



## Interoffice Memorandum

July 17, 2017

**TO:** Mayor Teresa Jacobs  
and Board of County Commissioners

**FROM:** Raymond E. Hanson, P. E., Director  
Utilities Department

A handwritten signature in black ink, appearing to be "R. Hanson", written over the "FROM" line.

**SUBJECT: BCC AGENDA ITEM – Consent Agenda  
July 18, 2017 BCC Budget Worksessions  
Revised Preliminary Water System Charge Schedule to Include a  
Cross Connection Control Program Fee  
Contact Person: Glenn Kramer, Manager  
Utilities Fiscal & Operational Support Division  
407-254-9882**

Water, wastewater, and reclaimed water rates and fees are established by resolution of the Board of County Commissioners (Board). Each of the authorizing resolutions provides for an automatic annual rate increase of three percent (3%) at the beginning of each fiscal year. Additionally, Chapter 37 of the Orange County Code authorizes an automatic annual increase of three percent (3%) for the capacity maintenance fee. As discussed in the Utilities Department budget worksession presentation, we are requesting the Board to allow these increases for FY 2017-18 to fund increasing operational needs. Board action is not required for these rate increases. However, a new water rate resolution is included in the budget worksession consent agenda in order to provide preliminary authorization for a new Cross Connection Control Program fee.

In order to establish this new fee, Section 153.11, Florida Statutes requires the Board to adopt a resolution setting forth a preliminary schedule of charges to be followed by a public hearing after the required notification. The accompanying resolution is similar to our prior water rate resolution, Resolution 2009-M-27, with two distinct revisions. First, since the resolution is being revised, the existing charge schedule has been updated to reflect current levels. Second, the resolution establishes the new Cross Connection Control Program Fee effective January 1, 2018. A summary of the cross-connection control program fee is discussed below.

On May 23, 2017 the Board of County Commissioners approved the plan to update the Utilities Department's (Utilities) Cross Connection Control Program to provide for County ownership, testing, and maintenance of residential backflow prevention devices. Included in this update was a monthly fee for Orange County Utilities customers whose systems include a cross connection control device. This fee is for the ongoing repair and replacement cost as performed by the County.

Cross Connection Control programs are required by Florida Administrative Code 62-555 and 62-610. There are also industry standards that pertain to this subject as well. Additionally, the American Water Works Association (AWWA) has published AWWA M14 Manual which addresses this topic. This program has been established to protect



the public health, and our existing program will be updated and restructured to provide a more systematic approach to manage risk within the County's water system.

Orange County, as a community water system, is responsible for compliance of all phases of the program. Based upon the County's cross connection control program data, approximately 7,000 commercial locations have backflow prevention devices covered by this program and approximately 100,000 residential locations either have backflow prevention devices in place or require a backflow prevention device. At this time, both commercial and residential customers are responsible for installing, testing and repairing or replacing backflow prevention devices where required.

Under the program's revised implementation plan, Utilities will take over responsibility for testing, repair, and replacement of residential devices. This approach removes the burden of securing and coordinating these services from the customers and provides an improved degree of control for the County to ensure compliance with the program requirements. The County will also undertake a capital program to install devices at existing residential properties where a device is required and one is not currently present. No changes are proposed to the commercial portion of the program.

To cover the costs of the changes to the residential program, Utilities will provide risk assessments and testing through our existing rates, while device installation to close the current compliance gap will be through a capital project. Cost for the remaining ongoing repair and replacement portion of the program, at approximately \$3.6 million per year will be addressed through a new specific service charge of \$3.00 per month for customers with backflow prevention devices. This specific service charge will be effective January 1, 2018, and will be incorporated into the County's Water System Charge Schedule.

As mentioned above, the first step in the implementation process is for the Board to adopt a resolution setting forth a preliminary schedule of charges to be followed by a public hearing after the required notification. By approving the attached resolution, the Board will meet the first half of this requirement, and a public hearing will be scheduled in August to complete the adoption process. Orange County Attorney's Office staff has reviewed the resolution and finds it acceptable as to form and content. Utilities Department staff recommends approval.

**ACTION REQUESTED:**      **Approval Of A Resolution Setting A Revised Preliminary Water System Charge Schedule; Providing For An Automatic Annual Increase; Setting A Revised Preliminary Water Meter Charge Schedule; Setting A Preliminary Cross Connection Control Program Fee Effective January 1, 2018; Providing For Periodic Review; Providing For Annual Notice To Customers; Providing For Severability; And Providing For An Effective Date.**

**All Districts.**