

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: November 17, 2015

Department: Wastewater

Bulk Item: Yes No

Staff Contact Person/Phone #: Wilson 292-4529

AGENDA ITEM WORDING: Approval of revised BOCC policy statement for provision of sewer connections in County funded wastewater systems at County expense.

ITEM BACKGROUND: At its June 10, 2015 meeting the Monroe County Board of County Commissioners (BOCC) instructed the County staff that all properties developed after the bid package, or in development as of 30 June 2015, should be charged only their \$4,500/EDU System Development Fee (SDF) and have a connection included in the project at no additional cost to the property owner(s). It further directed that any properties developed after that date (30 June 2015) should not be offered an opportunity to prepay their SDF in order to secure a connection at County expense. At the 15 July 2015 its meeting, the BOCC directed staff to revise the policy with regard to properties developed after 30 June 2015 and to ensure the policy was consistent across the systems funded by the County.

PREVIOUS RELEVANT BOCC ACTION: Longstanding BOCC policy was to limit the SDFs and connections to developed properties only, in order to limit owners of undeveloped properties from using the SDF payment as an argument in furtherance of a takings claim should they be denied a ROGO allocation.

CONTRACT/AGREEMENT CHANGES: N/A

STAFF RECOMMENDATIONS: Approval

TOTAL COST: Thru 30 June 2015 - \$2.51 million; from 1 July 2015 – buildout add est \$5.6 million

INDIRECT COST: staff time

BUDGETED: Yes No

DIFFERENTIAL OF LOCAL PREFERENCE: N/A

COST TO COUNTY: See Above total 8 million **SOURCE OF FUNDS:** Infrastructure sales tax & Mayfield Grants

REVENUE PRODUCING: Yes No **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty CH OMB/Purchasing Risk Management

DOCUMENTATION: Included Not Required

DISPOSITION:

AGENDA ITEM #



Memorandum

DATE: 3 November 2015

TO: BOCC

FROM: Kevin G. Wilson

SUBJECT: Policy for Undeveloped Properties in the County funded Wastewater Systems

Recommended Action: Approval of the attached policy for application to the Cudjoe Regional Wastewater System and the Big Coppitt, East/West Long Key, and Duck Key systems..

Basis for Recommendation:

1. The attached policy implements direction provided by the BOCC at its 10 June 2015 and 15 July 2015 meetings.
2. It incorporates providing a connection point for any properties developed after the original design was completed.
3. It creates a consistent policy across County funded wastewater systems.

Implications:

1. The additional cost to the project for connection points added between completion of design and June 2015 is \$2.5 million.
2. The policy will be applied to the Big Coppitt and Duck Key systems.
3. The projected additional cost to the project for all future development through buildout is \$5.6 million (assumptions below).

Background:

FKAA's design and construction contract did not include connections (either gravity or low pressure) for any properties that were undeveloped when the design basis was completed. For the inner islands (Upper Sugarloaf, Cudjoe, and Summerland Keys), the design package was completed in 2009 and issued for bids in 2012. For the outer islands (Lower Sugarloaf, Ramrod, Little Torch, and Big Pine Keys), the design criteria package and scope were issued in 2012 for the design-build project.

Any properties developed after those dates were not included in the project bid package. At its June 10, 2015 meeting the Monroe County Board of County Commissioners (BOCC) instructed the County staff that all properties developed after the bid package, or in development as of 30 June 2015, should be charged only their \$4,500/EDU System Development Fee (SDF) and have a connection included in the project at no additional cost to the property owner(s).

At its July 15, 2015 meeting, the BOCC discussed the proposal to charge all properties entering development (permits issued) from 1 July 2015 and forward should be charged the cost of providing the connection from the street to the property. In the case of gravity connections this would include a tap into the main in the street and a connection point at the property line. In the case of a property located in a low pressure service (LPS) area this would include a tap into the force main in the street, and a grinder station on the property with an easement. In both cases, the property owner would be responsible to connect the house (or building) to the connection point (including electrical connections in the case of a LPS system).

The Board directed staff to return with a proposed revised policy reflecting the sense of the BOCC that every property should have a connection point provided at County expense since connection to the sewer utility is mandatory. The BOCC had earlier considered a proposal to allow undeveloped properties to “opt in” and found that option to be unacceptable.

Costs to Date:

Staff has reviewed the number of properties for which connections must be provided between the original design and 30 June 2015 for the Cudjoe Regional system. That is 210 gravity area properties (75 and 135, respectively in the inner and outer island service areas) and 70 in the low pressure service areas (15 and 55 respectively in the inner and outer island service areas). The total additional cost to provide these connections is \$2.51 million.

Future Potential Costs:

Staff analyzed the potential for future additional required connection points. Several assumptions were required to determine the potential future cost. They are:

1. A policy adopted for Cudjoe should also applied to other County funded wastewater systems (Big Coppitt, Duck Key, and East & West Long Key).
2. All eight remaining years of ROGO allocations in the Lower Keys and Big Pine/NNK planning areas will be used.
3. Affordable units will be split between the planning areas in the same proportion as the market rate units.
4. The remaining ROGO allocations will be distributed among the various County sewer systems in approximately the same proportion as their current EDUs [23% to non-County systems (Stock Island and Baypoint) and 77% to County systems (Cudjoe, Big Coppitt, Duck Key, and Long Key)].
5. The average cost for a connection will be approximately the same as for those properties added before 30 June 2015 - \$9,000/EDU (provided by FKAA).
6. Properties in non-County systems are the responsibility of the utility operating them.

The total cost for those properties added after design but before 1 July 2015 is \$2.1 million. There are a total of 270 connections in this category. The remaining ROGO allocations for the next eight (8) years are:

ROGO Allocation for Next 8 Years			
Planning Area	Market Rate	Affordable	Total
Upper Keys	488	275	763
Lower Keys	456	257	713
Big Pine & No Name Key	64	36	100
Total			1576

The total for the combined Lower Keys and BPK/NNK planning areas is 813 new permits. The weighted average cost for a new connection is \$9,000/EDU in today's dollars based on the connections prior to 30 June 2015 (FKAA data). Since 77% of the new permits will be issued in the County sewer service areas, the expected future cost is

$$813 \text{ new connections} \times 77\% \text{ in County service areas} \times \$9,000/\text{EDU} \\ = \$5.6 \text{ million}$$

Proposed Policy Statement for Inclusion of Connections at County Expense for Newly Developed Properties in the Centralized Wastewater Systems Funded by the County

Proposed Policy:

When any property located within the Cudjoe Regional Centralized Wastewater System service area, Big Coppitt wastewater service area, Duck Key/Conch Key service area, or the East/West Long Key service areas is issued a building permit, the FCAA will provide a connection from that property to the central wastewater collection system and will bill the County for the provision of that connection point. That connection point will be either a gravity connection point at the property line or a grinder station on the subject property. If the property owner opts to provide his own grinder station to avoid providing an easement, the FCAA will provide a force main tap and stub out to the property line and the property owner will be responsible for the remainder of the connection. In all cases, the property will be charged a system development fee (SDF) at permit issuance. All such property owners are provided the option to pay the SDF in full at permit issuance or have the SDF paid through special assessment as long as a special assessment tax roll remains in effect for the particular area in which the property is located.