RESOLUTION NO. 2-15

A RESOLUTION AUTHORIZING THE SALE OF UTILITIES COMMISSION PROPERTY, APPROXIMATELY TWO ACRES LOCATED AT 86 CLUBHOUSE BOULEVARD PLUS THE ADJOINING LOT IN NEW SMYRNA BEACH, FLORIDA; A POTENTIAL ASSET SALE DUE TO DETERMINATION OF NO IDENTIFIABLE UTILITY USE FOR THE FORESEEABLE FUTURE AND AS PROVIDED FOR IN U.C. RESOLUTION NO. 28-78, RESCINDING ALL RESOLUTIONS, OR PORTIONS THEREOF, IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Utilities Commission, City of New Smyrna Beach, Florida (U.C.), was duly created and validly existing under and by virtue of Chapters 67-1754 and 85-503, Laws of Florida, as the governing body of the utility system of the City of New Smyrna Beach, Florida; and

WHEREAS, the Utilities Commission owns real property located adjacent to and within the Sugar Mill Residential Development described as the former Florida Water Services Water Treatment Plant (tax identification parcel numbers listed below); and

WHEREAS, the Utilities Commission has determined the ownership and/or future operation of this former Florida Water Services water treatment plant was not necessary, useful, or profitable in the operation of the Utilities Commission System (decommissioned and deconstructed), and that this vacant property site has no identifiable utility use for the foreseeable future; and

WHEREAS, in accordance with U.C. Resolution Nos. 28-78 and 11-80, based on the original cost of such property, there is a requirement for a resolution, an executed written finding by the U.C.’s GM/CEO and CFO, and a consulting engineer’s written finding to declare and confirm the sale of this property will not adversely affect the revenues or system operations of the Utilities Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1: The Utilities Commission hereby declares approval and concurrence with the written finding from the U.C.’s GM/CEO and CFO, and the Consulting Engineer’s written finding that this part of such System is no longer necessary, useful or profitable and the disposition of such property will not adversely affect the revenues or the operation of the system to such an extent that the Utilities Commission will fail to comply with the covenants of U.C. Resolution No. 28-78. (Both written findings attached hereto and made a part of this resolution).

SECTION 2: The Utilities Commission does hereby approve and authorize the sale of this real property located at 86 Clubhouse Boulevard and the adjoining lot, specifically parcel numbers 7342-00-00-0033 and 7342-00-00-0062, through a competitive bid process.
SECTION 3: If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4: All Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

SECTION 5: After adoption by the Utilities Commission, this Resolution shall take effect immediately upon passage.

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on March 16, 2015, by Commissioner Bohannon, who moved its adoption, which motion was seconded by Commissioner Biedenbach, and upon roll call vote of the Commission was as follows:

CHAIRMAN
William E. Hall  Yes

VICE CHAIRMAN
Joe Shoffner  Yes

SECY.-TREAS.

ASST. SECY.-TREAS.

COMMISSIONER

APPROVED:
William E. Hall
CHAIRMAN

ATTEST:

SEAL

APPROVED AS TO FORM AND CORRECTNESS:

Utilities Commission Attorney
September 2, 2014

Utilities Commission
City of New Smyrna Beach
200 Canal Street
New Smyrna Beach, FL 32170

RE: SUGARMILL WATER TREATMENT PLANT

To Whom It May Concern:

In accordance with Resolution 28-78 section H.b, Quentin L. Hampton Associates, Inc. (QLH) acting as Consulting Engineers finds that ownership and/or future operation of the Sugarmill Water Treatment Plant is not necessary, useful or profitable in the operation of the Utilities Commission System.

Documentation of the assessment is included on the attached report entitled, ‘Sugarmill Water Treatment Plant System Assessment’. The report concludes that operation of the facility will not provide any benefit to the UCNSB. QLH finds that the sale or other disposition of the property will not adversely affect the operation of the system to an extent that the Commission will fail to comply with the covenants of Resolution 28-78.

Should you have any questions or need further clarification regarding this matter, please feel free to call me.

Sincerely,

Brad T. Blair
President

QLH:

Enclosure
Utilities Commission
New Smyrna Beach

Sugarmill WTP
System Assessment

Prepared by:
Quentin L. Hampton Associates, Inc.
Consulting Engineers
August 2014
1.0 SYSTEM DESCRIPTION AND INSPECTION

The existing Sugarmill Water Treatment Plant is located off of Club House Boulevard in New Smyrna Beach, Florida. The site area is approximately 2 acres and the following structures occupy the site:

- (1) steel lime softening basin
- (1) steel upflow sand filter
- (1) 0.5 MG pre-stressed concrete ground storage tank
- (1) masonry electrical room and pump station
- Transfer pumps, valves and piping
- (2) high service distribution pumps
- Electrical panels and controls
- (3) abandoned Floridan Aquifer wells

The facility was constructed in 1978 to serve the residents of Sugarmill Golf and Country Club. It was operated as a private utility until 2000 when the Utilities Commission (UC) took over operation and maintenance of the utilities within Sugarmill. Operation of the water plant was stopped in approximately 2002 when it was determined that serving the water customers in Sugarmill could be done more cost effectively from the UC's primary water distribution system.

The site is quite close to the UC's Glencoe WTP and as such, remote storage and pumping within the subdivision offers no operational benefit; therefore, the current facilities provide no apparent operational benefit to the UC. Operation and maintenance of this facility would result in increased O&M costs. Additionally, the steel structures and pumping equipment is approximately 36 years old and has exceeded its 'Useful Life' without major rehabilitation and capital investment, as determined by industry standards.
The location of the site and relationship of the site features are illustrated below on the Vicinity Map.
2.0 **Physical Condition and Estimated Value**

**Steel Lime Softening Basin**

The existing lime softening basin, pictured below, is a circular steel tank with a center contactor section and peripheral weirs and launders. Slaked lime is introduced into the center section where it comes into contact with raw groundwater and precipitates calcium hardness out of solution in order to produce softened water. The precipitated lime sludge is collected in the bottom section and pumped to a sludge holding pond for subsequent disposal. The softened water flows over the surface weirs to the upflow sand filter.

![Lime softening basin and filter](image1.jpg) ![Lime Softening Basin](image2.jpg)

The existing lime softening basin is not in serviceable condition and the cost to rehabilitate the structure would exceed the cost of a new structure. As such, the value of facility is potentially equal to the value of the recycled steel material, less the cost to demolish the structure and transport the material to the recycling facility.
Steel Upflow Sand Filter

The upflow sand filter utilizes sand media to filter suspended lime sludge and colloidal solids from the softened water discharged from the softening basin. The water flows from the bottom of the filter, upwards through the sand media and flows over the filter discharge weirs. The square steel tank and weirs are pictured below. The filter is rusted and not in serviceable condition. Similar to the softening basin, the cost to rehabilitate the filter would exceed the cost of a new filter; therefore, the value is potentially equal to the recycle value of the steel.

![Sand Filter Image](image-url)
0.5 MG Pre-Stressed Concrete Ground Storage Tank

The pre-stressed concrete tank, pictured below, has a new replacement cost of approximately $250,000; however, the value is only relevant if there is a use for the structure. The tank is located very close to the Glencoe WTP and the Sugarmill tank is too small to provide any real value for the utility for diurnal storage or emergency supply. It is not feasible to relocate the tank, so if there is no identified use for the tank it represents a liability, not an asset. The tank is a composite structure consisting of concrete and pre-stressed wire. It has no recycle value.
Masonry Pump Station and Electrical Room

The masonry structure was constructed to house the high service pumps, electrical controls and miscellaneous equipment. Its value is primarily related to its value as a pump station. Similar to the storage tank, the UC does not need a pump station for pressure or flow at this location and it has no value as it is currently configured. Therefore, the value of the station could be based upon typical square footage cost estimates for structures of this type, if it could be used in its current state. Unfortunately, the current 'Utility' zoning limits the use of this site. Any rezoning of the property and repurposing of the structure would require bringing the structure up to current codes, including windload as they relate to the roof, windows and doors. It is estimated that the cost to bring the current structure up to meet current codes is not feasible.
Transfer Pumps, Valves and Piping

The various transfer pumps, valves and pipes pictured below have a salvage value. The equipment can be used by agricultural users and also serve as spare parts for private utilities.

Transfer Pumps Valves and Piping
High Service Distribution Pumps

The (2) centrifugal high service pumps are in marginal condition; however, it appears as though the motors are in serviceable condition and the pumps could be re-built with new seals and bearings. New pumps are costly and centrifugal pumps have a salvage value for agricultural users and private utilities.

Electrical Panels and Controls

The various electrical control panels, disconnects and pump controls have been out of service for approximately 10 years. It is doubtful that they are in serviceable condition. The salvage value is minimal and the recycle value is also minimal because there is little copper or ferrous material within the cabinets. The demolition and disposal cost for this equipment exceed the salvage value.
Floridan Aquifer Wells

The existing (#3) Floridan aquifer water supply wells are not in use. There is no well equipment installed. The value of the wells would be limited to the potential use of these wells as a potable water or irrigation supply. Due to the location of the wells on the property, it is estimated that the wells will need to be properly abandoned with rock and grout. This is a permitted activity through SJRWMD and the cost to abandon a Floridan aquifer well can be as high as $2.5K per well.
March 7, 2002

Ms. Shannon Joyce, P.G.
St. Johns River Water Management District
Department of Resource Management
975 Keller Road
Altamonte Springs, FL 32714-1618

RE: Consumptive Use Permit 8590; Sugar Mill Country Club Estates

Dear Ms. Joyce:

The well abandonment at Sugar Mill Country Club Estates has been completed and signed off by Volusia County Environmental Management. Attached are copies of the well completion reports.

Should you have any questions or need further information, please don’t hesitate to call me at 386-427-1361, ext. 7104.

Sincerely,

Peter A. Korelitch, P.E.
Director of Engineering

PAK/pjl

Enclosures

cc: Dave Hoover
    Steve Zimmerman
    Dale Masssey
MEMORANDUM

To: Utilities Commissioners

From: General Manager/CEO and Director of Finance

Subject: Finding in Writing RE: U.C. Property

Date: March 9, 2015

In accordance with Section 16-H (b) of U.C. Resolution No. 28-78, the authorized officer in charge of the utilities system must make a finding in writing regarding property to be sold, leased, or otherwise disposed of.

In conjunction with the Consulting Engineer’s written finding (Quentin L. Hampton Associates, Inc. – dated September 1, 2014), it is also the General Manager/CEO’s finding and the Director of Finance/CFO’s finding that the disposition of this property will not adversely affect the revenues nor the operation of the system to the extent that the Utilities Commission will fail to comply with our bond covenants as stated in U.C. Resolution No. 28-78.

1) 86 Club House Boulevard Plus Adjoining Lot
   (7342-00-00-0033 and 7342-00-00-0062)

William R. Mitchum - GM/CEO

Brian Bilinski - CFO