

DRAFT MINUTES OF THE TOWN COMMISSION WORKSHOP TOWN OF LADY LAKE, FLORIDA

May 15, 2025

A workshop of the Lady Lake Town Commission was held in the Commission Chambers at Lady Lake Town Hall, 409 Fennell Blvd., Lady Lake, Florida, with Mayor Freeman presiding.

CALL TO ORDER

Mayor Freeman called the meeting to order at 4:00 pm.

Commissioner (Ward)	Present
Regan (Four)	YES
Gourlie (Two)	YES
Roberts (One)	YES
Sage (Five)	YES
Freeman (Three)	YES

Staff present: Bill Lawrence, Town Manager; C.T. Eagle, Public Works Director; John Pearl, IT Director; Butch Goodman, Utilities Supervisor; Joella LeDonne, Finance Director; Thad Carroll, Growth Management Director; Becky Higgins, Senior Planner; Malina Wright, Development Coordinator; Police Chief Steve Hunt, Lady Lake Police Department; and Carol Osborne, Deputy Town Clerk.

AGENDA

Discussion Regarding a New Wastewater Plant with Fruitland Park and Mittauer & Associates

Public Works Director C.T. Eagle stated that the purpose of the workshop is to update the commission on the results of the wastewater master plan that town engineer, Jason Shepler, is currently working on. With the current growth in our region, wastewater treatment capacity is a hot topic for all municipalities. Having the ability to treat the proposed projects and keep up with future developments is a challenge and is very expensive. Adding to this challenge is the town currently treats the wastewater from the City of Fruitland Park. Because they have the potential to develop, they want to ensure that their treatment capacity is available when they need it. Since the town is preparing for the upcoming budget, Mr. Shepler will share his findings so the commission may begin discussions regarding moving forward with potential improvement projects related to wastewater treatment capacities, operations and the town's partnership with Fruitland Park.

Jason Shepler, Mittauer and Associates

Mr. Shepler stated the wastewater master plan encompasses an existing system review, the regulatory requirements, wastewater flow projections, wastewater system expansion requirements, scheduling and funding considerations.

Mr. Shepler explained the town's existing flow trend and milestone events from 2011 to 2024, mainly Fruitland Park's bulk connection to our system in 2015 and Water Oak's bulk connection in 2019. He stated the current permitted capacity is 1.2 million gallons per day (MGD), and the town is currently flowing between 600,000 – 700,000 per day. He stated they reviewed the equivalent residential units (ERU) in four year increments from 2010-2024, noting that the ERUs have grown over the successive four-year periods.

Mr. Shepler summarized the town's future development with active construction such as Hammock Oaks and Boulevard Oaks, and near build-out phases in Lake Ella Estates and Green Key Village. Fruitland Park's anticipated developments are included as well. The existing collection system has a 12-inch force main that extends to the north. He emphasized that lift station #1 has served the town's commercial core, along with a lot of residential growth. He noted the 16-inch force main is the primary trunk force main into the town's water reclamation facility. He stated this infrastructure will be serving much of Hammock Oaks as well as the proposed Highlands development and the apartment complex located in Sumter County that the town currently serves.

Mr. Shepler stated part of the improvements that the town has experienced was converting the old tankage to a flow equalization system that supported operation of an older package plant where the clarifier was undersized. This allowed a steady feed to that facility. The most recent expansion is the Biological Treatment Unit #1 (BTU). He stated with the Basin Management Action Plan (BMAP) the town will need to implement an Advanced Wastewater Treatment (AWT) in the future. The critical component for that is total nitrogen will then need to be less than three milligrams per liter and total phosphorus will be less than one milligram per liter. Currently the town's permit has no total phosphorus criteria.

Mr. Shepler advised the other critical component is the reuse ground storage tanks, which are the main storage vessel to serve some of the new developments that will have reclaim water irrigation. The reclaim water irrigation is a critical linkage with the forthcoming Consumptive Use Permit renewal; the current permit expires in 2026. He stated that the reclaim component will be a critical component of the permit renewal as the state is looking to reduce the nonessential potable water use, which is irrigation.

Mr. Shepler stated the town's reclaim water service area is the commercial corridor. He noted that Hammock Oaks has recently begun receiving reclaim water due to landscaping and this

will increase as development progresses. He noted that Lake Ella Estates and Green Key Village are existing reuse customers. Also, the town has an interconnection agreement with The Villages to share reclaim water occasionally. He stated that the variation of wet weather conditions and drought conditions requires consideration of effluent disposal capacity regarding rapid infiltration basins as well as expanding the reclaim water storage to serve these developments in the future.

Mr. Shepler advised that the basin management action plan will eventually require the town to treat wastewater to advanced wastewater treatment levels. He stated that the town submitted a BMAP remediation plan to the Department of Environmental Protection (DEP) in July 2024. He noted that the state is looking to remove septic tanks/onsite sewage disposal systems because of the nutrient loading from those areas. He stated that there are ten sectors within the town limits that are currently on septic and a plan will be devised on how to serve those areas.

Mr. Shepler reiterated the wet weather versus drought conditions will drive some capital improvements within the overall improvement plans. The flow projections were compiled at the end of 2024 showing the current average daily flow, on an average daily basis, is approximately .65 million gallons per day. In reviewing developments with current construction activity, a development plan permit application or a conceptual plan is estimated to increase to 1.04 million gallons per day. Also, Fruitland Park is requiring one million gallons per day for future service reserve. If the onsite sewage treatment systems were decommissioned, that would represent approximately 200,000 gallons per day. He advised that there are large, undeveloped tracks on the south end of town and on the northeast end of town. Based on zoning and how those areas could develop represents approximately 260,000 gallons per day. The total within the current town limits is 3.3 million gallons per day. If Fruitland Park was not a part of this project, 2.5 million gallons per day would be recommended.

Mr. Shepler reviewed the projects currently in construction and those nearing completion. He stated a critical question is how quickly the developments build out. He stated there is significant near-term growth and recommends the town consider a more aggressive ten-year build at 590 units per year, which targets a capacity need in 2029-2030.

Mr. Shepler stated that he reviewed several components with Mr. Eagle and Public Works staff and proposed expansion alternatives such as an oxidation ditch and newer technologies. The operational complexity increases with newer technologies compared to the oxidation ditch system. He noted that additional reclaimed water storage at the water reclamation facility is being considered as part of the expansion. However, as part of the master plan Mr. Shepler is

recommending a rapid infiltration basin expansion. This requires offsite property that is not included in this cost proposal.

Mr. Shepler advised that as the present developments approach buildout, there are necessary distribution system requirements based on expected hydraulic needs, such as the necessity for an additional reclaim water main extension to facilitate the hydraulic looping. With the 2029 target for capacity, the town needs to begin the design and permit phases by the end of 2025 into 2026. This process will allow the town to monitor growth within the town and based on those findings, potentially begin construction in 2027. He stated the septic tank phase out is dependent on the state and the town simply needs to monitor those areas.

Mr. Shepler reviewed the itemized costs and funding sources, noting the State Revolving Fund is typically used for these large projects, along with grants and storm disaster funding, if applicable.

Commissioner Gourlie inquired as to when the town would reach capacity based on the current and pending development projects.

Mr. Eagle stated there are potential projects that are on the books. Reaching capacity depends on how fast Fruitland Park grows and Lady Lake grows.

Mr. Shepler stated the aggregate flow from Hammock Oaks and other large developments will exceed the current permitted capacity.

Commissioner Gourlie confirmed with Mr. Shepler that the current projects have surpassed our capacity on paper, and that the new facility is expected to go online in 2029. He stressed that Fruitland Park must remain in communication with the town regarding their growth. He asked if there is anything that could be added to the existing units to increase their capacity without requiring a new build out.

Mr. Shepler replied negatively adding that new tankage must be constructed to meet that need.

Commissioner Gourlie stated that the reclaim tanks' capacity would be the issue.

Mr. Shepler stated both are necessary for biological treatment to meet the anticipated advanced wastewater treatment criteria and the reclaim water is a dynamic regarding effluent disposal in the storage.

Commissioner Gourlie stated that the new wastewater treatment plant came online recently and is under capacity.

Mr. Shepler confirmed the plant is flowing just over 50% capacity. A lot depends on how quickly the build outs occur.

Commissioner Roberts asked at what flow rate are those numbers tripped. Commissioner Roberts verified with Mr. Shepler that it is a regional determination.

Mr. Shepler advised this is state criteria and there is no specific flow requirement. Within the Basin Management Action Plan, the overall intent of that effort includes springs flow levels, which is nutrient reduction. It is not linked to flow.

Gregg Lang, Mittauer and Associates

Mr. Lang stated that nearly all wastewater treatment facilities across the state will be required to become an Advanced Waste Treatment System (AWT). New plants being constructed are AWT. The state has learned within the past 20 years that the surface water, springsheds and aquifers have been receiving more nutrients from fertilizers and septic tanks which is creating algae blooms and problems in those waters. At the same time there are flow reductions coming out of our springs due to all the required pumping. An advanced water treatment system is recommended because the legislature created laws such as the Springs and Aquifer Protection Act and Lady Lake is located geographically in a basin action management plan area with springsheds nearby.

Commissioner Sage asked if the figures relating to being at capacity in five years includes Fruitland Park. The commission extended the ten-year wastewater contract with Fruitland Park for two additional years and questioned why Fruitland Park is being considered with the new facility.

Mr. Shepler stated that Fruitland Park is part of the active equation because they are currently pumping on a bulk basis. He stated there are still expansion pressures regardless if Fruitland Park is included in this project.

Commissioner Sage stated that the town is having difficulty controlling its growth and has no control over the growth of Fruitland Park. He stated it is difficult to partner with Fruitland Park because of this.

Mr. Eagle stated that Fruitland Park officials are present. There has been discussion of a partnership with Fruitland Park where they pay for a portion of the facility. This means they would own one million gallons of the new three million gallon plant and be responsible for their portion. He stated this is like impact fees in that if the approved limit is exceeded, more fees are due.

Mr. Lawrence stated that he met with Fruitland Park city manager and learned that Fruitland Park is looking at alternatives as well. He stated that if this project is too costly a partnership could benefit both municipalities. It may enhance our funding efforts especially with legislative appropriations.

Mr. Lang stated that the DEP and the water management districts have been very encouraging of communities working together. Besides the funding aspect, there have been successful joint ventures as both municipalities help with operation of the plant. He agreed with Mr. Lawrence that there is a greater chance of funding with a partnership. He added that DEP has stated they have limited funding available as the demand for this funding has grown significantly, which is part of the reason they encourage working together with neighboring communities.

Mayor Freeman inquired if Fruitland Park has estimates of their future needs.

Mr. Eagle stated that he discussed this with their engineer who advised that they would need one million gallons for their 20-year build out.

Chris Cheshire, 609 Bidwell St., Mayor of Fruitland Park, FL

Mr. Cheshire clarified that the agreement with Lady Lake was not to build a wastewater treatment plant. The terms of the contract are that it would continue indefinitely and would be renewed every ten years. Otherwise, they would have planned to build a plant and stressed that they were not remiss not building a new plant. Mr. Cheshire stated that the most recent request to renew the contract was made early to avoid being late. He agreed that the cost advantages of a partnership would benefit both municipalities.

Mayor Freeman asked if the Fruitland Park commission has discussed this partnership.

Mr. Cheshire replied affirmatively.

Mayor Freeman acknowledged both municipalities are facing the same issue. He stated having a partner to aid in the construction and operational costs of a new wastewater treatment plant is a good option.

Mr. Cheshire stated at this point neither municipality has a choice, adding that it is more cost-effective to enter a partnership for this project.

Mr. Lawrence stated the plan could be added to the agenda of an upcoming commission meeting if the commission wanted to discuss it further and perhaps vote on it.

Commissioner Roberts stated that Fruitland Park grew when The Villages expanded further in Lake County and confirmed with Mr. Cheshire that The Villages conducts their own processing. She further confirmed with Mr. Cheshire that the current growth in Fruitland Park does not include The Villages.

Mr. Cheshire stated that he and Mr. Lawrence have discussed potential future growth, along with possible economic scenarios and how to pay down the loan if the revenue is less than anticipated.

Commissioner Regan asked Mr. Eagle about the project's funding timeframe and prerequisites.

Mr. Eagle stated if the commission decides to proceed, the engineering design will begin, along with discussion with Fruitland Park for their needs. He stated that engineering and pursuing funding can be done concurrently. He emphasized that a lot depends on which projects come online within the next five years. The plant is currently at half capacity and if Hammock Oaks builds out faster than anticipated, the plant will be at true capacity sooner. He assured the commission that there is adequate capacity to meet the needs of the known projects.

Commissioner Regan asked where the offsite tank would be located.

Mr. Eagle stated the benefit of this partnership is that town treats Fruitland Park's wastewater, returns it to Fruitland Park as reuse, which offsets their consumptive use permit. The town is permitted to count their offsite storage as part of the its permitting as well and allows the opportunity to find land in two towns rather than one town.

Mr. Lang added that the design and permitting phase can end if a recession occurs and growth slows down or stops. He advised that consumptive use permits are valid for five years. He stated the two municipalities are experiencing unprecedented growth.

Commissioner Gourlie stated that the town has had a good relationship with Fruitland Park for the past 10 years, and that entering a partnership is a better option.

Commissioner Sage inquired as to whether there is an expectation of how much funding the town would receive for this project.

Mr. Lang advised that the State Revolving Fund is the most robust funding source for wastewater in Florida because all borrowers repay their loan with interest. He believes it is the best choice and has low interest rates.

Commissioner Sage verified with Mr. Lang that this is a loan not a grant.

Mr. Lang concurred adding that the State Revolving Fund has both loan and principal forgiveness components. The principal forgiveness program is available for very disadvantaged communities.

Mr. Eagle clarified that the loan is paid through user fees, not ad valorem tax. It stated that it is very common for most utilities to run in debt. Lady Lake is fortunate to not have wastewater debt for approximately 14 years. He added that a rate study would be conducted to ensure utility rates and impact fees are collecting the correct amount.

Commissioner Regan asked Mr. Eagle to clarify the decommission of existing systems.

Mr. Eagle explained that are small developments in town that have their own wastewater plant. If the regulatory agency orders these onsite wastewater plants to cease operation, those developments must connect to town utilities.

Commissioner Regan stated that technology is continually evolving in this field and he is apprehensive to move forward with this project only to discover later that there was another option the town could have explored.

Mr. Eagle stated that Mr. Shepler included alternative treatment options. He stated that an oxidation ditch is used most in Florida. He stressed that the plant needs to operate without the computer on and recommends the oxidation ditch because it is proven reliable, has low overhead and is the most efficient way to treat wastewater.

Mr. Lawrence stated if the commission would like to proceed with the partnership with Fruitland Park the respective attorneys would draft a joint agreement.

It is the consensus of the commission to move forward with a partnership with Fruitland Park for the construction of a wastewater treatment plant facility.

ADJOURN

There being no further business, the meeting was adjourned at 4:59 p.m.

s/ Carol Osborne, Deputy Town Clerk

s/ Ed Freeman, Mayor