



Utilities Expansion: Methods and Practices for Establishing MSBU

**Prepared for workshop presentation to the
Charlotte County Board of County Commissioners
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Topic Overview

- Assessment Methodology
- Subsidy
- Hardship, Rebates
- Grants
- Current Design Efforts
- Alternatives



Assessment Methodology

- Process of apportioning “cost shares”
 - defines “equivalent unit” (ERU)
- Most cited issue of July 20/21 Hearings
 - Outlier situations were extreme
 - Large lots, multiples, tracts, etc.
- Must be Equitable, Repeatable, Defensible
- Future workshop to develop methodology
 - Consultant on board to facilitate



Assessment Methodology

- *Simply put*

$$ERU \text{ Assessment} = \frac{\text{Total Project Cost}}{\text{Number of "units"}}$$

This is the tough part, requires a “method”



Subsidy

- Actual cost is ~ \$13-14k
- Proposed Cap on ERU cost
 - Is arbitrary at \$10k (+/-)
 - Based on “affordability”
- Costs borne by
 - Utility (rate payers, other)
 - All tax payers (fees, *ad valorem*, MSTU, etc.)
 - Other (grants, sales tax, etc.)



Subsidy

- Potential revenue sources for subsidy
- Each generates **\$1M**
 - Countywide 0.0760 mils
 - Countywide (w/o PGU/EWU) 0.1044 mils
 - Utility rate increase* 1.6%
 - Sales Tax* (local option) 0.056%
 - MSTU* (w/o PGU/EWU) \$6.40/ parcel

*based on simplified assumptions of current conditions



Offset Programs

- Hardship
 - Current policy: Utility pays assessment
 - \$111k over 3 years to date
 - Proposed policy: Deferred assessment until change of ownership
- Septic Rebate Program (*buy back*)
 - \$600k - from reserves



Grant Opportunities

- Grants
 - RESTORE
 - TMDL for storm water abatement
 - S. 319 for impaired waters
 - Legislative appropriations
 - USDA (where applicable, demographics)
 - Others being identified
- All have strings/tradeoffs
- Staff is exploring all opportunities



Current Design Efforts

- Board directed Utility to begin design for
 - Countryman, El Jobean, US41 N areas
- Will produce “shovel-ready” designs
- Master planning effort begins Sept 2016
- Coordination with paving and storm water to maximum extent possible



Alternatives

- Alternative approaches could include
 - Targeted infill of service area
 - Infill Management Plan
 - Proximity to water bodies
 - Age of development
 - Density-driven
 - System performance analysis
 - Incremental accretion



Summary

- Costs of expansion are considerable
- Board interested in defining a cost “cap”
- Grant opportunities actively sought
- Methodology workshop coming very soon