

Palm Island Estates Homeowners Association
12/14/20 Board Meeting

President LouEllen Wilson called the meeting to order at 5:06.

Present: Craig Baresel, Pat Gordon, Sally Johnson, Heather Stout, Lindsay Yates.
Zoom attendees: Candy Cohen, Linda Cotherman, Cori Palmere, Meryl Schaffer.
A quorum was established.

Guests in attendance: Jack & Diane Boyer, Richard Leyden (LGIPOA), Monica Errico, Jayne Kebe, Teressa Fesperman, Lynne Petersen, Jon Goranson.

Jack Boyer, representing Environmental Utilities, LLC [EU], provided information on a wastewater treatment service area that would include Cape Haze I and II, Little Gasparilla Island, Don Pedro/Knight Islands plus the Resort.

Letters proposing that EU, LLC provide bulk water service to the "certificated service area" [CSA] will be mailed out to all stakeholders December 17, 2020. All have 30 days to respond. The vote to accept EU as the provider would come before the Charlotte County Commission on 4/1/2021.

Other information provided:

- a. 2,183 potential units (including vacant lots) are included in the CSA
- b. The Public Service Commission [PSC] uses 3 factors in considering justification for moving from septic to sewer:
 1. Is there a need?
 2. What is the applicant's experience in utility management
 3. Financial ability of the applicant
- c. Time frame could be 3-5 years, with Cape Haze being first hooked up
- d. Pros & Cons of the two types of systems (low pressure & vacuum) are to be considered.

EU would be able to provide 418,000 gallons/day bulk water.

Jack would prefer to install a vacuum system because it has less maintenance. The low pressure (grinder system) would initially cost less but would incur higher maintenance costs. The vacuum system would cost more initially which could be offset utilizing grant money (for which there is supposedly a lot available). The grinder pump (low-pressure) system would require an approx. 4-1/2'x 5' booster pump on each property. The vacuum system may require a lift station at the ferry landing.

Question: What is the time frame and rates?

Jack estimates 1 year permitting, 1-year installation period (construction), 1 year to connect. The project will be done in phases:

Phase 1 - Cape Haze (first connected, 1-2 years for next)

Phase 2 - Don Pedro, Palm Island, Knight Island

Phase 3 - Little Gasparilla

He anticipates a 3- to 5-year window to begin and said that what takes the longest is to survey everything. The vacuum system would need to be connected all at once, but the low-pressure system can be hooked up as you go.

RE. rates: they are hiring a financial consultant to work on fees which will be published on the PSC website. Right now he doesn't know.

The Resort would be purchasing bulk water only as they are already hooked up to their utility (Knight Island Utility, Inc. or KIU).

Question: **Are you a private utility?** Jack responded that 50% of utilities are private in the US. **Will it cost more than Charlotte County Utilities?** He can construct at the same rates as the County but can't maintain it at the same rates. Three options to lower costs: eliminating tangible tax is a possibility – he has never seen it done in this county but it has been done in other FL counties and therefore is not impossible. Jack is looking for grants to support setting up the connections.

Question: **What entity controls the rate EU is allowed to charge?** The Florida Public Service Commission. **What is the maximum profit allowable per year currently?** 8.6%

Question: **Would connecting to sewer require destruction of old septic?** Yes, EU would be required to crush & fill in septic system at hookup. **What will the cost be?** To be determined.

Question: **Why can't Charlotte County be the provider for all the Islands, just like the mainland?** Charlotte County doesn't want it. They got burned on the Rotonda Sewer Utility years ago.

Question: **Do we have any other options?**

(1) Charlotte County is the best alternative

(2) We can form a separate utility district, which would include an elected board of directors. A Special District is a unit of local special-purpose government that operates within limited boundaries. This would combine all of the water and sewer utilities on the Islands into one entity (Water systems on LGI, Bocilla Utility, Inc., Knight Island Utility, Inc. and sewer Environmental Utilities, Inc).

Presentation ended at 5:49.