

The background is a light blue gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The main title is centered in a large, bold, black sans-serif font.

WEDGEFIELD WATER - SUPPLIER DISCUSSION

REQUEST FOR ORANGE COUNTY UTILITIES
TO ACQUIRE PLURIS-WEDGEFIELD

AGENDA

- PLURIS-WEDGEFIELD ACQUISITION CONSIDERATIONS
- UNDERSTANDING THE COST ESTIMATES
- COST SCENARIOS
- DECIDING FACTORS
- TIMELINE OVERVIEW
- QUESTIONS & ANSWERS

PLURIS WEDGEFIELD ACQUISITION CONSIDERATIONS

- Orange County Utilities' (OCU) nearest infrastructure is over 6 miles from Wedgefield – Connecting directly to the OCU system is not currently feasible
- For OCU to acquire the Pluris Wedgefield system, the following assumptions apply:
 - OCU would own, operate, and upgrade the existing water and wastewater facilities
 - Condition / needs assessment of plant facilities and infrastructure would need to be completed to determine costs
 - Costs for this process would include acquisition and infrastructure improvement costs
 - Analysis assumes Pluris-Wedgefield would become a willing seller

PLURIS WEDGEFIELD ACQUISITION ASSUMPTIONS

- Cost for an acquisition and upgrades to the system would be recovered through a municipal benefit unit, referred to as a MSBU.
 - An MSBU is created by property owners in a defined geographical area who vote to levy a charge to support improvements to their area.
 - 1,761 parcels (residential, commercial, and vacant) are located in the Pluris-Wedgefield service area and would be subject to the MSBU.
 - Each parcel owner would receive the MSBU bill annually concurrent with their tax assessment.
 - Costs for the MSBU are estimated based upon a 20 year repayment at 3% interest.
- Cost estimates prepared to enable each property owner to determine how this affects them
 - Fixed MSBU costs may be offset by a lower monthly bill, depending on consumption
 - Analysis reflects the total expense paid out by owners (MSBU + Water / Wastewater Bill). Owners can compare this amount to their current bill to determine if this approach will be less expensive.

UNDERSTANDING THE COST ESTIMATES

- The draft table compares OCU against Pluris water / wastewater rates
 - Columns A – E
 - OCU current water / wastewater rates (effective 10/1/16) plus a 15% surcharge for operation and maintenance of the current plant.
 - Columns F – J
 - Pluris current rates based on PSC data and verified through bill information provided by residents.
 - Column K
 - Monthly difference in dollars between OCU and Pluris
 - Columns L – P
 - Monthly costs per parcel using different municipal bond scenarios. This is shown as monthly but is assessed annually thorough the MSBU.
- Rows reflect monthly water usage from 0 gallons (base cost for service) to 35,000 gallons.

COST SCENARIOS

EXAMPLE 1

- Monthly Consumption = 6,000 gallons
- Bonds – 3% for 20 years
- Total cost of acquisition & remediation is \$15 million
- **Monthly savings is \$26.73**

EXAMPLE 2

- Monthly Consumption = 6,000 gallons
- Bonds – 3% for 20 years
- Total cost of acquisition & remediation is \$20 million
- **Monthly savings is \$10.98**

EXAMPLE 3

- Monthly Consumption = 6,000 gallons
- Bonds – 3% for 20 years
- Total cost of acquisition & remediation is \$25 million
- **Monthly cost is \$4.76**

DECIDING FACTORS

- Private versus Public Utility
 - PSC Regulation versus Orange County Mayor and Board of County Commissioners
 - Wedgefield will have a voice
- Benefits of a larger scale provider
 - Larger customer base to dampen future costs / rates
 - Availability of supporting equipment and resources
- Customer Service
- Water Quality
- Property Value
- Costs
 - Compare Pluris Wedgefield Rates to MSBU + OCU Rates for your level of consumption
 - Consider other cost factors – purchased drinking water, in-home treatment systems

TIMELINE OVERVIEW

- Moving Forward from September 2016

- Timing for these initial processes is unknown and dependent upon community support, several months or more is likely
- Gauge community interest:
 - All three Home Owners Association (HOA) boards met to discuss the draft plan
 - All three HOA boards agree that acquisition is in the best interest of the Wedgefield Community
 - Sent Commissioner Edwards a letter stating that community desires to move forward with acquisition
- Board of County Commissioners Workshop Requested by Commissioner
 - Present overview of the resident's concerns and discussions to date.
 - Solicit BCC feedback and direction for moving forward, including approval threshold.
- Community Education and Concurrence:
 - HOA Boards Lead Community Education Effort
 - Confirm preliminary interest / commitment from property owners
 - Each parcel owner supporting acquisition will sign a pre-commitment letter
 - Minimum threshold is 67% (1,180) of owners, however, this can be set higher by the BCC
 - This commitment letter is not legally binding. The letter simply states you support pursuing the acquisition so we can move forward to obtain final acquisition and upgrade costs
 - Letters of Commitment will be delivered to Orange County with formal request to continue moving forward

TIMELINE OVERVIEW

- Following formal request and indication of support from Wedgefield Community
 - Board of County Commissioners Workshop Requested by Commissioner
 - Required to authorize staff to begin discussions with Pluris
 - Set approval threshold for MSBU
 - Establish specific constraints for staff for the acquisition process
 - Pursue Acquisition
 - OCU to engage Pluris in acquisition negotiations
 - OCU to conduct condition / needs assessment of plants and infrastructure
 - Finalize acquisition and upgrade costs
 - Final Community Approval
 - Orange County will send ballots to each parcel owner for their final vote.
 - Similar to commitment letter, a minimum threshold of property owners must approve establishing the MSBU before the process can continue.
- Entire process is likely to take at least 2 to 3 years, but could extend longer

QUESTIONS?

Questions/Updates

Email: waterbill@wedgfieldhomeowners.com

Facebook Group: Wedgfield Water

Phone: 321-234-6671

Orange County Utilities

	W	WW
Fixed Charge	\$ 7.96	\$ 18.61
Variables: (Per Kgal)		\$ 4.23
0-3	\$ 1.27	
4-10	\$ 1.74	
11-20	\$ 3.47	
21-30	\$ 6.93	
31+	\$ 13.85	

Pluris Wedgefield, Inc.

	W	WW
Fixed Charge	\$ 24.95	\$ 29.41
Variables: (Per Kgal)		\$ 4.30
0-5	\$ 7.86	
6-10	\$ 9.77	
11+	\$ 14.66	

Monthly Difference (in \$) Between OCU & Pluris Billing

Monthly Cost Per Parcel \$10M, I = 3%, N = 240, Parcels = 1,761	Monthly Cost Per Parcel \$15M, I = 3%, N = 240, Parcels = 1,761	Monthly Cost Per Parcel \$20M, I = 3%, N = 240, Parcels = 1,761	Monthly Cost Per Parcel \$25M, I = 3%, N = 240, Parcels = 1,761	Monthly Cost Per Parcel \$30M, I = 3%, N = 240, Parcels = 1,761
\$ 31.49	\$ 47.24	\$ 62.99	\$ 78.73	\$ 94.48

A B C D E
** WASTEWATER MAXIMUM 14 Kgal (Residential Only)

USAGE (Kgals)	WATER	PST	WASTE WATER	TOTAL
0	\$ 7.96	\$ 0.80	\$ 18.61	\$ 27.36
1	\$ 9.22	\$ 0.92	\$ 22.84	\$ 32.98
2	\$ 10.49	\$ 1.05	\$ 27.07	\$ 38.61
3	\$ 11.75	\$ 1.18	\$ 31.30	\$ 44.23
4	\$ 13.49	\$ 1.35	\$ 35.54	\$ 50.37
5	\$ 15.23	\$ 1.52	\$ 39.77	\$ 56.52
6	\$ 16.96	\$ 1.70	\$ 44.00	\$ 62.66
7	\$ 18.70	\$ 1.87	\$ 48.23	\$ 68.80
8	\$ 20.44	\$ 2.04	\$ 52.46	\$ 74.94
9	\$ 22.17	\$ 2.22	\$ 56.70	\$ 81.08
10	\$ 23.91	\$ 2.39	\$ 60.93	\$ 87.23
11	\$ 27.38	\$ 2.74	\$ 65.16	\$ 95.28
12	\$ 30.85	\$ 3.09	\$ 69.39	\$ 103.33
13	\$ 34.33	\$ 3.43	\$ 73.62	\$ 111.38
14	\$ 37.80	\$ 3.78	\$ 77.86	\$ 119.44
15	\$ 41.27	\$ 4.13	\$ 77.86	\$ 123.26
16	\$ 44.75	\$ 4.47	\$ 77.86	\$ 127.08
17	\$ 48.22	\$ 4.82	\$ 77.86	\$ 130.90
18	\$ 51.69	\$ 5.17	\$ 77.86	\$ 134.72
19	\$ 55.17	\$ 5.52	\$ 77.86	\$ 138.54
20	\$ 58.64	\$ 5.86	\$ 77.86	\$ 142.36
21	\$ 65.57	\$ 6.56	\$ 77.86	\$ 149.99
22	\$ 72.51	\$ 7.25	\$ 77.86	\$ 157.61
23	\$ 79.44	\$ 7.94	\$ 77.86	\$ 165.24
24	\$ 86.38	\$ 8.64	\$ 77.86	\$ 172.87
25	\$ 93.31	\$ 9.33	\$ 77.86	\$ 180.50
26	\$ 100.25	\$ 10.02	\$ 77.86	\$ 188.13
27	\$ 107.18	\$ 10.72	\$ 77.86	\$ 195.75
28	\$ 114.11	\$ 11.41	\$ 77.86	\$ 203.38
29	\$ 121.05	\$ 12.10	\$ 77.86	\$ 211.01
30	\$ 127.98	\$ 12.80	\$ 77.86	\$ 218.64
31	\$ 141.83	\$ 14.18	\$ 77.86	\$ 233.87
32	\$ 155.68	\$ 15.57	\$ 77.86	\$ 249.10
33	\$ 169.52	\$ 16.95	\$ 77.86	\$ 264.33
34	\$ 183.37	\$ 18.34	\$ 77.86	\$ 279.56
35	\$ 197.21	\$ 19.72	\$ 77.86	\$ 294.79

F G H I J
** WASTEWATER MAXIMUM 8 Kgal (Residential Only)

USAGE (Kgals)	WATER	PST	WASTE WATER	TOTAL
0	\$ 24.95	\$ 2.50	\$ 29.41	\$ 56.86
1	\$ 32.81	\$ 3.28	\$ 33.71	\$ 69.80
2	\$ 40.67	\$ 4.07	\$ 38.01	\$ 82.75
3	\$ 48.53	\$ 4.85	\$ 42.31	\$ 95.69
4	\$ 56.39	\$ 5.64	\$ 46.61	\$ 108.64
5	\$ 64.25	\$ 6.43	\$ 50.91	\$ 121.59
6	\$ 74.02	\$ 7.40	\$ 55.21	\$ 136.63
7	\$ 83.79	\$ 8.38	\$ 59.51	\$ 151.68
8	\$ 93.56	\$ 9.36	\$ 63.81	\$ 166.73
9	\$ 103.33	\$ 10.33	\$ 63.81	\$ 177.47
10	\$ 113.10	\$ 11.31	\$ 63.81	\$ 188.22
11	\$ 127.76	\$ 12.78	\$ 63.81	\$ 204.35
12	\$ 142.42	\$ 14.24	\$ 63.81	\$ 220.47
13	\$ 157.08	\$ 15.71	\$ 63.81	\$ 236.60
14	\$ 171.74	\$ 17.17	\$ 63.81	\$ 252.72
15	\$ 186.40	\$ 18.64	\$ 63.81	\$ 268.85
16	\$ 201.06	\$ 20.11	\$ 63.81	\$ 284.98
17	\$ 215.72	\$ 21.57	\$ 63.81	\$ 301.10
18	\$ 230.38	\$ 23.04	\$ 63.81	\$ 317.23
19	\$ 245.04	\$ 24.50	\$ 63.81	\$ 333.35
20	\$ 259.70	\$ 25.97	\$ 63.81	\$ 349.48
21	\$ 274.36	\$ 27.44	\$ 63.81	\$ 365.61
22	\$ 289.02	\$ 28.90	\$ 63.81	\$ 381.73
23	\$ 303.68	\$ 30.37	\$ 63.81	\$ 397.86
24	\$ 318.34	\$ 31.83	\$ 63.81	\$ 413.98
25	\$ 333.00	\$ 33.30	\$ 63.81	\$ 430.11
26	\$ 347.66	\$ 34.77	\$ 63.81	\$ 446.24
27	\$ 362.32	\$ 36.23	\$ 63.81	\$ 462.36
28	\$ 376.98	\$ 37.70	\$ 63.81	\$ 478.49
29	\$ 391.64	\$ 39.16	\$ 63.81	\$ 494.61
30	\$ 406.30	\$ 40.63	\$ 63.81	\$ 510.74
31	\$ 420.96	\$ 42.10	\$ 63.81	\$ 526.87
32	\$ 435.62	\$ 43.56	\$ 63.81	\$ 542.99
33	\$ 450.28	\$ 45.03	\$ 63.81	\$ 559.12
34	\$ 464.94	\$ 46.49	\$ 63.81	\$ 575.24
35	\$ 479.60	\$ 47.96	\$ 63.81	\$ 591.37

K
Δ
\$ 29.49
\$ 36.82
\$ 44.14
\$ 51.46
\$ 58.27
\$ 65.07
\$ 73.97
\$ 82.88
\$ 91.78
\$ 96.39
\$ 100.99
\$ 109.07
\$ 117.14
\$ 125.21
\$ 133.29
\$ 145.59
\$ 157.90
\$ 170.21
\$ 182.51
\$ 194.82
\$ 207.12
\$ 215.62
\$ 224.12
\$ 232.62
\$ 241.11
\$ 249.61
\$ 258.11
\$ 266.61
\$ 275.11
\$ 283.61
\$ 292.10
\$ 293.00
\$ 293.89
\$ 294.79
\$ 295.68
\$ 296.58

L M N O P
Debt Service (Acquisition + Remediation)

Δ	Δ	Δ	Δ	Δ
\$ (2.00)	\$ (17.75)	\$ (33.50)	\$ (49.24)	\$ (64.99)
\$ 5.33	\$ (10.42)	\$ (26.17)	\$ (41.91)	\$ (57.66)
\$ 12.65	\$ (3.10)	\$ (18.85)	\$ (34.59)	\$ (50.34)
\$ 19.97	\$ 4.22	\$ (11.53)	\$ (27.27)	\$ (43.02)
\$ 26.78	\$ 11.03	\$ (4.72)	\$ (20.46)	\$ (36.21)
\$ 33.58	\$ 17.83	\$ 2.08	\$ (13.66)	\$ (29.41)
\$ 42.48	\$ 26.73	\$ 10.98	\$ (4.76)	\$ (20.51)
\$ 51.39	\$ 35.64	\$ 19.89	\$ 4.15	\$ (11.60)
\$ 60.29	\$ 44.54	\$ 28.79	\$ 13.05	\$ (2.70)
\$ 64.90	\$ 49.15	\$ 33.40	\$ 17.66	\$ 1.91
\$ 69.50	\$ 53.75	\$ 38.00	\$ 22.26	\$ 6.51
\$ 77.58	\$ 61.83	\$ 46.08	\$ 30.34	\$ 14.59
\$ 85.65	\$ 69.90	\$ 54.15	\$ 38.41	\$ 22.66
\$ 93.72	\$ 77.97	\$ 62.22	\$ 46.48	\$ 30.73
\$ 101.80	\$ 86.05	\$ 70.30	\$ 54.56	\$ 38.81
\$ 114.10	\$ 98.35	\$ 82.60	\$ 66.86	\$ 51.11
\$ 126.41	\$ 110.66	\$ 94.91	\$ 79.17	\$ 63.42
\$ 138.72	\$ 122.97	\$ 107.22	\$ 91.48	\$ 75.73
\$ 151.02	\$ 135.27	\$ 119.52	\$ 103.78	\$ 88.03
\$ 163.33	\$ 147.58	\$ 131.83	\$ 116.09	\$ 100.34
\$ 175.63	\$ 159.88	\$ 144.13	\$ 128.39	\$ 112.64
\$ 184.13	\$ 168.38	\$ 152.63	\$ 136.89	\$ 121.14
\$ 192.63	\$ 176.88	\$ 161.13	\$ 145.39	\$ 129.64
\$ 201.13	\$ 185.38	\$ 169.63	\$ 153.89	\$ 138.14
\$ 209.62	\$ 193.87	\$ 178.12	\$ 162.38	\$ 146.63
\$ 218.12	\$ 202.37	\$ 186.62	\$ 170.88	\$ 155.13
\$ 226.62	\$ 210.87	\$ 195.12	\$ 179.38	\$ 163.63
\$ 235.12	\$ 219.37	\$ 203.62	\$ 187.88	\$ 172.13
\$ 243.62	\$ 227.87	\$ 212.12	\$ 196.38	\$ 180.63
\$ 252.12	\$ 236.37	\$ 220.62	\$ 204.88	\$ 189.13
\$ 260.61	\$ 244.86	\$ 229.11	\$ 213.37	\$ 197.62
\$ 261.51	\$ 245.76	\$ 230.01	\$ 214.27	\$ 198.52
\$ 262.40	\$ 246.65	\$ 230.90	\$ 215.16	\$ 199.41
\$ 263.30	\$ 247.55	\$ 231.80	\$ 216.06	\$ 200.31
\$ 264.19	\$ 248.44	\$ 232.69	\$ 216.95	\$ 201.20
\$ 265.09	\$ 249.34	\$ 233.59	\$ 217.85	\$ 202.10

HOMEOWNER EXPRESSION OF INTEREST

LETTER TO SUPPORT INVESTIGATION OF PLURIS ACQUISITION

By signing this document, I agree that Orange County should pursue the investigation into the acquisition of Pluris Wedgefield and at this time, I would intend to "Opt-in" to an MSBU (Municipal Services Benefit Unit) via ballot subject to the final costs. I understand this is a preliminary commitment and does not bind me legally or monetarily. I will have an opportunity to vote at a future date with final numbers.

Name as it appears on Deed: _____

Parcel ID: _____

Address: _____

Signature: _____

Date: _____