

1 A bill to be entitled
2 An act relating to Brevard County; amending
3 chapter 94-442, Laws of Florida, as amended by
4 chapter 95-499, Laws of Florida; revising
5 legislative intent; clarifying the limits on
6 and the procedures for imposing certain
7 distribution differential surcharge rates by a
8 potable water utility; providing an effective
9 date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Sections 1 and 2 of chapter 94-442, Laws of
14 Florida, as amended by chapter 95-499, Laws of Florida, is
15 amended to read:

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17 Section 1. Intent.~~Notwithstanding the provisions of~~
18 ~~s. 180.191, Florida Statutes, and except as otherwise provided~~
19 ~~in section 2(4) of this act, beginning September 1, 1994, a~~
20 ~~water utility operating in Brevard County may add a~~
21 ~~distribution differential surcharge of not more than 10~~
22 ~~percent of the rates, fees, and charges charged to consumers~~
23 ~~inside the boundaries of a supplier municipality situated~~
24 ~~within Brevard County to consumers of such services residing~~
25 ~~outside the supplier's municipal boundaries. It is the intent~~
26 of the Legislature that the potable water utility systems
27 adopt and impose just and equitable ~~equal~~ rates with respect
28 to both the municipalities and the several unincorporated
29 areas to which they may be extending service, and that the
30 levels of service shall be substantially the same throughout
31 the distribution system.

1 Section 2. ~~(1) An initial distribution differential~~
 2 ~~rate study shall be conducted by the supplier municipality,~~
 3 ~~with the same criteria and consultant selection process as for~~
 4 ~~the rate study required for a distribution differential~~
 5 ~~surchage in excess of 10 percent pursuant to subsection (2),~~
 6 ~~in order to establish an initial justified distribution~~
 7 ~~differential surcharge for consumers outside of the supplier~~
 8 ~~municipality. Such initial study shall be completed within 6~~
 9 ~~months of this act becoming a law.~~

10 (1)(2) Authorized surcharge.--Notwithstanding the
 11 provisions of s. 180.191, Florida Statutes, and except as
 12 otherwise authorized by this act, a water utility operating in
 13 Brevard County may add a surcharge of not more than 10 percent
 14 of the rates, fees, and charges charged to consumers inside
 15 the boundaries of a supplier municipality situated within
 16 Brevard County to consumers of such services residing outside
 17 the supplier's municipal boundaries.With respect to any
 18 proposed surcharge ~~rate differential~~ in excess of the 10
 19 percent authorized by this act, a rate study shall be required
 20 to justify the surchage increase above ~~said~~ 10 percent. A
 21 surchage shall not exceed 25 percent. The surcharge shall
 22 only include those expenses identified in a rate study which
 23 are directly attributable to the cost of delivering water to
 24 the specific service area studied for the surcharge. Prior to
 25 adopting a surcharge authorized by this act which will result
 26 in customers residing outside the supplier's municipal
 27 boundaries paying rates more than 110 percent of the
 28 supplier's base rate, the supplier shall conduct a rate study
 29 as required by this act.

30 (2) Rate study.--The supplier shall identify the area
 31 which the consultant shall study for purposes of the rate

1 study required by this act.The rate study shall be conducted
 2 by a consultant, qualified by experience and hired under
 3 contract by the supplier. Said consultant shall be selected
 4 by the supplier from a list of three consultants prepared and
 5 submitted to the supplier by an advisory group as defined in
 6 subsection (3). ~~The advisory group shall be made up of three~~
 7 ~~members, one member from each of the following: the supplier~~
 8 ~~city, a county commissioner from the affected area, and one~~
 9 ~~representative selected by those municipalities subject to a~~
 10 ~~distribution differential surcharge. In instances where the~~
 11 ~~affected area is unincorporated, a county commissioner of said~~
 12 ~~area shall appoint a citizen from the unincorporated area.~~
 13 The criteria for the consultant's rate study shall be based on
 14 the fundamental principles recognized in similar studies
 15 conducted pursuant to guidelines of the Public Service
 16 Commission set forth in s. 367.081(2)(a), Florida Statutes,
 17 and s. 25-30.433, Florida Administrative Code, as both
 18 sections are amended, modified, or renumbered from time to
 19 time. At least 30 days before approval of the contract for the
 20 rate study, the proposed scope of work shall be transmitted to
 21 the board of county commissioners and each customer
 22 municipality subject to the proposed surcharge. The county
 23 commission and each customer municipality shall have the right
 24 to comment in writing on the proposed scope of the work no
 25 later than 2 weeks before approval of the contract. The
 26 supplier municipality shall respond in writing to all such
 27 comments at least 48 hours before approval of the contract.
 28 (3) Advisory group.--The advisory group shall be made
 29 up of three members, one member from each of the following:
 30 the supplier city, a county commissioner selected by the board
 31 of county commissioners, and one representative selected by

1 those municipalities subject to the proposed surcharge. In
 2 instances where the proposed surcharge affects an
 3 unincorporated area and a municipality, the county commission
 4 may appoint a citizen from the unincorporated area in lieu of
 5 the county commissioner. In instances where the proposed
 6 surcharge only affects an unincorporated area, the county
 7 commission shall appoint a citizen from the unincorporated
 8 area in lieu of a representative selected by a user
 9 municipality. At such time the supplier proposes a surcharge
 10 in excess of 10 percent, the supplier shall convene a meeting
 11 of the advisory group by providing at least 30 days written
 12 notice to the county commission and to each municipality which
 13 could be subject to the proposed surcharge. The notice shall
 14 provide the date, time, and place of the meeting, identify the
 15 geographical area to be studied, and state the requirement to
 16 generate the list of consultants at that meeting. If the
 17 county or noticed municipalities fail to send a respective
 18 authorized representative to the scheduled advisory group
 19 meeting, the party failing to do so shall forfeit the ability
 20 to participate in the convened advisory group.

21 ~~(3) Thirty days before approval of the contract for~~
 22 ~~the rate study, the proposed scope of work shall be~~
 23 ~~transmitted to each county commissioner and each customer~~
 24 ~~municipality. The county commission and each customer~~
 25 ~~municipality shall have the right to comment in writing on the~~
 26 ~~proposed scope of the work no later than 2 weeks before~~
 27 ~~approval of the contract. The supplier municipality shall~~
 28 ~~respond in writing to all such comments at least 48 hours~~
 29 ~~before approval of the contract.~~

30 (4) Rate setting.--Water rates shall include a base
 31 rate and an optional ~~distribution differential~~ surcharge

1 authorized by this act ~~when justified. Any distribution~~
 2 ~~differential surcharge of more than 10 percent must be~~
 3 ~~justified by a rate study. The distribution differential~~
 4 ~~surcharge shall only include those expenses which are directly~~
 5 ~~attributable to the cost of delivering water to specific~~
 6 ~~service areas.~~ Any rates charged customers residing outside
 7 the supplier's municipal boundaries ~~of 26 percent or greater~~
 8 than 125 percent of the suppliers base rate shall be subject
 9 to the provisions of s. 180.191, Florida Statutes.

10 ~~(5)~~ A surcharge ~~An increase~~ in excess of the 10
 11 percent authorized by this act shall be imposed only pursuant
 12 to the support of the consultant's findings in the rate study
 13 and following a public hearing called by the governing body of
 14 the supplier municipality, to be held no later than 60 days
 15 after ~~within 14 days of~~ the release of the consultant's
 16 findings. At any such public hearing on the surcharge rate
 17 increase, residents of the ~~affected~~ area affected by the
 18 surcharge shall be afforded ample opportunity to be heard.

19 ~~(5)(6)~~ Exception.--The provisions of subsections (2),
 20 (3), and ~~(4)(5)~~ shall not be applicable in any case where a
 21 contrary intention or procedure is set forth in an interlocal
 22 agreement which is executed after the effective date of this
 23 act, thereby precluding the necessity to conduct a rate study
 24 applicable to the participating consumer county or
 25 municipality.

26 Section 2. This act shall take effect upon becoming a
 27 law.

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