

RESOLUTION NO _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS, POLK COUNTY, FLORIDA, SETTING FORTH A PRELIMINARY SCHEDULE OF REVISED COUNTY WATER UTILITY RATES, FEES, DEPOSITS, AND CHARGES TO INCLUDE AN AMENDED POLK WATER RESOURCE INITIATIVES/ALTERNATIVE WATER SUPPLY SURCHARGE PAYABLE FOR BOTH POTABLE WATER AND RECLAIMED WATER USE, AND AMENDED UTILITY SYSTEM WATER RATES AND WASTEWATER RATES, ALL OF WHICH SHALL BE INDEXED FOR FIVE YEARS COMMENCING OCTOBER 1, 2024; AMENDED RECLAIMED WATER RATES, CONNECTION FEES, MISCELLANEOUS SERVICE CHARGES, RATES, AND CUSTOMER DEPOSITS; AND PROVIDING THE COUNTY MANAGER LIMITED AUTHORITY TO INCREASE RATES, FEES, DEPOSIT AMOUNTS AND CHARGES; ALL TO PROVIDE FOR THE POLK COUNTY UTILITY SYSTEM EXPANSION AND REINVESTMENT PLAN.

WHEREAS, Polk County, a political subdivision of the State of Florida, by and through its Board of County commissioners, is authorized to establish and modify water, wastewater, and reclaimed water rates, connection charges, service charges, customer deposits and the Polk Water Resource Initiative/Alternative Water Supply surcharge ("PWRI/AWS Surcharge") for its utility customers; and

WHEREAS, the Board of County Commissioners (the "Board") has previously adopted resolutions establishing the current Schedule of Rates and Fees for water, wastewater and reclaimed water services; and

WHEREAS, to address future water supply needs the County, whether individually or by and through a cooperative of which it is a member, intends to undertake development of projects and initiatives (each a "Water Project") as generally described in the interlocal agreements creating the Water Cooperative of Central Florida ("WCCF") and the Polk Regional Water Cooperative ("PRWC"), to include alternative water supply (each and all, an "AWS") projects and the development of interconnections among cooperating local government utility systems; and

WHEREAS, Polk County, through its membership in the WCCF and the PRWC and as a party to agreements established to implement the AWS Water Projects known as Cypress Lake, West Polk Wellfield, and the Southeast Wellfield is obligated to fund its share of the costs for each project with those costs anticipated to become due over the next five years; and

WHEREAS, Polk County desires to provide funding to meet its obligations for funding these AWS Water Projects and to increase the expansion and reinvestment in its water utility systems; and

WHEREAS, to meet these funding obligations Polk County desires to incrementally increase rates over the next five (5) years; and

WHEREAS, to attain favorable bond ratings and terms Polk County must maintain a debt coverage ratio of 1.5; and

WHEREAS, the County's utility rate consultant has determined that in order to maintain the higher debt coverage ratio, Polk County must create new sources of revenue by creating a base facility charge for reclaimed water customers and by charging the PWRI/AWS Surcharge on all reclaimed water usage, adjusting fees to recover costs of providing services, indexing water

and wastewater rates at 6 percent (6.0%) for five years beginning October 1, 2024, and increasing the PWRI/AWS surcharge by \$0.25 per year for five years beginning October 1, 2024; and

WHEREAS, the Board desires to set forth a methodology for establishing annual rate increases without further action by the Board; and

WHEREAS, upon consideration of the foregoing the Board intends to revise its current Schedule of Rates, Fees, and Charges;

NOW, THEREFORE, BE IT RESOLVED by the Polk County Board of County Commissioners in regular session duly assembled July 2, 2024, as follows:

- 1) The Board hereby sets forth the Preliminary Schedule of Rates, Charges, and Fees attached to this Resolution as Exhibit "A" to be effective October 1, 2024 which includes the following:
 - a. A PWRI/AWS Surcharge set at \$0.55 per thousand gallons of potable water and reclaimed water use payable by potable water customers and by reclaimed water customers. On the first day of October for the years 2025, 2026, 2027, and 2028, the rate shall increase \$0.25 per year as set forth in the attached Schedule of Rates, Charges, and Fees tables.
 - b. Base facility charges added for each reclaimed water service connection as set forth in the attached Schedule of Rates, Charges, and Fees tables.
 - c. A six percent (6.0%) yearly rate increase, needed for increased reinvestments system wide, on potable water rates and wastewater rates will become effective on the 1st day of October for each of the years 2024, 2025, 2026, 2027 and 2028, as set forth in the attached Schedule of Rates, Charges, and Fees tables.
 - d. The Water and Wastewater Connection Charges, Miscellaneous Service Fees and Customer Deposits will be set at the rates listed in the attached Schedule of Rates, Charges, and Fees tables to recover costs incurred to provide these services.
 - e. A new miscellaneous fee, Damage to Utility Main or Other Property, is established as a charge for the actual cost to repair such damage, plus the estimated cost of the water lost calculated at the rate in effect at the time of loss, plus a fine in the amount of \$1,000.00.
- 2) Additionally, to ensure the Polk County water utility rates, fees, and charges shall be sufficient to pay all operating and maintenance expenses, capital outlay, bond interest and redemption costs, and all other costs of each respective water utilities operations, the County Manager, without need of further action by the Board of County Commissioners, will be authorized to annually increase the rates, fees, and charges stated Schedule of Rates, Charges, and Fees by applying any annual price increase index which the Florida Public Service Commission ("FPSC") may establish pursuant to section 367.081(4)(a), Florida Statutes, for the major categories of operating costs incurred by

water and wastewater utilities. The County Manager will not be authorized to further increase a rate, charge, or fee for a future year when an annual increase to that particular rate, charge, or fee for that year is already listed in the final adopted Schedule of Rates, Charges, and Fees tables.

- 3) Prior to adopting any final revision to the Schedule of Rates and Fees, the Board will hold a public hearing at 9:15 a.m. on July 16, 2024 to provide the public an opportunity to be heard regarding the proposed revision to the current Schedule of Rates and Fees. County staff shall provide notice of such hearing in accordance with applicable law.
- 4) This Resolution shall become effective immediately upon adoption.

Dated and effective this _____th day of July , 2024.

ATTEST:
STACY M. BUTTERFIELD
Clerk to the Board

BOARD OF COUNTY COMMISSIONERS
POLK COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____
W. C. Braswell, Chair