

Minutes of the Special Workshop of the City Commission of the City of Auburndale held March 16, 2026, at 6:00 p.m. in the Commission Room of City Hall, after having been properly advertised, with the following members present: Mayor Alex Cam, Vice Mayor Jordan Helms, Commissioners: Travis Avery and Crystal Tijerina. Commissioner Sean Levy was present virtually for discussion only. Also, present were: Interim City Manager Amy Palmer, City Attorney Frederick J. Murphy Jr., City Clerk Brandon Henry, and Deputy Police Chief Carin Ketcham.

1. PRESENTATION OF WASTEWATER CAPITAL IMPROVEMENTS AND FINANCE OPTIONS

Interim City Manager Palmer said tonight we will hold a special workshop of the City Commission to consider a presentation of wastewater capital improvements and finance options. In 2023, Chastain-Skillman completed an analysis of the City's wastewater treatment service area for the Regional Wastewater treatment system and identified several infrastructure projects that are necessary to accommodate the growth the City is experiencing. The utility presentation that will be presented this evening was presented in 2023 at the completion of the study but will be presented tonight with updated facts and figures and will be presented to a new group of commissioners. She introduced the speakers.

Public Utilities Director Brad Thomas presented a slide depicting population growth within the City. He presented implications to the wastewater system due to population growth, and a timeline of system improvements. He presented the scope of the Wastewater Capacity Study. He presented a summary of the issues faced by the City's wastewater system. He presented a further breakdown of wastewater infrastructure areas, proposed improvements for each area, and the results of such improvements.

Commissioner Avery sought clarification about phasing and location relating to improvements to the Master 559 Lift Station.

Public Utilities Director Thomas provided clarification regarding phasing and location.

Vaughan Leer, Chastain-Skillman | DCCM, provided additional clarification regarding phasing and location for the Northern Force Main.

Interim City Manager Palmer said the point of rerouting those force mains and building the Pace Road Lift Station was to reroute flows to free up capacity at the Regional Wastewater Treatment Plant or at the Regional Lift Station.

Public Utilities Director Thomas presented a summary of the area served by the Southern Force Main, proposed improvements, and the results of such improvements.

Commissioner Avery sought to explain the location.

Public Utilities Director Thomas clarified location.

Public Utilities Director Thomas presented a summary of the area served by the Gapway Force Main, proposed improvements, and the results of such improvements.

Commissioner Avery asked about phasing and placement within easements.

Public Utilities Director Thomas clarified easements and phasing.

He presented a summary of the Regional Wastewater Treatment Facility and associated effluent disposal, proposed improvements, and the results of such improvements.

Public Utilities Director Thomas and Vaughan Leer presented a summary of capital improvements.

Mr. Leer said design of the Regional Wastewater Treatment Plant has not advanced beyond preliminary investigations and feasibilities. He said he believes the City's position at this point is with the transition in city managers. As soon as the new city manager comes on board, or shortly thereafter – we will be meeting with them and explaining the upgrade and letting them make decisions relative to what to share with the Commission, and we will gladly do another work session as we advance that.

City Attorney Frederick J. Murphy said one thing he would anticipate with that particular project – given the capital cost, is that any design work would be required to be bid. He said he does not know if we have determined what method we would want to use, whether that be a design-bid-build, design-build, or construction manager at risk.

Interim City Manager Palmer said Mr. Murphy is correct. She said she has had discussions with staff and the engineer on the delivery method of construction. This would be a multi-year project for the expansion of the wastewater plant. She said she knows that the Consultants' Competitive Negotiation Act guidelines in state statute would require the City to go and do a Request for Proposals or a Request for Qualifications for engineering as well as for contractors. The delivery method of what we decide to do is still up in the air.

Mr. Leer said he will explain the cost differentials. During the study in the 2022-2023 timeline, the disparity in cost, or that \$15 million to \$25 million, was really just "what does it take capacity-wise to go from 4 to 6 million gallons per day, where we need to be". We did some feasibility work, and we updated the number by doing some feasibility level detail of what individual unit processes would need to be upgraded and retrofitted for the ultimate capacity to be achieved. So that is why the price is vastly different.

Interim City Manager Palmer asked Public Utilities Director Thomas and Mr. Leer to explain the item regarding additional disposal capacity. She said that effluent leaving the plant is something that needs to be addressed as we address capacity at the Regional Wastewater Treatment Plant.

Public Utilities Director Thomas further explained the additional disposal area for effluent water.

Mr. Leer presented slides explaining tertiary treatment, outlining existing technology currently used by the City, and disc filter technology.

Commissioner Tijerina asked if we anticipate the expanded 6 million gallons per day will be needing to be upgraded again in 15 years, or are we thinking that we are good for longer than that? If we are going to spend this kind of capital, she needs to know that it is for more than 15 years.

Mr. Thomas answered that from the time we upgraded from 2 million gallons per day to 4 million gallons per day, we have not seen such unprecedented growth as we have seen here since the 2000s. It is a hard marker to determine, being 15 to 20 years out, but he is confident that 6 million gallons per day is going to last for the rest of his career. It is due to unprecedented growth. We have the rare situation of our utility service boundary area being locked. We are not going to expand any further. We have done capacity studies and modeling to see what kind of flow we anticipate taking in the future, he is confident in the 6 million gallons per day.

Commissioner Avery said so you have looked at our future land use map, comprehensive plan amendments, all the vacant land we have – and you have assessed that to see what kind of gallons those uses would be – and taken it into a model. He asked if he is understanding that correctly?

Public Utilities Director Thomas confirmed. Part of the 4.8 million gallons per day are from the factors Commissioner Avery just listed out, and the developer agreements that have been entered into to date.

Mr. Leer said the reason the committed capacity is 4.8 million gallons per day but the ultimate capacity of the facility is 6 million gallons per day is because of that exact fact. We took a look at other areas that we knew were

not developed yet and what would potentially be put on there, and we landed on 6 million gallons per day. This expansion should take the City to its build out of its utility service area.

Commissioner Tijerina said the other question she has is regarding public access reuse. She is curious as to what other creative solutions Mr. Leer has seen similar cities use for effluent conversion to re-use and related uses. It sounds like we are going to be in a rough situation if we do not figure out what to do with that effluent.

Mr. Leer answered the Department of Environmental Protection limits the City's options. He said he came from up north where you just ran a pipe to the nearby stream or waterway and the problem is solved. Here in Florida, that is not permitted. So you either have to do spray fields, rapid infiltration basins, public access reuse, or deep well injection – the latter of which gets very costly because you are drilling very deep into the underground surfaces to discharge into the Lower Floridan Aquifer. And the Polk Regional Water Cooperative is drilling a Lower Floridan Aquifer well too, and he thinks that they are going over 2,000 feet below the ground surface.

Commissioner Avery asked is that for discharge?

Mr. Leer answered that is for drinking water as an alternative potable water source.

Mr. Leer said you could go directly from the wastewater plant to the water plant with zero discharge, but public opinion would be an interesting hurdle to cross in that scenario.

Finance Director Christopher Reeder introduced his presentation regarding financial considerations for these projects. He introduced Mickey Johnston, Senior Managing Director for Public Resources Advisory Group – the City's independent financial advisor.

Mr. Johnston introduced himself, his background, and the Public Resources Advisory Group. He presented the justification for a city issuing debt, and what it is not used for. He presented considerations for municipal debt structuring.

Finance Director Reeder presented a summary of the City's existing debt. He noted debts that are actually being reimbursed to the City each year for our debt service through the Polk County Board of County Commissioners utilizing their tourist and development tax revenues – meaning those are not true costs the City has because we are getting reimbursed 100% of that debt service.

Commissioner Avery asked to clarify which debts are being reimbursed.

Finance Director Reeder clarified.

City Attorney Murphy asked to confirm that reimbursement is 100% for those debts?

Finance Director Reeder confirmed. He continued his summary of the City's existing debts. He presented plans of finance for capital projects and next steps.

Mr. Johnston presented the results of the Request for Proposals for short-term financing for the Wastewater Treatment Plant project, and highlighted the proposal with the most favorable structure for the City's needs – and staff was able to lock in the interest rate.

Commissioner Avery asked how long is the interest rate locked in for from that lender?

Mr. Johnston answered we have to close the loan on March 19th, otherwise it is subject to a reset based on a formula.

Commissioner Avery asked to confirm that it is locked if it is approved tonight?

Mr. Johnston confirmed.

Commissioner Avery said Mr. Reeder mentioned the connection fee will pay for the first three years. He asked Mr. Reeder if he believes that is the way it will operate?

Finance Director Reeder answered the City's policy is that we use our water and wastewater connection fees to pay for our current debt service. We are collecting that on any new development that is coming in, and so we have a very healthy cash balance of both of those revenues. They are restricted for improvements and expansion of the water and wastewater systems due to growth. So anytime that we are looking at taking out debt to expand or improve those systems, we look to that revenue first as our debt payment revenue source. And the bond documents or the bank loan documents, we can not list that because it is a restricted revenue and it is not a recurring revenue. So that is why we state that it is going to be the revenue from the water and sewer fund. And how we handle that is the connection charge fund is a separate fund. We budget that transfer into the water and sewer fund each year to handle debt service, and that is who then pays the debt service when it comes up in June and December.

Commissioner Avery said regarding Phase 3 of the Gapway Force Main and its easement at the intersection, he knows we are working on the possibility of getting a roundabout at that easement as well. Is that correct?

Interim City Manager Palmer answered correct.

Commissioner Avery asked are we working in conjunction with the roundabout and that portion of the easement? How does that look?

Interim City Manager Palmer answered we have a meeting set up with the property owners next week. So we will be discussing the roundabout. One of the things we need to do is also discuss with the County of how that roundabout gets constructed – and the funding source for that. We are in the process. We definitely know the need to coordinate the easements and construction and get it all taken care of so it is nice and neat.

Commissioner Avery asked if this would overlap or come before the roundabout.

Interim City Manager Palmer answered the easement definitely needs to come before the roundabout at this time for the Gapway Force Main.

Public Utilities Director Thomas said the intention was to work concurrently with the roundabout project, but with the uncertainty as to whether it comes about or not, we have given the engineer the instruction to go ahead and obtain the easements and worry about the roundabout as a separate issue.

Commissioner Avery asked will this debt service cover that, even though it is a future Phase 3? Will part of this debt service be able to cover that easement or not?

Finance Director Reeder answered the debt that we are talking about tonight is specific for the Regional Wastewater Treatment Plant filters and the design and engineering of the 2 million gallons per day at the Regional Wastewater Treatment Plant. The force main projects and even the Pace Road Master Lift Station - those projects we chose to go "pay-as-you-go". So we have been paying those projects as restricted funding, water and wastewater project connection charges that we had collected on some of our big major projects that had come in and as those were due to growth. And we have been using those to get those projects going because the City was financially in a good position to use that restricted revenue to be able to make those improvements without having to take out additional debt and extend ourselves.

The Meeting was adjourned at 6:53:35 p.m.

I HEREBY CERTIFY that the foregoing Minutes are true and correct.



Brandon Henry, City Clerk