

## Water P3s Now on Tap in South Florida

Article By:

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Florida was an early pioneer in the United States of the [public-private partnership \(“P3”\)](#) model as a means of funding infrastructure improvements. In South Florida alone, we have the [Florida Atlantic University dormitory](#), the \$1.8 billion [expansion of I-595](#), the \$663 million [Port of Miami tunnel](#) and more recently, the [Miami Beach Light Rail](#), to name a few. The use of P3s to fund transportation and social infrastructure projects in the Sunshine State cannot be gainsaid.

Conspicuously absent, however, from the list of readily recognized P3 projects in Florida is [water and wastewater infrastructure](#). That omission should be remedied shortly though. Private investment in municipal water and wastewater infrastructure in the United States is poised for record growth and Florida is no exception to the projection.

As with all other forms of infrastructure in this country, more than 50% of U.S. municipal water and wastewater infrastructure is nearing the end of its useful life. The quick fixes readily adopted by approximately 50,000 public water systems in the United States in the past will not suffice much longer. Over the next ten years, it is estimated that municipal utilities will have to invest \$550 billion in capital improvements to address deteriorating water and sewage infrastructure and rising population demands for new water supplies.

Given these staggering numbers, a [recent report by Bluefield Research](#) concluded that public authorities will be forced to look to private partnerships to fill the gaps. Keith Hays, vice president of Bluefield Research, commented that “[m]unicipalities are approaching a breaking point as utility assets reach the end of their useful lives. They must now seek-out alternative solutions for funding and technical expertise.” As a result, “[m]unicipalities and local authorities are showing an increasing reliance on investor-owned utilities and private players for the ownership, management and operation of public water and wastewater systems,” the organization noted.

Florida represents one of the largest opportunities for P3 water and wastewater projects in the country. In a 2015 report, Bluefield Research estimated that there were more than 500 existing water and wastewater facilities and 80 more planned facilities in the state, representing more than \$6 billion in investment opportunities. Of these, a significant number are reuse facilities, including desalination and “toilet to tap” facilities. Bluefield reports that since 2000, wastewater reuse capacity in Florida has increased by 52%, “plac[ing] the state at the forefront of U.S. wastewater reuse adoption.”

In terms of water and wastewater projects already under way in South Florida, Miami-Dade County

has five separate transactions pending in various stages at this time. The Miami-Dade County Water and Sewer Department is pursuing [two biosolids processing facilities](#), a water distribution system storage facility, an automatic meter reading system and a water treatment plant in South Miami Heights. Similar P3 projects are likely on the horizon for other counties in Florida. It's safe to say that water/wastewater P3's are now on tap in South Florida.

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