- Acquisition costs would be paid by FGUA, not MSBU like County options
- Rates may or may not increase to support acquisition and CIP needs
- FGUA limits rate increase to not more than 75% of Consumer Price Index
- Positive track record for securing funding for CIP
- FGUA will adopt Orange County construction standards for future projects
- FGUA assumes all risk for a system that OCU has assessed and categorized as poor
- System could be purchased by Orange County in the future, usually 5 – 10 years after FGUA takes ownership
- Purchase price from FGUA would be based only on remaining debt





Options – 2

▪ Florida Governmental Utility Authority (FGUA)

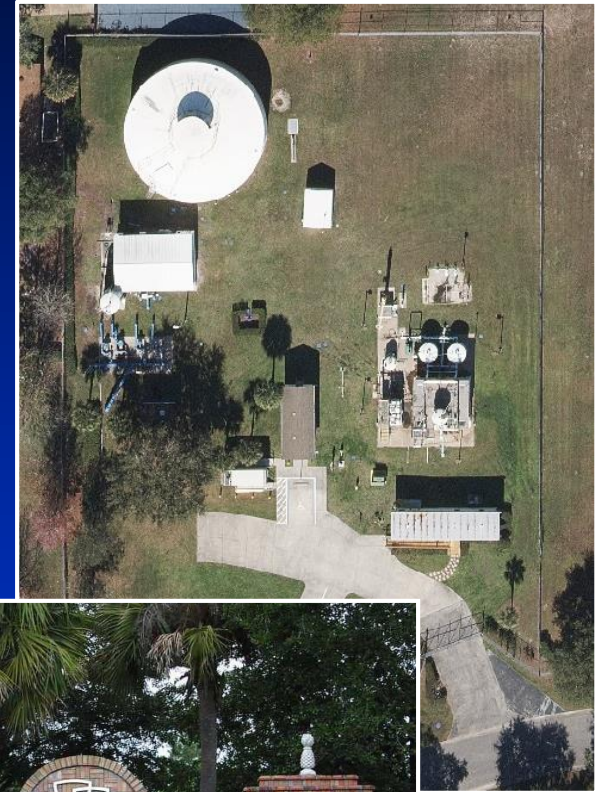
Senate Sponsor	Project	Requested	Approved
Burgess	Riverside Village Septic to Sewer Conversion Project	\$1,987,200	\$993,600
Passidomo	Lehigh Acres Septic to Sewer Conversion Project	\$5,000,000	\$2,500,000
Passidomo	Lehigh Acres Sewer Force Main Extension Project	\$5,324,000	\$1,000,000
	TOTALS	\$12,311,200	\$4,493,600





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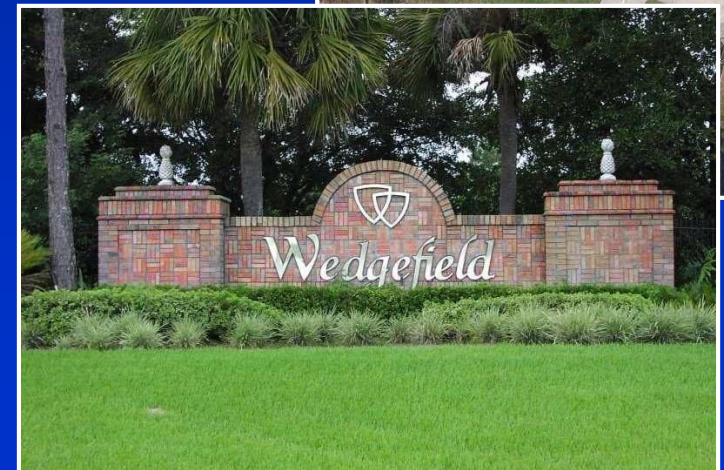
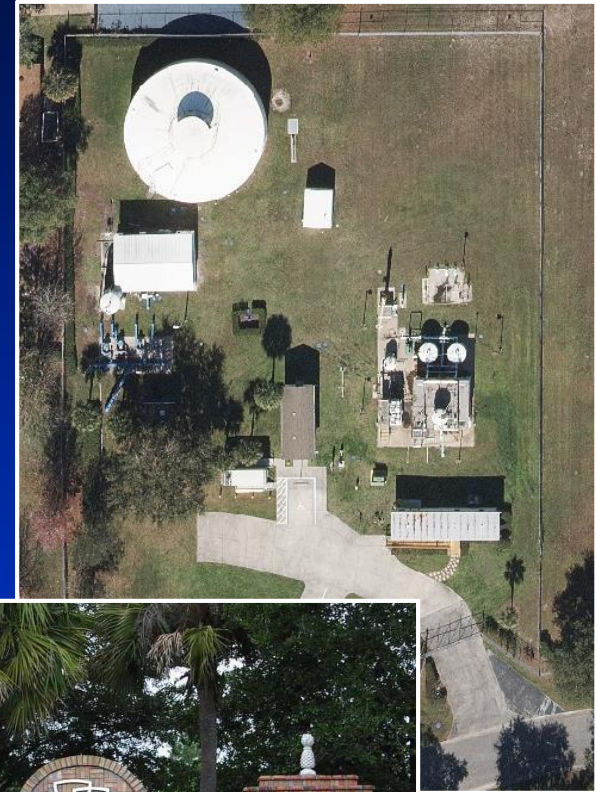
Summary

- Acquisition efforts initiated due to historic citizen concerns about water quality, aesthetics, customer service, and high rates
- System condition is indicative of prolonged deferred maintenance with little redundancy – OCU ownership comes with significant risks
- Current purchase price and funding of approximately **\$25.6M**, with **\$57.8M** in unfunded CIP costs for needed upgrades for a total estimated acquisition cost of **\$83.4M**
- Almost all options will require significant outside funding to garner required community support
- Project requires significant additional funding to address the **\$48.4M deficit**



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Board Direction

Orange County acquisition of the Pluris Water & Wastewater Systems

Authorize Special Purpose Government to explore acquisition

Option 1A

100% funded by affected Wedgefield Owners via MSBU

- Net monthly increase of \$215 over 20-year term.
- No financial impact to current OCU customers or General Fund.
- Residents have signaled the cost is too great and no support to put to a formal Comptroller ballot.

Option 1B

Community Proposed \$35M MSBU

- Net monthly increase of \$23 over 20-year term.
- Residents have signaled support. Would need to overcome 67% “yes” threshold of all ballots.
- Unfunded balance of \$48.4M becomes County obligation (Grants, General Fund, Higher OCU Rates).

Option 2

Florida Governmental Utility Authority (FGUA)

- Acquisition costs paid by FGUA, with no MSBU.
- Achieve rate stabilization, 75% of CPI rate increase limit and ability to secure funding.
- Residents have signaled support for FGUA acquisition as potential interim step to future OCU ownership.

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