



Interoffice Memorandum

August 14, 2017

TO: Mayor Teresa Jacobs
and Board of County Commissioners

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

A handwritten signature in dark ink, appearing to read "R. Hanson", is written over the "FROM:" line.

**SUBJECT: BCC AGENDA ITEM – Public Hearing
August 29, 2017 BCC Meeting
Revised Water System Charge Schedule to Include a Residential
Cross Connection Control Program Fee
Contact Person: Todd Swingle, P.E., Deputy Director
Utilities Department
407-254-9880**

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 residential customers whose systems include a cross connection control device. This fee is for the ongoing repair and replacement cost as performed by the County.

In order to establish a new fee for the County's Water and Wastewater System that is not made substantially pro rata as to all classes of service, Chapter 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 first step of this process, adopting a preliminary schedule of charges, was accomplished when the Board adopted Resolution 2017-M-23 on July 18, 2017 at the end of the budget work sessions. In addition to providing for the Residential Cross Connection Control Program Fee ("Program Fee"), the preliminary Water System Charge Schedule established by Resolution 2017-M-23 also updated the monthly water rates to reflect those currently in effect. As discussed in the budget work sessions, the monthly water rates will be indexed by 3% for FY 2017-18. Other specific service and meter charges listed on the Water System Charge Schedule, including the new Program Fee, are not subject to the automatic annual increase.

The scheduled public hearing serves as the second step in the process and provides for final adoption of the Water Rate Schedule, which includes the new Residential Cross Connection Control Program Fee. The accompanying resolution is similar to Resolution 2017-M-23 in form and content, including the

standard elements of our rate resolutions such as establishing the revised Water System Charge Schedule, providing for an automatic annual increase on the monthly service rates, and confirming the existing Water Meter Charge Schedule.

As discussed with the Board in our May 23, 2017 presentation, cross connection control programs are governed by Florida Administrative Codes 62-555 and 62-610. These programs were established to protect our water system from contamination and to protect the public health. The Utilities Department has assessed and restructured its current cross connection control program to provide a more systematic approach to manage risk within the County's water system.

Under the Utilities' updated program, testing, repair, and replacement of residential backflow prevention devices will become the Utilities' responsibility. This approach removes the burden of securing and coordinating these services from the customer and provides an improved degree of control for the Utilities to ensure compliance with the program requirements.

To cover the costs of the changes to the residential program, the Utilities will fund risk assessments and testing through our existing rate revenue. Costs for the remaining ongoing repair and replacement portion of the program will be borne by residential customers with backflow prevention devices through the payment of a \$3.00 per month Cross Connection Control Program fee. This fee will become effective January 1, 2018.

As mentioned above, the first step in the implementation process was accomplished at the end of the budget work sessions. By approving the attached resolution after a public hearing, the Board will meet the second half of this requirement.

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 Water System Charge Schedule; Providing For An Automatic Annual Increase; Setting A Water Meter Charge Schedule; Setting A Residential 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.

RESOLUTION NO. 2017-M-_____

A RESOLUTION SETTING A REVISED WATER SYSTEM CHARGE SCHEDULE; PROVIDING FOR AN AUTOMATIC ANNUAL INCREASE; SETTING A WATER METER CHARGE SCHEDULE; SETTING A RESIDENTIAL 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.

WHEREAS, the Board of County Commissioners of Orange County (the "Board") establishes and collects rates, fees, and charges for its water system pursuant to its home rule powers granted to the County by the Florida Constitution, the Orange County Charter, Chapter 125 of Florida Statutes and any other applicable statutory authority; and

WHEREAS, the Board last adopted a revised Water System Charge Schedule and a Water Meter Charge Schedule on July 23, 2009 pursuant to Resolution 2009-M-27; and

WHEREAS, Florida Administrative Code 62-555 and 62-610 require the County to have a Cross Connection Control Program (the "Program") to protect the public water supply; and

WHEREAS, the Board has determined in the best interest of the public health to proactively manage the Program on behalf of its water customers at significant expense to the County; and

WHEREAS, the Board has determined it necessary to recover certain Program costs through a monthly Program fee (the "Program Fee"); and

WHEREAS, the Utilities Department has prepared an analysis to establish such Program Fee based upon recovery of the projected Program costs; and

WHEREAS, as a result, the Board now declares the need to adopt the Program Fee within its Water System Charge Schedule; and

WHEREAS, the Board, in compliance with Chapter 153 Florida Statutes, has adopted Resolution 2017-M-23 on July 18, 2017 setting forth a preliminary rate schedule prior to a public hearing; and

WHEREAS, the Board, having held such public hearing, now desires to adopt this resolution setting forth such rate schedule;

THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:

Section 1. Premises. The foregoing premises are true and correct and incorporated herein by reference.

Section 2. Revised Water System Charge Schedule. The Board hereby adopts the revised Water System Charge Schedule attached to and incorporated herein as Exhibit "A". The attached Schedule will supersede the presently existing Water System Charge Schedule adopted July 23, 2009.

Section 3. Automatic Annual Rate Increase. The Board previously adopted by Resolution and hereby re-confirms and re-adopts the provision for an automatic annual rate increase for the services described on Exhibit "A" as "Fixed Monthly Charge" and "Volume Charge". Effective on October 1st of each year hereafter, an automatic annual increase shall be three percent (3%) of all rates, fees and charges contained in the then current Water System Charge Schedule in effect immediately prior to the effective date of such automatic annual rate increase. The Board further directs that on the effective date of each automatic annual rate increase, the Water System Charge Schedule in effect immediately prior to the effective date of such increases shall be revised to include the three percent (3%) increase, and that a copy of such revised Schedule shall be maintained for public inspection by the Clerk to the Board of County Commissioners. The automatic annual rate increase shall not apply to Water Capital Charge, to the category of services on Exhibit "A" entitled "Specific

Service Charges", and to the category of services described on Exhibit "B", the "Preliminary Water Meter Charge Schedule".

Section 4. Meter Charges and Meter Installation Charges; Time of Payment. The Board hereby re-confirms and re-adopts the Water Meter Charge Schedule attached to and incorporated herein as Exhibit "B". Upon final adoption, the attached Schedule shall supersede the presently existing Water Meter Charge Schedule adopted July 23, 2009.

The Board hereby re-confirms that all meter charges and meter installation charges shall be paid prior to the issuance of the first building permit for a structure or structures in a project to be served by the County's overall Water System, unless superseded by other County Ordinances or Resolutions. Said charges shall be determined pursuant to the revised Water Meter Charge Schedule, attached hereto as Exhibit "B". Meter Charges and Meter Installation Charges shall not be subject to automatic annual rate increases provided for in Section 3 herein.

Section 5. Revised Conservation Charges. The Board previously adopted conservation charges to promote water usage conservation. The Board hereby re-confirms the conservation charges and adopts the revised conservation charges, which shall be as set forth in the Water System Charge Schedule attached hereto as Exhibit "A" and shall be subject to the automatic annual rate increase provided for in Section 3 herein.

Section 6. Periodic Rate Review. The Board shall periodically conduct a review of the rates, fees and charges set forth in the Orange County Water System Charge Schedule.

Section 7. Annual Notice to Customers. Each year, the Orange County Utilities Department shall send annual written notification to all customers of the Orange County Water System of the County's monthly user rates, fees and charges as set forth in the then current Orange County Water System Charge Schedule.

Section 8. Review of Resolution. The Board hereby finds that all conditions precedent to adoption of this Resolution, pursuant to Section 30-2 of the Orange County Code, have been fulfilled.

Section 9. Severability of Provision. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the valid provision or application and to this end the provisions of this Resolution are declared severable.

Section 10. Effective Date. This Resolution shall become effective upon approval.

ADOPTED THIS _____ DAY OF _____, 2017.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

BY: _____
Teresa Jacobs, Mayor

ATTEST: Phil Diamond, CPA, County Comptroller
As Clerk to the Board of County Commissioners

BY: _____
Deputy Clerk

EXHIBIT "A"

ORANGE COUNTY WATER SYSTEM CHARGE SCHEDULE

FIXED MONTHLY CHARGE

(Footnote 1)

<u>Water Meter Size</u>	<u>Monthly Charge</u>
- 5/8 by 3/4 inch meter	\$6.92
- 1 inch meter	\$12.32
- 1-1/2 inch meter	\$21.26
- 2 inch meter	\$32.02
- 3 inch meter	\$60.72
- 4 inch meter	\$92.98
- 6 inch meter	\$182.59
- 8 inch meter	\$290.14
- 10 inch meter	\$451.45

VOLUME CHARGE

Residential Customers

- 0 - 3,000	\$1.10 per 1,000 gallons
- 4,000 and above	\$1.51 per 1,000 gallons

Commercial Customers

- All Consumption	\$1.51 per 1,000 gallons
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Conservation Charges (For all 5/8-inch by 3/4-inch water meter customers and all individually metered residential customers regardless of meter size.)

Conservation Rate:

- 11,000 - 20,000	\$3.02 per 1,000 gallons
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Conservation Charge:

- 21,000 - 30,000	\$6.03 per 1,000 gallons
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Conservation Surcharge:

- 31,000 and above	\$12.04 per 1,000 gallons
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BILLING PERIOD

Monthly: Single-family residential, duplex, condominium, and other type dwelling units individually metered; multi-family residential apartment, mobile home, travel-trailer, and other type dwelling units collectively metered and all other commercial, institutional, industrial or other accounts (e.g. large consumers), regardless of meter size, shall be billed for the amount of water used each month as measured by each of their respective meters. (The above rates shall apply to each meter, regardless of the number of meters.)

FIRE SYSTEM AND HYDRANT CHARGES

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| - Private Fire Hydrants
Hydrant Installation Charge | Actual Cost |
| - Private Fire Line/Sprinkler System
Installation Costs | Actual Cost |

SPECIFIC SERVICE CHARGES

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|--|----------|
| - Initiation of Service
Regular Business Hour | \$16.00 |
| Non-Business Hours | \$21.00 |
| - Temporary Service Turn-Ons / Offs
Regular Business Hours | \$12.00 |
| Non-Business Hours | \$17.00 |
| - Meter Removal/Service Tampering | \$41.00 |
| - Unauthorized Connection
Regular Business Hours | \$350.00 |
| Non-Business Hours | \$361.00 |
| - Covered, Obscured or Inaccessible Meters | \$37.00 |
| - Reading or Picking Up a Hydrant Meter
For Non-Payment | \$32.00 |
| - Re-read for Customer Convenience | \$9.00 |
| - Late Charge for Non-Submission of Hydrant
Meter and/or Card for Reading | \$5.00 |
| - Reading of Specialty Meters | \$30.00 |
| - Dishonored Payment | \$25.00 |

-	Distribution Trip Charge	
	Regular Business Hours	\$34.00
	Non-Business Hours	\$51.00
-	Dishonored Credit Card Charge	\$18.00
-	Fire Flow Test	
	OCU Performed	\$64.00
	OCU Monitored	\$33.00
-	Research Account Information	At Cost
-	Meter Inspection and Testing	At Cost
-	Non-residential Backflow Prevention Device Testing	At Cost
-	Plans and Specifications	At Cost
-	Service Removal / Reconnect	At Cost
-	Late Payment Fee	1.5% on past due balance
-	Water Deposits – All Meter Sizes	2X estimated total monthly bill
-	Portable Hydrant Meter Deposit	2X replacement cost of meter
	Effective January 1, 2018:	
-	Residential Cross Connection Control Program Fee	\$3.00 per month

AUTOMATIC ANNUAL RATE INCREASE

Consistent with and pursuant to Section 153.11 of Florida Statutes, the Board of County Commissioners hereby adopts annually, effective October 1st of each year hereafter, an automatic increase of three percent (3%) to all rates, fees and charges contained in this Water System Charge Schedule in effect immediately prior to the effective date of such annual increase. The automatic increase shall not apply to the Water Capital Charge, Specific Service Charges, or the charges described on Exhibit "B" of the attached Resolution.

FOOTNOTES

- (1) The Orange County Utilities Department (OCUD) shall determine the appropriate meter size for use by all its customers.

EXHIBIT "B"

ORANGE COUNTY WATER METER CHARGE SCHEDULE (FOOTNOTE 1)

Meter & Meter Service (Footnote 2)	Installation Cost (Footnote 3)
- 5/8" Meter	\$140.00
- 5/8" Domestic & Reclaimed Water Irrigation Meter	\$305.00
- 5/8" Meter - Retrofit	\$285.00
- 3/4" Reclaimed Water Irrigation Meter – Retrofit	\$165.00
- 1 ^{3/8} " Domestic Meter	\$570.00
- 1" Reclaimed Meter	\$180.00
- 1-1/2" Domestic Meter	At Cost
- 1-1/2" Reclaimed Meter	At Cost
- 1-1/2" Above Ground Dual Meter	At Cost
- 2" Domestic Meter	At Cost
- 2" Reclaimed Meter	At Cost
- 2" Above Ground Dual Meter	At Cost
- 4" Fire Line Master Meter - Above Ground	At Cost
- 6" Fire Line Master Meter - Above Ground	At Cost
- 8" Fire Line Master Meter - Above Ground	At Cost
- 10" Fire Line Master Meter - Above Ground	At Cost
- 1" Service (Short)	At Cost
- 1" Service (Long)	At Cost
- 2" Service (Short)	At Cost
- 2" Service (Long)	At Cost

FOOTNOTES

- (1) Following satisfactory completion of the water supply and distribution system, and upon receipt of the applicable meter/connection fee, the Orange County Utilities Department (OCUD) shall furnish and install the necessary fittings, meter, and meter box at the property line. The owner or developer of the property desiring service shall bear the expense of the service lateral pipe of the required size, from and including its connection with a corporation stop at the water distribution main in the right-of-way to and including a curb stop at the property line. Service piping from the meter to the building is to be installed by and/or at the expense of the property owner or builder.
- (2) The OCUD shall determine the appropriate meter size for use by all its customers.
- (3) Does not include any cost associated with construction of a water lateral from the meter to the water main providing service; in the majority of cases, the developer constructs the lateral. In situations where the OCUD would be responsible for the lateral, the cost of the lateral would be charged to the customer on a time, materials, and pro rata overhead cost basis.