

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	\$ 8.20	\$ 19.17		
Variables: (Per Kgal)		\$ 4.36		
0-3	\$ 1.30			
4-10	\$ 1.79			
11-20	\$ 3.58			
21-30	\$ 7.14			
31+	\$ 14.26			
A	B	C	D	E
** WASTEWATER MAXIMUM 14 Kgal (Residential Only)				
USAGE (Kgals)	WATER	PST	WASTE WATER	TOTAL
0	\$ 8.20	\$ 0.82	\$ 19.17	\$ 28.19
1	\$ 9.50	\$ 0.95	\$ 23.53	\$ 33.98
2	\$ 10.80	\$ 1.08	\$ 27.89	\$ 39.77
3	\$ 12.10	\$ 1.21	\$ 32.25	\$ 45.55
4	\$ 13.89	\$ 1.39	\$ 36.60	\$ 51.89
5	\$ 15.69	\$ 1.57	\$ 40.96	\$ 58.22
6	\$ 17.48	\$ 1.75	\$ 45.32	\$ 64.55
7	\$ 19.27	\$ 1.93	\$ 49.68	\$ 70.88
8	\$ 21.07	\$ 2.11	\$ 54.04	\$ 77.21
9	\$ 22.86	\$ 2.29	\$ 58.40	\$ 83.55
10	\$ 24.66	\$ 2.47	\$ 62.76	\$ 89.88
11	\$ 28.23	\$ 2.82	\$ 67.11	\$ 98.17
12	\$ 31.81	\$ 3.18	\$ 71.47	\$ 106.46
13	\$ 35.39	\$ 3.54	\$ 75.83	\$ 114.76
14	\$ 38.96	\$ 3.90	\$ 80.19	\$ 123.05
15	\$ 42.54	\$ 4.25	\$ 80.19	\$ 126.98
16	\$ 46.12	\$ 4.61	\$ 80.19	\$ 130.92
17	\$ 49.69	\$ 4.97	\$ 80.19	\$ 134.85
18	\$ 53.27	\$ 5.33	\$ 80.19	\$ 138.78
19	\$ 56.84	\$ 5.68	\$ 80.19	\$ 142.72
20	\$ 60.42	\$ 6.04	\$ 80.19	\$ 146.65
21	\$ 67.56	\$ 6.76	\$ 80.19	\$ 154.51
22	\$ 74.70	\$ 7.47	\$ 80.19	\$ 162.36
23	\$ 81.85	\$ 8.18	\$ 80.19	\$ 170.22
24	\$ 88.99	\$ 8.90	\$ 80.19	\$ 178.08
25	\$ 96.13	\$ 9.61	\$ 80.19	\$ 185.93
26	\$ 103.27	\$ 10.33	\$ 80.19	\$ 193.79
27	\$ 110.41	\$ 11.04	\$ 80.19	\$ 201.64
28	\$ 117.55	\$ 11.76	\$ 80.19	\$ 209.50
29	\$ 124.69	\$ 12.47	\$ 80.19	\$ 217.35
30	\$ 131.84	\$ 13.18	\$ 80.19	\$ 225.21
31	\$ 146.10	\$ 14.61	\$ 80.19	\$ 240.90
32	\$ 160.36	\$ 16.04	\$ 80.19	\$ 256.58
33	\$ 174.62	\$ 17.46	\$ 80.19	\$ 272.27
34	\$ 188.88	\$ 18.89	\$ 80.19	\$ 287.95
35	\$ 203.14	\$ 20.31	\$ 80.19	\$ 303.64

Pluris Wedgefield, Inc.				
	W	WW		
Fixed Charge	\$ 28.32	\$ 30.85		
Variables: (Per Kgal)		\$ 4.51		
0-5	\$ 8.93			
6-10	\$ 11.09			
11+	\$ 16.64			
F	G	H	I	J
** WASTEWATER MAXIMUM 8 Kgal (Residential Only)				
USAGE (Kgals)	WATER	PST	WASTE WATER	TOTAL
0	\$ 28.32	\$ 2.83	\$ 30.85	\$ 62.00
1	\$ 37.25	\$ 3.73	\$ 35.36	\$ 76.34
2	\$ 46.18	\$ 4.62	\$ 39.87	\$ 90.67
3	\$ 55.11	\$ 5.51	\$ 44.38	\$ 105.00
4	\$ 64.04	\$ 6.40	\$ 48.89	\$ 119.33
5	\$ 72.97	\$ 7.30	\$ 53.40	\$ 133.67
6	\$ 84.06	\$ 8.41	\$ 57.91	\$ 150.38
7	\$ 95.15	\$ 9.52	\$ 62.42	\$ 167.09
8	\$ 106.24	\$ 10.62	\$ 66.93	\$ 183.79
9	\$ 117.33	\$ 11.73	\$ 66.93	\$ 195.99
10	\$ 128.42	\$ 12.84	\$ 66.93	\$ 208.19
11	\$ 145.06	\$ 14.51	\$ 66.93	\$ 226.50
12	\$ 161.70	\$ 16.17	\$ 66.93	\$ 244.80
13	\$ 178.34	\$ 17.83	\$ 66.93	\$ 263.10
14	\$ 194.98	\$ 19.50	\$ 66.93	\$ 281.41
15	\$ 211.62	\$ 21.16	\$ 66.93	\$ 299.71
16	\$ 228.26	\$ 22.83	\$ 66.93	\$ 318.02
17	\$ 244.90	\$ 24.49	\$ 66.93	\$ 336.32
18	\$ 261.54	\$ 26.15	\$ 66.93	\$ 354.62
19	\$ 278.18	\$ 27.82	\$ 66.93	\$ 372.93
20	\$ 294.82	\$ 29.48	\$ 66.93	\$ 391.23
21	\$ 311.46	\$ 31.15	\$ 66.93	\$ 409.54
22	\$ 328.10	\$ 32.81	\$ 66.93	\$ 427.84
23	\$ 344.74	\$ 34.47	\$ 66.93	\$ 446.14
24	\$ 361.38	\$ 36.14	\$ 66.93	\$ 464.45
25	\$ 378.02	\$ 37.80	\$ 66.93	\$ 482.75
26	\$ 394.66	\$ 39.47	\$ 66.93	\$ 501.06
27	\$ 411.30	\$ 41.13	\$ 66.93	\$ 519.36
28	\$ 427.94	\$ 42.79	\$ 66.93	\$ 537.66
29	\$ 444.58	\$ 44.46	\$ 66.93	\$ 555.97
30	\$ 461.22	\$ 46.12	\$ 66.93	\$ 574.27
31	\$ 477.86	\$ 47.79	\$ 66.93	\$ 592.58
32	\$ 494.50	\$ 49.45	\$ 66.93	\$ 610.88
33	\$ 511.14	\$ 51.11	\$ 66.93	\$ 629.18
34	\$ 527.78	\$ 52.78	\$ 66.93	\$ 647.49
35	\$ 544.42	\$ 54.44	\$ 66.93	\$ 665.79

Monthly Difference (in \$) Between OCU & Pluris Billing
K
Δ
\$ 33.81
\$ 42.36
\$ 50.90
\$ 59.45
\$ 67.45
\$ 75.45
\$ 85.83
\$ 96.20
\$ 106.58
\$ 112.45
\$ 118.31
\$ 128.33
\$ 138.34
\$ 148.35
\$ 158.36
\$ 172.73
\$ 187.10
\$ 201.47
\$ 215.84
\$ 230.21
\$ 244.58
\$ 255.03
\$ 265.48
\$ 275.92
\$ 286.37
\$ 296.82
\$ 307.27
\$ 317.72
\$ 328.17
\$ 338.61
\$ 349.06
\$ 351.68
\$ 354.30
\$ 356.92
\$ 359.53
\$ 362.15

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
L	M	N	O	P
Debt Service (Acquisition + Remediation)				
Δ	Δ	Δ	Δ	Δ
\$ 31.49	\$ 47.24	\$ 62.99	\$ 78.73	\$ 94.48
\$ 2.32	\$ (13.43)	\$ (29.18)	\$ (44.92)	\$ (60.67)
\$ 10.87	\$ (4.88)	\$ (20.63)	\$ (36.37)	\$ (52.12)
\$ 19.41	\$ 3.66	\$ (12.09)	\$ (27.83)	\$ (43.58)
\$ 27.96	\$ 12.21	\$ (3.54)	\$ (19.28)	\$ (35.03)
\$ 35.96	\$ 20.21	\$ 4.46	\$ (11.28)	\$ (27.03)
\$ 43.96	\$ 28.21	\$ 12.46	\$ (3.28)	\$ (19.03)
\$ 54.34	\$ 38.59	\$ 22.84	\$ 7.10	\$ (8.65)
\$ 64.71	\$ 48.96	\$ 33.21	\$ 17.47	\$ 1.72
\$ 75.09	\$ 59.34	\$ 43.59	\$ 27.85	\$ 12.10
\$ 80.96	\$ 65.21	\$ 49.46	\$ 33.72	\$ 17.97
\$ 86.82	\$ 71.07	\$ 55.32	\$ 39.58	\$ 23.83
\$ 96.84	\$ 81.09	\$ 65.34	\$ 49.60	\$ 33.85
\$ 106.85	\$ 91.10	\$ 75.35	\$ 59.61	\$ 43.86
\$ 116.86	\$ 101.11	\$ 85.36	\$ 69.62	\$ 53.87
\$ 126.87	\$ 111.12	\$ 95.37	\$ 79.63	\$ 63.88
\$ 141.24	\$ 125.49	\$ 109.74	\$ 94.00	\$ 78.25
\$ 155.61	\$ 139.86	\$ 124.11	\$ 108.37	\$ 92.62
\$ 169.98	\$ 154.23	\$ 138.48	\$ 122.74	\$ 106.99
\$ 184.35	\$ 168.60	\$ 152.85	\$ 137.11	\$ 121.36
\$ 198.72	\$ 182.97	\$ 167.22	\$ 151.48	\$ 135.73
\$ 213.09	\$ 197.34	\$ 181.59	\$ 165.85	\$ 150.10
\$ 223.54	\$ 207.79	\$ 192.04	\$ 176.30	\$ 160.55
\$ 233.99	\$ 218.24	\$ 202.49	\$ 186.75	\$ 171.00
\$ 244.43	\$ 228.68	\$ 212.93	\$ 197.19	\$ 181.44
\$ 254.88	\$ 239.13	\$ 223.38	\$ 207.64	\$ 191.89
\$ 265.33	\$ 249.58	\$ 233.83	\$ 218.09	\$ 202.34
\$ 275.78	\$ 260.03	\$ 244.28	\$ 228.54	\$ 212.79
\$ 286.23	\$ 270.48	\$ 254.73	\$ 238.99	\$ 223.24
\$ 296.68	\$ 280.93	\$ 265.18	\$ 249.44	\$ 233.69
\$ 307.12	\$ 291.37	\$ 275.62	\$ 259.88	\$ 244.13
\$ 317.57	\$ 301.82	\$ 286.07	\$ 270.33	\$ 254.58
\$ 320.19	\$ 304.44	\$ 288.69	\$ 272.95	\$ 257.20
\$ 322.81	\$ 307.06	\$ 291.31	\$ 275.57	\$ 259.82
\$ 325.43	\$ 309.68	\$ 293.93	\$ 278.19	\$ 262.44
\$ 328.04	\$ 312.29	\$ 296.54	\$ 280.80	\$ 265.05
\$ 330.66	\$ 314.91	\$ 299.16	\$ 283.42	\$ 267.67

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: _____