



City of North Port

ORDINANCE NO. 2022-24

AN ORDINANCE OF THE CITY OF NORTH PORT, FLORIDA, REGARDING WATER AND WASTEWATER UTILITY LINE EXTENSION AND CONNECTION CHARGES, CREATING AN EARLY CONNECTION INCENTIVE, AND CREATING A CUSTOMER CONNECTION HARDSHIP PROGRAM; AMENDING THE CODE OF THE CITY OF NORTH PORT, FLORIDA, SECTION 78-31; PROVIDING FOR FINDINGS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State of Florida and the City of North Port, Florida share a common interest in protecting water and other natural resources by facilitating the removal of underground septic systems; and

WHEREAS, on June 30, 2020, Governor Ron DeSantis signed the Clean Waterways Act, protecting water resources in the State of Florida by focusing on remedial action and improving regulations regarding septic and stormwater systems, wastewater infrastructure, and agricultural best management practices; and

WHEREAS, the platted lot nature of the City original boundary was developed in 1959 and 1960, and has encouraged individual well and septic tank construction on quarter ($\frac{1}{4}$) acre lots throughout the City and may allow the construction of up to 44,000 septic tanks; and

WHEREAS, on September 22, 2014, the City Commission adopted Ordinance No. 2014-27, establishing a line extension charge for the extension of water distribution mains and identifying the need for a future line extension charge for wastewater collection mains; and

WHEREAS, the City contracted with GovRates, Inc. to review and analyze the City's methodology and charges for the line extension charge; and

WHEREAS, on July 26, 2022, the City Commission held a properly noticed public meeting to review the analysis, findings, and recommendations of GovRates, Inc., and to receive public comments on adjusting the City's line extension charge; and

WHEREAS, Florida Statutes Section 381.00655 requires that an unconnected property connect to the City system once the system becomes available for connection; and

WHEREAS, the City Commission finds that population growth, residential development, and construction costs have continued to increase straining the adequacy of the existing line extension charges; and

WHEREAS, the City Commission has determined that improved properties invested in well and underground septic tank systems should receive an incentive to help facilitate their connection to the City's system upon its availability for connection by eliminating the associated line extension and related fees; and

WHEREAS, the City Commission finds that this incentive will encourage property owners to connect to the City's system sooner, providing a City-wide benefit to the surrounding natural environment; and

WHEREAS, the City Commission finds that these amendments serve the public health, safety, and welfare of the citizens of the City of North Port, Florida.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:

SECTION 1 – FINDINGS

1.01 The above recitals are true and correct and are incorporated in this ordinance by reference.

SECTION 2 – ADOPTION

2.01 Chapter 78 of the Code of the City of North Port, Florida is hereby amended as follows:

“Chapter 78 – UTILITIES

...

ARTICLE II. – WATER AND WASTEWATER UTILITY

...

Sec. 78-31. - Responsibility for collection, distribution, and transmission costs.

...

(b) Line extension charges.

(1) The city may extend water distribution mains, ~~and/or~~ wastewater collection mains, and/or reclaimed water distribution mains, ~~and~~. ~~The City may authorize may permit~~ customer connections to the such extensions ~~on a voluntary basis, for such areas of the city as the city may from time to time determines to that it would be beneficial to the city's utility system and to the public, financially or otherwise, and feasible, based on engineering studies, return on investment analyses, and other appropriate investigations. If the City Commission city commission chooses to make connection voluntary in a particular area, it shall extend the time for the mandatory connection requirement in accordance with Section 78-60 of this the Code.~~

(2) Funding ~~sources~~ for a line such extensions shall include, but ~~is~~ not be limited to the following sources:

- a. ~~revenues~~ Revenues generated by any discretionary the one-half cent sales surtax approved through 2025 by referendum; and
- b. ~~line~~ Line extension charges; and

- c. ~~funds~~ Funds allocated by the city to protect the ~~from other sources based on the general public from any potential~~ health risk posed by a water quality problems, including but not limited to saltwater intrusion, bacteriological contamination, nutrient contamination, deteriorating septic tanks, and other common water and wastewater problems, ~~in Florida,~~ as well as ~~on~~ for the overall benefit to the customers of the system, including expansion of the assets and additional customer base.

~~(23)~~ The city hereby ~~adopts and establishes, pursuant to general law,~~ line extension charges for general development utilities (GDU) extended or city-extended services, to be imposed based on the equivalent residential connection(s) (ERCs) linear front footage occupied by each specific property ~~upon its respective roadway (property street address).~~ To ~~in an effort to~~ establish a revolving fund to assist in funding future expansions, line extension charges collected shall be returned to the ~~original~~ city fund where ~~from which~~ the applicable construction costs originated ~~were paid~~. The line extension charge is ~~initially~~ set as identified below ~~follows~~ and shall be adjusted annually according to the Engineering News Record (ENR) Construction Cost Index ~~for the Atlantic Coast region.~~

a. *Line Extension Charges (per ERC linear foot)*

Water:	\$7,500.00 \$43.75
Wastewater:	\$15,000.00 To be determined at a later date.
Reclaimed Water:	To be determined at a later date.

~~ab.~~ The purpose of the line extension charge is to recover the installed capital cost of city-financed on-site water and wastewater lines and appurtenances (fire hydrants, etc.) for properties that connect to service for GDU or city-extended services.

~~bc.~~ Line extension charges shall apply to all vacant or developed residential and commercial properties, ~~whether vacant or developed,~~ where the city or GDU has extended on-site water distribution mains, wastewater collection mains, and/or fire hydrant protection to serve the property, and where the customer has requested connection to the such extension. ~~The~~ Provided, however, the line extension charge ~~shall~~ does not be applicable apply to ~~properties~~ a property:

- (i) Where an on-site water and/or wastewater facility was provided ~~facilities were~~ contributed by a developer at no cost to the city;
- (ii) Where a facility was or is ~~facilities are or were~~ subject to a specific water and/or wastewater extension service area funded by a special assessments paid by property owners;
- (iii) ~~Are subject~~ Subject to a specific developer agreement ~~whereby the agreement specifies~~ specifying the developer's payment of the charges or installation of infrastructure ~~by the developer; and; or~~

- (iv) Where the water and/or wastewater facility was ~~facilities were~~ funded via a Customer Connection Cost Reimbursement Agreement that is still valid and in effect on the date any additional property desires to connect to the same facility.
- ~~ed.~~ The line extension fee shall be paid at the same time as other fees for the connection of services (e.g., capacity fee, meter installation fee, etc.). For the city's accounting purposes, the line extension fee shall be considered a component of gross revenues since it is a reimbursement of capital costs that are not included in the capacity fee charged to the customer. Line extension fees ~~Fees collected for the line extension charge~~ shall be returned to the original city fund where from which the applicable construction costs originated ~~were paid~~. Fees collected under the line extension project conducted pursuant to the neighborhood expansion project preliminary cost estimate and general sequencing of master plan ("expansion project"), and any other grant funded line extension project(s), shall be returned to the utilities fund for use toward future system expansion.
- ~~de.~~ For developed property connecting to GDU- or city-installed lines:
- (i) ~~Customer~~ The customer must ~~will~~ pay the current line extension charge in addition to all other fees and charges (payment of capacity fees, meter installation charges, and all costs to initiate service) as a condition of connection and service; ~~and~~
- (ii) ~~City will be responsible for construction of the water distribution main extension, when not already constructed; and~~ When not already constructed, the city is responsible for constructing the water distribution main and/or wastewater collection main extension.
- (iii) All policies for payment of the capacity fees shall ~~will~~ apply to the line extension charge; ~~and~~
- (iv) ~~City~~ The city may authorize a permit customer to elect installment payments of the line extension charge and the capacity fee over a period not exceeding 30 years, as set forth in a written agreement ~~(connection payment agreement)~~ between city and customer, the form and content of which shall be determined from time to time by the city commission. The city manager or his designee is ~~hereby~~ authorized to execute such the written agreement on behalf of city.

The connection payment agreement must identify the ~~shall include, inter alia, a~~ ~~monthly~~ administrative fee, ~~which shall be billed on the customer's monthly utility bill, non-payment of which allows city to turn off service to the property.~~ City's billing of the customer under a connection payment agreement shall begin at the start of ~~with~~ the fifth month after meter installation.

Any non-payment extending beyond 120 days will result in commencement of the lien process as described in subsection 78-24(j) of this Code. ~~78-24(i)~~ Any non-payment extending beyond 180 days, or any transfer of ownership of property, will result in acceleration of all future unpaid monthly bills, including, but not

limited to, the balance of the unbilled principal and any billed monthly administrative fees.

(v) ~~Customer shall be~~ The customer is solely responsible for all installation costs on the customer’s property (for water, wastewater, and reclaimed water, incurred on “the customer’s side of the meter”) necessary to connect the property to the city’s system and to remove any on-site water well or septic system serving the property; ~~provided, however, that the Customer~~ The customer may seek a permit for continuing use of any existing water well solely and exclusively for irrigation on the property; ~~and~~

(vi) All other customer initiation/service policies of the city shall apply.

(vii) New or replacement well and septic tank construction incentive credit. The commission desires to reduce the burden of the line extension charge for those property owners who have recently purchased and installed a new or replacement well and/or septic tank if the property owner provides ~~they provide~~ proof that a new or replacement well and/or septic tank was purchased and installed within five years of the date that water and/or wastewater service becomes available to their a property. The new or replacement well or septic tank incentive construction credit will be based on the number of days between the installation or replacement of the well or septic tank and the date of service availability, according to the following schedule:

<u>Age of Installation</u>	<u>Credit</u>
1 to 365 days	25%
366 to 730 days	20%
731 to 1,095 days	15%
1,096 to 1,460 days	10%
1,461 to 1,825 days	5%
Greater than 1,825 days	0%

ef. For vacant property being developed after the effective date of this ordinance and connecting to GDU or city-installed lines, including lines made available pursuant to the expansion project:

(i) All vacant properties with the availability of water and/or wastewater service must connect to the city system. No well for domestic potable water consumption will be permitted. An irrigation well may be permitted by the city, subject to superseding state law and regulations; ~~and~~

(ii) ~~Customer shall~~ The customer must pay the current line extension charge(s) in addition to all other fees and charges (payment of capacity fees, meter

installation charges, and all costs to initiate service) as a condition of connection and service; ~~and~~

(iii) All policies for payment of the capacity fees will apply to the line extension charge; ~~and~~

(iv) With respect to lines made available to a developer's property due to grant funding, the developer must pay its proportionate share of costs as a contribution-in-aid-of-construction, or as otherwise represented in its written agreement with the City; and

~~(iv) City may permit customer to elect installment payment of the line extension charge and the capacity fee over a period set forth in a written agreement (connection payment agreement) between city and customer, the form and content of which shall be determined from time to time by the city commission. The city manager or his designee is hereby authorized to execute such written agreement on behalf of city.~~

~~The connection payment agreement shall include, inter alia, a monthly administrative fee, which shall be billed on the customer's monthly utility bill, non-payment of which allows city to turn off service to the property. City's billing of the customer under a connection payment agreement shall begin with the fifth month after meter installation.~~

~~Any non-payment extending beyond 120 days will result in commencement of the lien process as described in §78-24 j. Any non-payment extending beyond 180 days, or any transfer of ownership of property, will result in acceleration of all future unpaid monthly bills, including, but not limited to, the balance of the unbilled principal and any billed monthly administrative fees.~~

~~(vii) All other customer initiation/service policies shall apply.~~

g. Early connection incentive. For developed property connecting to GDU- or city-installed lines made available through the expansion project:

(i) A customer who enters into a connection payment agreement before the expansion project makes the city's system available to connect to the customer's property shall pay no line extension fee or any on-site costs to connect their property to the city's system. The customer must pay all other fees and charges (capacity fees, meter installation charges, and all costs to initiate service) as a condition of connection and service.

(ii) A customer who fails to enter into a connection payment agreement before the expansion project makes the city's system available to connect to the customer's property shall pay the fees and costs required under section 78-31(b)(2) ~~d~~ (3)e of this Code.

- (iii) The city shall ensure a water distribution main extension is constructed when required as part of the expansion project and does not already exist.
- (iv) All policies for payment of the capacity fees shall apply to the line extension charge.
- (v) The city may authorize a customer to elect installment payments of the capacity and meter set fee over a period not exceeding 30 years, as set forth in a written connection payment agreement between the city and the customer, the form and content of which shall be determined from time to time by the city commission. The city manager or designee is authorized to execute the written agreement on behalf of city.

The connection payment agreement must identify the administrative fee billed on the customer's monthly utility bill, non-payment of which allows city to turn off service to the property. City's billing of the customer under a connection payment agreement shall begin at the start of the fifth month after meter installation.

Any non-payment extending beyond 120 days will result in commencement of the lien process as described in subsection 78-24(j) of this Code. Any non-payment extending beyond 180 days, or any transfer of ownership of property, will result in acceleration of all future unpaid monthly bills, including but not limited to the balance of the unbilled principal and any billed monthly administrative fees.

- (vi) Customer connection hardship program. Existing homeowners who qualify to participate in Sarasota County's State Housing Initiatives Partnership ("SHIP") program may defer costs associated with connecting to the city's system. Qualifying homeowners can apply through the following hardship programs:
 - (i) SHIP program. Existing homeowners who qualify to participate in the SHIP program are encouraged to participate in the SHIP program as their first option.
 - (ii) Deferral program. Existing homeowners who qualify for but do not participate in the SHIP program may apply to defer connection costs until the sale or transfer of the homeowner's qualifying property. The property owner's connection payment agreement shall identify the deferral and the total cost of connection due at the time the property is sold or transferred.
 - (iii) Rate reduction program. Existing homeowners who qualify for but do not participate in the SHIP program or the city's deferral program may apply for a reduction of the homeowner's annual payment of current rates.

...”

SECTION 3 – CONFLICTS

3.01 In the event of any conflict between the provisions of this ordinance and any other ordinance, in whole or in part, the provisions of this ordinance will prevail to the extent of the conflict.

SECTION 4 – SEVERABILITY

4.01 If a court of competent jurisdiction finds that any section, subsection, sentence, clause, phrase, or provision of this ordinance is for any reason invalid or unconstitutional, that provision will be deemed a separate, distinct, and independent provision and will not affect the validity of the remaining portions of the ordinance.

SECTION 5 – CODIFICATION

5.01 In this ordinance, additions are shown as underlined and deletions as ~~striketrough~~. Any additional codification information and notations appear in *italics*. These editorial notations are not intended to appear in the codified text.

SECTION 6 – EFFECTIVE DATE

6.01 This ordinance becomes effective on November 1, 2022.

READ BY TITLE ONLY at first reading by the City Commission of the City of North Port, Florida, in public session on September 13, 2022.

READ BY TITLE ONLY at second reading by the City Commission of the City of North Port, Florida, in public session on October 6, 2022.

ADOPTED by the City Commission of the City of North Port, Florida, on the third and final reading in public session on October 25, 2022.

CITY OF NORTH PORT, FLORIDA

PETE EMRICH
MAYOR

ATTEST

HEATHER FAUST, MMC
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

AMBER L. SLAYTON, B.C.S.
CITY ATTORNEY