

COLUMBIA COUNTY UTILITY COMMITTEE
POST OFFICE BOX 1529
LAKE CITY, FLORIDA 32056-1529

COLUMBIA COUNTY EXTENSION OFFICE
164 MARY ETHEL LANE
LAKE CITY, FLORIDA 32025

AGENDA

Columbia County's homeless County Commission, with no meeting room or complex of their own, have you running to the Extension Office for this meeting.

NOVEMBER 9, 2010

6:00 P.M.

Commissioner Jody DuPree, Chairman: Utility Committee

- (1) Call to Order
- (2) David Kraus: Utility Services Policies
 - a) Service Deposit Policy
 - b) Damage or Replacement of Meters Policy
 - c) Tampering Prohibited Policy
 - d) Billing Practices
- (3) Amendments to 2007-15
 - a) Proposed Board Action
 - b) Staff Assisted Rate Case
 - c) Staff Assisted Rate Case with Alternative Rate Setting
- (4) Review
 - a) Provisional Franchise Agreement
 - b) Pass Through Resolution
 - c) Resolution on Price Index
- (5) Claim of Exemption by Lance Utilities
- (6) Amend and Adopt Columbia County Water and Wastewater Systems Handbook
- (7) Review Committee By-Laws
- (8) Minute Approval — Utility Committee a) September 28, 2010
- (9) Other Discussion

Memorandum

To: Columbia County Utility Committee
From: David Kraus, Senior Staff Assistant
Date: November 1, 2010
RE: Policy Recommendations for County Operated Utility

Attached is a draft of an ordinance that would establish four policies for water and wastewater utility services: Service Deposits, Damage and Replacement of Meters, Tampering and Billing. The draft ordinance serves as my recommendations for these policies.

Proposed Policy Changes for Columbia County Utilities Services

Refund of Deposits

Our ordinance, 2010-11 states that, "Deposits will be refundable in accord with the regulations of the County". We have no such policy or regulation. The FPSC recommends refunds of the residential deposits after 23 months if the customer has not, in the preceding 12 months, "made more than one late payment, paid by a check refused by a bank, been disconnected for non-payment, tampered with the meter, or used service in a fraudulent or unauthorized manner". Hernando County charges an administrative fee

to the deposit "not to exceed 5 percent of the deposit and does not refund deposits prior to termination on commercial and non-owner occupied residential accounts. Additionally, they provide the County with the ability to increase the amount of the deposit after the second delinquency in a 12 month period. Finally, it is common practice for any interest earned on a deposit to annually be posted as a credit to the customer's account or, after a final billing, to be paid to the customer with the final refund.

Meter Damage

Damage or replacement charge: Where meters or appurtenances are broken or damaged by the negligence of the owners, tenants, or occupants of the premises, the cost or repair or replacement and mobilization costs shall be paid by the customer; and if the cost of repair or replacement is not paid upon submission of a bill for charges, the water supply shall be turned off and shall not be turned on again until payment of such amount due is made. Damage charges shall be set by Board policy.

Billing Practices

We have begun billing our sewer only customers and propose the following billing practices be established by policy or rule.

All bills are due the 1St of the month and become past due on the 20th. After the 20th the bill is considered past due and a late fee of \$10.00 will be added to the bill after the 20th. (Some utilities charge a percentage for late fees such as 1% per month). The service will be scheduled for disconnection 10 days later and notice of the 10 days will be given to the customer. Service will not be disconnected over a weekend or holiday, but will occur on the next business day. Payment must be received in the office prior to the end of the 10th day to avoid disconnection and any reconnection fees. The reconnection fee is currently \$50.00. Finally, some counties will place a lien on property for any charges that remain unpaid after 60 days.

Definition of Senior

Ordinance 2010-11 provides for water and sewer rates for seniors but does not define a senior. Should a senior rate be attached to an account when person who is named on the account reaches 65?

Tampering Prohibited

Our current ordinance, 2010-2 reads:

County Utility Facilities. Unless expressly authorized in writing by the County Manager, or during a County recognized emergency, no individual or organization shall tamper with, work on, or in any way alter or damage any County Utility facility; or cut into or make any connection with or alter the operation of any County Utility facility.

Private Facilities. Whenever the private (Customer's) side of a utility service connection requires repair, the Customer shall request that the County Utility make adjustments to the County's side of the utility service connection if required to accommodate the repair. Such adjustments by the County shall be paid for by the Customer.

The following, if added to our policies and rules, would add some clarification and address some additional situations:

Tampering with district property prohibited.

No person shall turn off or turn on water at the water meter, curb stop, corporation stop or valve, or in any way disconnect or remove the water meter or disturb alter or damage any water connection, meter or water main belonging to Columbia County unless authorized by the County Manager or his/her designee.

No person shall, without authority from the County, remove, open, hitch to, dig out, sod or curb over any fire plug or hydrant, valve, valve box, meter box, manhole or other fixture belonging to Columbia County's water or sanitary sewer systems, or without approval of the County, use water directly from a line, hydrant, valve or other fixture without a water meter installed by the Columbia County Utilities Services



No customer shall furnish water to any other person either by use of pipes or fixtures on his own premises or by extending pipes to the premises of other persons unless this connection existed prior to the adoption of 2010-14.

No person shall construct a fence, shed or other structure or plant trees or shrubs which has the effect of obstructing or limiting access by the County to a water meter, water and/or sanitary sewer lines, valves or other fixture belonging to the County located within a utility easement or right of way. In addition to any other remedies under the law, the County shall have the right, upon failure of the property owner to modify or remove the obstacle within 30 days following notification to do so, to remove or modify the obstacle to provide access to the fixture. In the case of an emergency, the County shall have the right to take whatever measures are reasonably necessary to repair, replace or otherwise protect the County owned water and/or sanitary sewer systems.

No unauthorized person shall cause storm water, ground water, or any other unauthorized water or material to enter the sanitary sewer system, including sanitary sewerage from septic tank trucks. This shall include the connection of downspouts or air conditioning condensate lines into the sanitary sewer system; raising manhole lids or opening sanitary sewer line cleanouts to allow drainage; dumping garbage, refuse or other wastes in manholes; draining of swimming pools into the sanitary sewers; or any other means of causing or allowing any substance not considered sanitary sewerage or not legally paid for as sanitary sewerage to enter into the sanitary sewer system.

Questions for Utility Committee to consider:

- 1 Should County refund deposits prior to termination of service?
 - a. On residential only or both residential and commercial?
 - b. After 23 months with 12 months of consecutive good pay history or just after 12 months of good pay history?
- 2 Does the County want to charge an administrative fee on deposits?
- 3 How should the County handle any interest earned on a deposit?
- 4 Define receipt of payment — should it be in office by end of business day rather than postmarked?
- 5 What should the County Charge for late fees? A flat fee or a percentage of the balance (i.e. \$10.00 or 1%)?
6. Should the past due until termination period be 5 days, 10 days, or 14 days?
- 7 What should the County's disconnection policy state about weekends and holidays?
- 8 The County has a reconnection fee but no disconnection fee. Do we want a disconnection fee?
- 9 At what age does someone become a senior?
10. In qualifying for senior rates, should the County look only at account holder or account holder and spouse? If the residence is occupied by a senior parent but the account is handled by a child caring for the parent, should it qualify for a senior rate?
11. Does the County want to adopt the additional language on tampering and/ or a damage to meter charge?
- 12 What happens if a residential property owner opens/operates a business in the home (i.e. beauty shop, insurance agent, etc)? Should they pay a residential rate until County zoning requires a special exemption on the property?

ORDINANCE NO. 2010-_____

AN ORDINANCE OF THE BOARD OF COUNTY
COMMISSIONERS OF COLUMBIA COUNTY FLORIDA
ESTABLISHING OPERATIONAL POLICIES FOR WATER
AND WASTEWATER UTILITY SERVICES

WHEREAS, the County currently is in the process of constructing water and sewer systems, including water transmission and service lines and wastewater collection lines, in the unincorporated area of the County known as the Ellisville area; and

WHEREAS, it is the intent of the County to provide water and wastewater services promptly and efficiently to customers located in areas of the unincorporated County designated now or hereafter as a County "Exclusive Service Area" pursuant to Ordinance No. 2010-1, which Exclusive Service Area currently includes only the Ellisville area; and

WHEREAS, the County adopted Ordinance No. 2010-11 at a duly noticed public meeting on August 19, 2010 which establish the initial water and sewer capacity charges, water service connection charges and water and sewer monthly service charges, deposits and miscellaneous charges to be charged to and collected from Customers receiving water and/or wastewater services; and

WHEREAS, The County now wishes to adopt additional policies on deposits, damage and replacement of meters, tampering, and terms of service.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY, FLORIDA, AS FOLLOWS:

Section 1. → Service Deposits

- a) In accordance with Ordinance No 2010-11 Section 1.05 (v), the County shall charge a service deposit at the time of initiation of service. Any deposit collected shall be refundable after 23 months of continuous service if, within the preceding 12 months, the customer has not:
- 1) made more than one late payment;
 - 2) paid by a check refused by a bank;
 - 3) been disconnected for non payment;
 - 4) tampered with the meter; or
 - 5) used service in a fraudulent or unauthorized manner.

- b) The County shall have the option to increase the deposit after a second delinquency within a 12 month period. The increased amount of the deposit shall not exceed twice the amount of the average service bill during the previous 12 months.
- c) Any interest earned on a customer's deposit shall annually be refunded as a credit on the customer's bill or after a final billing shall be paid to the customer with the final refund.

Section 2.

Damage and Replacement of Meters:

- a) Where Meters or appurtenances are broken or damaged by the negligence of the owners, tenants or occupants of the premises, the cost of repair or replacement and any mobilization costs shall be paid by the customer.
- b) → if the cost of the repair or replacement is not paid upon the submission of the bill or acceptable payment arrangements are not made, the water supply shall be shut off and shall not be turned on again until payment of such amount due is made.

Section 3.

Tampering Prohibited:

- a) No person shall turn off or turn on water at the water meter, curb stop, corporation stop or valve, or in any way disconnect or remove the water meter or disturb, alter or damage any
'water connection, meter or water main belonging to Columbia County unless authorized by the County Manager or his/her designee.
- b) No person shall, without authority from the County, remove, open, hitch to, dig out, sod or curb over any fire plug or hydrant, valve, valve box, meter box, manhole or other fixture belonging to Columbia County's water or sanitary sewer systems, or without approval of the County, use water directly from a line, hydrant, valve or other fixture without a water meter installed by the Columbia County Utilities Services
- c) → No customer shall furnish water to any other person either by use of pipes or fixtures on his own premises or by extending pipes to the premises of other persons unless this connection existed prior to the adoption of 2010-14.
- d) No person shall construct a fence, shed or other structure or plant trees or shrubs which has the effect of obstructing or limiting access by the County to a water meter, water and/or sanitary sewer lines, valves or other fixture belonging to the County located within a utility easement or right of way. In addition to any other remedies under the law, the County shall have the right, upon failure of the property owner to modify or

remove the obstacle within 30 days following notification to do so, to remove or modify the obstacle to provide access to the fixture. In the case of an emergency, the County shall have the right to take whatever measures are reasonably necessary to repair, replace or otherwise protect the County owned water and/or sanitary sewer systems.

- e) No unauthorized person shall cause storm water, ground water, or any other unauthorized water or material to enter the sanitary sewer system, including sanitary sewerage from septic tank trucks. This shall include the connection of downspouts or air conditioning condensate lines into the sanitary sewer system; raising manhole lids or opening sanitary sewer line cleanouts to allow drainage; dumping garbage, refuse or other wastes in manholes; draining of swimming pools into the sanitary sewers; or any other means of causing or allowing any substance not considered sanitary sewerage or not legally paid for as sanitary sewerage to enter into the sanitary sewer system.

Section 4. Billing Practices:

- a) Until changed by the Board of County Commissioners, all water and wastewater service bills will become due on the first day of the month and past due on the 20th day of the month.
- b) After the 20th day of the month, all bills will be considered past due and a \$10.00 late fee will be added to the bill. Service will be scheduled for disconnection 10 days after the bill becomes past due. If payment is not received in the office within these 10 days, service will be shut off until payment of such amount past due plus any late fees and reconnection charges are made.
- c) Service will not be disconnected for non-payment over a weekend or holiday but will occur after 12:00 noon on the next business day.
- d) → After 60 days of nonpayment, the County may place a lien against real or personal property.
- e) Senior rates may only be charged when the individual named on the account and responsible for the account reaches or exceeds 65 years of age. The customer must notify the County utility office with proof of age to change their existing rate to the senior rate.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus
Date: November 1, 2010

RE: Amendments to Ordinance 2007-15 concerning Proposed Board Action,
Staff Assisted Rate Cases and Alternative Rate Setting

Based upon the direction provided at the last Utility Committee meeting, I have attached a proposal for amending 2007-15 to include proposed board actions, staff assistance on rate cases and alternative rate setting. The intent of the amendments is to provide the small utilities with the ability to obtain rate relief in a timely manner, reduce the cost in processing a change in rates, provide a method to reduce rate shock to the customers, and allow a utility the opportunity to recover its operating costs and earn a return on its investment so that it remains viable. Finally, the attached amendment defines a role for the Utility Committee in the rate setting process.

DRAFT AMENDMENT TO ORDINANCE 2007-15

[I recommend placing the following text in Section 5 Rates and Charges as item 1 (right after pass through and price index) and renumbering items 1 through u as m through v.]

- (1) *Proposed Board Action, Staff Assisted Rate Cases and Alternative Rate Setting:*
 - I *Proposed Board Action:* Upon a petition by a utility or by its own motion the Board may conduct a limited action to consider or act upon any matter within its jurisdiction, including any matter the resolution of which requires a utility to adjust its rates. In this limited action, County staff will conduct an investigation and/or audit and present its findings to the Columbia County Utility Committee. The Committee will conduct a hearing on the matter and make a recommendation directly to the Board in the form of a Proposed Board Action and in lieu of a formal hearing by a hearing officer.
 - a) If the Proposed Board Action involves rate setting, the staff will conduct a customer meeting in or around the service area as a part of the investigation and/or audit.
 - b) Upon a receipt of a Proposed Board Action, the Board will conduct a public hearing and shall approve, modify or reject the recommendation of the Committee. Upon a rejection, the Board may order the Utility Committee to reconsider the matter, may order a public hearing before a Hearing Officer, or may order no action be taken on the matter.
 - c) A substantially affected person may file a written petition to protest the Board's Proposed Board Action within 21 days of the Order. In the event of a Protest, the Board may place refundable interim rates in effect pending the outcome of the protest. The Board may select a Hearing Officer or the Utility Committee to hear the protest before the matter returns for Board consideration.
 - 2) *Staff Assisted Rate Case:* A staff assisted rate case as a form of Proposed Board Action shall follow all procedures established for a Proposed Board Action.
 - a) Water and Wastewater utilities whose gross annual operating revenues are \$250,000 or less or \$500,000 or less on a combined water and wastewater basis, may petition the Board for staff assistance in rate applications by submitting a completed application. A staff assisted rate case may be initiated by motion of the Board. Staff assisted rate cases are intended to provide the small utilities with the ability to obtain rate relief in a timely manner, reduce the cost in processing a change in rates, provide a method to reduce rate shock to the customers, and allow a utility the opportunity to recover its operating costs and earn a return on its investment so that it remains viable.

- b) In accordance with Section 367.0814 (6) F.S. a utility that requests staff assistance waives its rights to protest by agreeing to accept the final rates and charges approved by the Board unless said rates and charges would produce less revenue than the existing rates and charges. Any reasonable and prudent rate case expenses by the utility may be recoverable through the rates developed by with approval of the Board and in accordance with this Ordinance (2007-15).
- c) Within 60 days of receipt of completed application, the Columbia County Utility Committee shall evaluate the application and determine the petitioner's eligibility for a staff assisted rate case. The determination of eligibility may be conditional pending an evaluation of the condition of the petitioner's books and records. All recommendations of ineligibility shall be in writing and state the deficiencies in the application
- d) In making a recommendation on granting or denying the application, the Utility Committee shall consider:
- 1) Whether the utility qualifies for staff assistance with gross annual operating revenues of \$250,000 or less for water or sewer; or with gross annual operating revenues of \$500,000 or less on a combined water and wastewater basis;
 - 2) Whether the petitioner's books and records are organized so as to allow County staff to verify costs and other relevant factors within a 30 day time period;
 - 3) Whether the petitioner has filed all annual reports;
 - 4) Whether the petitioner has paid all applicable regulatory assessment fees
 - 5) Whether the petitioner has at least 1 year of actual experience in the utility business;
 - 6) Whether the petitioner has filed additional relevant information in support of eligibility including the reasons why the information should be considered;
 - 7) Whether the petitioner has complied in a timely manner with all Board decisions and requests that affect water and wastewater utilities for a period of 2 years prior to the filing of the request; and
 - 8) Whether the utility has applied for a staff assisted rate case within 2 years prior to the receipt of this application.
- e) The Board or its designee will deny the application if a utility does not remit the required application fee prior to staff action.
- f) A substantially affected person may file a written petition to protest the Board's Proposed Board Action in a staff assisted rate case within 21 days of the Order.

- g) In the event of a protest of the Proposed Board Action Order in a staff assisted rate case, the utility shall:
 - 1) Provide pre-filed direct testimony in accordance with the procedures outlined for a hearing as detailed in Section 9 of Ordinance No. 2007-15;
 - 2) Sponsor a witness to support the source documentation provided to the County staff in preparation of the staff audit, staff engineering and accounting report and staff recommendations in this case;
 - 3) Include in its testimony any factual information to support its position on any issue it chooses to take a position different than that contained in the Board's Order;
 - 4) Meet all other requirements of the order establishing procedures.
- h) In the event of a protest of the Proposed Board Action Order in a staff assisted rate case, the County staff shall:
 - 1) Provide pre-filed direct testimony to explain its analysis and recommendations. In the event that the staff wishes to alter its position on any issue, it shall provide factual testimony to support its changed position.
 - 2) Meet all other requirements of the order establishing procedures; and
 - 3) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. These materials shall consist of examples of testimony and exhibits used in other cases as well as examples of prehearing statements and briefs filed in other cases if available.
- i) In the event of a Protest, the Board may place refundable interim rates in effect pending the outcome of the protest. The Board may select a Hearing Officer or the Utility Committee to hear the protest before the matter returns for Board consideration.
- j) Failure to comply with the dates established in the procedural order or to file a timely request for an extension of time for good cause, may result in dismissal of the staff assisted rate case.

3) *Alternative Rate Setting:* Under Section 367.0814(9) F.S. the Board, by rule, hereby establishes standards and procedures whereby rates and charges of small utilities may be set using criteria other than those set forth in Florida Statute 367.081(1), (2)(a) and (3). The Board, at its sole discretion, may use any alternative rate setting methodology used by the Florida Public Service Commission or authorized by Florida Statutes or Florida Administrative Code (Sections 25-30.456 and 25-30.457 F.A.C.) as a method for setting rates for small utilities as part of a staff assisted rate case.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus
Date: November 1, 2010

RE: **Provisional Franchise, Pass through and Price Index**

The Utility Committee recommended the next three items to be prepared for the Board of County Commissioners to approve. They have been prepared and submitted to the County Attorney for review. They have been placed on the Utility Committee Agenda for review and comment.

Provisional Franchise

**Granted by the Board of County Commissioners
of Columbia County Florida**

Granted to: _____

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, Ordinance No. 2007-15 requires all investor-owned water, wastewater, and effluent re-use systems to apply for a Franchise to operate in Columbia County; and

WHEREAS, several investor-owned water, wastewater, and effluent re-use systems, including , existed and operated prior to May 11, 2007 under a Franchise issued by the Florida Public Service Commission and upon rescission of their Franchise by the Florida Public Service Commission did not apply for a Franchise under Ordinance No. 2007-15; and

WHEREAS, The Board of County Commissioners of Columbia County wishes to grant an Provisional Franchise to to allow the continued operation of their investor-owned water, wastewater, and effluent re-use systems while they apply for a Franchise in accordance with Ordinance No. 2007-15 Section 6.; that this continued operation is in the public interest; that permission should be granted to operate and maintain any water and/or sewer lines along County roads and highways within their service area for necessary and useful purposes for the benefit of the land owners and residents within the said area; and that said Provisional Franchise should be an exclusive franchise to operate and maintain such system; and

WHEREAS, this investor-owned water, wastewater, and effluent re-use systems have previously held a Franchise issued by the Florida Public Service Commission and said investor-owned water, wastewater, and effluent re-use systems are regulated by the Florida Department of Environmental Protection, it is reasonable to assert that the system is adequate to serve the area for which the franchise is sought and that the Franchisee has sufficient resources to continue to maintain and operate the system while a Franchise is sought; and

WHEREAS, on _____, a public hearing was held on final approval of the Provisional Franchise and following said public hearing it has been determined by the County from the information presented that the issuance of said Provisional Franchise is justified and in the public interest;

NOW THEREFORE, COLUMBIA COUNTY, a political subdivision of the

State of Florida, acting by and through its Board of County Commissioners, recognizing

the public character of the water and/or wastewater system to be operated by the Franchisee and the attendant investment of capital necessary for the proper operation and maintenance of said system, does hereby grant unto said Franchisee with a present mailing address of and subject to the provisions of the laws of the State of Florida and the rules, regulations and ordinances adopted or hereafter adopted by the County, an exclusive franchise for a period of 6 months from the date hereof provided that the Franchisee shall make an application for a full franchise, file all required reports and pay such assessments as required by the aforementioned rules, regulations and ordinances of the County with the sole right to operate the system herein provided for, said sole right being conditioned upon the faithful performance of the covenants herein by the Franchisee to own, maintain and operate within the existing service area a public system to serve in inhabitants within said area under such reasonable rules and regulations for the management and control of the business as said Franchisee may adopt and as do not conflict with the Laws of the State of Florida, the rules, regulations and ordinances adopted by the County and subject to the following covenants, terms, conditions, and provisions as are herein set forth:

- 1) Such terms and conditions as may be deemed necessary by the Board to protect the public health, safety and welfare;
- 2) That the Utility must serve the entire area(s) identified in *any previous* Franchise;
- 3) That the Franchise is no impediment to acquisition of the Utility by the County (purchase or condemnation), and that any un-served area has no value to the franchisee and requires no compensation;
- 4) That the County has full power and authority to grant a license or franchise over any easements;

- 5) That the Utility shall prevent the creation of and shall not allow conditions which are or may become physically dangerous to any member of the general public;
- 6) That the Utility shall repair any and all damage and/or injury to public and private streets, roads, highways, etc. caused by utility at no cost to the County and that the Utility shall promptly repair all such damage or injury;
- 7) That the Utility shall indemnify and hold harmless the County, the Board, and its members, and all employees and members;
- 8) That in the event of widening, repairing, relocating, or reconstruction by the County of any public street, public road or public right-of-way, the Utility shall, at no cost to the County relocate as needed all lines and other tangible property of the Utility;
- 9) That the issuance of the Franchise shall not entitle the franchisee to any consideration and shall not prevent, bar, or hinder the County from closing, abandoning, relocating, etc. any public street, road, or other right-of-way or easement, except those that are private;
- 10) That the Utility shall comply with all applicable rules, regulations, and standards pertaining to such Utility from all governmental agencies having jurisdiction;
- 11) That the Utility shall always maintain and keep all improvements in good repair and shall provide all Services within a reasonable time to all Persons requesting such Service within the service area;
- 12) That if the Board determines that it is appropriate for the Utility to install fire hydrants for the purposes of combating fires, the County may order the Utility to install fire hydrants and the Utility shall install fire hydrants and the cost together with a fair return on the Utility's investment, shall be recoverable in Utility's authorized rates;
- 13) That the issuance of a Franchise by the Board shall not be deemed to constitute a County requirement that any landowner use the Utility's water, nor shall this Ordinance be construed to constitute a County imposed prohibition against any landowner using well water for consumption, irrigation, recreation and/or yard maintenance.
- 14) *That the Provisional Franchise may be revoked under the procedures outlined in Ordinance No. 2007-15 in the event of any violation of the Franchise terms, violation of this Ordinance, and/or violation of any other Federal, State or local law, ordinance or rule;*

- 15)** *That Service shall be available to all inhabitants of the currently serviced area upon execution of this Franchise and that failure to continue such service may result in the revocation of the Franchise;*
- 16)** That the County may purchase the Utility no later than upon expiration of the Franchise for a purchase price equal to the then existing rate base of the Utility;
- 17)** That the System shall be approved by all appropriate governmental agencies as to design, construction, operation, capacity, maintenance, expansion and otherwise;
- 18)** That if a Utility requires a deposit from its customers, it shall once each year credit to each respective customer account, pro rata, all interest accrued on the principal. Such accrued and unpaid interest shall be credited or paid to the customer when the customer's deposit is discontinued;
- 19)** *That the enumeration herein of special requirements and specific regulations shall not be taken or held to imply the relinquishment by the County of its power to make other reasonable requirements or rules, regulations or ordinances and that the County hereby expressly reserves the right to make all regulations which may be necessary or proper to secure in the most proper manner the welfare, safety and accommodation of the public, including among other things, the right to adopt and enforce regulations to protect the public from danger and inconvenience in management and operation of the system, and furthermore nothing contained herein shall constitute a waiver of the requirements of the water and/or sewer rules and regulations hereto adopted by the County.*
- 20)** *That the Franchisee is hereby authorized to charge the rates approved in the Utility's most recent tariff sheet as approved by the Florida Public Service Commission or Columbia County and no charge shall be made by the Franchise except as provided herein or approved by Columbia County Board of County Commissioners. The Franchisee further agrees to provide for the inspection of the books, records and accounts periodically.*

RESOLUTION NO. 2010- ____

**A RESOLUTION ADOPTING PASS THROUGH
→ INCREASES OR DECREASES AS A RULE OF THE
BOARD FOR THE PURPOSES OF REGULATING
INVESTOR-OWNED WATER, WASTEWATER,
AND EFFLUENT RE-USE SYSTEMS IN COLUMBIA
COUNTY IN ACCORDANCE WITH 118-225 (k)(1)
OF THE COLUMBIA COUNTY CODE OF
ORDINANCES**

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, pursuant to Florida Statutes Section 367.081(4)(b), water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing with these adjustments depending on the increases and decreases in non-controllable expenses subject to inflationary pressures such as chemicals, utilities and other general operational and maintenance costs; and

WHEREAS, Section 118-225 (k)(1) of the Columbia County Code of Ordinances enables the Board Of County Commissions to authorize or require pass through increases or decreases by rule.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF COLUMBIA COUNTY AS FOLLOWS:**

Section 1. Pursuant to section 118-225 (k) (1) of the Columbia County Code of Ordinances, the Board of County Commissioners of Columbia County adopts pass through regulations as defined by Florida Statutes Section 367.081(4)(b) by a Rule of the Board as defined in Ordinance No. 2007-15.

Section 2. The Rule shall be effective immediately.

Adopted this th day, _____, 2010.

**COLUMBIA COUNTY BOARD
OF COUNTY COMMISSIONERS**

_____, Chairman

ATTEST:

DeWitt P. Carson, Clerk

RESOLUTION NO. 2010-_____

**A RESOLUTION ESTABLISHING A PRICE INDEX
FOR 2010 AND ESTABLISHING PROCEDURES
FOR IMPLEMENTING PRICE INDEX RATE
ADJUSTMENTS IN COMPLIANCE WITH FLORIDA
ADMINISTRATIVE CODE 25-30.420 FOR THE
PURPOSES OF REGULATING INVESTOR-OWNED
WATER, WASTEWATER, AND EFFLUENT RE-USE
SYSTEMS IN COLUMBIA COUNTY**

WHEREAS, On May 3, 2007, the Board of County Commissioners of Columbia County enacted Ordinance No. 2007-15, asserting jurisdiction within Columbia County over investor-owned water, wastewater, and effluent re-use systems, as authorized by Chapter 367, Florida Statutes; and

WHEREAS, Ordinance No. 2007-15 was filed with the Florida Department of State and thereby became effective on May 11, 2007; and

WHEREAS, by its own Order, the Florida Public Service Commission acknowledged rescission of its jurisdiction on that date; and

WHEREAS, section 118-225 (k)(2) of the Columbia County Code of Ordinances and Florida Statutes Section 367.081(4)(a), enable the Board Of County Commissions, on or before March 31 of each year, to establish by order a price increase or decrease index in costs from the most recent 12 month historical data available and that the Board of County Commissioners by rule may establish the procedures to determine such indices and the procedures for the Board or utility may implement rate adjustments based upon the indices; and

WHEREAS, section 25-30.420 (1) of the Florida Administrative Code allows for applications for the price index to be accepted from April 1 of the year the index is established through March 31 of the following year and on February 15, 2010 the Florida Public Service Commission established a price index for 2010; and

WHEREAS, although March 31, 2010 has passed, the Board of County Commissioners wishes to permit investor-owned water, wastewater, and effluent re-use systems to have the option to use the 2010 price index to adjust the rates and charges to its customers without those customers bearing the additional expense of a full rate adjustment proceeding and with these adjustments tied to operational and maintenance costs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY AS FOLLOWS:

Section 1. The Board of County Commissioners establishes the 2010 Price Index as adopted by the Florida Public Service Commission on February 15, 2010 as the 2010 Price Index for Columbia County and that since the 2010 Price Index was established by the FPSC prior to March 31, 2010, the FPSC approval of the Index shall serve as the approval of the Board for 2010;

Section 2. The Board of County Commissioners, by rule, shall establish the following procedures to implement rate adjustment using a price index:

- (1) The County shall mail each regulated water and wastewater utility a copy of the proposed board action order establishing the index for the year and a copy of the

application. Applications for the newly established price index will be accepted from April 1 of the year the index is established through March 31 of the following year. The index shall be applied to all operation and maintenance expenses, except for amortization of rate case expense, costs subject to pass-through adjustments pursuant to Section 367.081(4)(b), F.S., and adjustments or disallowances made in a utility's most recent rate proceeding.

- (2) Any utility seeking to increase or decrease its rates based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., shall file an original and five copies of a notice of intention and the materials listed in (a) through (i) below with Columbia County at least 60 days prior to the effective date of the increase or decrease. The adjustment in rates shall take effect on the date specified in the notice of intention unless the Board finds that the notice of intention or accompanying materials do not comply with the law, or the rules or orders of the Board. The notice shall be accompanied by:
- (a) Revised tariff sheets;
 - (b) A computation schedule showing the increase or decrease in annual revenue that will result when the index is applied;
 - (c) The affirmation required by Section 367.081(4)(c), F.S.;
 - (d) A copy of the notice to customers required by subsection (6);
 - (e) The rate of return on equity that the utility is affirming it will not exceed pursuant to Section 367.081(4)(c), F.S.;
 - (f) An annualized revenue figure for the test year used in the index

calculation reflecting the rate change, along with an explanation of the calculation, if there has been any change in the utility's rates during or subsequent to the test year;

- (g) The utility's Department of Environmental Protection Public Water System identification number and Wastewater Treatment Plant Operating Permit number.
 - (h) A statement that the utility does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Department(s) or that the utility does have active written complaints, corrective orders, consent orders, or outstanding citations with the DEP or the County Health Department(s).
 - (i) A copy of any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Department(s).
- (3) If the Board, upon its own motion, implements an increase or decrease in the rates of a utility based upon the application of the index established pursuant to subsection (1) and as authorized by Section 367.081(4)(a), F.S., the Board will require a utility to file the information required in subsection (2).
- (4) Upon a finding of good cause, the Board may require that a rate increase pursuant to Section 367.081(4)(a), F.S., be implemented under a bond or

corporate undertaking in the same manner as interim rates. For purposes of this subsection, "good cause" shall include:

- (a) Inadequate service by the utility;
 - (b) Inadequate record-keeping by the utility such that the Board is unable to determine whether the utility is entitled to implement the rate increase or decrease under this rule.
- (5) Prior to the time a customer begins consumption at the rates established by application of the index, the utility shall notify each customer of the increase or decrease authorized and explain the reasons therefore.
- (6) No utility shall file a notice of intention pursuant to this rule unless the utility has on file with the Board an annual report as required by subsection 25-30.110(3), F.A.C., for the test year specified in the order establishing the index for the year.
- (7) No utility shall implement a rate increase pursuant to this rule within one year of the official date that it filed a rate proceeding, unless the rate proceeding has

Section 3. The Rule shall be effective immediately.

MEMORANDUM

To: Columbia County Utility Committee
From: David Kraus, Senior Staff Assistant
Date: November 1, 2010

RE: Revisions to the Columbia County Water and Wastewater Systems Handbook

The Water and Wastewater Systems Handbook needs the following revisions before final adoption by the Board of County Commissioners:

- 1) Appendix C. Oil and Grease Management and Surcharge Program. page C-6: This page refers to the Utility Standards Manual. This reference should be changed to "the Columbia County Water and Wastewater Systems 'Handbook, also known as the "Columbia County Water and Wastewater Technical Manual".
- 2) Appendix D. Drawings. page D-1: Needs to read that "Electronic copies of AutoCAD drawings will be available upon request from the Columbia County Utilities Services at 386-719-7565 or from the Columbia County Utilities web site.
- 3) Appendix B. Backflow Preventers and Control Plan: All references to the Columbia County Water Facilities Department should be changed to Columbia County Utilities. All references to the Columbia County Water Treatment Facilities as the water purveyor should be changed to Columbia County Utilities. All references to the Cross Connection Control Supervisor shall be changed to "either the County's distribution system operator, water treatment plant operator or their designee".

Form Letter A. Cross Connection Control Program: Telephone number on the form and titles for person signing the letter.

- 4) Section 5. Water Distribution Systems: The reference to the County's 2007 Drinking Water Facilities Plan (current edition) should be changed to "the current edition of the County's Drinking Water Facilities Plan".
- 5) Appendix E. Ordinances and Map: Exhibit A Map of Ellisville Utility Water Service Area, is this map correct?