



*Queen
Anne's
County*

DEPARTMENT OF PUBLIC WORKS

312 Safety Drive
Centreville, MD 21617

Telephone: (410) 758-0925

Fax: (410) 758-3341

www.qac.org

County Commissioners:

James J. Moran, At Large

Jack N. Wilson, Jr., District 1

Stephen Wilson, District 2

Robert Charles Buckey, District 3

Mark A. Anderson, District 4

MEMORANDUM

Date: July 10, 2018

To: County Commissioners

Informational Item

From: Todd R. Mohn

RE: Southern Kent Island documents for August 21, 2018 Public Hearing

Attached for your review is a public hearing notice along with a series of documents required to proceed with the application of the special benefit assessment for the Southern Kent Island (SKI) sewer extension project.

The transmission and community collection sewer main contracts will be substantially complete in August and the new sewer system will be activated. The STEP contract is approximately 33-percent complete with final completion scheduled for February 2021. Connections to the new sewer mains will be made once the system goes on-line and vacant properties will become buildable at that time. Therefore, we will be ready to levy the special benefit assessment on the vacant properties on October 1, 2018. A second special benefit assessment will be levied on the improved properties after that contract is complete in 2021.

The attached documents have been prepared for public notice and a scheduled public hearing on August 21, 2018 at the Kent Island High School. The public hearing will cover three topics: 1) Amendments to Resolution 14-07, 2) Creation of the Southern Kent Island Rate Schedule and 3) Levy of the special benefit assessment on vacant unimproved properties (within phase 1 of the project area).

1) Amendments to Resolution 14-07

The amendments to this resolution are shown in strike and delete format. The changes include: 1) a clarification that Bay Restoration Funds will be used to offset the cost assessed to homeowners, 2) fixing the maximum monthly assessment levied to improved properties at \$70 per month for 20-years, 3) setting the default repayment option of the special benefit assessment to unimproved properties as a deferral which provides for the lowest beginning repayment plan, and 4) extension of the deadline to voluntarily combine lots until October 1, 2018.



2) Creation of the Southern Kent Island Rate Schedule

This is the new Operations & Maintenance (O&M) Rate schedule for the Southern Kent Island Wastewater Subdistrict. This rate schedule will be applicable to both unimproved and improved properties. Quarterly billings are proposed to begin on October 1, 2018 for all phase 1 unimproved properties. Improved properties will receive their first O&M billing on the first quarter after they are connected to the sewer system. This will begin prior to the levy of the improved properties special benefit assessment (which will occur in early 2021). O&M rate charges are consistent with previous notices and projections at \$30 per month or \$90 per quarter.

3) Levy of the special benefit assessment on vacant unimproved properties

These draft letters must be sent certified to all vacant unimproved properties (within Phase 1) of the Southern Kent Island Wastewater Subdistrict informing them of the pending levy of the special benefit assessment and the public hearing. There are two property classes (and a letter specific to each class), Class B unimproved without a valid soil percolation test and Class C unimproved with a valid percolation test. Class B properties will be assessed the base cost plus the economic benefit premium (since they become buildable) and Class C properties will be assessed only the base cost (since they are buildable now). The values of the base cost and economic benefit premium remain consistent with previous notices and hearings and our project cash flow model.