

INNERARITY ISLAND ASSOCIATION, INC.

BOARD OF DIRECTORS

Kevin Wilband, President

5614 N. Shore Way

Pensacola, FL 32507

March 26, 2020

Commissioner Doug Underhill, District 2
Escambia Board of County Commissioners
221 Palafox Place, Ste. 420
Pensacola, FL 32502

Dear Commissioner Underhill:

We consider ourselves to be very fortunate to live on Innerarity Island in Escambia County. We are grateful for the good and important work that you and your colleagues do to advance the interests of our County and its residents.

As you know, a number of our residents are seriously concerned about the plans and construction under way for a new sewer system on the Island. The level of concern has reached the point that some neighbors have suggested that litigation may be necessary in order to address our concerns. Our Homeowners Association Board of Directors ("Board") is reluctant and cautious about taking such a drastic step. At the same time, however, we as a representative Board need to be attentive to our neighbors' concerns.

We are relying on a number of assurances that we have received in discussions with you and other officials at Escambia County and ECUA.

We ask that you succinctly confirm or correct our understanding as to the following:

1. The Board of Commissioners and the affected County agencies have determined, after thorough and careful consideration, that upgrading the existing gravity sewer system on the Island would not be feasible.
2. The Board and the affected County agencies have concluded further, again after thorough and careful consideration, that a new low-pressure sewer system with grinder pumps at each residence is clearly preferable and a much less expensive alternative for the Island long-term than upgrading the existing gravity system.

3. The grinder pumps and other components that are to be installed are reliable; require little maintenance; do not cause significant offensive odors, even at close range; have not deteriorated in storage; and will be fully warranted by Escambia County, ECUA, or another financially-reliable entity for five years from the date of installation.

4. The contractor(s) engaged to do the work installing the new sewer system are contractually obligated to restore the roads, driveways, landscaping, in-ground utilities owned by residents, and all other improvements to their pre-construction condition (or better).

5. The \$1 million and \$500,000 grants previously received for the water and sewer project on our Island have been applied solely and irrevocably to cover costs of designing and installing the water and sewer systems, including the purchase of a number of grinder pumps currently in storage with the County, and Island residents will not be charged again or additionally for these costs via the MSBU, ECUA charges, property taxes, or otherwise.

6. Any and all proceeds from sales of property on Innerarity Island that is owned by Escambia County have been or will be applied exclusively, irrevocably, dollar-for-dollar, to reduce (or rebate) amounts paid or to be paid by Innerarity Island and Russell Bayou property owners for the MSBU, regardless of when those sales may occur.

Of equal importance, we have several questions and concerns, as to which we urgently request clear answers:

A. Is there another Escambia County neighborhood with a low-pressure sewer system where each property owner is not required individually to own and maintain the grinder pump and sewer laterals? If so, why is the ownership and maintenance of these sewer components being forced on us here?

B. Neighbors have reported comments by the contractors' employees denying the contractor's responsibility to make repairs necessary to return roads, driveways, landscaping, sprinkler systems, etc. to their pre-construction condition. This contradicts assurances that we were given at homeowner meetings, and we ask you to clarify this matter with the contractor and us.

C. Is the contract for the sewer work on a cost-plus basis, as some of us have been told? Even if not technically a cost-plus contract, what are the mechanisms through which the contractor could increase the contract price, and what safeguards are in place to make sure that any and all increases in the contract price are fully appropriate and justified?

D. In light of the concerns that have arisen about the contractor's compliance with all the terms of the contract, we ask that ECUA and the County wait to pay the contractor until after we agree that all of the work is satisfactory.

E. What additional sources of governmental or grant funding might be available to help defray the cost to us of this project? We have heard from various neighbors and officials that there may be others, and we will be glad to contact anyone you suggest. The Innerarity Island sewer system is currently the responsibility of Escambia County; it is not Island residents' private property. Moving ownership and control from Escambia County to ECUA benefits the County and ECUA. We therefore believe that the County and ECUA have a responsibility to help us identify and secure any funding that is available.

F. We were told that the MSBU funding provided to the County carried an interest rate of 0.9%, which we expected to be passed on to us. Why then, is that interest rate being marked up to a multiple of that interest rate in the calculations of the MSBU costs we will be required to pay?

G. We need an explanation, please, as to how the Russell Bayou MSBU (or anyone else) will share in the financial benefits of the County-owned lot auction sales, and what the impact of that will be on our MSBU costs?

H. The Board requests an accounting of the impact and connection fees received for the sewer system since the abandonment of the island sewer system by Innerarity Island Development Corporation on March 21, 2014. Since it has been determined that the gravity system was unsatisfactory due to the growth and expansion of the island residency, we feel the funds collected toward impact fees should have been directly allocated toward the costly upgrade to a low pressure system, requiring existing residents to purchase costly equipment and incur additional maintenance and environmental liability due to the growth on the island. We have counted 53 new homes built on the Island since early 2017. We are confident that there were additional new homes built in 2014, 2015, and 2016, though we do not have the exact numbers from those years. Those properties were required to pay substantial impact fees and connection costs; our understanding is that the impact fees were approximately \$3,800, and additional sewer connection costs brought the total per new home to approximately \$10,000. At a minimum, why are the impact fees not directly allocated against the MSBU final figure? Where have those funds gone?

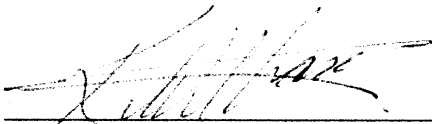
Is the "Seascape" property currently owned by Escambia County? Will our HOA Board's designation of that "Seascape" property as a conservation area be respected in perpetuity by Escambia County, so that the County will not sell or develop, or permit anyone else to sell or develop, any of that property without the formal approval of the Innerarity Association, Inc. and its Board of Directors? If not, what additional steps do we need to take in order to make sure that property is secure as a conservation area?

We believe that we should receive clear, explicit documentation and evidence of accountability as to any and all the items that will affect our property, and particularly those matters for which we will bear the costs (short-term, or long-term). We respectfully and urgently ask to be promptly notified in writing, by you or another appropriate official, if our understanding is incorrect on any of the matters outlined above. We respectfully and urgently further request full, official, written documentation as to all of these matters, in a clear and concise format that the average homeowner can understand.

We are grateful for your attention and consideration, and we look forward to hearing from you.

Respectfully submitted,

BOARD OF DIRECTORS,
INNERARITY ISLAND ASSOCIATION, INC.

BY: 

Kevin Wilband, President
for the Board

C: Chairman, Commissioner Steven Barry, District 5
Vice Chairman, Commissioner Robert Bender, District 4
Commissioner Jeff Bergosh, District 1
Commissioner Lumon May, District 3
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