



Town Council Meeting

July 24, 2023 at 6:00 PM

**Howey-in the-Hills Town Hall
101 N. Palm Ave.,
Howey-in-the-Hills, FL 34737**

Join Zoom Meeting:

<https://us06web.zoom.us/j/88180397778?pwd=U003UDNwc01RcGpiUEZnZVR3by8yZz09>

Meeting ID: 881 8039 7778 | **Passcode:** 747302

AGENDA

Call the Town Council Meeting to order
Pledge of Allegiance to the Flag
Invocation by Councilor Reneé Lannamañ
Reading of a Poem by Mr. Jim Steele

ROLL CALL

Acknowledgement of Quorum

AGENDA APPROVAL/REVIEW

CONSENT AGENDA

Routine items are placed on the Consent Agenda to expedite the meeting. If Town Council/Staff wish to discuss any item, the procedure is as follows: (1) Pull the item(s) from the Consent Agenda; (2) Vote on the remaining item(s); and (3) Discuss each pulled item and vote.

- 1.** The approval of the minutes and ratification and confirmation of all Town Council actions at the July 10, 2023 Town Council Meeting.
- 2.** The approval of the minutes and ratification and confirmation of all Town Council actions at the July 13, 2023 Town Council Budget Workshop.

PUBLIC HEARING

OLD BUSINESS

- 3.** Discussion: **Wastewater Update**

NEW BUSINESS

- 4.** Consideration and Approval: **Resolution 2023-005 Proposed Maximum Millage Rate**

DEPARTMENT REPORTS

- 5.** Town Manager

COUNCIL MEMBER REPORTS

6. Mayor Pro Tem Gallelli
7. Councilor Lehning
8. Councilor Miles
9. Councilor Lannamañ
10. Mayor MacFarlane

PUBLIC COMMENTS

Any person wishing to address the Mayor and Town Council and who is not on the agenda is asked to speak their name and address. Three (3) minutes is allocated per speaker.

ADJOURNMENT

To Comply with Title II of the Americans with Disabilities Act (ADA):

Qualified individuals may get assistance through the Florida Relay Service by dialing 7-1-1. Florida Relay is a service provided to residents in the State of Florida who are Deaf, Hard of Hearing, Deaf/Blind, or Speech Disabled that connects them to standard (voice) telephone users. They utilize a wide array of technologies, such as Text Telephone (TTYs) and ASCII, Voice Carry-Over (VCO), Speech to Speech (STS), Relay Conference Captioning (RCC), CapTel, Voice, Hearing Carry-Over (HCO), Video Assisted Speech to Speech (VA-STS) and Enhanced Speech to Speech.

Howey Town Hall is inviting you to a scheduled Zoom meeting.

Topic: **Town Council Meeting**

Time: **Jul 24, 2023 06:00 PM Eastern Time (US and Canada)**

Join Zoom Meeting

<https://us06web.zoom.us/j/88180397778?pwd=U003UDNwc01RcGpiUEZnZVR3by8yZz09>

Meeting ID: 881 8039 7778

Passcode: 747302

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Please Note: In accordance with F.S. 286.0105: Any person who desires to appeal any decision or recommendation at this meeting will need a record of the proceedings, and that for such purposes may need to ensure that a verbatim record of the proceedings is made, which includes the testimony and evidence upon which the appeal is based. The Town of Howey-in-the-Hills does not prepare or provide this verbatim record. Note: In accordance with the F.S. 286.26: Persons with disabilities needing assistance to participate in any of these proceedings should contact Town Hall, 101 N. Palm Avenue, Howey-in-the-Hills, FL 34737, (352) 324-2290 at least 48 business hours in advance of the meeting.



Town Council Meeting

July 10, 2023 at 6:00 PM

Howey-in the-Hills Town Hall 101
N. Palm Ave., Howey-in-the-Hills,
FL 34737

MINUTES

Mayor MacFarlane called the Town Council Meeting to order at 6:00 p.m.
Mayor MacFarlane led the attendees in the Pledge of Allegiance to the Flag.
Councilor Reneé Lannamañ delivered an invocation.

ROLL CALL

Acknowledgement of Quorum

MEMBERS PRESENT:

Councilor Reneé Lannamañ | Councilor David Miles | Councilor George Lehning | Mayor Pro Tem Marie V. Gallelli | Mayor Martha MacFarlane

STAFF PRESENT:

Sean O'Keefe, Town Administrator | John Brock, Town Clerk | Tom Harowski, Town Planner (Zoom) | George Brown, Police Lieutenant | Tom Wilkes, Town Attorney | Rick Thomas, Police Chief | Morgan Cates, Public Works Director

AGENDA APPROVAL/REVIEW

Motion made by Councilor Lannamañ to approve the meeting's agenda; seconded by Mayor Pro Tem Gallelli. Motion approved unanimously by voice vote.

Voting

Yea: Councilor Lannamañ, Councilor Miles, Councilor Lehning, Mayor Pro Tem Gallelli, Mayor MacFarlane
Nay: None

CONSENT AGENDA

Routine items are placed on the Consent Agenda to expedite the meeting. If Town Council/Staff wish to discuss any item, the procedure is as follows: (1) Pull the item(s) from the Consent Agenda; (2) Vote on the remaining item(s); and (3) Discuss each pulled item and vote.

1. The approval of the minutes and ratification and confirmation of all Town Council actions at the June 26, 2023 Town Council Workshop.

2. The approval of the minutes and ratification and confirmation of all Town Council actions at the June 26, 2023 Town Council Meeting.
3. Consideration and Approval: **SMW Geosciences Proposal for Well Drilling Design, Compliance, and Oversight Services**

Motion made by Councilor Lannamañ to approve the Consent Agenda; seconded by Mayor Pro Tem Gallelli. Motion approved unanimously by voice vote.

Voting

Yea: Councilor Lannamañ, Councilor Miles, Councilor Lehning, Mayor Pro Tem Gallelli, Mayor MacFarlane

Nay: None

Mayor MacFarlane asked Sarah Whitaker from SMW Geosciences to introduce herself. Ms. Whitaker introduced herself and asked the Town Council if they had any questions.

PUBLIC HEARING

None

OLD BUSINESS

None

NEW BUSINESS

4. Discussion: **FGUA Presentation on Water and Wastewater**

Mayor MacFarlane asked the Florida Government Utility Authority (FGUA) representatives to introduce themselves and begin their presentation. Scott Towler from FGUA and Mark Tuma from Raftelis introduced themselves and gave their presentation.

Mr. Towler mentioned that FGUA had just completed a more detailed sewer analysis for the Town of Coleman in Sumter County. Councilor Lannamañ stated that she would like to be provided with the sewer analysis that had been completed for the Town of Coleman.

Mr. Tuma stated that the average wastewater treatment cost in communities surrounding the Town of Howey-in-the-Hills was \$55 a month. It was mentioned that, in addition the cost to treat the wastewater, (if the Town received no grant assistance) the probable cost of a monthly non-ad valorem fee that could be assessed to existing “old Howey” residents could be between \$205 to \$245 and then there could be an additional assessment cost on monthly utility bills of \$54 to \$64 for all existing and future parcels. If the Town received grants that would cover 50% of the costs, non-ad valorem assessment and monthly addition fee on the utility bill could be cut in half.

Mayor MacFarlane opened Public Comment for this item only.

Sarah Whitaker, Town CUP Consultant – Ms. Whitaker stated that it would be a benefit for the Town to have its own wastewater treatment plant as it would create a source of irrigation water for the Town. Ms. Whitaker cautioned that the Town would also need a backup source of irrigation water such as surface water.

Peter Tuite, 300 E Croton Way – Mr. Tuite wanted to know what would happen if a property owner did not want to connect to the sewer system.

Tim Everline, 1012 N. Lakeshore Blvd. – Mr. Everline had questions about the non-ad valorem assessments that existing “old Howey” residents would be charged to hook up to the new sewer system.

Todd Hawkins, 1110 N Lakeshore Blvd. – Asked about the Town’s prospects for getting a grant to pay for up to 50% of the cost. Mr. Hawkins stated that the current system of existing Howey utilizing septic systems was pretty good. Mr. Hawkins stated that growth should pay for growth and that developers should front the cost of a sewer system for the Town.

Diane Ballou, 1005 N Tangerine Ave – Mrs. Ballou had questions about the cost for residents of old Howey.

Mayor MacFarlane closed Public Comment.

5. Discussion: **Wastewater Planning**

Mayor MacFarlane shared a proposal that she had received from Central Lake CDD. This proposal consisted of the Central Lake CDD selling additional ERU capacity to the Town and running lines to the North part of the Town that could be used for future development on the north side and existing development on the north side. Additionally, the Central Lake CDD was willing to sell additional ERU capacity to the Town for existing portions of the Town. This proposal had many provisions, such as the town signing an exclusivity agreement with the Central Lake CDD to be the sole provider of wastewater treatment for the Town and having an agreement with no potential end date.

Councilor Miles questioned why the Town would consider spending millions of dollars to improve a privately owned wastewater treatment plant.

Mayor Pro Tem Gallelli stated that there were items in the proposal that she did not like, and that the public should have time to review this proposal.

Councilor Lannamañ stated that she specifically did not like the exclusivity agreement, the agreement running in perpetuity and the cost increases laid out for current customers of the Central Lake CDD.

Mayor MacFarlane opened Public Comment for this item only.

Suong Miles, 500 E Camelia Way – Mrs. Miles was not in favor of the town further connecting to the Central Lake CDD for wastewater treatment.

Wendy Zermeno, 25896 Bloomfield Ave., Howey-in-the-Hills (unincorporated Lake County) – Mrs. Zermeno stated that she thought any and all options should be considered.

Tim Everline, 1012 N. Lakeshore Blvd. – Mr. Everline stated that the Town should do nothing to upgrade the Central Lake CDD wastewater treatment plant without getting something in return.

Mayor MacFarlane closed Public Comment.

Councilor Miles stated that he would like to bring up other possible wastewater options during the 7/13/2023 Town Council Budget Workshop.

6. Discussion: **SRO Contract Update**

Mayor MacFarlane asked Town Manager, Sean O’Keefe, to introduce and explain this item. Mr. O’Keefe stated that the Lake County School Board had rejected the proposal that the Town Council had sent to the School Board for supplying the three School Resource Officers (SRO) to the three schools located with the Town. The Lake County School Board countered with an offer that was roughly

\$40,000 less than what the Town had been paid during the 2022-2023 school year to supply the three SROs.

Councilor Miles stated that he would like to make a motion to accept the School Board's offer but asking them to pay for the Officer's life insurance costs. Mayor MacFarlane stated that due to timing, the Town should just accept the current offer and not worry about the small cost that the Town would have from the life insurance costs.

Motion made by Councilor Miles to accept the Lake County School Boards offer; seconded by Mayor Pro Tem Gallelli. Motion approved unanimously by roll-call vote.

Voting

Yea: Councilor Lannamañ, Councilor Miles, Councilor Lehning, Mayor Pro Tem Gallelli, Mayor MacFarlane

Nay: None

7. Consideration and Approval: **FY 2024 Budget Public Hearing Dates Selection**

Public Hearing dates and times were selected. The first millage and budget public hearing date would be Thursday, September 7, 2023 at 5:05 PM. The second and final millage and budget public hearing date was set for Monday September 25, 2023 at 5:05 PM.

DEPARTMENT REPORTS

8. Town Hall

The department report was included in the packet for the meeting.

9. Police Department

Police Chief Thomas spoke about how, during an unlawful speed stop that had been made the night before the Town Council meeting, the officer discovered that the speeder had been carrying the illicit drug fentanyl.

10. Code Enforcement

The department report was included in the packet for the meeting.

11. Public Works

Public Works Director, Morgan Cates, stated that the Town had conducted a pre-construction meeting with Paquette paving contractor about the N. Dixie Rd reconstruction project and that they had started the project the day of the Town Council Meeting. Mr. Cates also stated that the company would provide a quote for fixing some of the potholes in Town.

Mr. Cates stated that he had made an offer to fill the open Maintenance Worker II position.

12. Library

The department report was included in the packet for the meeting.

13. Parks & Recreation Advisory Board / Special Events

Nothing to report.

14. Town Attorney

Tom Wilkes, Town Attorney, gave an update on the McGill lawsuit. Mr. Wilkes also stated that the Town would need to justify the cost of impact fees if it wished to start collecting them for road and wastewater.

15. Finance Supervisor

The department report was included in the packet for the meeting.

16. Town Manager

Town Manager, Sean O'Keefe, announced dates for future meetings including the Water Treatment Plant #3 Groundbreaking on 7/20/2023, the Budget Workshop on 7/13/2023, and the DRC Meeting on 7/13/2023.

COUNCIL MEMBER REPORTS

17. Mayor Pro Tem Gallelli

Mayor Pro Tem Gallelli asked Lt. George Brown when the next Events Committee Meeting would take place and Lt. Brown stated that he would get with the Town Clerk soon to set the date. Mayor Pro Tem Gallelli asked the Town Attorney if the Town could annex the Citrus Plant. Mr. Wilkes stated that they would have to volunteer to do so. Mr. O'Keefe stated that he had recently had a conversation with the current plant manager and that the plant might be willing to annex if the Town could provide a backup source of water for the plant.

Mayor Pro Tem Gallelli stated that she would like to see a wastewater workshop with the community at the Library LEC sometime in the future.

18. Councilor Lehning

Councilor Lehning had nothing to report.

19. Councilor Miles

Councilor Miles stated that he had recently driven through the Talichet neighborhood and had seen steep incline that he believed would need to have a retaining wall. Public Works Director Cates stated that he had already spoken to the builder in the neighborhood and informed them that they were required to build a retaining wall for the steep incline that Councilor Miles had pointed out.

Councilor Miles had questions about the three homes at the back of the Venezia neighborhood that did not seem to match the rest of the neighborhood. Councilor Lannamañ stated that those three houses, along with a fourth parcel next to them, were not part of the Venezia HOA, as they had not been owned by the developer who created the Venezia neighborhood.

Councilor Miles mentioned the Water Treatment Plant #3 Groundbreaking and asked when the drilling for the two wells would commence. Mr. O'Keefe stated it would be soon and he would try to get an exact date.

Councilor Miles suggested that the Town's Library should place an article on some of its events in the Orlando newspaper, as other Lake County Libraries were doing.

20. Councilor Lannamañ

Councilor Lannamañ stated that people had let her know that they were offended by the way some other people had described the children that attended some of the schools within the Town's borders and that the way the children had been described was grossly inappropriate.

Councilor Lannamañ also stated that she had seen a picture of a local developer's sign that had been vandalized, and that this too was not appropriate, and it was against the law.

21. Mayor MacFarlane

Mayor MacFarlane mentioned an online packet/course that the Florida League of Cities had created called "Let's Balance" about the municipal budget process. Mayor MacFarlane stated that the other Town Councilors should view the packet and that the Town should put on this public workshop for the upcoming budget season.

Mayor MacFarlane reminded the Town Council and staff that none of the money the Town had received from the state appropriation could be spent on the design of the Water Treatment Plant.

Mayor MacFarlane referenced the Town Manager's earlier remark about the conversation he had with the Manager of the Citrus Plant about the prospect of the Citrus Plant annexing into the Town. She told the Town Manager that he needed to make sure that this conversation was followed up with a written communication with the Citrus Plant Manager and the higher-ups of the Citrus Plant.

Mayor MacFarlane questioned the side setbacks that she had seen in Talichet phase 2, saying that she believed that they may not be set up according to the developer's agreement. Morgan Cates, Public Works Director, stated that he had personally measured the setbacks and they were correct.

PUBLIC COMMENTS

Any person wishing to address the Mayor and Town Council and who is not on the agenda is asked to speak their name and address. Three (3) minutes is allocated per speaker.

Janet Pratt, 1102 Mission Ln – Mrs. Pratt wanted to know where the new water treatment plant would be located.

Joshua Husemann, 671 Avila Pl – Mr. Husemann recommended that new homes should have permeable pavers installed as their driveways.

Tina St. Clair, 135 E Central Ave. – Mrs. St. Clair wanted to know why the Police Department was not enforcing the stop sign at Central and Lakeshore for bicyclists that were not even slowing down when going through it.

ADJOURNMENT

There being no further business to discuss, a motion was made by Mayor Pro Tem Gallelli to adjourn the meeting; Councilor Lannamañ seconded the motion. Motion was approved unanimously by voice vote.

The Meeting adjourned at 9:11 p.m. | **Attendees: 57**

Mayor Martha MacFarlane

ATTEST:

John Brock, Town Clerk



Town Council Budget Workshop

July 13, 2023 at 9:00 AM

Howey-in the-Hills Town Hall 101
N. Palm Ave., Howey-in-the-Hills,
FL 34737

MINUTES

Mayor MacFarlane called the Town Council Meeting to order at 9:00 a.m.
Mayor MacFarlane led the attendees in the Pledge of Allegiance to the Flag.
Councilor Reneé Lannamañ delivered an invocation.

ROLL CALL

Acknowledgement of Quorum

MEMBERS PRESENT:

Councilor Reneé Lannamañ | Councilor David Miles | Councilor George Lehning | Mayor Pro Tem Marie V. Gallelli | Mayor Martha MacFarlane

STAFF PRESENT:

Sean O'Keefe, Town Administrator | John Brock, Town Clerk | George Brown, Police Lieutenant | Abigail Herrera, Finance Supervisor | Rick Thomas, Police Chief | Tara Hall, Library Director | Morgan Cates, Public Works Director | James Southall, Public Utilities Supervisor | Azure Botts, Code Enforcement Officer

NEW BUSINESS

1. Discussion: **Fiscal Year 2023-2024 Budget**

Mayor MacFarlane asked Sean O'Keefe, Town Manager, to introduce and explain this item. Mr. O'Keefe explained how the accounts and objects code were set up in general.

Councilor Miles stated that if a Wastewater Impact fee was created, it would need its own fund like what was just done for the Police and Parks Impact Fees. Councilor Miles suggested the Sanitation and Wastewater accounts within the 401 Water/Sanitation fund should be moved out of that fund and each account should have its own fund. Mayor MacFarlane asked Mr. O'Keefe to speak June Lorah, Finance Town Consultant, about the moving those two accounts out of fund 401.

Councilor Miles said that there should be delineation between the Town Planner and Town Engineer and that they should have separate object codes within the General Fund, Infrastructure Fund and Water / Sanitation Fund. Mr. O'Keefe agreed.

Mr. O'Keefe stated that he would remove "Ron" from object code 341 on his Object Code Guide.

Mayor MacFarlane asked Mr. O'Keefe to ask June Lorah about how the Town should be reporting its spending to the State under fund 155 Building Services.

Councilor Miles asked Mr. O'Keefe to move the budget under object code 640 Capital Outlay - Equipment to 633 Capital Outlay - Water Expansion under fund 401 Water / Sanitation Fund. Mr. O'Keefe agreed.

Mr. O'Keefe stated that the budget amount in both the 401-533-317 and 401-534-325 were incorrect and needed to be zero'd out. This was due to the fact that the Town no longer collects sanitation charges through non-ad valorem fees.

Councilor Miles asked if money had been budgeted in the 401 Water / Sanitation Fund for the recommended water and wastewater studies. Mr. O'Keefe had stated that the money for those studies had not been budgeted yet.

Mayor MacFarlane stated that, going forward, the cost of wastewater collection repairs needed to be discreetly accounted for rather than being charged under the 533 Water Utility Services account.

Councilor Lehning stated that, for the next budget workshop, he wanted an Executive Summary in addition to the detailed information.

Tara Hall, Library Director, presented the library's budget. Ms. Hall stated that the primary increase in expenditures was related to staffing. Ms. Hall stated that she was asking to have the part-time Library Assistant moved to full-time. This would allow the library to increase the hours that it is open to the public.

Mr. O'Keefe committed to supplying a Salary list of all Town positions to the Town Councilors for the next Town Council Budget Workshop.

Morgan Cates, Public Works Director, presented the Stormwater Maintenance Account, Public Services Account, Transportation Account, Parks and Recreation Account, and Infrastructure Fund. Mr. Cates stated that 001-572-460 had been increased for repair of some of the Town's finger piers. Mr. Cates stated that the new boardwalk at Sara Maude Mason Nature Preserve would come out of Parks Impact Fees.

Councilor Miles stated that he wanted two additions to the Public Works budget. The first things Councilor Miles wanted was for the repair of streets to have its budget increased to \$400,000, based on the cost this year to repair N. Dixie Drive. The second thing that Councilor Miles wanted was to have a new staff member added to Public Works. The staff member that Councilor Miles wanted to have added is an Administrative Assistant working for the Public Works Director that could assist him with finding and applying for grants and other administrative duties. Mayor MacFarlane suggested that, rather than hiring another staff member for that purpose, that the Town hire a consultant to assist the Town as needed with finding and applying for grants. Mr. Cates stated that he would rather have a Public Works Supervisor than an Administrative Assistant if the Town was going to add a staff member to Public Works.

Mayor MacFarlane called a meeting to recess from 11:07 a.m. to 11:15 a.m.

James Southall, Public Utilities Supervisor, presented the Water / Sanitation Fund. Mayor MacFarlane asked where the cost for the design of the new Water Treatment Plant would be placed. Mr. O'Keefe stated that it would come out of Water Impact Fees.

Azure Botts, Code Enforcement Officer presented the Code Enforcement Account budget. Officer Botts stated that most of the increases in the Code Enforcement Account were due to costs being moved from the Police Department budget to Code Enforcement budget. An example of this was the cost of fuel and insurance for the Code Enforcement vehicle.

Police Chief Thomas presented the Police Department budget. Councilor Lannamañ asked if the leases of body cameras should be shortened to two years.

John Brock, Town Clerk, presented the Legislative Account, Finance and Administrative Account, Other General Government Account and the Building Services Fund. Mr. Brock stated that he would like to increase staffing in Town Hall by adding an additional position that would be primarily funded out of the Building Services Fund and would assist with the growth of the Town and development billing. Councilor Miles asked to have a copy of the job descriptions for all three administrative positions within Town Hall sent to him.

PUBLIC COMMENTS

Any person wishing to address the Mayor and Town Council and who is not on the agenda is asked to speak their name and address. Three (3) minutes is allocated per speaker.

Tim Everline, 1012 N. Lakeshore Blvd – Mr. Everline stated that he thought the deferred 457(b) investment plan that the Town had was wonderful. Mr. Everline is concerned about a 5% cost increase (personnel payroll) being budgeted.

Todd Hawkins, 1110 N. Lakeshore Blvd – Mr. Hawkins was appreciative of the ability to attend this budget workshop. Mr. Hawkins would like to see more information flowing to Town residents.

Councilor Miles led a discussion about the potential acquisition of unnamed land parcels for a Town managed wastewater treatment plant.

ADJOURNMENT

There being no further business to discuss, a motion was made by Mayor Pro Tem Gallelli to adjourn the meeting; Councilor Lannamañ seconded the motion. Motion was approved unanimously by voice vote.

The Meeting adjourned at 12:16 p.m. | **Attendees: 21**

Mayor Martha MacFarlane

ATTEST:

John Brock, Town Clerk

Sean O'Keefe

From: Scott Line <sline@linecapitalinvestments.com>
Sent: Wednesday, July 12, 2023 4:54 PM
To: m29.macfarlane@gmail.com; Sean O'Keefe; 'Thomas J. Wilkes'
Cc: 'Bud Beucher'
Subject: Town of Howey Wastewater Discussion

Caution: This email originated from outside the organization. DO NOT CLICK links or open attachments unless you recognize the sender and know the content is safe.

Dear Martha, Sean and Tom,

I watched Monday night's Town Council meeting on Zoom, including the presentation by FGUA and the discussion on the CDD expanding its wastewater plant, and I was shocked and extremely disappointed with how poorly the Beucher family and the CDD were treated.

The Beucher family has been a proud member of the Town of Howey for over 60 years and we have supported the Town in every possible way. This includes the multiple times over the past 20 years when the Town asked the CDD to provide wastewater service to the Town.

As a reminder, the CDD was created in the early 2000's to provide wastewater service exclusively to the Mission Inn and its future residential development. The CDD had no intention or desire to service any areas outside of the Mission Inn. However, given the hot real estate market at such time, and recognizing that the Town did not have its own wastewater plant, the Town asked the CDD to be its wholesale provider for certain new developments planned within the Town's city limits, including, but not limited to, Venezia and the Reserve, and also certain new developments planned outside of the Town's city limits that the Town wanted to annex (it being a condition of the annexation that the Town could provide wastewater service). As a result, the Town and the CDD entered into a wholesale agreement for such developments whereby the developers (along with the Mission Inn) paid to build the wastewater plant, the developers received ownership of certain wastewater capacity in the plant, the CDD agreed to be the wholesale provider to the Town and the Town agreed to be the retail provider to the new homes.

In 2012, the Town and the CDD entered into an additional agreement to cover the Bouis Property (which is now Lake Hills PUD) and the Town and the CDD have entered into other agreements for the School Board, Boondocks, the Town's Utility Department and the Library.

In June of 2021, the Town approached the CDD and asked if the CDD could provide additional wastewater capacity to the Town so that the Town could serve the Drake Point development. At the same time, there were additional inquiries from other developers, which resulted in numerous conversations between the Town and the CDD about expanding the CDD's wastewater plant. Such discussions continued from June of 2021 until March of 2022 and included a joint effort between the Town and the CDD to create a master list of future developments, estimated number of new homes, and the timing of such developments. It also resulted in the drafting and negotiation of an amendment to the Town and the CDD's current Wholesale Agreement. The basis for all such discussions was that the developers would pay to expand the plant, the developers would own the additional capacity, the CDD would continue to be the wholesale provider to the Town, and the Town would be the retail provider to the new homes. This concept was consistent with how the plant was originally built. One key element of the expansion was that the CDD's engineer advised that the minimum size of any expansion would need to be 435,000 GDP (or the equivalent of 1,740 homes). The Town and the CDD held a meeting with all the developers in January of 2022 and shared this plan. All of this happened with the clear understanding that the Town wanted the CDD to provide additional wastewater service to the Town for these future developments.

Things changed in March of 2022 when the Town decided that it wanted to explore building its own wastewater plant. We learned of this by reading the Town's meeting minutes. It was only after I called Sean O'Keefe that he acknowledged that the Town was going down this path. The Town then later engaged FGUA to do a study on the Town building its own wastewater plant.

We have been surprised that no one from FGUA reached out to the CDD to discuss and evaluate the plan that was shared at the January 2022 meeting with the developers (i.e., that the developers would pay to expand the plant). It was our belief that a \$75K study would provide the Town and its residents with multiple options to consider from a cost, risk, and timing perspective.

In late May of 2023, Bud Beucher expressed such concerns to Martha and it resulted in Martha sharing that the Town was going to pursue obtaining grants to fund the construction of its own water and wastewater plants. We shared with Martha that if the Town could secure such grant money that it would get more "bang for its buck" (i.e., it would create and own more wastewater capacity) if it used such funds to expand the CDD's wastewater plant, as expanding an existing wastewater plant is much less expensive than buying land and building one from scratch. Martha asking Bud/me to provide a summary of how this option could potentially work. We sent this to Martha on June 2. We were surprised to see that our summary was included in the Town's July 10 meeting agenda package, as we did not request that it be shared or presented. We have no issue with Martha sharing the summary with the Town Council, as they should be aware of other options that exist (including the option discussed at the January 2022 developer meeting), but we agree that the Town Council members would have benefitted from having more time to review it.

There is a learning curve for the Town Council members and residents who have not participated in the Town's and CDD's prior discussions and negotiations. Additionally, the development, construction, operation, and financing of a wastewater facility is complicated and therefore, it is important that those that have participated in such past conversations (and that have the important facts and information) share such conversations with their colleagues so that everyone is on the same page. With the benefit of such information, I would have hoped that certain Town Council members would have shown a higher level of professionalism before making public comments about the Beucher family and the CDD ---- "the greed of that group", "millionaire family", and comparing the CDD's business practices to the holocaust ---- that are not only offensive and insulting but border on defamation.

When such comments were made by certain Town Council members, I was extremely disappointed that none of you spoke up on behalf of the Beucher family and the CDD or shared the discussions we've had over the past 12 months. You could have pointed out that the CDD has not raised the wholesale rate it charges the Town in 16 years. It has stayed fixed at \$24/month per home. The CDD has the contractual right to increase the monthly wholesale rate by CPI every year or through a rate study, but the CDD has chosen not to. The Town and the residents have benefited from this. Is there any other product or service that hasn't gone up in price every year (or significantly up in the past 2 years)? The Council Members and the Town need to know all the facts. We noted that your consultant concluded that a market monthly rate should be \$55/month per home. Using a 15% standard discount for a wholesale rate, would result in the CDD charging the Town \$46.75/month per home, which is almost double what the CDD is currently charging. You also could have shared that the Beucher family has on multiple occasions sold some of its wastewater capacity to the Town so that the Town could tie in the Library, Boondocks, the Town's Utility Department and other businesses. This all happened with a simple phone call from John Earnest to Bud Beucher. The Beucher family did so to support the Town's growth and notwithstanding that the Beucher family needed such wastewater capacity for its own future residential development.

We deserved to be treated better and your silence allowed the narrative to shift from evaluating FGUA's report to certain Town Council members making disparaging comments about us. A more productive approach would have been for the Town Council members to focus on the FGUA report and ask the FGUA consultants more pointed questions, including:

1. How much land will be needed for the Town's wastewater plant? As a point of reference, the CDD's current wastewater plant sits on 26 acres.
2. Is the land cost included in the FGUA's Treatment System cost?
3. Do all cost estimates include hard and soft costs? In other words, do the numbers include construction costs along with architectural, engineering and other non-construction costs?
4. What are the site requirements for the wastewater plant and has the FGUA identified potential locations for the new wastewater plant? This directly impacts the cost estimates to run the transmission lines. Or, will the Town need to build two wastewater plants --- one on the North side of Town and the other on the South side of Town?
5. Will the location of the wastewater plant impact any existing or future residents, homes or commercial businesses?
6. How long will permitting and construction take? We have been told it could take 24 months to expand our plant. The Town's timeline is directly impacted by its ability and time necessary to secure grants, then it needs to acquire land and conduct its environmental and geotechnical studies, and then it needs to build the wastewater plant. That could take 5+ years.
7. Given the uncertain timeline for having the Town's wastewater plant built and operational, will the future developments mentioned in FGUA's report be prepared to wait versus cancelling their projects?
8. What is the minimum initial size of the Town's wastewater plant?
9. What will be the minimum expansion increments? This is something that the CDD has been trying to find a solution to for its own wastewater plant expansion and we hope to have options available in the near future that will allow for an expansion in increments less than 1,740 homes. It is important that the Town knows how it can expand its plant and the cost and timing. The Town would be making a false assumption to assume that it can customize its plant expansion to accommodate the size of each development that wants to tie in. In such case, the Town could be caught with either (i) not being able to expand its plant because there isn't enough developer interest or (ii) having to use its own money to fund the balance of the cost to expand the plant.
10. What will be the annual operating expenses once the plant is built and how many homes will need to be built and connected to the wastewater plant so that the wastewater plant can achieve a break-even financial performance? The Town needs to understand the potential financial impact to the Town and the residents if the housing market cools and no new homes get built.
11. Given that the FGUA's dollar figures are based on 2023 costs and that the wastewater plant would not be built for several years, what is the potential impact of inflation on the cost estimates in FGUA's report? Can the FGUA provide a cost sensitivity analysis.
12. The Town's new water plant will be built and operational well before the Town's new wastewater plant is completed. Given that the future developments can't move forward without water and wastewater, what is the estimated annual carrying costs for the new water treatment plant until the new wastewater plant is operational? And, what is the financial impact to the Town and the residents if the housing market cools and no new homes get built?
13. How much more money will the Town need to spend on consultants before they get the necessary information to make an educated business decision? After seeing FGUA's presentation, my initial reaction was that their report provided very little new information. Perhaps that is what was requested, as one Town Council member commented that the review was being conducted at a 30,000 foot level. But \$75K is a lot of money for a high-level report. Did FGUA's cost estimates include its \$75K consulting fee or is the \$75K fee an additional amount?
14. Based on the presentation we heard, we are concerned that the FGUA report included incorrect information and assumptions. If we are correct, then the financial obligations and costs to the existing and future residents would be much higher than what is shown in FGUA's report. It would be helpful if we could review the FGUA report and confirm that its information and assumptions are correct, including how it addresses the existing and future developments that are covered by the long term contracts between the CDD, Town and the developers.
15. Do the cost estimates include a construction contingency amount to cover unexpected costs? For any large construction projects, 5% to 10% of the total project cost is customarily added as a construction contingency.
16. What lessons can be learned from other municipalities/cities that have gone bankrupt after building their own utilities?

We fully recognize that the Town has the sole right to decide how to manage its future growth, including its water wastewater services. The CDD can be part of such conversation if the Town wants. Or, if the Town wants to go down a different path, that is completely fine with the CDD. With that said, the Town's residents deserve to know all the different options available so that they can make an informed decision. This includes the option that was discussed at the January 2022 developer meeting whereby the developers would pay to expand the CDD's plant. This includes the option that was shared with Martha whereby the Town's grant money would pay to expand the CDD's plant. This includes other potential options that none of us are currently aware of. It would be very helpful if the Town could prepare a matrix showing the different options available, including the cost, time, pros/cons, return on investment, and risk.

In my opinion, the best option for the Town and the CDD is the option that was presented at the January 2022 developer meeting. Such option places the financial burden of expanding the wastewater plant on the developers (who can later recoup such costs from their homebuyers), the CDD continues to be the wholesale provider to the Town and the Town continues to be the retail provider to the new developments/residents. And, as mentioned above, we believe that the minimum expansion size for the CDD's wastewater plant can be lowered from 1,740 homes, which will provide much more flexibility to support developments of different sizes.

It is important for the Town Council members to know that the option presented at the January 2022 developer meeting would generate significant annual cash to the Town with no capital outlay or risk. To illustrate, the CDD currently charges the Town \$24/month per home and the Town passes such cost on to each homeowner. On top of that, the Town charges its residents a \$22 per month per home wastewater collection infrastructure fee. So, the residents pay \$46/month, the Town remits \$24/month to the CDD and the Town retains \$22/month. The Town utilizes the \$22/month per home to cover any repair or maintenance costs on the sewer lines and lift stations should they be necessary. Sewer lines have useful lives that are measured in decades and lift stations are covered by warranties for a certain time period (and there is the ability to transfer such responsibilities to the developers or HOA's). The net is that the \$22/month per home is generally all profit to the Town. If you scale that to 1,000 new homes, then the Town would generate \$22,000/month in revenue, which is equal to \$264,000 per year. If the Town increases such amount to \$30/month, the Town would generate \$30,000/month in revenue, which is equal to \$360,000 per year. Such money could support many of the Town's capital projects, salary increases, new parks and it could even support the borrowing of several million dollars to help the existing residents transition from septic to sewer. Given the foregoing, it would be political malpractice on the Town Council's part to ignore looking at this option.

We will leave it to the Town and its residents to decide if they want to have any further discussions with the CDD.

Please share this letter with the other Town Council members and we also request that you provide us with a copy of the FGUA report.

Sincerely,

Scott Line

Member (Sewer & Water Plant Investments, LLC, owner of the wastewater plant)

Position Paper On Central Lake CDD Wastewater Proposal To Town Of Howey In The Hills

To The Residents of Howey In The Hills, and its Town Council:

As I am sure you are aware, the Howey-Groveland area will be the next major growth area in Central Lake County, Florida. Mr. Scott Line and Mr. Bud Beucher, Managing Members of the Sewer & Water Plant Investments, LLC (the Private Utility) and its wholly controlled entity, the Central Lake Community Development District (the CDD) have proposed a privately owned alternative for wastewater services in the Town of Howey In The Hills (the Town) Water and Wastewater Service Area (attachment 1), presented to the Town Council on July 10, 2023. The issues the Town has identified in this proposal that require adjustment to make it more equitable to the Town and its residents include, but may not be limited to the following:

- a. The proposal suggests that the Town invest public funds into the expansion of a privately owned wastewater treatment facility that the Town would have no equity interest therein. The Town would be more comfortable with a proposal that results in the Town having an equity ownership interest in the wastewater treatment plant and the underlying real property.
- b. The proposed method of recouping the Town's capital outlay cost through a "CIAC" charge is the normal practice in the water and wastewater industry, and virtually every publicly and privately owned utility in the State of Florida use it to recover their capital investment. The Town could easily use these same procedures without the additional overhead costs of the CDD/Private Utility owner.
- c. After sixteen years of operation, the Town recognizes the current wastewater fee structure may now have reached a point where it makes it difficult for the Private Utility wastewater plant owners to received their desired investment rate of return. If this current rate is inadequate, the July 10, 2023 proposal provides no basis for adjusting the rate to a different amount.
- d. The Town also recognizes the concerns of its residents who are the ultimate customers of the wastewater treatment plant. Many of these residents in the Venezia and Talichet subdivisions report water and wastewater expenses greater than \$200 a month and find them unaffordable. We note that the current contractual arrangement between the CDD and Private Utility directs all reclaimed water to a privately owned golf course, resulting in the Town residents having to use much more expensive potable water to irrigate their lawns and landscaping. Until recently there was mutual, beneficial ownership of the privately owned wastewater plant and the privately owned resort golf course. The future separation of the ownership of these quite different services and their related revenues and expenses need to be explained and the method of provision of affordable reclaimed water to Town residents addressed.
- e. We understand that the current CDD lease with the Private Utility owned wastewater treatment facility still has almost 25 years of its original 40 years remaining. The new proposal from the CDD/Private Utility owners asks for the Town to provide it the right to

provide wastewater and reclaimed water to Town customers in perpetuity. This is not an acceptable condition to the Town.

- f. In addition, to providing its wastewater services in perpetuity, the CDD/Private Utility owner asks for exclusive rights to provide wastewater and reclaimed water services to residents in the Town's service area. This is likewise not acceptable to the Town.
- g. The use of the CDD government designation, obtained from Lake County in 2001, appears to provide two benefits to the Private Utility owners. First, the definition of the CDD boundaries has been purposely configured to allow the owners of the Private Utility to be the only persons allowed to vote in CDD Board elections, hence the privately owned utility effectively controls the CDD. Thus, it does not meet the minimum requirements recognized by the Federal Internal Revenue Service to be a true government entity. As such, the CDD would not be able to issue lower interest rate municipal debt to obtain capital for expansion, as a Federal tax exempt entity.
- h. Second, through use of the CDD to provide the services, this allows the privately owned utility to escape regulatory oversight and public rate review by the State of Florida Public Service Commission. The method of rate regulation of this Private Utility to make sure it is charging reasonable rates is not addressed in the Private Utility/CDD proposal.
- i. The Private Utility/CDD proposal lists six advantages to the Town that this proposal would present. However, all six of the items suggested are already within the purview and powers of the Town, and could be used regardless of the acceptance of this proposal.
- j. Finally, the proposal suggests that the rates the Town pays the CDD/Private Utility for what is referred to as wholesale services be increased and a mechanism for Town residents to receive future rate increases be put in place. There is no benefit proposed for the Town or its residents nor methodology explained for increasing their rates and payments. This would solely benefit the private owner of the wastewater plant facility with no return benefit to the Town or its residents.

In summary, the Town Council agrees this proposal would be a "win" for the private owner of the wastewater plant. It appears to be much less satisfactory to the Town and its residents, who would pay for the wastewater treatment services. A true "win-win" is where both parties would benefit equally. It would provide the private owners receive a fair market price for their services and property and the Town would acquire equity ownership and spend the capital resources necessary to reconstruct, update and expand the 20 plus year old treatment plant to meet the expected increase in service demand, while affording its residents and customers reasonable prices commensurate with the services provided.

The Town would appreciate a fair market value sale proposal from the current owners of the treatment plant, transmission lines, easements, and other wastewater and reuse facilities owned by them. This would better serve the Town's needs and also reduce the need to construct as much additional wastewater treatment plant capacity for the anticipated future development. Please provide a price valuation proposal for the wastewater treatment plant at your earliest opportunity to address a Town purchase option for the private facilities, including

treatment plant, transmission lines, lift stations, easements and all other facilities owned in the Town service area by the Sewer & Water Plant Investments, LLC.

Prepared by:

David R. Miles,
Town Council Member

INTRODUCTION. The Town of Howey-In-The-Hills (the "Town") has the opportunity to provide and control wastewater service to future developers, residents and businesses within the Town's Utility Service Area through an expanded relationship with the Central Lake Community Development District (the "CDD").

BACKGROUND. The Town and the CDD have a current contractual relationship regarding wastewater service that dates back to 2007 and covers (i) the Reserve Property, (ii) Venezia South and Townhomes, (iii) Talichet Phases 1 and 2, (iv) Lake Hills, (v) Lake County School Board, (vi) Bishop's Gate, and (vii) certain businesses located in Downtown Howey, including the library.

The CDD's wastewater facility is 26 acres, has a 4.4 million gallon lined pond, and has a capacity of 870,000 gallons per day (which is equivalent to 3,480 homes). All of the current capacity in the CDD's wastewater facility has been purchased by third parties. However, the CDD's wastewater facility can be expanded to add an additional 2.61 million gallons per day of capacity (which is the equivalent to 10,440 additional homes). Such expansion greatly exceeds the number of potential new homes projected under the Town's Major Development Summary dated October 2022 (prepared by TMH Consulting, Inc.) Due to engineering requirements, any expansion of the CDD's wastewater facility would need to be constructed in increments of 435,000 GPD (which is equivalent to 1,740 additional homes).

As part of the expansion mentioned in the above paragraph, new pipes and lift stations would also need to be installed from the developments to the CDD's wastewater facility. The new pipes would send the wastewater to the CDD's wastewater facility and also for the return of re-use to the developments/homes. This would be done under a Pioneer Agreement whereby the Town incurs the costs up front (including the cost to upsize pipes) but recoups such costs from future developers. See the attached map showing (in yellow) the general location of where the new pipes would need to go in order to serve potential new developments on the north and west side of the Town, including Drake Point, Westminster, Lake Hills, Bouis Sisters' property, and Cedar Creek.

PROPOSED PLAN. The Town would fund the expansion of the CDD's wastewater facility and the new pipes and lift stations. The size of the expansion would be determined by the Town based on the amount of additional capacity it desires (but note, the increments and maximum expansion details mentioned in the Background paragraph above). The Town would then "own" such additional capacity and would be able to sell it to third parties in the Town's Utility Service Area that need wastewater capacity. The Town would be able to recoup all (and likely more than) its capital investment by charging a wastewater Contribution In Aid of Construction ("CIAC") fee to a new homeowner/business utilizing such capacity (note, the CIAC fee charged shall not be less than the CDD's then current standard wastewater CIAC fee, but the Town would have the discretion of charging a higher amount) and also by charging developers for their share of the costs incurred to install the new pipes and lift stations.

The Town and the CDD would need to negotiate an amendment to their current Wholesale Wastewater Service Agreement to address the above plan, but the overriding structure of such agreement would continue, which is that the CDD would be the wholesale provider of wastewater capacity to the Town and the Town would be the retail provider of wastewater capacity to its customers. From the CDD's perspective, it is important that such agreement provides for a fair wholesale rate for wastewater (as the current \$24 rate is too low and hasn't been increased in 16 years), provides for a wholesale rate for re-use, the term of the agreement runs in perpetuity, and that the CDD will be the exclusive provider to the Town (up to the maximum capacity that the CDD's wastewater facility can be expanded to). Importantly, the Town would control the service of wastewater to its customers, including, but not limited to:

- (i) being able to serve and manage future developments in the Town's Utility Service Area,
- (ii) setting the retail rate to its customers,
- (iii) setting the wastewater CIAC fee,
- (iv) setting the recoupment amount under the Pioneer Agreement,
- (v) requiring and being able to provide re-use for lawn/landscape irrigation, and
- (vi) eliminating any package plants or septic tanks, which are less environmentally friendly than a traditional wastewater treatment facility.

Equally as important, the Town's only future financial obligations would be to maintain the pipes and lift stations on its side of the point of connection to the CDD's wastewater facility, pay a reservation fee for any un-used capacity (note, the current reservation fee is \$4/month per 250 GPD of capacity) and pay the wholesale rate to the CDD for the wastewater capacity/re-use utilized by the Town's customers.

SUMMARY. The above plan provides the Town with the ability to control wastewater service in its Utility Service Area without the significant cost, risk and time of developing, operating, staffing, and maintaining its own wastewater facility (or facilities). It also avoids the practical and political challenges of finding an acceptable location in the Town for the Town's own wastewater facility, including finding a large enough piece of land that is located away from current (and future) residents and that can also accommodate the size requirements for the lined ponds and rapid filtration basins. It also is financially beneficial to the Town, as the Town will be able to recoup all of its up-front capital costs (and in all likelihood will be able to recoup additional amounts as the CIAC fee for wastewater gets adjusted to reflect inflation and increased construction costs) from future developers. Furthermore, as the retail provider, the Town will retain the difference between the monthly wholesale rate it pays the CDD for wastewater service and the higher monthly retail rate it charges its residents, and multiplying that difference by 1,740 additional homes will result in significant monthly and annual revenue to the Town. In short, this is a win-win for the Town and the CDD.



RESOLUTION NO. 2023-005**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HOWEY-IN-THE-HILLS, FLORIDA; SETTING THE PROPOSED MAXIMUM MILLAGE RATE OF AD VALOREM TAXATION AND SETTING THE DATE, TIME AND PLACE OF THE FIRST PUBLIC HEARING ON THE BUDGET FOR FISCAL YEAR 2023-2024; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, it has been determined by the Town that the total taxes to be levied at the proposed millage rate of 7.5 mills is equal to the amount of \$1,407,766 necessary for the operation and expenses for the administration of the affairs of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HOWEY-IN-THE-HILLS, FLORIDA, AS FOLLOWS:

1. The millage rate for the Fiscal year 2022-2023 was 7.5 mills. The proposed millage for Fiscal Year 2023-2024 is set at a not to exceed rate of 7.5 mills.
2. The first budget hearing to accept public comment on the millage rate and budget will be held September 7, 2023 at 5:05 p.m. in the Howey-in-the-Hills Town Hall, 101 N. Palm Avenue, Howey-in-the-Hills, Florida 34737.
3. This Resolution shall become effective immediately upon its approval and adoption by the Town Council of the Town of Howey-in-the-Hills, Florida.

PASSED AND RESOLVED this 24th day of July, 2023, by the Town Council of the Town of Howey-in-the-Hills, Florida.

Martha MacFarlane, Mayor

ATTEST:

John Brock
Town Clerk