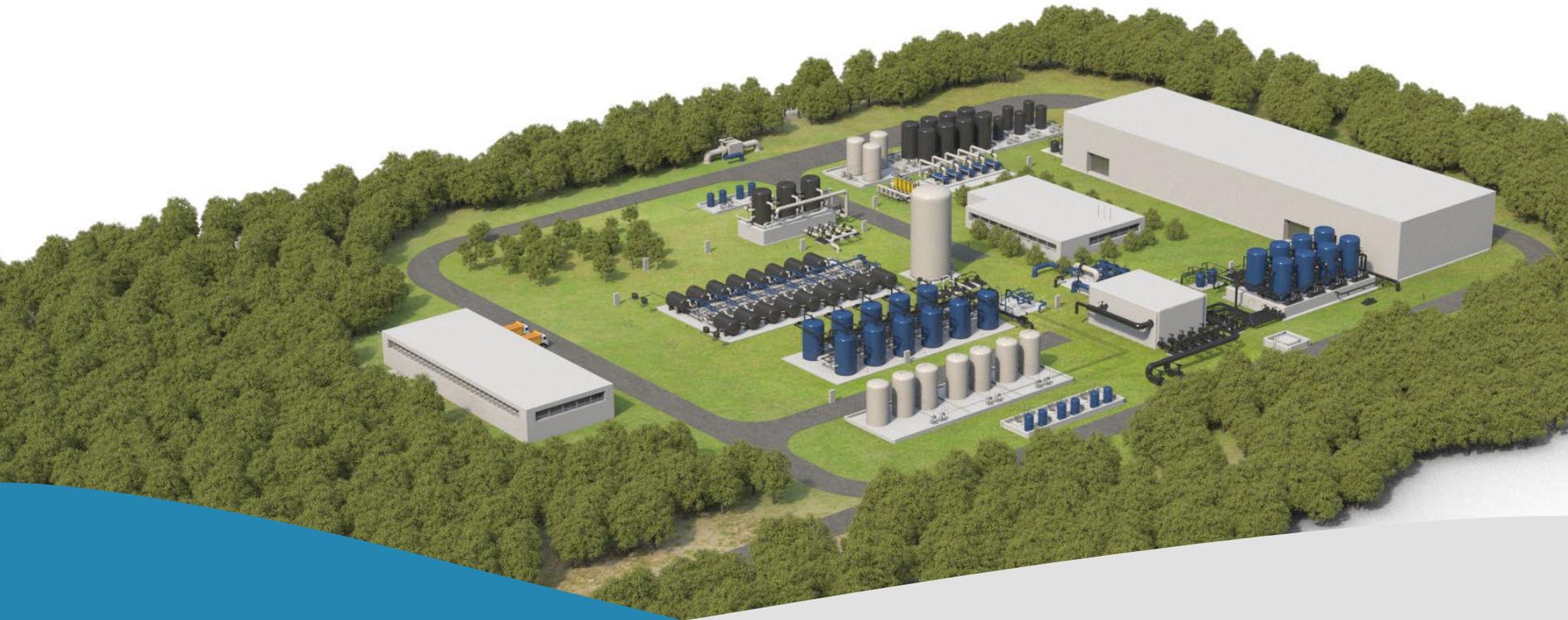




City of Fort  
Lauderdale

# PROSPECT LAKE CLEAN WATER CENTER



# Prospect Lake Update

## The City and Prospect Lake Teams have made Material Progress Towards a Comprehensive Agreement (“CA”) Execution in October



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### Updates

- The City, Hazen & Sawyer, Kiewit, and IDE-Ridgewood all continue to work diligently, collaboratively and expeditiously towards the successful development of a new water treatment plant for the City
- All parties have worked to reach consensus on key design, construction, operating and financing terms to mitigate the impact of global supply chain and inflation pressure which have increased 2020 costs by \$100M
- The City Staff has analyzed scenarios and confirmed the P3 construct with IDE-Ridgewood remains consistent with the City’s objectives of inflation protection, risk transfer, and project delivery timing
- The City and IDE-Ridgewood are working towards a mutually-agreeable Labor Partnership Services Agreement (“LSA”) that addresses the City’s needs
- All parties, including respective legal councils, are targeting a Commission-approved Comprehensive Agreement and Labor Services Agreement by October 18<sup>th</sup>

# Site Plan & Enabling Works Overview



## Current Pricing Includes \$150 Million of Enabling Works

- Wellfield improvements
- Transmission pipeline to Fiveash
- Water and sewer connections to new site
- Power supply
- Communications between Prospect Lake and Fiveash
- Certain distribution system improvements at Fiveash
- 2<sup>nd</sup> disposal well

# Illustrative Water Plant Rate Impact Summary

## Revised P3 with IDE-Ridgewood Remains Consistent with City's Goals

Description	Key Terms	Details	Average Water Bill 2032 <sup>(1)</sup>	10-Year % Increase	Ongoing Inflation Protection	Construction & Operations Risk Transfer	Timeline for Delivery of Plant	Time in Months
<b>P3 Proposed December 2020</b>	<ul style="list-style-type: none"> <li>\$3.30 Initial Rate</li> <li>1% Change Per Year</li> </ul>	<ul style="list-style-type: none"> <li>\$385 million capex</li> </ul>	\$66	116%				36 Months
<b>P3 Revised with Enabling Works</b>	<ul style="list-style-type: none"> <li>\$1.61 Initial Rate</li> <li>5% Change Per Years 1-5</li> <li>2.5% Change Per Year Thereafter</li> </ul>	<ul style="list-style-type: none"> <li>\$485 million capex</li> <li>\$150 million enabling works</li> <li>City Financing 75% of capex and 100% enabling works</li> <li>City direct pay chemicals</li> </ul>	\$73	139%				42 Months
<b>City Project Alone (i.e., no P3)</b>	<ul style="list-style-type: none"> <li>City Owned and Operated</li> </ul>	<ul style="list-style-type: none"> <li>\$485 million capex</li> <li>\$150 million enabling works</li> <li>City Financing 100% of capex and enabling works</li> <li>City direct pay chemicals</li> </ul>	\$71	133%				66+ Months

Staff continues to recommend the P3 structure as it provides our community with multiple benefits, including:

- (1) Long-term Inflation Protection
- (2) Construction & Operations Risk Transfer
- (3) Timeline for Delivery of Plant

(1) Assumes 5,000 gallons on average – compared to \$31 in 2022

# Moving the Partnership Forward

## Status of Key Agreements and Next Steps in the Process

- Comprehensive Agreement
  - The City, IDE-Ridgewood and our respective counsels have met frequently since the Commission's approval of the Unsolicited Proposal on March 3<sup>rd</sup>
  - Key terms (commercial, technical, financial) are substantially complete
- Labor Services Agreement
  - Key terms are substantially complete
    - LSA will align with terms and conditions defined in the CBA
    - Labor staffing, organization & oversight and dispute resolution have been addressed

