



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Suzanne Sherman, City Manager

THRU: Gabriel Bowden, Utilities Director

DATE: November 7, 2024

RE: Consideration of submitting a grant application to Brevard County's Save Our Indian River Lagoon Project Plan Grant Program to fund Phase 2 of the City's Mandatory Connection Program.

SUMMARY:

The Utilities Department is requesting authorization to apply for a Save Our Indian River Lagoon Project Plan (SOIRLPP) grant from Brevard County. The Indian River Lagoon (IRL) system is part of the National Estuary Program and has one of the largest diversity of plants and animals in the nation. A large portion of the IRL is within Brevard County and provides many economic benefits to the County. Decades of development have caused harmful levels of pollutants to enter the lagoon. As part of the effort to address the sources of pollution, Brevard County developed the SOIRLPP. This plan has a multi-level approach to improve the health and economic value of the IRL and has identified local projects to reduce the pollutants and nitrogen concentrations which are harmful to ecosystems, can deplete oxygen in waterbodies and create coastal dead zones affecting underwater life within the IRL. Specific projects related to reducing these constituents involve the decommissioning of existing residential septic systems and connecting to central sewer systems (septic to sewer).

Brevard County is currently accepting SOIRL grant applications for septic to sewer related projects, with the goal of nitrogen reduction. The areas for septic to sewer connections have been selected based on existing infrastructure, proximity to waterways, and where the greatest amount of nitrogen removal can be achieved. If awarded, grant funds will be utilized to support the City's mandatory connection efforts, for Sewer Available Not Connected (SANC) Phase 2. Phase 2 is comprised of 416 homes and will realize an annual nitrogen reduction of 1,011 pounds. This grant application also supports the City's Onsite Sewage Treatment & Disposal Systems Remediation Plan.

The Utilities Department is requesting Council authorization to submit an application for the SOIRLPP grant. The amount of the grant will be determined at award and will be based on number of SANC homes in the Phase 2 area, which is currently 416 homes, which is estimated to result in a

total grant award of \$1,616,992. This is a required cost-share, which will be reflected in Council-approved waiver of utilities-related impact fees and main line extension fees, totaling approximately \$5,670 per connection, estimated to total \$2,358,720.

It is important to note that the SOIRL PP grant does not fund the total cost for connection, rather awards a percentage per property based on total nitrogen reduction. There will be a balance due by the homeowner. Because of this, the City has also applied to Florida Department of Environmental Protection's (FDEP) Water Quality Grant Program, following Council's authorization in July 2024. The City's ability to secure the SOIRL grant funds will be contingent upon the City's ability to secure the FDEP Water Quality Grant to fund the balance of each SOIRL connection, unless City Council chooses to fund the balance by other means.

REQUESTING DEPARTMENTS:

Utilities

FISCAL IMPACT:

If the City is awarded a SOIRL grant, the Utilities Department will experience a loss in revenues from utilities-related impact fees and main line extension fees, estimated to be \$5,670 per connection.

STAFF RECOMMENDATION:

Motion to 1) apply for the SOIRLPP grant from Brevard County; and 2) to authorize the City Manager to execute the grant agreement, if awarded.