

# AGENDA ITEM

Agenda Item 11.2.

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**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jared Cobb, City Manager

**DATE:** April 6, 2026

**SUBJECT:** Resolution 26-07: Selection of the City's Long-Term Wastewater Solution

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## **BACKGROUND:**

The City has been under a Consent Order from the Florida Department of Environmental Protection (FDEP) since November 2022 (OGC File No. 22-2083), with an Amended Consent Order issued in October 2023 (OGC 22-2083B), requiring corrective action on its aging wastewater treatment facility. The City retained Barge Design Solutions to evaluate alternatives, and two viable options were identified: (1) constructing a 7-mile force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility, or (2) rehabilitating the existing plant.

Following the March 2023 Council Workshop, staff explored the force main option, including a potential partnership with Hurlburt Field that was ultimately withdrawn. Okaloosa County Water and Sewer (OCWS) then prepared a revised cost estimate for a Mary Esther standalone project. At the March 25, 2026 Council Workshop, staff presented updated capital cost estimates, a funding plan, and a preliminary operating cost comparison for both alternatives. FDEP is awaiting the City's decision on a long-term path forward.

## **DISCUSSION:**

Resolution 26-07 formalizes the City Council's selection of its long-term wastewater solution. Two versions of the resolution are included in the packet — one for each alternative. This resolution is a statement of the Council's intent and does not commit the City to any specific expenditure or agreement. Future actions required to implement either alternative will be brought to Council for approval as separate agenda items.

### **Option A: Force Main to Okaloosa County**

The estimated capital cost is \$14,000,000. Staff has identified a viable funding path through a combination of the \$1,000,000 state legislative appropriation (already awarded), an OLDCC Installation Readiness grant (\$900,000), proceeds from the sale of the existing wastewater treatment facility property (\$1,500,000), potential County financial participation, and utility cash or State Revolving Fund loan financing for the balance. Under this option, the City's wastewater infrastructure responsibility would be reduced to a pump station and approximately 500,000-gallon storage tank. OCWS would be responsible for the force main and all treatment. The existing plant would be decommissioned and the sprayfield liability eliminated. The estimated net operating cost increase is approximately \$300,000 to \$350,000 per year compared to current costs; however, the reduced debt service under the force main funding plan narrows this

difference when compared to the rehabilitation alternative. This option cannot be phased over time.

**Option B: Rehabilitation of the Existing Plant**

The estimated capital cost is approximately \$15,420,000 in 2026 dollars, escalated from the 2019 Mott MacDonald Wastewater Rehabilitation Facilities Plan. Several funding sources identified in the force main plan would not be available for rehabilitation, including the property sale proceeds and possibly the OLDCC grant, resulting in a larger financing gap and greater reliance on debt. The City would retain full responsibility for the treatment facility, the pump stations, the collection system, and approximately six miles of aging effluent force main to the spray field. The full scope of effluent infrastructure needs is not fully defined in the 2019 plan and could increase the rehabilitation cost beyond the estimate shown above. This option could be completed across multiple phases over a ten (10) year period.

**FINANCIAL IMPACT:**

There is no direct financial impact from this resolution. This action formalizes the Council’s preferred direction. Financial commitments associated with either alternative will be addressed through future agenda items as specific agreements and contracts are brought forward for Council approval.

**RECOMMENDATION:**

Staff requests that the City Council take one of the following actions:

1. **Motion to adopt Resolution 26-07, Option A**, selecting the wastewater force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility as the City's long-term wastewater solution; or
2. **Motion to adopt Resolution 26-07, Option B**, selecting the rehabilitation of the existing wastewater treatment facility as the City's long-term wastewater solution; or
3. **Motion to table Resolution 26-07**, directing staff to return with specific additional information identified by Council at the next regular meeting. The City remains under an active FDEP Consent Order, and it is important that Council's request reflects continued progress toward a decision.

**ATTACHMENT(S):**

1. Exhibit A: Resolution 26-07, Option A, Wastewater Force Main
2. Exhibit B: Resolution 26-07, Option B, Wastewater Facility Rehabilitation
3. Exhibit C: Wastewater Force Main Workshop Report
4. Exhibit D: Wastewater Force Main Workshop Presentation

**RESOLUTION NO. 26-07**

**A RESOLUTION OF THE CITY OF MARY ESTHER, FLORIDA, SELECTING THE WASTEWATER FORCE MAIN TO THE OKALOOSA COUNTY ARBENNIE PRITCHETT WATER RECLAMATION FACILITY AS THE CITY'S LONG-TERM WASTEWATER SOLUTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Mary Esther owns and operates a wastewater treatment facility that first came online in 1950 and has been modified several times over its service life; and

**WHEREAS**, the Florida Department of Environmental Protection (FDEP) executed a Consent Order (OGC File No. 22-2083) on November 18, 2022, requiring corrective action on the City's wastewater treatment facility due to nuisance conditions, unsatisfactory equipment, cracked and leaky infrastructure, and unauthorized sanitary sewer overflows; and

**WHEREAS**, an Amended Consent Order (OGC 22-2083B) was issued in October 2023 with updated requirements and timelines, and FDEP is awaiting the City's decision on a long-term path forward; and

**WHEREAS**, the City retained Barge Design Solutions, Inc. to evaluate wastewater disposal alternatives, and the resulting Preliminary Engineering Study identified two viable options: (1) constructing a force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility, or (2) rehabilitating the existing wastewater treatment plant; and

**WHEREAS**, the City Council held a workshop on March 6, 2023, to review the alternatives and directed staff to continue exploring the force main option; and

**WHEREAS**, the City subsequently explored a potential partnership with Hurlburt Field, which was ultimately withdrawn after Hurlburt Field elected to invest in its own facility; and

**WHEREAS**, Okaloosa County Water and Sewer (OCWS) prepared a revised cost estimate for a Mary Esther standalone force main project at an estimated capital cost of \$14,000,000, while the estimated cost to rehabilitate the existing plant is approximately \$15,420,000 in 2026 dollars; and

**WHEREAS**, the City Council held workshops on March 25, 2026 and April 6, 2026, to review updated capital cost estimates, a preliminary operating cost comparison, and an overview of available funding sources for both alternatives; and

**WHEREAS**, FDEP is awaiting the City's decision on a long-term path forward, and it is important that the City demonstrate meaningful progress toward compliance with the Consent Order; and

**WHEREAS**, the City Council has considered both alternatives and finds that the construction of a wastewater force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility best serves the long-term interests of the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Mary Esther, Florida that:

**Section 1. Selection of Preferred Alternative.** The City Council hereby selects the construction of a wastewater force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility as the City's long-term wastewater solution. Upon completion of the force main project, the existing wastewater treatment facility shall be decommissioned.

**Section 2. Future Actions.** The City Council acknowledges that implementation of the force main project will require future formal actions, including but not limited to interlocal agreements with Okaloosa County, funding commitments, engineering and design contracts, and construction contracts. Each such action will be brought to the City Council for consideration and approval as a separate agenda item.

**Section 3. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

PASSED in regular session this \_\_\_\_ day of \_\_\_\_\_, 2026.

CITY OF MARY ESTHER

By: \_\_\_\_\_  
Chris Stein, Mayor

ATTEST:

\_\_\_\_\_  
Dillon Morris, City Clerk

**RESOLUTION NO. 26-07**

**A RESOLUTION OF THE CITY OF MARY ESTHER, FLORIDA, SELECTING THE REHABILITATION OF THE EXISTING WASTEWATER TREATMENT FACILITY AS THE CITY'S LONG-TERM WASTEWATER SOLUTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Mary Esther owns and operates a wastewater treatment facility that first came online in 1950 and has been modified several times over its service life; and

**WHEREAS**, the Florida Department of Environmental Protection (FDEP) executed a Consent Order (OGC File No. 22-2083) on November 18, 2022, requiring corrective action on the City's wastewater treatment facility due to nuisance conditions, unsatisfactory equipment, cracked and leaky infrastructure, and unauthorized sanitary sewer overflows; and

**WHEREAS**, an Amended Consent Order (OGC 22-2083B) was issued in October 2023 with updated requirements and timelines, and FDEP is awaiting the City's decision on a long-term path forward; and

**WHEREAS**, the City retained Barge Design Solutions, Inc. to evaluate wastewater disposal alternatives, and the resulting Preliminary Engineering Study identified two viable options: (1) constructing a force main to the Okaloosa County Arbennie Pritchett Water Reclamation Facility, or (2) rehabilitating the existing wastewater treatment plant; and

**WHEREAS**, the City Council held a workshop on March 6, 2023, to review the alternatives and directed staff to continue exploring the force main option; and

**WHEREAS**, the City subsequently explored a potential partnership with Hurlburt Field, which was ultimately withdrawn after Hurlburt Field elected to invest in its own facility; and

**WHEREAS**, Okaloosa County Water and Sewer (OCWS) prepared a revised cost estimate for a Mary Esther standalone force main project at an estimated capital cost of \$14,000,000, while the estimated cost to rehabilitate the existing plant is approximately \$15,420,000 in 2026 dollars; and

**WHEREAS**, the City Council held workshops on March 25, 2026 and April 6, 2026, to review updated capital cost estimates, a preliminary operating cost comparison, and an overview of available funding sources for both alternatives; and

**WHEREAS**, FDEP is awaiting the City's decision on a long-term path forward, and it is important that the City demonstrate meaningful progress toward compliance with the Consent Order; and

**WHEREAS**, the City Council has considered both alternatives and finds that the rehabilitation of the existing wastewater treatment facility best serves the long-term interests of the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Mary Esther, Florida that:

**Section 1. Selection of Preferred Alternative.** The City Council hereby selects the rehabilitation of the existing City of Mary Esther wastewater treatment facility as the City's long-term wastewater solution.

**Section 2. Future Actions.** The City Council acknowledges that implementation of the rehabilitation project will require future formal actions, including but not limited to engineering and design contracts, funding commitments, and construction contracts. Each such action will be brought to the City Council for consideration and approval as a separate agenda item.

**Section 3. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

PASSED in regular session this \_\_\_\_ day of \_\_\_\_\_, 2026.

CITY OF MARY ESTHER

By: \_\_\_\_\_  
Chris Stein, Mayor

ATTEST:

\_\_\_\_\_  
Dillon Morris, City Clerk

# Wastewater Force Main Project Update

*Force Main to Okaloosa County Wastewater Treatment Facility*

City of Mary Esther, Florida

Prepared for City Council Workshop | March 25, 2026

**Purpose:** This report provides the City Council with an update on the Wastewater Force Main project, including revised capital cost estimates, a comparison of both alternatives (force main to Okaloosa County or rehabilitation of the existing plant), a preliminary comparison of operational costs, and an overview of funding sources. The goal is to support informed discussion at the workshop and help Council identify a direction for staff to pursue. If Council desires, staff will bring a formal resolution to the April regular Council meeting. FDEP is awaiting the City's decision on a long-term path forward, and it is important that significant progress toward a decision be made by the April meeting.

## Executive Summary

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The City has been under a Consent Order from the Florida Department of Environmental Protection (FDEP) since November 2022, with an Amended Consent Order issued in October 2023, requiring corrective action on its aging wastewater treatment facility. Two alternatives exist: (1) construct a 7-mile force main to the Okaloosa County wastewater treatment facility, or (2) rehabilitate the existing plant.

Since the March 2023 Council Workshop, staff has continued to explore the force main option — including a potential partnership with Hurlburt Field that was ultimately withdrawn. Okaloosa County Water & Sewer (OCWS) has since provided updated cost estimates for a Mary Esther standalone project. Based on this work, staff is presenting the following key findings:

### Key findings:

- **Force main capital cost: \$14 million.** Staff has identified a viable funding path through a combination of grants, property sale proceeds, potential County support, and utility cash or SRF loan financing. The \$1 million state legislative appropriation has already been awarded.
- **Rehabilitation capital cost: ~\$15.42 million in 2026 dollars** (escalated from the 2019 Mott MacDonald estimate at 6% annually to 2022 by Barge, then at 4% annually from 2022 to 2026). This estimate includes an effluent pump station upgrade and new force main, though the full scope of effluent infrastructure needs is not fully defined. Additionally, several funding sources are specific to the force main option, resulting in a larger financing requirement for rehabilitation.

- **Estimated operating cost increase with force main: ~\$300,000–\$350,000/year.** However, rehabilitation would likely require more debt financing, and when the resulting debt service is factored in, the net annual cost difference narrows significantly.
- **With the force main, the City’s liability would be limited.** The City would be responsible only for the pump station and storage tank. Okaloosa County would handle the force main and all treatment. The sprayfield liability would be eliminated.

## Project Background

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### Consent Order and Regulatory Context

The City operates the Mary Esther wastewater treatment facility, which first came online in 1950 and has been modified several times. FDEP executed the initial Consent Order (OGC File No. 22-2083) on November 18, 2022, to resolve issues relating to the Mary Esther wastewater treatment plant, including nuisance conditions, unsatisfactory equipment, cracked and leaky infrastructure, and approximately 164,550 gallons in unauthorized sanitary sewer overflows between March 2019 and January 2021. An Amended Consent Order (OGC #22-2083B) was issued in October 2023 with updated requirements and timelines. The Consent Order acknowledges that the City may seek to decommission its plant by connecting to the treatment facilities of Okaloosa County as an alternative to plant repairs. FDEP is currently awaiting the City’s decision on which path to pursue.

### Barge Design Solutions Engineering Studies

The City retained Barge Design Solutions, Inc. to evaluate wastewater disposal options. The Preliminary Engineering Study, completed in December 2022, examined four alternative routes for pumping untreated wastewater to Okaloosa County or Fort Walton Beach, and compared these to the rehabilitation costs previously established in the 2019 Mott MacDonald Wastewater Rehabilitation Facilities Plan. Based on the study, the City selected the force main to the Okaloosa County wastewater treatment facility as the preferred long-term solution.

### Council Workshop – March 6, 2023

Following completion of the Barge study, the City Council held a workshop on March 6, 2023 to discuss wastewater disposal alternatives. The two viable options presented were: (1) sending sewage to Okaloosa County through a force main, or (2) rehabilitating the existing plant. Discussion covered cost, existing equipment condition, hurricane risk, funding needs, utility reserves, spray field impacts, EPA requirements, and potential revenue sources. Council provided general direction for staff to continue exploring the force main option.

### Hurlburt Field Partnership – Explored and Withdrawn

Hurlburt Field expressed interest in connecting to the proposed force main. Barge completed a Technical Memorandum in May 2024 analyzing the combined scenario at an estimated \$29.4 million. However, after completing their own alternatives study, Hurlburt Field subsequently decided to invest in their own plant, leaving the City to evaluate whether to proceed independently or revert to rehabilitation.

**Current Project Scope – Mary Esther Standalone**

With Hurlburt Field’s withdrawal, Okaloosa County Water & Sewer prepared a revised cost estimate for Mary Esther only. The scope includes a 7-mile, 16-inch force main from the Mary Esther wastewater treatment facility to the Okaloosa County wastewater treatment facility, constructed primarily by OCWS in-house crews. The 16-inch pipe was sized by Barge to provide design flows of 1,377 GPM at 73 PSI, eliminating the need for a large ground storage tank.

Upon completion, the City’s wastewater infrastructure would be reduced to an approximately 500,000-gallon storage tank and a new pump station. The City would be responsible for operating and maintaining the pump station and storage tank, including electricity. The City would not be responsible for the force main to Okaloosa County or any treatment infrastructure – that would be Okaloosa County’s responsibility, covered by treatment fees. The existing plant would be decommissioned and the sprayfield liability eliminated.

**Capital Cost Estimates**

**Option A: Force Main to Okaloosa County**

Line Item	Estimated Cost
Engineering, Environmental & Soft Costs	\$1,500,000
Pump Station & Ground Storage Tank Modifications	\$2,800,000
7-Mile 16" Pipeline (Built by OCWS)	\$7,400,000
Contingency	\$2,300,000
<b>TOTAL</b>	<b>\$14,000,000</b>

**Option B: Rehabilitation of Existing Plant**

The 2019 Mott MacDonald Wastewater Rehabilitation Facilities Plan estimated the capital cost for rehabilitating the existing plant at \$11,060,000. In their 2022 Preliminary Engineering Study, Barge Design Solutions escalated this figure to approximately \$13.18 million in 2022 dollars (at a 6% annual escalation rate). Applying a more conservative 4% annual escalation from 2022 to 2026 yields an estimated rehabilitation cost of approximately \$15.42 million in today’s dollars:

Item	Amount
Mott MacDonald Base Estimate (2019)	\$11,060,000
Barge Escalation to 2022 (6%/yr × 3 years)	\$13,180,000
Escalation to 2026 (4%/yr × 4 years = ×1.170)	\$15,420,000

The Mott MacDonald plan included an effluent pump station upgrade and new force main as part of this estimate. However, the full scope of effluent force main work that may ultimately be required is not fully defined in the 2019 plan, and any additional infrastructure needs would increase the rehabilitation cost beyond the figures shown above.

## Funding Sources

### Force Main Funding Plan

The funding gap is smaller than initially anticipated. While no funding source is guaranteed until formally executed, the sources below represent the most viable path available. The \$1 million state legislative appropriation has already been awarded.

Revenue Source	Amount
OLDCC Installation Readiness (IR) Grant – Noncompetitive	\$900,000
Legislative Appropriation (State) – Awarded	\$1,000,000
<i>Potential County Financial Participation</i>	<i>TBD</i>
WWTF Property Sale	\$1,500,000
Utility Cash / SRF Loan	<i>Balance</i>
<b>TOTAL</b>	<b>\$14,000,000</b>

With 2–3 additional OLDCC DCIP cycles and state appropriation opportunities ahead, staff believes the remaining capital funding can be secured.

### Rehabilitation Funding Considerations

Both alternatives may require some level of debt financing. However, if the City pursued the rehabilitation alternative, several funding sources identified above would not be available. The WWTF property sale proceeds (\$1.5M) would not be realized, as the existing plant site would remain in use. The OLDCC IR grant (\$900K) and state legislative appropriation (\$1M) may still be available, though it is unclear how rehabilitation would rank for the OLDCC DCIP.

This would leave a larger funding gap that the City would need to finance through debt, with corresponding annual debt service.

## Operational Cost Comparison

### Current Wastewater Treatment Costs

The FY 2026 Utilities Budget includes a \$740,000 Jacobs O&M contract split between Water and Sewer. The actual wastewater treatment plant costs approximately as follows:

Cost Component	Annual Cost
Jacobs Base Contract (WWTF Portion)	\$385,817
Electricity (WWTF)	\$57,000
Solids Disposal	\$20,000
Repairs & Maintenance	\$50,000
Sprayfield Lease	\$18,000
<b>TOTAL WASTEWATER PLANT O&amp;M</b>	<b>~\$530,817</b>

### Estimated Costs Under Force Main Option

OCWS has provided a conservative wholesale treatment rate of approximately \$4.30 per thousand gallons (80% of the County’s regular rate of \$5.37/1,000 gal). Based on the City’s current average daily flow of 0.464 MGD, the estimated annual treatment cost would be approximately \$728,000. The City would also be responsible for operating the pump station and storage tank (~\$100,000–\$150,000/year for electricity, labor, and maintenance). The force main itself would be OCWS’s responsibility, covered by treatment fees.

### Comparative Annual Cost Analysis

The estimated net annual operating cost increase under the force main option is approximately \$300,000–\$350,000 per year compared to current costs. However, under the rehabilitation alternative, the City would need to finance the funding gap through debt. The annual debt service on this gap would narrow the difference between the two options significantly.

The size of the rehabilitation funding gap — and the resulting debt service — will depend on which funding sources are ultimately secured. For reference, annual debt service on a typical SRF loan at 2% interest over 30 years is approximately \$44,650 per \$1,000,000 financed. Depending on the size of the gap, the resulting annual debt service could substantially narrow the operating cost difference between the two options.

	Force Main	Rehabilitation
Operating Cost Increase	~\$300–350K/yr	—
Debt Service on Funding Gap	—	Significant*
Sprayfield Line Liability	Eliminated	Remains (~6 mi)

## Important Considerations

- **Effluent infrastructure is not fully scoped.** The approximately 6 miles of aging effluent force main to the spray fields is only partially addressed by the rehabilitation cost estimate (pump station upgrade included, but not full line replacement). Inspection alone was quoted at approximately \$20 per linear foot (2022). The cost to rehabilitate or replace this pipeline would be in addition to the escalated plant rehabilitation figure.
- **Rehabilitation carries a significant funding gap.** Several funding sources in the force main plan are specific to that alternative. The rehabilitation option would require the City to finance a substantial portion of the project through debt, with associated annual debt service.
- **Reduced infrastructure responsibility with force main.** The City would be responsible only for the collection system, lift stations, one pump station, and the storage tank. OCWS would handle the force main and all treatment.
- **Consent Order compliance.** The force main would provide a definitive path to FDEP compliance rather than an ongoing maintenance cycle.
- **Reduced environmental risk scope.** Eliminating the treatment process from the City’s responsibility reduces the scope of environmental risk. While the pump station and storage tank would remain on the existing site and are still subject to storm damage, a pump station failure is a sewage backup issue rather than an untreated environmental discharge.

## Requested Council Direction

No formal action is required today. Staff is requesting general direction from Council on the following. FDEP is awaiting the City’s decision and expects to see meaningful progress toward a resolution. Staff recommends that Council work toward providing direction that would allow formal action at the April regular meeting.

1. Does Council wish to proceed with the Wastewater Force Main to Okaloosa County as the City’s long-term wastewater solution?
2. Is there any additional information Council wants or needs before taking formal action to proceed with either the wastewater force main or rehabilitation of the existing wastewater plant?

Okaloosa County Water & Sewer leadership will be present at the workshop to address Council questions.

## Reference Documents

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- Wastewater Rehabilitation Facilities Plan (Mott MacDonald, April 2019)
- WWTP Alternatives Preliminary Engineering Study (Barge Design Solutions, December 2022)
- Technical Memorandum: Wastewater Disposal in Conjunction with Hurlburt Field (Barge, May 2024)
- Consent Order – FDEP vs. City of Mary Esther (OGC 22-2083, November 2022)
- Amended Consent Order – FDEP vs. City of Mary Esther (OGC 22-2083B, October 2023)
- Okaloosa County Capital Cost Estimate (OCWS, January 2026)
- Wastewater Treatment Rate Correspondence (OCWS, February 2026)
- OCWS Preliminary Cost Estimate – 16" Force Main
- FY 2026 Adopted Budget – Utilities Fund
- Council Workshop Minutes – March 6, 2023
- Pipeline Route Map

# Wastewater Force Main Project Update

*Force Main to Okaloosa County Wastewater Treatment Facility*

City Council Workshop | March 25, 2026

# Why we're here

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The City is under FDEP Consent Orders (original November 2022, amended October 2023) requiring corrective action on its aging wastewater treatment facility. Two alternatives remain: build a force main to Okaloosa County, or rehabilitate the existing plant. This workshop reviews updated cost estimates and seeks Council direction.

<b>Project history</b>  From Barge study through Hurlburt withdrawal	<b>Cost estimates</b>  Both options: force main vs. rehab	<b>Funding &amp; debt</b>  Who pays? What's the gap?	<b>Operating costs</b>  Does the gap close with debt service?	<b>Council direction</b>  What action, if any, for April meeting?
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*No formal action is required today. Council direction will be brought back for formal action at a regular meeting.*

# Project timeline

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- **Nov 2022** FDEP Consent Order executed
  - **Dec 2022** Barge Preliminary Engineering Study completed
  - **Mar 2023** City Council workshop — direction to explore force main
  - **May 2024** Barge Tech Memo (joint Mary Esther + Hurlburt Field scenario)
  - **Dec 2025** Hurlburt Field withdraws from partnership
  - **Jan 2026** OCWS prepares revised Mary Esther-only cost estimate
  - **Mar 2026** Workshop: Council direction on preferred alternative
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# Two options for Council

## Option A: Force main to Okaloosa County

**\$14,000,000**

2026 estimate, viable funding path

- Eliminates sprayfield line liability
- City maintains only pump station & tank
- OCWS handles force main & treatment
- Definitive Consent Order compliance
- Reduced scope of infrastructure at risk

## Option B: Rehabilitate existing plant

**\$15,420,000**

Escalated to 2026 \$ (4%/yr from 2022)

- Rehab scope may not cover all effluent infrastructure needs
- City remains responsible for all infrastructure
- **Significant funding gap for rehabilitation**
- Annual debt service required on gap
- Can be phased (7 phases over 10 years)
- Ongoing regulatory risk remains with City

# Force main funding plan

Revenue Source	Amount	Rehab?
OLDCC IR Grant	\$900,000	Maybe
State Appropriation (Awarded)	\$1,000,000	Maybe
Potential County Participation	<i>TBD</i>	No
Property Sale	\$1,500,000	No
Utility Cash / SRF	<i>Balance</i>	Yes
<b>TOTAL</b>	<b>\$14,000,000</b>	

Both alternatives may require some financing. The force main has a stronger funding position. **OCWS leadership will be present to answer questions.**

# Comparative annual cost analysis

~\$530K

Current WWTF  
Annual O&M

~\$878K

Proposed Force Main  
Annual O&M

~\$300–  
350K

Apparent Annual  
Increase

TBD\*

Rehab Debt Service  
(on Funding Gap)

	Force Main	Rehabilitation
Operating Cost Increase	~\$300–350K/yr	—
Debt Service (on funding gap)	—	Significant*
Net Additional Annual Cost	~\$300–350K/yr	Significant*
Sprayfield Line Liability	Eliminated	Remains

**Net difference narrows significantly when rehab debt service is included — and rehab carries the sprayfield liability**

# Key considerations

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## Effluent infrastructure scope

Mott MacDonald plan includes effluent PS upgrade and new force main, but full scope of effluent infrastructure needs is not fully defined.

## Consent Order path

Definitive FDEP compliance vs. ongoing maintenance cycle on aging infrastructure.

## Debt service closes gap

Rehab funding gap requires significant annual debt service, narrowing operating cost difference between the two options.

## Reduced environmental scope

Eliminates treatment process and sprayfield from City's risk profile. Pump station/tank failure is a backup issue, not an environmental discharge.

## Reduced City liability

City would maintain only pump station & tank. OCWS handles force main and all treatment.

# Council direction

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Direction requested from Council:

- 1 Does Council wish to proceed with the Wastewater Force Main to Okaloosa County as the City's long-term wastewater solution?
- 2 Does Council wish staff to bring a formal resolution or action item to the April regular Council meeting?
- 3 Is there additional information Council wants or needs before taking formal action?