

Charlotte OKs sewer master plan

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MURDOCK — In approving a sewer master plan this week, county commissioners took the first step in determining how the wastewater expansion project will proceed. However, while some details are coming into clearer focus, other key questions remain, such as how the ambitious program will be fully funded.

At the Utilities Department's quarterly update, consultants presented a septic-to-sewer conversion strategy intended to be both efficient and affordable. Significantly, the plan identifies priority areas and proposes a cost sharing formula for affected property owners. To reduce homeowner costs, though, a sizable subsidy from an as-yet undetermined revenue source will be required. The initial five-year improvement plan, comprised of projects deemed the highest priority, would cover 14 neighborhoods and 4,000 connections, mostly in Mid-County, with a price tag of more than \$100 million.

Three consecutive five-year intervals would connect a total of 14,500 lots at a cost of \$350 million, leaving plenty of county property still to be sewerred.

"It's not an inexpensive solution," said Tony Hairston, senior manager with Raftelis Financial Consultants.

To finance the first five-year program, the county would have to borrow three-quarters of the necessary funding, likely from the State Revolving Fund at a low interest rate. To pay back the loan, customers would provide two-thirds of the cost, while a subsidy of unknown origin and potential grant money would cover the rest.

While this funding plan clearly has some uncertainty, consensus was reached on how much property owners should pay.

According to the plan, the cost per residential unit would be \$11,500 for sewer infrastructure over 20 years, or \$44 per month. With a projected average \$49 per month sewer bill after service begins, based on using 3,300 gallons per month, the total monthly amount expected from property owners would be \$93.

Figuring in Charlotte's median household income of \$45,500, consultants said the monthly expense comes in below their affordability target of \$113 per month.

Under this plan, sewer assessments would be based on one connection fee per residential unit, with the same formula used for nonprofits and commercial businesses.

Property owners with more than one lot would not be charged additional hook-up fees until the extra lots are developed or sold. Additionally, vacant lots would not be assessed until they connect to central sewer.

In addition to customer contributions, an annual subsidy of about \$2 million is needed to cover the cost of sewer installation, said Travis Mortimer, capital projects manager,

Clarification from Utilities Management: The method for charging nonprofits and commercial businesses is based on estimated usage, and is not the same as residential.

who is also serving as interim utilities director. This amount could come from a variety of sources, he said, such as local option sales tax, the county's general fund or RESTORE (Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies) Act funds stemming from the 2010 Gulf oil spill.

Following the consultant's presentation, the County Commission brought up several issues, including customer contributions for sewer infrastructure, which is proposed to start when construction commences.

"Is there a way to manipulate the subsidy to push that payment out to a time when (customers) receive service?" Commissioner Joe Tiseo asked.

Commissioner Ken Doherty added that breaking the projects into smaller, more manageable segments, may allow for county general revenues to establish a revolving fund to support the sewer program. He acknowledged, however, this would likely delay implementation of the overall wastewater expansion project.

"It looks like, somehow or another, we're going to have to tap general revenue to make this thing work," he said.

Mortimer and some commissioners said it is their sense that the public would be willing to spend a portion of sales tax revenue on the sewer project, although a possible new sales tax extension is still years away. Consultants at Jones Edmunds projected that one quarter of the 1 percent sales tax would be needed to fund the sewer program.

These and other questions will be addressed at future workshops. But consultants stressed that waiting is not an option.

Failure to proceed with the sewer program at this time would result in increased costs, more pollution and stymied residential and business development, said project manager Chris Baggett of Jones Edmunds.

With 27,000 septic tanks in operation now, Charlotte Harbor and other waterways are at risk of further contamination, he said. Not doing anything would compromise the county's invaluable water resource, and its economic viability in tourism, Baggett said.

"Good water quality, lots of nice recreational fishing, is something you want to maintain in the future," he said.

While the sewer master plan is still a work in progress, Commissioner Stephen R. Deutsch said he was optimistic that the septic-to-sewer program is, once again, gaining traction.

"At least we're moving ahead ... and at some point in the future we will achieve our goal," Deutsch said.

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