

Toho Water Authority

Poinciana Water & Sewer Line Extension Policy (CIAC) & Builder's Meeting

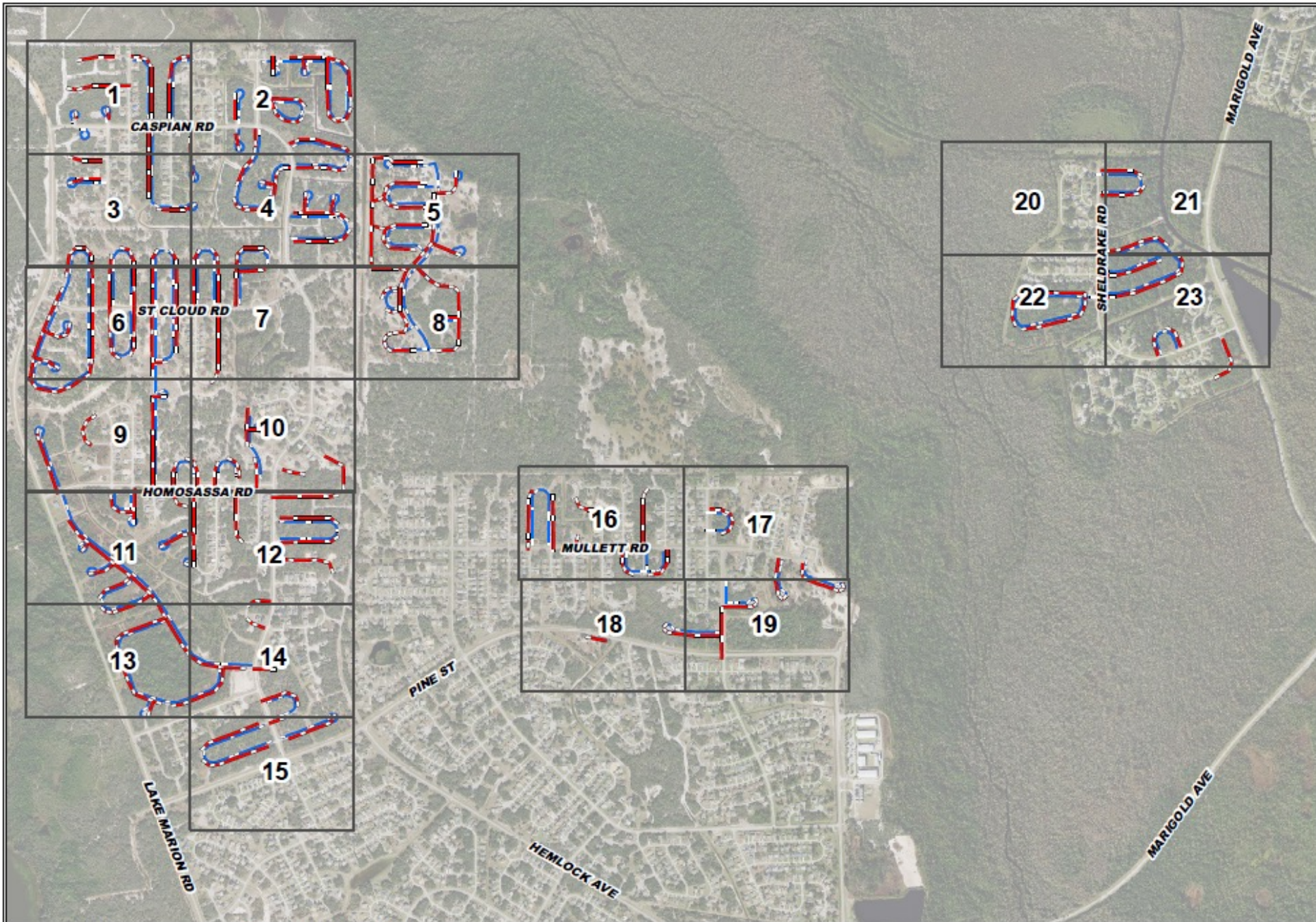
JUNE 22, 2021




Focus on Poinciana

- Approximately 2,000 platted lots without water and/or sewer service
- Numerous requests for water & sewer availability
- Goal to expand infrastructure to address unserved platted parcels
- Contribution in aid of construction (CIAC) approach to recover localized infrastructure costs
 - These are costs normally incurred by developers in a traditional development
- System Development Charges (SDC) – System wide treatment/transmission costs still apply



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-  PROPOSED HYDRANT
-  PROPOSED WATER MAIN
-  PROPOSED SEWER MAIN

**POINCIANA MISSING WATER AND SEWER MAINS
INDEX MAP**



Agenda

- **CIAC Fee Program**
- **Utility Main Extension Scenarios**
- **Reimbursement Process**
- **Project Agreements & Reimbursement Priority**
- **Next Steps/Discussion**
- **Customer Service Poinciana Discussion**
- **Step through Project Process**



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What is a CIAC Fee Program?

Cost recovery approach to provide localized infrastructure to existing, unserved platted residential lots

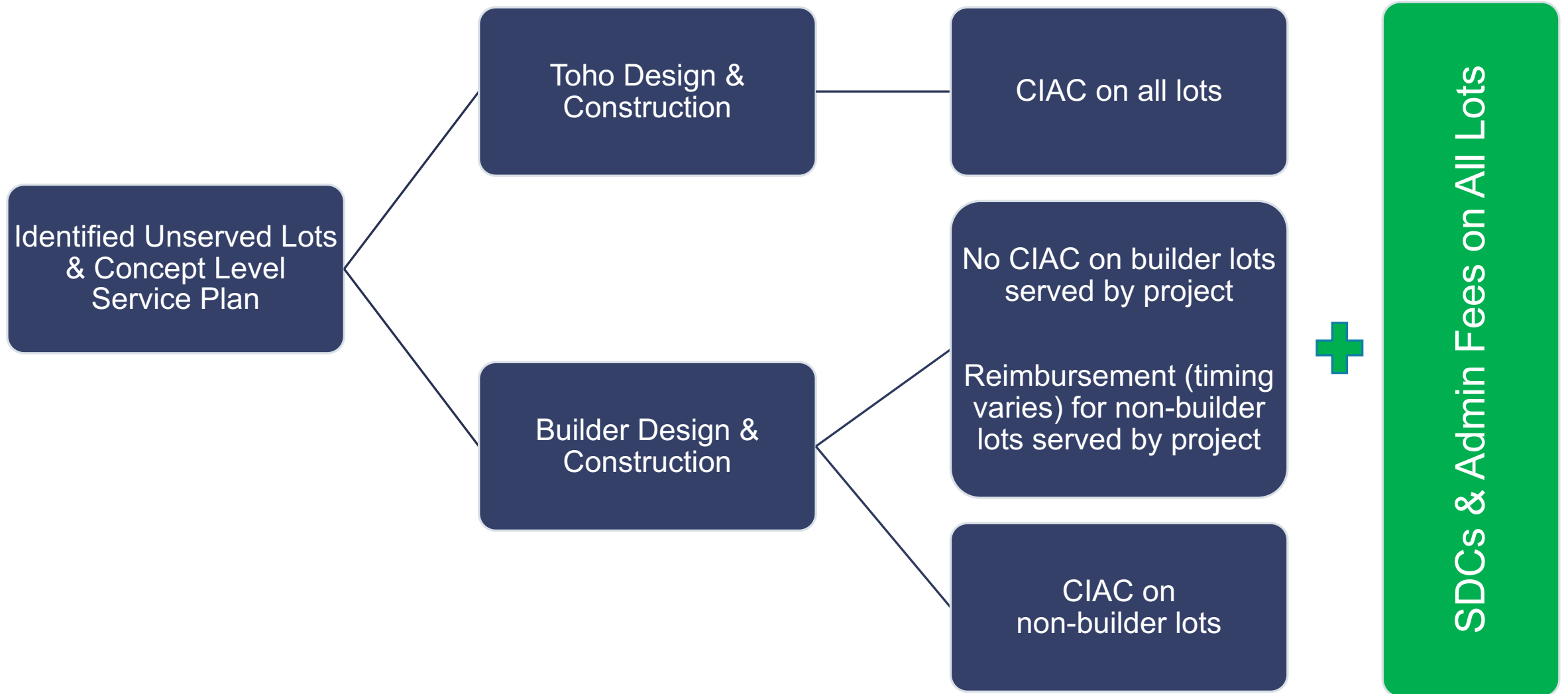
Included	Excluded	Case-by-Case
Platted residential lots without service, an average lot frontage of 100 ft. or less, where Toho mains are accessible *	New subdivisions Non-residential properties	
		Extension areas with average lot frontage > 100 ft
	Extensions without accessible Toho mains	Interim installation of small diameter force main & onsite pump station



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* Toho main considered accessible if located in abutting street and connection possible without pump station

Utility Main Extension Scenarios



Understanding Reimbursements

Request

Builder owns two lots part way down street
2 of 14 (14% of total)

Main Extensions

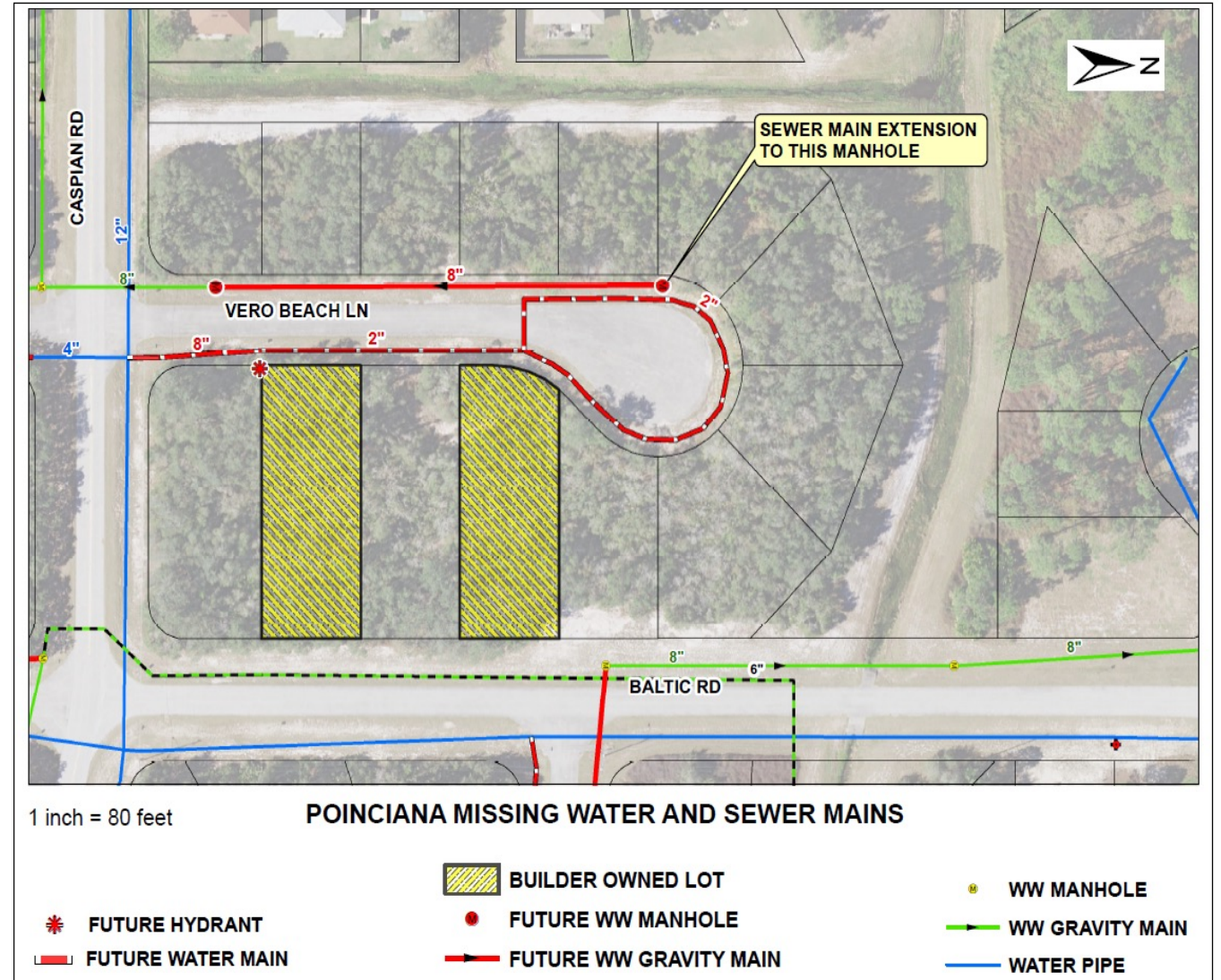
Builder installs mains and services & is responsible for extension to next manhole (sewer) and valve (water) beyond property.

Builder Reimbursement

For this example - 86% of actual extension cost

Cost Recovery Process

Builder lots – None (contributed asset)
Other lots - CIAC due at meter request



CIAC Fee per Lot Calculations: Water Only, Sewer Only, or Both

CIAC for First Year of the Program

Service / Fee Type	Fees per Lot		
	Individual Fees	Water / Sewer	Water & Sewer
Water main extension	\$5,151	\$5,639	\$18,890
Admin fee, water	\$488		
Sewer main extension	\$12,763	\$13,251	
Admin fee, sewer	\$488		

CIAC for Subsequent Years

- Adjusted annually based on actual cost experience



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Note

- SDCs, meter & connection fees, and admin fees due on all lots, including builder constructed infrastructure

Annual Infrastructure Funding

Source	Annual Funding
Builder Constructed Infrastructure Serving Builder Owned/Controlled Lots	Varies
Toho Contributed Capital	\$2.0 million (October 1 Fiscal Year Start)
CIAC Fees Collected	Varies - # of New Connections to CIAC Lines (Example 50 connections @ \$18,890 = \$0.94 Million)

Note

- Increasing the concentration of builder-served lots will help Toho Capital and CIAC Fee Revenue advance more infrastructure
- All builder constructed infrastructure serving non-builder owned lots in a CIAC designated area is eligible for reimbursement consideration (subject to agreement) – reimbursement timing is subject to funding



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Prioritizing Reimbursements

- Toho will review/prioritize project reimbursement applications two (2) times per year (September & March)

Ways to improve your funding priority

Higher percentage of builder controlled lots for the project

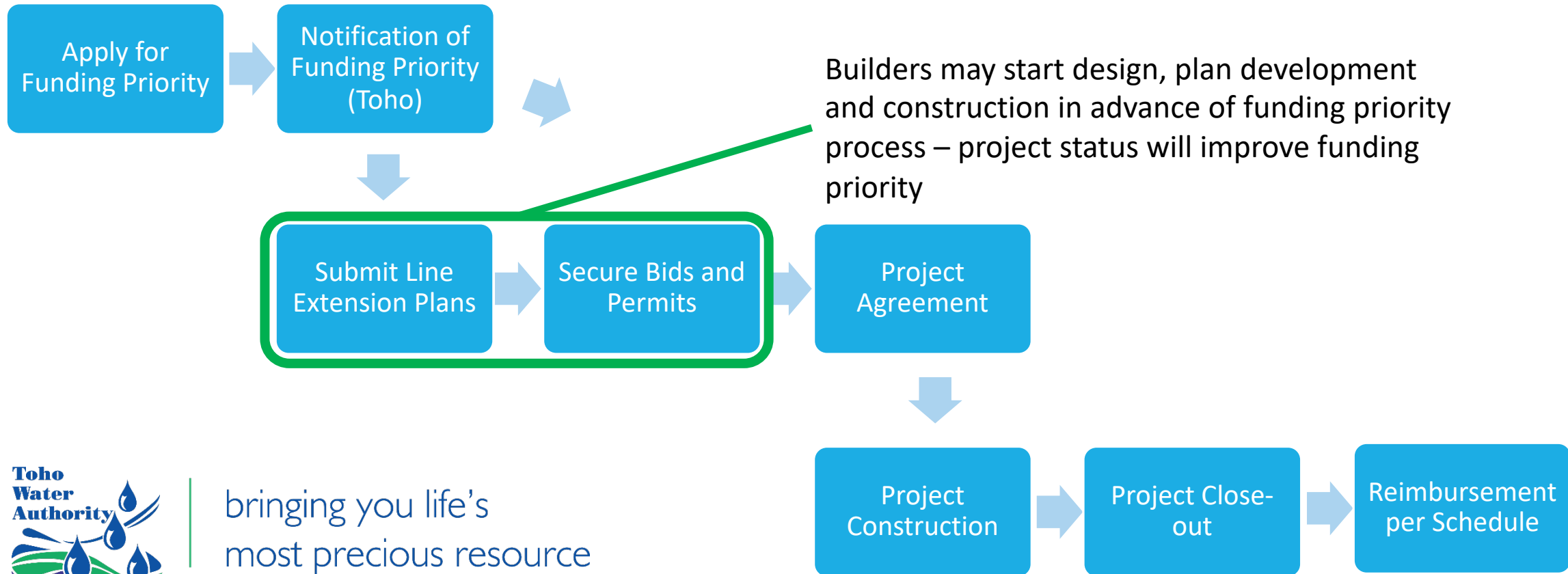
Project readiness (i.e. plan status, construction schedule, costs/bids in hand)

Immediate connection commitment (written) of other lots on the street



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CIAC Process Steps for Builder Construction



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Priority Listing and Agreements

- Following each biannual prioritization, Toho will release a prioritized project reimbursement list
- Projects identified for funding in the next 12 months will be required to:
 - Complete the project design and secure all permits and approvals
 - Secure three competitive bids for the work, reimbursement based on the lowest bid
 - Execute a line extension agreement including posting of performance bonds
 - The line extension agreement will require start of construction within 90 days of execution
 - Failure to timely complete the above items will cause the project to be re-evaluated in the next prioritization cycle
- Projects with funding estimates beyond 12 months may:
 - Complete the design, bid, and agreement process including construction start
 - Prioritization above future submitted projects is guaranteed
 - Reimbursement timing will be estimated and subject to funding availability



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Builder Steps: Apply for Reimbursement Priority

1. Submit builder information
2. Submit schematic extension plan (note status of plan development if underway)
3. Identify total lots to be served by project
4. Provide documentation of builder owned/controlled lots
5. Provide documentation of property owners willing to connect/pay CIAC immediately



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Due Dates for Biannual Funding Prioritization

- August 1 (or first business day after)
- February 1 (or first business day after)

Reimbursement Approach

- Available funding for Fiscal Year (FY) (\$2 M)
- October 1 of each year starts new FY. Additional \$2M added to budget
- Toho will reimburse as quickly as possible based upon available funding
- Reimbursement can be earlier depending on CIACs collected
- The more CIAC fees collected the more projects reimbursed
- Keeping construction costs down will help funding go further



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Non – Builder Owned Lots

- Lots can request service as soon as Toho accepts Bill of Sale
- Request for Water Meter will trigger invoice for the following:
 - a) Water and/ or sewer CIAC Fee(s)
 - b) Water and/ or sewer Admin Fee(s)
 - c) System Development Charges (SDC)
 - d) Water meter & sewer connection fees



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What's Next – Tentative Dates & Schedule

- June 29 – Builders provide additional comments regarding process
- July 14 – Toho plans to release funding priority application and draft agreements
- August 2 – Funding applications due
- Mid-Late August – Toho review/prioritization of funding applications
- September 8 – Toho approval of first round of funding prioritization
- October 1 – First round of funding available for payments per agreements



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Other Info – Toho is also proceeding with a project to serve Village 7, Neighborhood 2 East consisting of app. 170 lots. This project does not affect funding availability discussed herein.

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Builder Steps: Submit Line Extension Plan

1. Prepare main extension plan
 - Prepared, signed, sealed by licensed engineer
 - Must meet Toho's specifications & meet Toho's agreement requirements
 - Lots served/lots owned by builder
2. Submit to Toho
3. Toho approves line extension plans
4. Secure bids and appropriate permits
 - Three competitive construction bids
 - Florida Department of Environmental Protection (FDEP) permits
 - County right-of-way permits



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Builder Steps: Execute Line Extension Agreement

1. Toho provides agreement & checklist for completion
2. Review agreement & completed checklist
3. Reimbursement amount calculated
4. Priority for reimbursement documented
5. Key project milestones established
6. Execute agreement



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Builder's Steps: Construction

1. Provide shop drawing submittals for proposed materials
2. Schedule pre-construction meeting with CIAC PM & Toho
3. Coordinate start of construction with Toho Inspector
4. Contractor installs infrastructure
5. Infrastructure inspected, tested, and accepted by Toho



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Builder's Steps: Project Closeout

1. Closeout all project-related permits (FDEP & County ROW)
2. Final Line Extension Inspection with CIAC PM & Toho Inspector
3. Provide final project documents for Toho review & acceptance
4. Provide Toho Bill of Sale & request for reimbursement



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Questions?
Thank You!
