

Charlotte County to unveil sewer finance method

'The real question is affordability'

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2/20/17

MURDOCK— At this week's workshop session, county commissioners are expected to receive a consultant's report on how to fund the wastewater expansion project, leading to a crucial decision on how much individual property owners will pay for the connection.

In advance of that determination, the commission has made clear its intent not to place too large a financial burden on homeowners and merchants.

"The real question is affordability," Commissioner Ken Doherty said. "Utility bills are high enough."

But there are other factors that will play a part in holding down the cost to the preferred \$10,000 per lot, which was the cap set in the East and West Spring Lake pilot project.

Chief among them is the construction cost to establish new sewer service, which has now reached \$14,000 per lot, and rising.

"We know that what is affordable to our citizens is probably less than the actual cost. We need to address that issue," Charlotte County Utilities Director Gary Hubbard said. "There's going to be some tough decisions ahead of us."

The Jones Edmunds consulting firm has presented a possible formula that could be used to determine the cost, but it is complicated, involves multiple variables and many questions remain unanswered. For example: What are the priority areas targeted for septic-to-sewer conversion? Should the county focus on clusters of homes that are next to waterways in danger of contamination? Should owners of undeveloped lots be expected to help pay the costs, thereby lowering the expense for homeowners?

Moreover, the size of the undertaking is enormous. In Mid-County alone, there are 18,213 developed properties on septic and 27,755 on sewer. And that doesn't take into account the almost 48,000 vacant lots in Mid-County, which eventually also will need to be sewerred.

Overall, there are 45,000 septic systems in Charlotte, including 28,000 where service is available.

To arrive at an affordable sewer plan for homeowners, consultants used an industry guideline of 2.5 percent of the median household income, which is \$43,700 in Charlotte County. That works out to just above the \$10,000 threshold for financed sewer infrastructure per lot.

But again, that doesn't cover the cost of installing sewer lines and other associated expenses. To pay for these improvements, Charlotte would have to look toward other revenue streams such as exploring grant opportunities, raising utility rates or

imposing environmental fees. Officials have nixed the idea of raising property taxes or using 1 percent sales tax money for the sewer project.

In theory, the environmental fee would replace municipal service benefit unit assessments to pay for the sewer system and could be charged to utility users, only new sewer customers or all property owners in the utility service area.

The rationale behind spreading out the cost beyond affected property owners is because the sewer program would benefit everyone by protecting water quality, Hubbard said. But Commissioner Chris Constance argued that existing utility customers, who have already paid for sewers, should not be stuck with another bill.

“I think the people deriving the benefit need to pay for it,” he said.

Developing a fair and equitable financing method for property owners remains elusive, though. At a marathon public hearing this summer that drew 300 people, it became obvious that the planned MSBU funding model did not consider the relatively few, but vocal, property owners with large, combined lots, who would be charged \$100,000 or more for sewer service.

So commissioners went back to the drawing board. And that’s where they remain until Tuesday’s workshop, trying to come up with a financial plan that would fund the sewer expansion but not drain property owners’ savings — if that balance even exists.

The county workshop is open to the public and will start at 9 a.m. in Room B-106.

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Sewer installation continues on Port Charlotte Boulevard as the East and West Spring Lake project enters its final stage, with a total of 2,400 lots to be connected to central sewer by early next year.

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