“Our Mission is to serve our customers by providing safe, reliable drinking water and environmentally responsible wastewater treatment at affordable rates and with emphasis on customer service and protection of our environment.”
SJCUUD Utility Department
Main and Ponte Vedra Systems

Customers
- 40,866 Water Customers
- 32,338 Wastewater Customers
- Service population of over 100,000

Service Area (FY 2015)
- Over 4.1 billion gallons of water delivered
- Over 2.2 billion gallons of wastewater treated with approximately 40% reclaimed water use.

Financials
- $41 million in Water and Wastewater revenue
- $22 million operating budget

Operations
- 154 Full Time employees
- 1,300 miles of water, sewer, and reuse mains
Ponte Vedra Utility Service Area

St. Johns County Utility acquired the St. John’s Service Company and Intercoastal Utility in 2006 and 2007, respectively. Both systems are now known as the Ponte Vedra Utility and are operated as a County Enterprise fund.

**Water Assets**
- Water Treatment Plants: 4
- Water Mains: 150 Miles
- Fire Hydrants: 902
- Water Valves: 2,756

**Wastewater Assets**
- Wastewater Plants: 4
- Gravity Mains: 150 Miles
- Force Mains: 64 Miles
- Reuse Mains: 6 Miles
- STEP Tanks: 272
- Manholes: 2,839
- Sewer Valves: 250
Infrastructure Evaluation
## Ponte Vedra System Age

### Water Facilities (Year Built)

<table>
<thead>
<tr>
<th>Facility</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marsh Landing WTP</td>
<td>1983</td>
</tr>
<tr>
<td>Innlet Beach WTP</td>
<td>1983</td>
</tr>
<tr>
<td>Sawgrass WTP</td>
<td>1983</td>
</tr>
<tr>
<td>Plantation WTP</td>
<td>1987</td>
</tr>
</tbody>
</table>

St. Johns County Utility has invested over $12,000,000 in system wide Water infrastructure since 2006.

### Wastewater Facilities (Year Built)

<table>
<thead>
<tr>
<th>Facility</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marsh Landing WWTF</td>
<td>1985</td>
</tr>
<tr>
<td>Innlet Beach WWTF</td>
<td>1977</td>
</tr>
<tr>
<td>Sawgrass WWTF</td>
<td>1985</td>
</tr>
<tr>
<td>Player’s Club WWTF</td>
<td>1987</td>
</tr>
</tbody>
</table>

St. Johns County Utility has invested over $9,000,000 in system wide Wastewater infrastructure since 2006.
Aging Infrastructure
A failing surge pond resulted in a major rehabilitation of the influent pump station and static screen at the Marsh Landing WWTF.

Capital Reinvestment
The project was designed in-house to save money, however, it was still 1/3 of the annual CIP budget.

Project Year:
2014 – 2015

Total Investment:
$625,000
Water Treatment

Innlet Beach WTP supplies almost half of the Water consumed in Ponte Vedra.

Depicted here is a well repair and rehabilitation completed as a part of the Utility’s most recent SRF loan projects.

*Project Year: 2014 – 2015*  
*Total Investment: $300,000*

Aging Infrastructure  
County Engineers determined Innlet Beach Well #1 was in need of repair due to water quality issues.

Capital Reinvestment  
The project was completed under low interest state loan funding program.
Lift Stations

2016 Seaside Lift Station Repair

Lift Stations are essential in moving wastewater to our treatment facilities.

Project Year: 2016
Total Investment: $200,000

Aging Infrastructure
An influent line at the Seaside Lift Station collapsed at the beginning of FY 2016 causing significant damage to the station and neighborhood roads.

Capital Reinvestment
The resulting repair and bills for emergency coordination was over 15.0% in unanticipated expenditures for the 2016 capital budget.
Water Mains & Valves

2015 Water Main Improvements and Valve Installations

Water main repairs, valve maintenance, and water modeling optimization are key features in developing an effective water main maintenance program.

Project Year: 2015
Total Investment: $200,000

Aging Infrastructure
In 2015, multiple valves were installed to help improve water flow and maintenance accessibility.

Capital Reinvestment
Water Mains are often unseen and inaccessible. Valves allow for greater flexibility in isolating infrastructure in need of repair.
**Force Mains, Gravity Mains, and Manholes**

**2016 Condition Assessment**

Manholes are often lined with a durable epoxy or wear resistant coating to extend the life of the asset.

**Aging Infrastructure**

The 2016 Condition Assessment Program evaluated wastewater infrastructure and determined critical areas of improvements.

**Capital Reinvestment**

The study has recommended extensive work for the rehabilitation on the systems wastewater receiving forcemains, gravity mains, and manholes.

**Project Year:** 2016

**Total Investment:** $125,000
Proposed Improvements
The Ponte Vedra Capital Reinvestment Plan proposes to:

1. Construct a new Water Reclamation Facility (WRF)
2. Restore the most critical infrastructure in Ponte Vedra through a five year Renewal & Replacement program.

Benefits to the Community

- New Ponte Vedra facility will consolidate three of the four existing wastewater treatment plants.
- The new Water Reclamation facility will produce much higher quality effluent, lowering nutrient levels to the local environment.
- We will reduce asset failure in the community, which leads to road closures, sewer overflows, low pressure and boil water notices, by making extensive capital repairs to our most critical infrastructure.
Ponte Vedra Water Reclamation Facility

The Utility Engineering Department recommends building a $25,000,000 Water Reclamation Facility in Ponte Vedra.

The average age of the Ponte Vedra Wastewater plants are over 30 years old.

Current facilities do not have adequate redundancy to handle emergency repairs.

Aging Infrastructure
This new facility will replace three of the existing four Wastewater Treatment Facilities and secure the wastewater processing needs of the community and environment for the next 50 years.

Capital Reinvestment
Funding for the project is anticipated through State Revolving Funds (SRF) program.
Renewal & Replacement Programs

R&R Programs:
1. Lift stations
2. Manholes
3. Water Mains
4. Force Mains
5. Gravity Mains
6. Valve Repairs
7. STEP Tanks

5 Year Total R&R Capital Reinvestment - $15M

Renewal & Replacement (R&R) Program
A $15,000,000 five year program has been proposed by in-house engineers. A comprehensive R&R program will renew aging infrastructure. Funding for these projects is anticipated through new debt issuance and existing/future reserve balances.
Financial and Regional Rate Evaluation
## Regional Rate Evaluation

Typical bill comparison reflects some of the lowest rates in the region.

The rates only allow the Utility to maintain operations and allow minimal capital reinvestment back into the system.

### Typical Monthly Bill Comparison (5,000 Gallons)

<table>
<thead>
<tr>
<th>Location</th>
<th>Water</th>
<th>Wastewater</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic Beach (In City)</td>
<td></td>
<td></td>
<td>$53.57</td>
</tr>
<tr>
<td>SJC PV System</td>
<td></td>
<td></td>
<td>$54.27</td>
</tr>
<tr>
<td>Palatka (In City)</td>
<td></td>
<td></td>
<td>$55.23</td>
</tr>
<tr>
<td>Clay Cty Utility Auth</td>
<td></td>
<td></td>
<td>$55.72</td>
</tr>
<tr>
<td>JEA</td>
<td></td>
<td></td>
<td>$59.75</td>
</tr>
<tr>
<td>SJC Main System</td>
<td></td>
<td></td>
<td>$64.03</td>
</tr>
<tr>
<td>Palatka (Out City)</td>
<td></td>
<td></td>
<td>$68.99</td>
</tr>
<tr>
<td>St. Aug (In City)</td>
<td></td>
<td></td>
<td>$69.22</td>
</tr>
<tr>
<td>Jacksonville Beach</td>
<td></td>
<td></td>
<td>$70.14</td>
</tr>
<tr>
<td>Palm Coast</td>
<td></td>
<td></td>
<td>$72.36</td>
</tr>
<tr>
<td>Flagler Beach (In City)</td>
<td></td>
<td></td>
<td>$83.84</td>
</tr>
<tr>
<td>St. Aug (Out City)</td>
<td></td>
<td></td>
<td>$85.65</td>
</tr>
<tr>
<td>Hastings (In City)</td>
<td></td>
<td></td>
<td>$123.80</td>
</tr>
<tr>
<td>Flagler Beach (Out City)</td>
<td></td>
<td></td>
<td>$125.76</td>
</tr>
<tr>
<td>Hastings (Out City)</td>
<td></td>
<td></td>
<td>$154.75</td>
</tr>
</tbody>
</table>

Legend: 
- **Water**
- **Wastewater**
The Health of the Ponte Vedra Utility System

While the rate structure ensures the System meets its minimum operational obligations, only $2 million will be generated over the next five years for the identified $40 million capital improvement program.
The minimum operating obligations can be met with a 3.0% annual indexing in the rate structure. Based upon a median 5,000 gallon usage.
Proposed Solutions
OBJECTIVES

- Obtain funding for capital reinvestment program.
- Improve annual financial results and insufficient reserve balances.

The Main System is a model for maintaining a utility through economic and environmental changes. It has a long term track record of strong financial management, system reinvestment, and economic planning. However, the Ponte Vedra system is at a crossroad in how it improves from a financial and infrastructure standpoint.

The Utility has developed an affordable and effective long term strategy to bring the same financial strength and environmental stewardship of the Main System to Ponte Vedra.
Financial Solution

PROPOSAL

Restructure Current Debt
Favorable market conditions present a refunding opportunity for existing Ponte Vedra debt to achieve $5.2 million in NPV savings.

Combine the Ponte Vedra Utility with the Main Utility System
Combining the systems allows the Ponte Vedra Utility to leverage the strong AA credit rating of the Main System in order to debt finance $8 million. In addition, a combined system permits the use of $4 million currently restricted.

Leverage Low Interest State Revolving Loans
The consolidation and construction of wastewater treatment facilities is an excellent candidate for low-interest state revolving loans.

*CWSRF Annual Average Rate is 0.82% as of 06/15/16.

Proposed Four Year Rate Adjustment
A moderate four year rate adjustment will be recommended to fund the Ponte Vedra Capital Reinvestment plan.
Proposed Funding Sources

Funding allocation of proposed capital improvement program.

Optimal and efficient use of existing capital, new debt issuance, and state revolving funds.
Proposed Ponte Vedra Utility Rate Adjustment

The County proposes a four year rate adjustment, supplemental to an annual indexing, to allow the Ponte Vedra Utility System to leverage the Main System’s credit rating for borrowing, release a $4 million restricted debt service reserve, and maximize the use of low-interest state revolving loans to address the proposed capital improvement program?

Proposed Rate Adjustment as Reflected in a Monthly Bill

Based upon a median 5,000 gallon usage.
How Are Rates Changing?

The proposed four year adjustment offers significant opportunity to improve the Utility, while maintaining very competitive rates.

Water
- Rate adjustment held at 2.0% per year for four years.
- Improves utility financials and builds reserve balances.

Wastewater
- Rate adjustment of 8.50% per year for four years.
- Improves utility financials, builds reserve balances, and most importantly, funds critical capital improvements.
Proposed Rates in Four Years (FY 2020)

- Ponte Vedra System updated by proposed rate adjustments.
- Main System updated by 3.0% indexing per year.
- All other Utilities held at today's rates because anticipated adjustments are unknown.

Typical Monthly Bill Comparison (5,000 Gallons)

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Water</th>
<th>Wastewater</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic Beach (In City)</td>
<td></td>
<td>$53.57</td>
</tr>
<tr>
<td>Palatka (In City)</td>
<td></td>
<td>$55.23</td>
</tr>
<tr>
<td>Clay Cty Utility Auth</td>
<td></td>
<td>$55.72</td>
</tr>
<tr>
<td>JEA</td>
<td></td>
<td>$59.75</td>
</tr>
<tr>
<td>Palatka (Out City)</td>
<td></td>
<td>$68.99</td>
</tr>
<tr>
<td>St. Aug (In City)</td>
<td></td>
<td>$69.22</td>
</tr>
<tr>
<td>SJC PV System</td>
<td></td>
<td>$69.35</td>
</tr>
<tr>
<td>Jacksonville Beach</td>
<td></td>
<td>$70.14</td>
</tr>
<tr>
<td>SJC Main System</td>
<td></td>
<td>$72.32</td>
</tr>
<tr>
<td>Palm Coast</td>
<td></td>
<td>$72.36</td>
</tr>
<tr>
<td>Flagler Beach (In City)</td>
<td></td>
<td>$83.84</td>
</tr>
<tr>
<td>St. Aug (Out City)</td>
<td></td>
<td>$85.65</td>
</tr>
<tr>
<td>Hastings (In City)</td>
<td></td>
<td>$123.80</td>
</tr>
<tr>
<td>Flagler Beach (Out City)</td>
<td></td>
<td>$125.76</td>
</tr>
<tr>
<td>Hastings (Out City)</td>
<td></td>
<td>$154.75</td>
</tr>
</tbody>
</table>

The chart above illustrates the typical monthly bill comparison for different service areas, with the breakdown shown in water and wastewater costs. The proposed rates are based on a combination of factors including inflation and utility-specific adjustments.
Closing

Moving forward with the recommended rate adjustments, combining of the Utility systems, and implementing the capital improvement program will bring the Ponte Vedra Utility into a more stable operating condition that is sustainable over the long term.

Benefits to the Community

- We will **reduce asset failure** in the community, which leads to road closures, sewer overflows, low pressure and boil water notices, by making extensive capital repairs to our most critical infrastructure.

- The new regional wastewater facility will produce much **higher quality effluent**, which will improve nutrient discharge and allow for cleaner ponds and waterways, and will minimize maintenance costs.

- New facility will **consolidate** three of the four existing Wastewater Treatment Facilities.

- Take advantage of **historically low interest rates** to fully fund a significant capital reinvestment program, which minimizes the impact to our rate payers.

- After four years, the system will have established sufficient rates and return to annual indexing in future years. The Ponte Vedra system will be financially and systematically capable of **operating at a sustainable level** over the long term.
Next Steps & Timeline

- Begin public outreach. July 2016
- BCC Presentation of Ponte Vedra Capital Reinvestment plan, bond refunding, and staff recommendation. August 16th, 2016
- Finance team to move forward with refunding based on BCC authorization. August 16th, 2016
- Fiscal Year Begins. October 1st, 2016