

**UTILITIES UNIFORM EXTENSION POLICY  
& DEVELOPER'S AGREEMENT WORKSHOP**

**BOARD OF COUNTY COMMISSIONERS**

**OCTOBER 18, 2005**

A workshop of the Board of County Commissioners was held at the Murdock Administration Complex in Room 119, Port Charlotte, Florida. The following members were present: Chairman Sara Devos and Commissioners Thomas G. Moore and Thomas C. D'Aprile. **(Commissioners Adam Cummings and Matthew D. DeBoer were not present for this workshop.)** Also in attendance were County Administrator Bruce D. Loucks, County Attorney Janette S. Knowlton and Deputy Clerk Karen S. Mitchell. The workshop was called to order at **3:00 P.M.** followed by the Pledge of Allegiance to the Flag.

David G. Schlobohm, CCU Director, explained the purpose of this workshop was to discuss developer agreements, and this stems from recent modifications in the way we process these documents and the reaction by a few developers in the community. Mr. Schlobohm stated the changes were necessary when they recently discovered incorrect practices in preparing these developer agreements; staff immediately halted such practices; they consulted with financial and legal advisers to confirm the correction of the practices, and to confirm that this was in accordance with the County's Uniform Extension Policy; notified Administration and the Board members; and staff then put the modified procedures in practice that resulted in complaints from a few developers which prompted staff to request this workshop. Mr. Schlobohm reported they recently participated in the Charlotte County Builders and Contractors (CBCA) Association meeting designed to further share this information but there wasn't much participation by the development community so they were in the process of scheduling another meeting and personally inviting the development community. Mr. Schlobohm said staff felt they understood the intent and direction of the 1994 Uniform Extension Policy, they believe they are now following it, and what they were seeking today was this Board's directive and intent on that policy and how it applies to developer agreements. Mr. Schlobohm said some of the complaints received from developers included a disagreement on the payment of fees or which fees should be paid, disagreement on payment of fees

in advance, overall disagreement on preparing and signing the developer agreement upfront rather than later on, in one case a request to move forward with a developer agreement but at the same time not reserve capacity, and then some differences of opinion as to advance agreements and how to prepare those. Mr. Schlobohm stated they were bound by the current 1994 Uniform Extension Policy, and it was their duty and responsibility to follow that policy unless the Board says otherwise. Mr. Schlobohm advised if we agree to the complaints they're getting from developers it would put staff in a position of violating the Uniform Extension Policy and it would shift the financial burden from the developers to the current customers of the County. Mr. Schlobohm pointed out the Uniform Extension Policy seeks to do the following: separate existing from prospective future customers; ensure the cost of future development is borne by future not existing customers; ensure developers pay not more than their proportionate share for the cost of water and sewer service; and ensure that all of this is done in a uniform and consistent manner. Mr. Schlobohm reviewed the Utility Summary Statement on pages 1 through 3 of the material. **Commissioner D'Aprile** asked the current Utility reserve. Debra Smith, Finance Manager, responded \$2 million in the rate stabilization account but she will send him the exact figures. **Commissioner D'Aprile** asked the upfront connection fees for a single-family home. Ms. Smith referred to the last page of Exhibit B and said the average amount was about \$5,200. **Commissioner D'Aprile** asked the average amount for a large developer. Ms. Smith said it all depended on the water usage but she's seen it cost from \$860,000 to over \$1 million. **Commissioner D'Aprile** stated that's what he has a problem with, the developer has to front so much money until the homes or developments are sold, the upfront costs cause the prices to go up for the consumer which just starts snowballing, and asked if there was a payment program for these people. Ms. Smith said not at this time. Mr. Schlobohm said they were very receptive to phasing, and due to escalating building costs phasing could cost more overall but they will look into it. **Commissioner D'Aprile** asked staff to give that some thought because we need larger developers and said he didn't want to scare them off. Philip Palmer, Heritage Homes President, said he objects that capacity charges are demanded at the time of signing the agreement with CCU to put the infrastructure in the ground, since 1991 this hasn't been the policy of the County, it has been done on a basis of when the utilities are connected to the units, he has done this repeatedly through probably eight

separate developer agreements, he's now ready to put in the ground the last phase of the Heritage Lake Park project, and he's being required to come up with an additional \$2.5 million in order to do this prior to the connection. Mr. Palmer said disseminating this information to the development community just hasn't happened, the CBCA has very little interest in this because they pay their utility connection fees when they build houses and this puts an undue burden on them at this point. Mr. Palmer explained the water and sewer infrastructure for the first phase of his project was in place, he has 40 units being done now, the lines were accepted by and donation made of those lines to CCU, and he has made application for water and sewer connections to those lines that were put in place but he has been told that unless he was willing to pay for all 40 connections right now no connections will be made. Mr. Palmer asked why meter installations were four to six weeks out, indicated if this is to be enforced every lot owner who has water and sewer running in front of their property should be assessed right now, developers are placed in a separate category to their detriment, suggested none of this should be put into effect, the tariff has been in place since 1991, the resolution in place since 1994 and nothing has changed besides the interpretation which he finds suspect. Geri Waksler, Co-owner of Morton's Ace Hardware, said page 9 of the agreement indicates an intent to apportion the cost of the master sewage collection systems prorata against all properties receiving such service but the way things were being done currently doesn't create that result. Mrs. Waksler stated she knows this because it's going to cost the hardware store \$180,000 to bring the line down, the only intervening property owner is the BP gas station who will pay \$5,000 for a the privilege to connect, and although that \$5,000 will be rebated back to them, we will have paid \$175,000 to get the same service as BP will get for \$5,000. Mrs. Waksler said providing sewer service to the U.S. 41 business corridor was long overdue, CCU should bring the lines down and then charge and assess all the business owners along that corridor, and it shouldn't be the responsibility of each individual existing business owner to piece meal, bring down and extend the lines. Mrs. Waksler said you used to be able to receive credits for contributed infrastructure which offset connection fees, and CCU took this out saying that was unlawful but something else needs to replace that again. Bill McBride said he's been in the utility industry for 15 years, his issue was the hidden items inside the agreement document itself such as design standards and review fees

from CCU, CCU's engineering fees to review plans on a \$1 million infrastructure project for a large developer would be \$15,000 which would be okay if the review was done in a timely manner but it takes six weeks, the County requirements exceed the state requirements, opined the interpretations have gotten way out of control from where they used to be when these types of problems didn't exist, and stated letters of water/sewer availability take six weeks which just shouldn't be happening. Todd Rebol, Banks Engineering, agreed with the comments by Mrs. Waksler and Mr. McBride, said one of the County's biggest problems has always been utilities, and the developers are here and want to develop in Charlotte County but there should be incentives for these developers to bring a line down. Mr. Rebol said another problem area was the 60 day approval, if a developer doesn't go to construction after 60 days from the CCU approval you must resubmit to ensure no standards have been amended or changed, unfortunately there were a lot of other permits that have to get acquired prior to going to construction, and 60 days from CCU approval just wasn't realistic. Mr. Rebol said his last item was main tapping, CCU has revised their requirements as far as what can be tapped and if it's 14 inches or larger you can't do a direct tap. Steve Cummings, Cape Haze Windward Partners, said he was the poster child for the turmoil that has developed around that department in the past 18 months, he resents it, and he will continue to resent it until this body really has a foundation on why the developers have been treated like they have, and not just my self and my project, but other projects in this County. Mr. Cummings reported 5% of his time and his staff's time have been taken up dealing with CCU over the last 12 months, we have tried to do the right thing with this particular department, we presented CCU with a check for \$160,000 back before all the rules got changed, we weren't notified nor did anyone from any level of County management say anything, things that have been agreed to in person or in writing aren't adhered to, for the past six months the County has owed him \$40,000, and he doesn't fault CCU for their turmoil but the Board shouldn't let departments change procedures mid-stream. **COMMISSIONER D'APRILE MOVED TO CLOSE THE PUBLIC WORKSHOP, SECONDED BY COMMISSIONER MOORE AND DECLARED UNANIMOUS (3:0).**

**RESPONSES TO CITIZEN INPUT**

Mr. Schlobohm said they've processed 55 developer agreements during the last 90 days, staff will review each comment made today and report back to the Board with recommendations on how the process could be improved, they very much disagree with a great many of the comments but there were also some comments that had merit which they will explore, and opined if staff has a little more time to thoroughly respond the Board will get a better product. Mr. Schlobohm stated in the process of doing any kind of change such as this it's going to be difficult, they did try to give notification and did meet individually with all of you but they probably didn't do the proper notification to the engineering/development community due to pressure by the developers to process these agreements. Mr. Schlobohm indicated he disagreed with many of the comments relative to the time involved in processing the agreements, there has been an engineering staff shortage for some time but they are almost fully staffed now with the exception of an engineering services manager, and it was their goal to have a solid engineering department. Bruce D. Loucks, County Administrator, stated staff will bring back to the Board something to address the following three concerns: timing of payments - at what point in time do you actually collect the payments after the developer's agreement; turnaround time in reviewing the designs that have been submitted; and the issue raised by Mrs. Waksler of the first one in line for an extension pays full freight and then gets reimbursed over a period seven years by others as they come on line, versus only paying the prorata share which the current policy doesn't address. **Chairman Devos** said she felt it's going to require more than just us looking at this internally, and the stakeholders need to be part of the process and included in all these areas because that will produce a much more successful outcome. **Chairman Devos** recalled they'd had discussions on extending sewer on U.S. 41 for years, the hang-up was whether to put it in the front or the rear of the properties, stated this still hasn't been decided, she felt that's really paramount to what's going to occur between Port Charlotte and West Tarpon Boulevards, it was her understanding there really weren't that many areas that lack sewer so she didn't understand why that isn't in place, a decision needs to be made, and she wants this brought back to the Board. **Chairman Devos** summarized she needed more information to be able to respond to most of the comments

made today. **Commissioner Moore** said he's appalled at the amount of time he spends on complaints, he felt CCU's huge debt greatly restricts some of the things Mr. Schlobohm can do, the rules should be different for single-family versus developments, there needs to be compromise for large developments and the money required upfront, and Mr. Schlobohm should tell the Board what he needs and continue to keep them aware. **Commissioner D'Aprile** said without communication things become complicated and unorganized, offered to extend his services to develop an oversight committee like he did a few years ago for the Building Department, and agreed on the need to revise the policy regarding who pays and how much when a line gets extended. Mr. Schlobohm agreed Mrs. Waksler made a valid point. Mr. Loucks said he felt every lot should be assessed. **Chairman Devos** said she felt the policy was antiquated, specific areas need to be reviewed, developers need to partner with staff, there's a lot of growth happening throughout the County, they need to find an equitable way to handle these issues, and thanked Mr. Schlobohm for trying to do what he felt was right. Mr. Schlobohm said the Board has made some very good points, he liked the idea for an oversight committee, his goal was to have a smooth running utility, agreed there were significant issues regarding the developer's agreement, and timeliness was very important. **Chairman Devos** asked Mr. Loucks to prepare a time line for an approach to these problems and to place it as an agenda item for next Tuesday's Board meeting.

**MEETING ADJOURNED: 4:25 P.M.**

Signature on file in Commission Minutes

Sara J. Devos

Chairman

**ATTEST:**

**BARBARA T. SCOTT, CLERK  
OF THE CIRCUIT COURT AND  
EX-OFFICIO TO THE BOARD  
OF COUNTY COMMISSIONERS**

**By: Signature on file in Commission Minutes**

Deputy Clerk

/ksm