

Ackerman MSBU Direction



July 15, 2025



CHARLOTTE COUNTY
FLORIDA

Issue

- MSBU started in 2020.
- External conditions have impacted timing and cost: pandemic, major hurricanes, inflation, market increases.



Three Considerations

1. Ability and desire to assess vacant lots.

- Similar to East West Spring Lake, where construction costs were assessed for the infrastructure only.
- Deferred connection costs payable at development.
 - Eliminates exorbitant full cost connection fees.
 - Vacant lot market values benefit from access to the system.
- Capital costs assessed to all ERCs.

Three Considerations

2. Convert all Unity of Title to Deferment.

- Unity of title was available to customers who owned adjacent vacant lots.
- Deferred lots are more easily tracked.
- Easier to ensure no “shared” services.
- Allocation of the ERC benefit is clearly defined.



Three Considerations

3. Deferment.

- Deferment is only available on vacant lots.
- Evaluate issues related to MSBU.
 - Assessment payers must subsidize “exempt” deferrals.
- If deferrals are allowed to remain, consider a time limit on a deferment period.

Financial Variables

- 1,759.0 total current estimated residential connections (ERCs).
 - Including 25.0 prepaid ERCs.
- 349.0 total current deferred ERCs (requires subsidized funding).
- 202 total unities of title (UoT) which include 390.0 total ERCs, but assessed for only 178.0 ERCs (requires subsidized funding).
- Overlap of UoT and deferrals exists, adding to complexity.

Questions/Comments

1. A customer's been paying for sewer since 2020 and still doesn't have a connection. Will they have to pay more/longer?
2. Customers have been paying the assessment since 2020, and DOH request them to get a pump out, certification and fees for their septic tank until they're connected to the sewer.
3. If customers pay it off now, will they still be charged an additional amount? Will customers who paid it off initially be charged more now?
4. Customers may have bought a house with no assessment because the previous homeowner paid the original amount in full. That was a disclosure on the sale of the house. Now they have to pay this assessment.



Next Steps

1. Bring back considerations to the Board in October with updates for direction.
2. Present updated information to Board at January Utilities Quarterly update for final comments.

Or, Continue with assessments as currently approved.



Informing Future Decisions

- Recommendations for future Septic to Sewer projects should be made hand-in-hand with Ackerman decisions regardless of the final direction for Unities of Title, deferrals, split infrastructure/connection rates, etc.



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Questions?



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