

# **Board of County Commissioners**

## **Agenda Request**

Date of Meeting: April 21, 2009

Date Submitted: April 6, 2009

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator  
Dale Dransfield, Eutaw Consultant

Subject: Request Board Approval to Hold a Public Hearing to Adopt the  
Comprehensive Sewer Ordinance.

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### **Statement of Issue:**

This agenda item requests holding a public hearing to adopt the proposed Comprehensive Sewer Ordinance.

### **Background:**

Over the years the BOCC has adopted a number of ordinances and resolutions to govern the County Sewer Utility. Some of the direction given in these various documents has been found to be in conflict and some has been found to be outdated. Additionally, there have been a number of circumstances, which have required new language to be added in order to address current policy. On September 22, 2008, the BOCC held a workshop to discuss the proposed Comprehensive Sewer Ordinance. The draft ordinance presented in the workshop included a number of new policies such as options for paying for the infrastructure improvements identified in the County's Wastewater Facilities Plan, a new proposal to allow new sewer customers to pay for their sewer connection fees over time, a variance for owners of performance based septic systems, etc. Staff received direction to proceed on the items identified below and to schedule a public hearing to obtain public input prior to the adoption of the proposed Comprehensive Sewer Ordinance as further presented in the analysis section below.

### **Analysis:**

After giving a thorough presentation relating to the ongoing issues surrounding the improvement and expansion of the wastewater utility, staff sought direction from the Board at the workshop to continue to pursue a number of ongoing tasks as it relates to the County sewer utility. Staff was instructed to work with the Florida Rural Water Association to conduct a rate study to determine if the proposed sewer capacity charges and monthly rates and proposed readiness-to-serve charges (included in the draft sewer ordinance) are adequate to meet the potential debt service as well as operations and maintenance requirements of the utility for the next twenty years as projected from the time of expansion. After the FRWA concludes this study, bring the proposed ordinance back for Board review of the cost analysis and projections and further consideration for adoption at a public hearing. The rate study was completed and a presentation made to the BOCC by Mr. Bill Secoy of the FRWA. The Board requested that further analysis be done to see if the first 2,000 gallons of usage could be included in the residential monthly base rate. The rates reflected in this final version of the Ordinance address that request.

Agenda Request: Request Board Approval to Hold a Public Hearing to Adopt the Comprehensive Sewer Ordinance.

April 21, 2009

Page 2

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This ordinance also proposes a method for existing residences, who will be required to connect to the County Sewer System when it becomes available to them, to enter into loan agreements with the County, allowing the homeowner to pay capacity charges and tap fees over time. The ordinance also changes the months used to determine the average usage for a residential customer from January, February and March to December, January and February. Readiness-to-serve fees have been added to this ordinance as recommended by Florida Rural Water. Such a fee will be very beneficial toward providing the County sufficient pledged revenue to satisfy the repayment schedule for the SRF construction loan, regardless of potential further degradation of market conditions that may arise. Many other changes and additions have enhanced the ordinance, and language was added to redefine the requirements in order for sewer to be considered “available” to residential users.

The County will be required to submit a Loan Application to the DEP by May 15, 2009 in order to receive funding through the State Revolving Fund Program. Failure to submit the application by that deadline will result in the County being removed from the fundable list. The Loan Application requires that the County pledge revenues sufficient to repay the loan over 20 years. For purposes of preparing the loan application, Eutaw and staff had proposed that 15% of the monthly sewer billing revenues be pledged, in addition to the capacity charges, customer loan repayments and readiness-to-serve charges. It is requested that these revenues all be pledged in the loan application being prepared for the SRF loan for the sewer upgrades.

By so approving this direction, staff would suggest that the Board would make significant progress toward a) adding fiscal integrity to the cost feasibility of the proposed sewer improvements in light of a downward trending economy, b) provide additional cost effective measures to citizens to pay for their connecting to the sewer over time and c) provide helpful direction to staff, ESG and Eutaw Utilities as we endeavor to further improve the existing wastewater treatment system as quickly as possible. Staff recommends approval of the above noted elements presented in the analysis section at this time.

**Options:**

1. Adopt the ordinance and direct staff use the revenues identified above as pledge revenue for the repayment of the SRF loan.
2. Do not adopt the ordinance and do not direct staff use the revenues identified above as pledge revenue for the repayment of the SRF loan.
3. Board direction.

**Recommendation:**

Option #1

Agenda Request: Request Board Approval to Hold a Public Hearing to Adopt the Comprehensive Sewer Ordinance.

April 21, 2009

Page 3

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**Attachments:**

1. Proposed Comprehensive Sewer Ordinance for Board Approval
2. Ratification workshop Item of Board Discussion During the March 16, 2009 Workshop Regarding the Proposed Comprehensive Sewer Ordinance