

**Administrator's Update for 9/17/14**  
**By Ray Sandrock, County Administrator**

I'd like to start this week by providing a clarification of facts about the East/West Spring Lake Central Sewer project.

**The sewer project bottom line and assessments remain on target**

Please keep in mind that any single county project, whether it be a road, facility, or utility project, has many individual revenue and expenditure components. With MSBU projects such as the East/West Spring Lake Central Sewer project, our main focus is keeping to the assessment target rather than individual revenue and expenditure components. Our direction was clear: the individual assessment for a homeowner (lot and residence) should not exceed \$10,000. This seems to be absent from recent reporting and discussions. We are working diligently to achieve that target as recently reported by county staff.

**We are aware that construction costs are increasing on all infrastructure costs**

County staff has been watching construction costs increasing over the past 9 months due to an uptick in the local economy and shortage of local laborers. Having watched this trend over the past months, Charlotte County Utilities (CCU) staff and Giffels-Webster Engineering, the joint wastewater designers for the East and West Spring Lake Wastewater MSBU, are now using this cost-trending data to take another look at the cost estimate for constructing the wastewater project.

**Interest rates are decreasing**

The Florida Department of Environmental Protection (FDEP) has been decreasing the interest rate on the State Revolving Fund, which is the financing instrument that will be used to construct the wastewater improvements in the East and West Spring Lake Wastewater MSBU. Originally, staff estimated an annual interest rate of 3 percent but has recently discovered this project will qualify for an interest rate of approximately 1.12 percent, saving several million dollars in project interest costs.

**County staff is diligently seeking and obtaining grant opportunities**

When the original East and West Spring Lake Wastewater MSBU project costs were estimated in 2013, there were no assumptions of any kind for grant reimbursements build into the assessment calculation. To date, two grants have been received, totaling \$1,199,670. A third grant has been applied for in the amount of \$2,071,324. That grant award decision will be later in September.

**Is it possible that the assessment goal of \$10,000 could be less?**

Even if the construction bids come in higher at the construction cost estimate, the MSBU project assessment will actually decrease if we are awarded the full amount of the \$2,071,324 requested on the third grant.

I do want to say that I am in full agreement with the editorial in Sunday's Charlotte SUN that recommended the Board of County Commissioners forge forward as they have reviewed and addressed the issue of water quality due to the failing septic systems. In my opinion, I believe the county is doing the right thing.

**Charlotte County Purchasing Division**

On another note, I'd like to express thanks to one of the divisions of our budget and administrative services department: purchasing. The purchasing division is led by Kim Corbett. The county is extremely lucky to have Kim and her staff administering our purchasing policies and procedures as directed by state statutes.

We appreciate how professional the staff is and how they take the time to explain the rules regarding purchasing items. Over the recent years, other counties' purchasing departments have been in the news with having negative outcomes and it was very destructive to their overall county operations. The excellent work of our purchasing division has been recognized repeatedly by their receiving the Award of Achievement of Excellence in Procurement numerous times. This is not an easy award to receive and only a handful of counties in Florida have achieved it.

To Kim and your entire staff, I cannot thank you enough for the excellent work you do for the citizens of Charlotte County.