Environmental Utilities Stepping Out For The Next Generation

Dear Island Resident,

Thank you for taking the time to review all the information and verify the truth of the information you are being provided by all parties. You should not rely upon the Facebook misconception or the "Coconut Express" (PIE's newsletter).

Septic to sewer conversion programs are a growing effort throughout the state, particularly in areas near water bodies. Just last week, the city of Jacksonville and Orange County announced massive septic to sewer conversion programs.

Wastewater removal is coming to the Island and most islanders agree it needs to happen and.....the sooner the better. Although the County's Sewer Master Plan determined that the Island had the highest impact level, the County recommended septic to sewer conversion within five years (by 2022). So, what the conversation is really about is the cost to residence and the best vehicle to provide such a service. The County has realized that due to a multitude of factors the conversion is going to take longer than the original plan projected. Therefore, the County, in an attempt to prevent further environmental impact and to hasten the conversion process, entered into a contract with Environmental Utilities, LLC to treat the islands wastewater.

The Florida Department of Environmental Protection (FDEP) will make sure that the wastewater collection system is permitted to best meet the needs in this environmentally sensitive area.

Introduction

Environmental Utilities, LLC (EU), is a new company that is proposing to provide wastewater removal from the bridge-less barrier islands.

EU is presently owned by Island residents Jack and Diane Boyer, although other investors might be brought in once EU receives a Certificated Service Area (CSA) from the Florida Public Service Commission (FPSC) and construction begins.

The FPSC will make its determination on EU receiving a CSA, based on three criteria.

- 1) The need for wastewater service.
- 2) The experience of the applicants.
- 3) The financial ability of the applicant.

Is There a Need?

The Charlotte County Board of County Commissioners (BCC) has been very pro-active in protecting the pristine environment in which we are so blessed to call home. In 2017, the BCC retained Jones Edmunds & Associates, Inc. to prepare a plan called the "Sewer Master Plan" to reduce pollution by converting septic tanks to central sewer. You can view this Plan here: https://www.charlottecountyfl.gov/core/fileparse.php/523/urlt/charlotte-county-sewer-master-plan.pdf

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Contractual Recitals between EU and the BCC that refers to the need to convert septic tanks to central sewer on the Island are:

WHEREAS, EU desires to reserve and secure sewer service capacity and bulk sewer service from COUNTY to serve the current and projected needs of a portion of Cape Haze, Little Gasparilla Island, Don Pedro Island, and Knight Island; and

WHEREAS, in 2017, Charlotte County adopted a Sewer Master Plan that utilizes environmental scoring criteria to prioritize the level of importance, for specified areas, of converting septic tanks to sewer; and

WHEREAS, the environmental scoring criteria, which utilizes a scale of 1 to 5, includes scoring based on three factors: proximity to surface waters, age of septic tanks, and nitrogen loading; and

WHEREAS, based on the environmental scoring criteria, the areas of Cape Haze, Little Gasparilla Island, Don Pedro Island, and Knight Island scored in the highest impact level of 4.0 to 5.0; and

WHEREAS, areas with an average impact score from 4.0 to 5.0 are recommended for conversion from septic to sewer within a five-year period; and

In a nutshell, the BCC has determined that the islands are not only in one of Charlotte County's most environmentally sensitive areas but is rated and prioritized as to needing the septic to sewer conversion.

Everything we have seen and understand shows THERE IS A NEED.

EXPERIENCE of The Applicants

Jack and Diane Boyer are island residents and have been in the utility business for over 30 years, including water service on the Islands.

Jack got his water operator's license 30 years ago and was lead operator for Little Gasparilla Water Utility, Bocilla Utilities, and Knight Island Utilities for many years.

Therefore, with their history in the business and qualifications, it is clear that they have the most experience to bring this project to fruition.

FINANCIAL Ability

EU is in a strong financial position as they will only be building a collection system and will be connecting with Charlotte County for treatment and disposal.

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In meeting with potential investors Wharton Smith, the most prominent general contractor of wastewater treatment facilities in Florida, it became abundantly clear that the agreement with CCU will result in cost savings of millions of dollars for island customers.

CCU will be installing a master lift station to handle the flows, also a cost savings for the island.

The Office of Public Counsel has reviewed the Boyer's personal financial statements and stated they do not see any problem with their financial ability for the construction of a wastewater collection system.

History:

State and local governments have repeatedly tried to hinder or stop growth on the bridge-less barrier islands. The islands have always been outside the Charlotte Counties Urban Service Area. Governor Martinez even stopped mainland utilities (water, wastewater and electric) from expanding to the islands.

Developers overcame and built five independent utilities, two for profit and three not for profit. Four still exist today: Knight Island Utilities, Bocilla Utilities, Hideaway / Placida Harbor Homeowners Association Wastewater, and Little Gasparilla Water Utilities. Having this many independent utilities absolutely drives up the cost to the end user.... you the homeowner!

Today:

Jack and Diane Boyer, along with Bocilla Utilities and Knight Island Utilities have been working for many years to determine what is best for the island utilities and their customers.

We all agree that Charlotte County (CC) would be best for the islands but as of today, that is not an option.

Possibly even better than CC would be a Utility District, established by a special act of the Florida Legislation. We have met with Michael Grant, our state Majority House leader. His comments were simply "get it to me and we will get it done" however this is close to a two-year process.

A Utility District will also be a way to consolidate all the utilities and create a substantial savings to the island residents for many years to come.

This is what was done to the north of us as the Englewood Water District and to the south as Gasparilla Island Water Authority (Boca Grande)

Summary of Options

- Charlotte County buys out existing island utilities and constructs the wastewater collection system.
- Islanders form a Utility District (UD) and buy out existing utilities then construct the wastewater collection system.
- 3) EU goes forward proceeding to provide removal of wastewater from the Islands.

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Please understand there will be a considerable cost savings on the operational cost by consolidation of all the island utilities.

Why duplicate management and operating cost four times?

Also, CC and UD operate without having to pay FPSC regulatory assessment fees (4.5% of gross revenues) property taxes, tangible taxes. For example, EU's financial consultants have projected \$400k in annual other tax liability. This does not include income tax liability that is also passed through to the customers which is something that a Utility District or Charlotte County would not have to pay.

There are many other cost savings that can be studied further if there is Island interest.

We feel the island property owners would be much better off working alongside the Utilities on the island in moving forward to consolidate operations.

How do we do this?

Let's form a steering committee that will look at all the options, instead of spending monies in a negative and non-productive way. For example, EU has a projected \$275k expense for an administrative hearing requested by PIE and other protesting parties. This additional expense is passed through to the customers.

We are looking to see if there is any interest in forming a steering committee. This steering committee will also need funds to hire financial and legal advisers.

EU/Jack and Diane have previously attended LGPOA and PIE meetings for informational purposes and have seen firsthand how words get twisted, which is why EU is trying to communicate directly to their potential customers.

After meeting with LGPOA, several board members pursued and confirmed the information relayed by EU/Jack. Most board members agree that although EU will most likely get the proposed CSA, a UD or CC administered project would be a positive alternative for island property owners.

There is much more information to be shared, and if interested, Rhonda Olson has set up <u>UDisland21@gmail.com</u> as a way for islanders to help by way of joining a steering committee.

Thank You for your time!

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