

Southern Kent Island (SKI) Sanitary Project

Public Hearing Series

1. Amend Resolution #14-07
2. Establish Wastewater Rate Schedule for SKI Wastewater Subdistrict
3. Fix & Levy Vacant Lot Special Benefit Assessment

Kent Island High School
August 21, 2018 6:00pm
Gregg Todd, County Administrator

Purpose of Hearings:

1. Adjust methodology to apply Special Benefit Assessments by Amending Resolution #14-07
2. Adopt an Operations & Maintenance (O&M) Rate Schedule for SKI Wastewater Subdistrict
3. Fix and Levy Special Benefit Assessment on Vacant, unimproved Class B & Class C properties within the SKI Wastewater Subdistrict

Hearing Part 1 : Amend Resolution #14-07

1. Set maximum Special Benefit Assessment for improved properties - \$210/quarter (\$70/month)
2. Set default option to collect Special Benefit Assessment on vacant properties to minimum value - \$96/quarter (\$32/month)
3. Extend period for voluntary lot combinations/ lot adjustments to October 1, 2018
4. Clarify that the Bay Restoration Fund Reserves Treatment Capacity for SKI Wastewater Subdistrict

Hearing Part 2 : Establish Rate Schedule

1. Adopt a new SKI O&M Wastewater Rate Schedule
2. Effective date - October 1, 2018
3. Set quarterly billing schedule
 - October 1, January 1, April 1, July 1
 - Utility Bills will be mailed to property owners address on record

Hearing Part 2 : Establish Rate Schedule

1. Rates include customer charge Bay Restoration Fee & Usage Charge
2. Connected Rate (when developed) = \$90/quarter
(\$30/month)
3. Vacant Rate (unconnected) = \$30/quarter
(\$10/month)

Hearing Part 2 : Establish Rate Schedule

4. Set other Miscellaneous Charges

- All new home construction:
 - Permit Fee \$250
 - Sewer Allocation Fee - \$8,550
- Any new lots created
 - Connection charge - \$27,920
- Water Conditioner
 - Connection Charge - \$100/quarter

Hearing Part 3 : Fix & Levy Vacant Lot Special Benefit Assessment

1. Applies to vacant, unimproved properties in Kent Island Estate & Romancoke
2. Two Property Classes
 - Class B – Vacant lots without valid perc (357 lots)
 - Class C – Vacant Lots with valid perc test (4 lots)
3. Assessments begin October 1, 2018
 - Lots must be sold or combined by this date to avoid multiple assessments

Hearing Part 3 : Class B Vacant Lot Assessment Example

Class B – Vacant lots without valid perc test (357 lots)

Sewer Base Cost \$2,320

Economic Benefit Premium (EBP) \$25,600

Total Assessment \$27,920

Hearing Part 3 : Class B Vacant Lot Assessment Example

Repayment Option 1 – Class B Properties (without valid perc)

Pay Total Assessment in Full - \$27,920

plus \$30/quarter O&M while lot remains vacant

And

\$90/quarter O&M when lot is developed

Hearing Part 3 : Class B Vacant Lot Assessment Example

Repayment Option 2 – Class B Properties (until developed)

Amortize Base Cost \$2,320 at 1% for 20-years

Pay Interest only on EBP \$25,600 at 1% for maximum of 10-years or until property is developed, then convert to full amortization at 1% for 20-years

Yields \$96/quarter for assessment
+ \$30/quarter vacant lot O&M charge

Total Quarterly Charge While Vacant = \$126

Hearing Part 3 : Class B Vacant Lot Assessment Example

Repayment Option 2 – Class B Properties (when developed)

Amortize Base Cost \$2,320 plus EBP \$25,600 at 1% for 20-years

Yielding \$387/quarter for assessment
+ \$ 90/quarter (in-service) O&M charge

Total quarterly charge when developed = \$477

Hearing Part 3 : Class C Vacant Lot Assessment Example

Class C – Vacant lots with valid perc test (4 lots)

Sewer Base Cost \$2,320

Total Assessment \$2,320

Hearing Part 3 : Class C Vacant Lot Assessment Example

Repayment Option 1 – Class C Properties

Pay total assessment in full - \$2,320

+ \$ 30/quarter while lot remains vacant

And

\$ 90/quarter when lot is developed

Hearing Part 3 : Class C Vacant Lot Assessment Example

Repayment Option 2 – Class C properties (until developed)

Amortize base cost \$2,320 at 1% for 20-years

Yielding \$ 33/quarter for assessment
+ \$ 30/quarter vacant lot O&M charge

Total quarterly charge while vacant = \$63

Hearing Part 3 : Class C Vacant Lot Assessment Example

Repayment Option 2 – Class C properties (when developed)

Amortize base cost \$2,320 at 1⁰% for 20-years

Yielding \$ 33/quarter for assessment
+ \$ 90/quarter (in-service) O&M charge

Total quarterly charge after developed = \$123

Special Benefits Assessment & Rates

1. Assessment amounts are adjusted on the first quarterly billing cycle after a building permit is issued (status change vacant to developed)
 - Assessments are transferrable to subsequent property owners
 - Early payment on assessments are accepted
2. O&M rates are adjusted on first quarterly billing cycle after final connection to the public sewer system (when developed/occupied)

Southern Kent Island (SKI) Sanitary Project

Open Hearing for Public Comments

3 minutes per person

Staff is available for specific Q&A outside of auditorium

Todd Mohn, Director DPW

Alan Quimby, Chief Sanitary Engineer

Steve Cohoon, Public Facilities Planner

Dave MacGlashan, Property Manager

Jon Seeman, Director, Budget & Finance

