

Recap of the East & West Spring Lake Pilot Wastewater Program - Administrator's Update for 9/11/13
By Ray Sandrock, County Administrator

Tomorrow the Charlotte County Board of County Commissioners (BCC) will hold the first budget public hearing in a series to be completed by the end of September, the end of our fiscal year. Among other topics, Municipal Services Benefit Unit (MSBU) rates will be decided at tomorrow's meeting, including proposed East & West Spring Lake Wastewater MSBU pilot program rates tentatively set at the July 24 public hearing. I'd like to recap some of the main points that have been presented to the board in the past months over various meetings and hearings in regards to the pilot wastewater program.

At the July 1 special meeting I organized a presentation to the Board, including a recap of the BCC's corporate vision for the County and the identification of water resources and quality of life as part of the strategic focus areas. The presentation provided a multi-faceted overview of all the agencies, specialists, and environmental authorities that have been consulted and have provided large amounts of data from sampling and research.

Banks Engineering discussed the team they assembled that evaluated and oversaw analysis of the pilot program alternatives. The team gathered a community stakeholder committee and created a report that recommended moving forward with the pilot program, with five viable stipulations: financial hardship, a rebate program, cash pay-out option, alternative funding options, and short-term septic repair program. The team also presented a summary of a water quality report submitted by Tetra Tech. They concluded that are directly linked to decreased water quality within the East & West Spring Lake area. Central sewer was recommended as the optimal wastewater treatment system, eliminating further potential pollution and helping to diminish the impairment of Charlotte Harbor.

Other presentations included a water quality report by the Director of Charlotte Harbor National Estuary Program, verifying that waterways in central Port Charlotte are contaminated with fecal coliform. A US Public Health Service Engineer Officer for the EPA pointed out that while EPA supports the use of OSTDS in rural areas, the systems do not work well in coastal areas. The State Department of Health (DOH) gave a status of septic systems in the Spring Lake area, which is part of the DOH-administered Managed Septic Program—their records indicate that 283 households that have not complied with the program are within the Spring Lake area. Lee County natural resources reported that they found safe septic system use in Florida coastal areas difficult due to unsuitable soils and the inability to achieve safe setbacks to water source wells and water bodies.

The July 1 presentations wrapped up with an overview of Charlotte County Utilities' (CCU) financial condition by Public Resources Management Group (PRMG). Among other positive indicators, PRMG noted that CCU has a high quality Aa3 bond rating, a ranking of "strong" by the American Water Works Peer Review Team, and very competitive rates. The consultant identified CCU's financial condition as healthy and expected to remain so for years to come.

After setting tentative rates for an East & West Spring Lake MSBU at a July 24 public hearing, the Board held a workshop on Aug. 21 to consider pros and cons of funding and construction options for the pilot program.

One of the topics was how to fund the project through special assessments. Using an MSBU to fund the project provides a high collection rate and keeps the assessment with the property.

Other methods of funding presented are through monthly or annual bills—the lien and foreclosure method—or through voluntary liens. To collect on delinquency is difficult. These last two methods are a weak source of pledged revenue.

I also presented three options for the MSBU assessments: keep them at the levels from the July public hearing; set rates for year-one to fund only the engineering option and adopt the maximum rates; or set the year-one assessment at \$0 and adopt maximum rates, then fund the selected engineering option from either CCU reserves or general fund reserves. The current proposal has the cost to the property owner at \$7,626.37 per typical occupied residential lot and \$4,375.37 for each vacant lot. For owners that cannot pay up front, the amount is spread over 20 years with very low interest: approx. \$499.94 per year for occupied lots and \$307.59 for vacant lots, totaling \$9,998.69 and \$6,151.70 respectively.

In addition to funding options, three construction methods were presented. The design-bid-build method is currently proposed and has advantages that include the lowest responsible and responsive bid, although it has the potential for change orders which can increase the overall project cost. Both the other two methods, design-build and CM-at-risk, are not traditionally used for this type of project.

Overall, the pilot wastewater program's driving factors include the Manchester Lock removal permit, which was issued in 2007, and documented water quality impairments of the waterways. The program is a critical piece of the Board's water quality focus area. As we move towards the end of the fiscal year and the final budget hearing, the options will be considered by the Board, with the vision and future of the County in mind.