

**RESOLUTION NO \_\_\_\_\_**

(Amends Resolutions 07-137, 10-107, & 16-095)

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS, POLK COUNTY, FLORIDA, SETTING FORTH A 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 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 fees, service charges, customer deposits, and the Polk Water Resource Initiative/Alternative Water Supply surcharge for its utility customers; and

**WHEREAS**, on November 20, 2007, the Board of County Commissioners adopted Resolution 07-137, establishing rates for water, wastewater, and reclaimed water services, fees, and charges, and for customer deposits all as set forth therein; and

**WHEREAS**, on July 21, 2010, the Board of County Commissioners adopted Resolution 10-107 amending certain service rates as more particularly set forth therein; and

**WHEREAS**, on August 16, 2016, the Board of County Commissions adopted Resolution 16-095 establishing the Polk Water Resource Initiatives/Alternative Water Supply surcharge (“PWRI/AWS Surcharge”) and amended certain service rates as more particularly set forth therein; and

**WHEREAS**, the state water management districts responsible for protecting and maintaining water and related natural resources within Polk County have indicated that future water supplies within the Central Florida area will have to come from alternative water supplies (AWS) rather than the Upper Floridan aquifer which has traditionally been the source for water supply in the area; and

**WHEREAS**, the County has established the Water Cooperative of Central Florida (“WCCF”) with the City of St. Cloud, Tohopekaliga Water Authority, and Orange County, and the Polk Regional Water Cooperative (“PRWC”) with most of the municipalities within the geographic boundary of Polk County, to collaboratively address future water supplies within Central Florida through the development of a wide variety of water projects and initiatives (each, whether developed by or through a cooperative or solely by the County, a “Water Project”) as generally described within the interlocal agreements creating each

cooperative to include AWS Water Projects and the development of interconnections among utility systems; and

**WHEREAS**, the cost to develop a Water Project will vary based on the specifics of a particular project with the capital and operating costs of AWS Water Projects significantly higher than those of traditional groundwater source projects; and

**WHEREAS**, Water Projects creating utility systems interconnections will lower capital and operating costs for those systems by maximizing use of existing permitted ground water resources; and

**WHEREAS**, Polk County previously established the PWRI/AWS Surcharge as a dedicated funding source to pay for its share of the development and construction of interconnects and AWS Water Projects; 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**, Polk County must obtain financing through the issuance of bonds to pay for its planned water utility system capital improvements, and

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

**WHEREAS**, 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 County has conducted a properly noticed Public Hearing, in which the public was given an opportunity to be heard as to the implementation of the aforementioned water utility rate changes and fee adjustments;

**NOW, THEREFORE, BE IT RESOLVED** by the Polk County Board of County Commissioners in regular session duly assembled July 16, 2024, as follows:

- 1) Effective October 1, 2024, the PWRI/AWS Surcharge is set at \$0.55 per thousand gallons of potable and reclaimed water for all usage by potable water customers and by reclaimed water customers and shall appear as a separate charge on customer bills. 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

Schedule of Rates, Charges, and Fees tables attached hereto as Exhibit "A." The PWRI/AWS Surcharge funds will be deposited into a separate fund and the use of the funds will be limited to costs associated with the implementation and construction of Polk Water Resource Initiatives and Alternative Water Supply Water Projects.

- 2) Effective October 1, 2024, Base facility charges will be added for each reclaimed water service connection as set forth in the Schedule of Rates, Charges, and Fees tables attached hereto as Exhibit "A."
- 3) 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 1<sup>st</sup> day of October for each of the years 2024, 2025, 2026, 2027 and 2028, as set forth in the Schedule of Rates, Charges, and Fees tables attached hereto as Exhibit "A."
- 4) Effective October 1, 2024, the Water and Wastewater Connection Fees, Miscellaneous Service Fees, and Customer Deposits will be set at the rates listed in the Schedule of Rates, Charges, and Fees tables attached hereto as Exhibit "A" to recover costs to provide services.
- 5) The following new miscellaneous fee is hereby established:
  - a. Damage to Utility Main or Other Property – a charge for the actual cost to repair the 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.
- 6) In order to ensure the Polk County water utility rates, charges, and fees 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, may annually increase the Exhibit "A" rates, charges, and fees, established to pay such costs 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. . An example of an FPSC annual price increase index is attached as Exhibit "B" to this Resolution.
  - a. If the County Manager implements an increase to the water utility rates, charges, and fees pursuant to this section, the price increase index shall be applied uniformly to the applicable rates, charges, and fees of the utility systems.
  - b. If in any year the County Manager does not increase the water utility rates, charges, and fees by applying a FPSC

price increase index to the current rates, fees, and charges of the utility systems, then the County Manager cannot utilize that year's price increase index when adjusting the water utility rates, charges, and fees in subsequent years.

- c. This Section 6 does not grant the County Manager authority 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 Schedule of Rates, Charges, and Fees tables attached as Exhibit "A." This section does not authorize a reduction to water utility rates, charges and fees based on a FPSC price decrease index.
- 7) The Schedule of Rates, Charges, and Fees attached as Exhibit "A" states all rates, charges, and fees amended and established as provided in this Resolution, and restates in its entirety all other previously established water utility rates, charges, and fees which are not amended by this Resolution. All rates, charges, and fees stated in Exhibit A shall remain in effect unless and until subsequently amended by the Board of County Commissioners, or by the County Manager as provided herein.
- 8) This Resolution shall become effective immediately upon adoption.

Dated and effective this 16<sup>th</sup> 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, Chairman