

Phillippi Creek Septic System Replacement Program (PCSSRP)

Quarterly Executive Summary

June 2006

Completed to Date:

Area F. The Area F project consisting of approximately 1,063 connections was substantially complete in October 2005. Fifty-four percent (578 connections) of the existing homes and businesses have been connected to the system. Final overlay of the roads within the project area, done under a separate construction contract, will begin June 2006.

Area E. The Area E wastewater collection system consisting of 578 connections was completed in February 2003 at a cost of \$5.1 million. Eighty-four percent (483 connections) of the existing homes and businesses have been connected to the system.

Construction Activities:

Area A. The Area A project will make central sewer and water available to approximately 1,125 and 226 connections, respectively. Construction started in April 2004. The original contractor was terminated on Nov. 4, 2006 and completion of the project was turned over to the Surety, Cincinnati Insurance Company. The Surety defaulted on the takeover agreement with Sarasota County in May 2006, resulting in an Emergency Procurement Condition. A Change Order, to the recently completed Area F contract, was issued to E. T. Mackenzie of Florida to finish the work on a Time and Materials basis. The Change Order was approved by the BCC on June 6, 2006 and E. T. Mackenzie of Florida mobilized and began work on the project on June 7, 2006.

The project is approximately 88 percent complete, including installation of water lines, gravity sewer, force mains, vacuum pump station, vacuum mains and vacuum valve pits. Initially, wastewater flow from Area A will be sent to the Meadowood Water Reclamation Facility. Upon completion of the University/Interstate 75 Force Main Phase 2 pipeline project, wastewater flow will be sent to the Bee Ridge Water Reclamation Facility (WRF).

Ongoing Activities:

Area B. The Area B project will make central sewer available to approximately 106 homes, however, the project is temporarily on hold. The original design, prepared by Greeley & Hansen (G&H), consisted of a combination gravity and low pressure sewer system, with flow sent to the City of Sarasota's sewer system. Instead, a Flow/Exchange Treatment Agreement was executed between the Board of County Commissioners and Aqua Utilities Florida, Inc., on Nov. 15, 2005, to direct wastewater flow to their franchise area. The original design will be modified to accommodate the agreement.

Area C. The Area C project will make central sewer available to approximately 694 homes. The project was divided into three phases. Bids for Phases 1 and 2 of the project were opened on June 21, 2006 and construction is anticipated to commence September 2006. Construction of Area C is being coordinated with the construction of the Pinecraft Neighborhood Sidewalk Improvement Project and with the Bahia Vista Force Main Project, which will allow flow from Area C to be collected and treated at the expanded Bee Ridge Water Reclamation Facility. Phase 3 will be bid later this year.

Area D. The Area D project will make central sewer available to approximately 1,485 connections. G&H is preparing the engineering design for Area D and is approximately 85 percent complete. The design has been placed on hold until a final decision on the VPS location is reached and additional design funding is approved by the BCC. An inter-local agreement for proposed sewer service in Sub-area D1, will be drafted for the City of Sarasota's review once the design and estimated costs have been determined. The majority

of Sub-area D1 is currently served by city water. Sub-area D1 will be designed as a gravity system with collected flows pumped to either the future South Gate Master Pump Station or to the City of Sarasota. The remaining areas will be served by vacuum collection and directed to the future South Gate Master Pump Station. Negotiations are currently underway to increase the design scope and fees. Construction of Area D is scheduled to begin in FY07.

Area K. The Area K project will make central sewer available to approximately 2,650 connections. The engineering design for Area K is nearly 100 percent complete and is integrated with a Public Works sidewalk project. Wastewater flow from Area K will be treated at the Bee Ridge WRF and will be pumped there via a new transfer pump station to be constructed near the Atlantic WRF. The new transfer pump station will be constructed to coincide with the completion of the Bahia Vista force main project and the decommissioning of the Atlantic WRF. Construction for Area K is scheduled to start near the beginning of FY07. A letter will be mailed to all affected property owners in Area K approximately one month before construction commences.

Area N. The Area N project will make central sewer available to approximately 1,949 connections. The Area N contract (scope and fees) was negotiated with the firm of Giffels-Webster Engineers and was presented and approved by the Board of County Commissioners on June 6, 2006. The Notice to Proceed was issued the same day and the design phase of the project was begun. Construction of Area N is expected to start in late FY07. Wastewater collected from Area N will be pumped to the Central County WRF.

Wastewater transmission and treatment. A number of critical transmission and treatment plant expansion projects are needed to collect and treat wastewater from the PCSSRP. The Central County WRF will undergo an expansion from 4.0 to 8.0 million gallons per day in two phases. The engineering design for the Phase 2 expansion of Central County WRF is underway with Carollo Engineers and is approximately 50 percent complete. Phase 3 is scheduled to immediately follow Phase 2. Phase 2 is scheduled for completion by May 2008 and Phase 3 is scheduled for completion by May 2010.

Transmission projects include several new pump stations and force mains. PBS&J and MWH are designing the demolition of the South Gate and Gulf Gate treatment plants, respectively, to be replaced with master pump stations. The Gulf Gate Advanced Wastewater Treatment Plant is scheduled for abandonment with flow transferred to the Central County WRF by November 2007.

The Bahia Vista Force Main Project, from Hines Avenue to Cattlemen Road, has been segmented into two phases to integrate concurrently into Public Works projects. The construction contract for Phase I, from Hines Avenue to McIntosh Road, was awarded to Cornerstone Businesses, Inc. on April 12, 2006. Construction is anticipated to be substantially complete in December 2006. Phase II, from McIntosh Road to Cattlemen Road, is integrated with the Bahia Vista, Phase I Roadway Project. The construction contract for the Phase II project is scheduled for award on July 11, 2006 with a construction completion expected in mid 2007.

Both phases of the University/Interstate 75 Force Main project are under construction with a completion date targeted near the end of 2006. The wastewater transmission main begins east of I-75 near the center of Lakewood Ranch Corporate Park and extends southward along an extended Lakewood Ranch Boulevard, Tatum Road, Palmer Road, and Iona Road ultimately ending at the county's regional Bee Ridge Water Reclamation Facility for treatment and reuse. The force main ranges in diameter from 12" PVC pipe to 36" ductile iron pipe. This transmission main will allow the county to take three smaller water reclamation facilities off-line and allow for increased flows due to growth in the northern part of the county for Area A of the Phillippi Creek Septic System Replacement Program, the Lakewood Ranch Corporate Park, and the Villages of Lakewood Ranch South.

FY07-FY11 Budget Activities:

Schedule A, attached, depicts the Preliminary FY07-FY11 PCSSRP Budget. As shown, the total Budget is \$154 million, an increase of \$19 million over the FY06-FY10 Budget. The increase is attributable to rising construction costs.

Funding Review:

Schedule A shows the total estimated funding for the PCSSRP by area. Areas E, A, and F (all complete or nearly complete) had a total cost to date of \$23.6 Million or \$8,535 per EDU. The funding breakdown for these three areas is SRF debt 35 percent, Grants 20 percent, and local funds 45 percent (rates and surtax).

Area C, with construction expected in FY06, is funded by a combination of Surtax, EPA Grant, rates and an SRF Pre-construction Loan,

Area K, with construction expected in early FY07, will require a \$15 to \$17 Million SRF Construction Loan. This loan application is in process.

The procurement of grants is a critical funding issue. After the completion of Areas A and F, in FY06, the majority of grant funds obtained-to-date by either EPA or FDEP will be exhausted (\$6.2 million). An additional \$8.1 million in grants is projected over the life of the project, a very conservative amount, with no guaranty. The additional debt burden to the Utility caused by not receiving the amount of grants projected would likely cause a delay in the program.

Web Site Update:

The new program website, Sarasota Sewers, was launched on June 16, 2006. The website is more user friendly and includes new maps, updated information about each area and costs. The MyCentralSewer.org site will automatically link to the new site until users become familiar with it. You can access the new Web site by logging onto <http://sewers.scgov.net>.