RESOLUTION NO. U.A. 2010-07

A RESOLUTION RESCINDING AND RESTATING CAPITAL IMPROVEMENT CHARGES AND GUARANTEED REVENUE CHARGES FOR THE SERVICES AND FACILITIES FURNISHED BY THE ELECTRIC SYSTEM, WATER SYSTEM, AND THE WASTEWATER SYSTEM OF THE FORT PIERCE UTILITIES AUTHORITY, FORT PIERCE, FLORIDA, IN ACCORDANCE WITH THE CHARTER OF THE CITY OF FORT PIERCE, FLORIDA, ARTICLE XII, AND AMENDING THE PROVISIONS CONCERNING CAPITAL IMPROVEMENT CHARGES AND GUARANTEED REVENUE CHARGES AS SET FORTH IN RESOLUTION NO. UA 2009-11, AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS, the Fort Pierce Utilities Authority was created and established by the City Commission of the City of Fort Pierce, Florida, through a referendum election held in said City on May 30, 1972; and

WHEREAS, the Charter of the City of Fort Pierce, Florida, Article XII, grants to said Fort Pierce Utilities Authority the power and duty to fix rates to be charged for gas, electricity, water and wastewater (sanitary sewer), and other utility services sold and services rendered by said Fort Pierce Utilities Authority.

Now therefore, be it resolved by Fort Pierce Utilities Authority (FPUA), Fort Pierce, Florida:

SECTION I. CAPITAL IMPROVEMENT CHARGES: Effective, September 20, 2007, FPUA shall impose a Capital Improvement Charge (CIC) on any and all new electric, water, and wastewater customers connecting to the electric, water, and/or wastewater systems. CICs are imposed on any and all properties with existing services where the use or demand for services increases. The CIC is based on the cost of expanding the electric substations, water supply, and wastewater facilities, and shall be applicable to all new electric, water, and wastewater service within the territory served by FPUA. The schedule of CICs imposed herein shall be subject to revision from time to time as may be necessary. The obligation for payment of water and/or wastewater charges shall be at the time the final Water/Wastewater Supply Agreement or a County Developer's Agreement is submitted to FPUA for execution. In the case of small projects where a County Developer's Agreement or FPUA's Water/Wastewater Supply Agreement does not exist, the CIC payment would be paid at the time FPUA signs the Florida Department of Environmental Protection (FDEP) Water/Wastewater Construction Permit. The obligation for payment of electric charges shall occur prior to FPUA scheduling construction. Individual residential customers will pay CICs coincident with payment of other connection charges and deposits on new accounts.

Application for service will not be accepted without a valid building permit. If the building permit expires, the application for service will be canceled. Applicant will need to pay CICs one time only for any given location, unless equivalent residential connections (ERCs) have been added; the Agreement has been terminated and CICs refunded in accordance with Section III, Paragraph D.1; capacity has been reduced per Section III, Paragraph D.2; or service has been abandoned in accordance with other FPUA Resolutions.

A. **Basis for Determination of Capital Improvement Charges:** The CICs set forth in Section I.B. and I.C., respectively, for water and wastewater service shall be determined on the basis of an ERC. In the case of the electric utility, the charges shall be based on estimated kilowatt demand times, system costs per kilowatt, times a coincidence factor for each class of customers. It shall be assumed that an ERC for water service shall be 300 gallons per day, and an ERC for wastewater service shall be 240 gallons per day. For each new non single-family residential, general service, commercial, or industrial customer, the CIC shall be based on the estimated water usage and wastewater flow (i.e., service level) required by such customer relative to the single-family residential customer. The estimate of the electric kilowatt demand for all new service connections will be based on the design drawings and related documents included in the application for building construction permit. The estimate of the water and/or wastewater service level required for non single-family residential connections shall be established by the developer's engineer and shall be based on actual use at a similar facility (where available) or other technically sound engineering principles. Where no such data is available, a Schedule of Daily Rate Gallonage for Various Occupancies (Exhibit A) is included with this Resolution. The service level based on the Schedule of Daily Gallonage shall be converted to ERCs and the CIC determined accordingly. Any use or customer type not specifically referred to in such schedule shall be charged a CIC based on estimated water consumption as determined by FPUA.

B. **Water System Capital Improvement Charge:** The water system revised CIC, effective January 19, 2007, is $ 1,841 per ERC.

C. **Wastewater System Capital Improvement Charge:** The wastewater system revised CIC, effective January 19, 2007, is $2,815 per ERC.

D. **Electric System Capital Improvement Charge:** The electric system revised CICs, effective May 19, 2008, are:

Type of Service:
Single Phase non-demand: $550.00

Three Phase non-demand: $1,650.00
Demand (greater than 20kW): $115.00 per kW of expected peak load

Demand Customer Capital Improvement Charge Calculation

CIC = [(V·A·PH·D)/1000]·$

Where: V=volts
A=maximum panel loading in amps allowed per the National Electric Code (80% of panel rating)
PH= phase multiplier (1.732 for three phase and 1 for single phase)
D= diversity factor from table (Exhibit B)

$= $115.

This charge shall be due at the time application is made for service.

E. **Exemptions:** Locations with current or previously existing electric, water, and/or wastewater service are not subject to CICs; however, if additional ERCs are added to the location, CICs will be imposed for those additional connections. Temporary services, as defined by FPUA's Customer Service Policy, shall be exempt from CICs. The General Government of the City of Fort Pierce, Florida and pubic educational facilities per Florida Statutes 1013.371 shall be exempt from CICs.

SECTION II. The monies from the Capital Improvement Charges provided for in Section I of this Resolution shall be deposited in the Utilities Revenue Fund and shall be used for capital projects and improvements or paying for debt service related to expansion related projects.

SECTION III. GUARANTEED REVENUE CHARGES: Effective January 19, 2007, FPUA will impose a monthly Guaranteed Revenue Charge (GRC) on any person desiring to receive a commitment to reserve water and/or wastewater capacity for future development from FPUA. A charge for reserving water and/or wastewater system capacity shall be determined on the basis of an ERC as defined in Section I.A. of this Resolution and shall be included as part of a Water/Wastewater Supply Agreement between the party reserving the capacity and FPUA.

These charges shall apply to developments which require FPUA to reserve capacity for Florida Department of Environmental Protection (FDEP) permitting purposes. Upon signing the County's Developer's Agreement or the FPUA's Water/Wastewater Supply Agreement, the developer shall submit to FPUA a signed and notarized letter to FDEP (Exhibit C) stating that in the event the developer does not pay the charges as billed within 30 days, the developer authorizes FDEP to cancel the permitting for all remaining units. The developer has one (1) year from the date of the Water/Wastewater Supply Agreement to complete the infrastructure (FPUA Final Inspection and Acceptance) and will be billed at the end of that year, and then annually

thereafter, for the preceding 12 months of GRCs on units not connected to FPUA's water and/or wastewater system at the end of each 12-month period. Payment will be due upon receipt. Failure to pay GRCs will be subject to a Non-payment Option as stated in Paragraph D below.

A. **Water System Guaranteed Revenue Charge:** The water system Guaranteed Revenue Charge, effective January 19, 2007, is $105.24 per year per ERC. The annual charge shall be billed at the end of the first year after signing the Water/Wastewater Supply Agreement, and then annually thereafter, for any units not connected to FPUA's water system. Payment is due upon receipt.

B. **Wastewater System Guaranteed Revenue Charge:** The wastewater system Guaranteed Revenue Charge, effective January 19, 2007, is $ 160.92 per year per ERC. The annual charge shall be billed at the end of the first year, and then annually thereafter, for any units not connected to FPUA's wastewater system. Payment is due upon receipt.

C. **Exemptions:** The General Government of the City of Fort Pierce, Florida and pubic educational facilities per Florida Statutes 1013.371 shall be exempt from GRCs.

D. **Non-payment Options:**

1. **Termination:** A Customer may terminate their Supply Agreement by written request at any time. FPUA may terminate the Agreement, with a minimum 30-day written notification, due to Customer's failure to fulfill the terms of the Supply Agreement, failure to pay GRC invoices, or failure to comply with any applicable FPUA Resolution. In the event of termination by the Customer or FPUA, the Customer shall be entitled to a refund of an amount equivalent to one hundred percent (100%) of the CICs that were paid, without interest, minus an amount equivalent to five years' GRCs. The refund calculation applies only to CICs and GRCs for unconnected ERCs at the time of termination. The Customer shall be entitled credit for any GRCs already paid at the date of termination. Termination will result in the forfeiture of reserved capacity and may result in cancellation of the FDEP permit. FPUA may place a lien on the parcels that are in arrears for failure to pay GRCs. If the water and wastewater facilities associated with the Project have been Certified and Accepted, uncollected GRCs will be placed on each unconnected lot and are due and payable at the time of request for meter installation.

2. **Capacity Reduction Option:** In the event that the Customer fails to pay their GRCs within thirty (30) calendar days, FPUA shall provide the Customer with thirty (30) calendar days notice that their water

and/or wastewater ERCs shall be reduced by an amount equivalent to the value of the GRC that is owed to FPUA. The capacity reduction shall be calculated based on the cost of the water and/or wastewater CICs paid at the time of reservation and shall exclude the cost of any Accrued Guaranteed Revenue Charges (AGRCs). FPUA may elect to modify the Customer's FDEP permits to reflect the reduced capacity and FPUA and Customer may agree to extend the Supply Agreement beyond five (5) years. The Customer shall provide the specific phase or lots that will have their capacity reduced. If the Customer fails to provide the phase or lots that shall lose their capacity, FPUA shall select the phase or lots that shall lose their capacity. The Customer will be subject to any increased cost per ERC or fraction thereof for the phase of lot with reduced capacity at the time of connection. An example for calculating Capacity Reduction is set forth in (Exhibit D) attached hereto.

SECTION IV. ACCRUED GUARANTEED REVENUE CHARGES: FPUA declares that each new water and/or wastewater service connection is responsible for the re-payment of the carrying costs of water supply, wastewater treatment, and water and wastewater transmission facilities constructed or acquired in excess of those needed to serve current customers and that are held in reserve for future use by future customers. Effective January 19, 2007, FPUA requires the accrual of such carrying costs for new water and/or wastewater connections, which is calculated and updated monthly on a per ERC basis as previously defined in Section I.

A. **Basis for Determination of Accrued Guaranteed Revenue Charges:** The Accrued Guaranteed Revenue Charges (AGRC) set forth below are designed to accrue the proportionate carrying costs of the water and/or wastewater systems that were described above. The AGRCs shall be determined on the basis of one (1) ERC. An ERC for water service shall be 300 gallons per day and an ERC for wastewater service shall be 240 gallons per day. For each new non single-family residential, general service, commercial, or industrial customer, the total ERCs shall be based on the estimated water usage and/or wastewater flow (i.e., service level) required by such customer relative to the single-family residential customer. Such total ERCs per new water and/or wastewater connection shall be equal to the total ERCs for determination of the CICs outlined in Section I.

B. **Water System Accrued Guaranteed Revenue Charges:** The AGRCs for the water system, effective January 19, 2007, shall accrue and update monthly on a per ERC basis as provided in Exhibit E. The AGRCs shall be due in full at the time such CICs are also payable. The amount due is calculated by, first, identifying the total ERCs to be developed as described in Section I.A.

above. Then, the total ERCs shall be multiplied by the AGRC (per ERC) identified for the month and year such payment is made.

C. **Wastewater System Accrued Guaranteed Revenue Charges:** The AGRCs for the wastewater system, effective January 19, 2007, shall accrue and update monthly on a per ERC basis as provided in Exhibit E. The AGRCs shall be due in full at the time such CICs are also payable. The amount due is calculated by, first, identifying the total ERCs to be developed as described in Section I.A. above. Then, the total ERCs shall be multiplied by the AGRC (per ERC) identified for the month and year such payment is made.

D. **Exemptions:** FPUA does not explicitly or implicitly exempt new water and/or wastewater connections from paying the AGRCs provided for in this section; however, those new connections that are explicitly exempt from paying the CICs as identified in Section I.E. are exempt from paying the AGRCs presented herein.

SECTION V. The monies from the GRCs and the AGRCs, provided for in Section III and Section IV of this Resolution, are identified to recover operating carrying costs of the water and/or wastewater system facilities constructed or acquired in advance of future growth, and since such amounts reflect a direct cost recovery for operating expenses, all monies shall be deposited in the Utilities Revenue Fund and may be used for any lawful purpose of FPUA. The monies collected from AGRCs shall be recognized as operating system revenue and shall be included in Gross Revenues, as defined in the Bond Resolution.

SECTION VI. Upon adoption of the Resolution, and effective date thereof, the charges hereinabove set forth in Exhibit D, of this Resolution shall be fixed and established as an Order of the Fort Pierce Utilities Authority and shall supersede and rescind those charges set forth in Resolution 2009-11.

SECTION VII. This passage gives notice fulfilling the ninety (90) day requirement. This Resolution shall be and become effective October 4, 2010.

Passed and Adopted this the 6th day of July, 2010 A.D.

ATTEST: FORT PIERCE UTILITIES AUTHORITY

SECRETARY

CHAIRMAN

Approval as to Form and Correctness:

Attorney for the Fort Pierce Utilities Authority

TABLE 1
SEWAGE FLOW ESTIMATED (GPD)

COMMERCIAL

Airports, Bus Terminals, Train Stations, Port & Dock Facilities *(bathroom waste only)*	
(a) Per passenger 4	4
(b) Add per employee per 8 hour shift	15
Barber & Beauty shops per service chair	75
Bowling Alley per lane *(bathroom waste only)*	50
Country Club	
(a) Per resident	100
(b) Add per member or patron	25
(c) Add per employee per 8 hour shift	15
Doctor and Dentist offices	
(a) Per practitioner	250
(b) Add per employee per 8 hour shift	15
Factories per employee per 8 hour shift *(exclusive of industrial wastes)*	
(a) No showers provided	15
(b) Showers provided	25
Flea Market	
Open 3 or fewer days per week	
(a) Per non-food service vendor space	15
(b) Add per food service establishment using single service articles only per 100 Square feet of floor space	50
(c) Per limited food service establishment	25
Open more than 3 days per week	
(a) Estimated flows shall be doubled	
Food operations	
Restaurant	
(a) Operating 16 hours or less per day per seat	40
(b) Operating more than 16 hours per day per seat	60
(c) Using single service articles only and (a)	20
(d) Using single service articles only and (b)	35
Bar and cocktail lounge	
(a) Per seat	20
(b) Per pool table or video game	15
Drive-in restaurant per car space	50
Carry out only, including caterers	
(a) Per 100 square feet of floor space	50
(b) Add per employee per 8 hour shift	15
Institutions per meal	5
Food Outlets excluding deli's, bakery, or meat department per 100 square feet of floor space	10
(a) Add for deli per 100 square feet of deli floor space	40
(b) Add for bakery per 100 square feet of bakery floor space	40
(c Add for meat department per 100 square feet of meat department floor Space	75
(d) Add per water closet	200
Hotels & Motels	
(a) Regular per room	100
(b) Resort hotels, camps, cottages per room	200
(c) Add for establishments with self service laundry facilities per machine	750

Table 1 continued)

Mobile Home Park	
(a) Per single wide mobile home space, less than 4 single wide spaces connected to a shared onsite system	250
(b) Per single wide mobile home space, 4 or more single wide spaces are connected to a shared onsite system	225
(c) Per double wide mobile home space, less than 4 double wide mobile home spaces connected to a shared onsite system	300
(d) Per double wide mobile home space, 4 or more double wide mobile home spaces connected to a shared onsite system	
Office Building	15
(a) Per employee per 8 hour shift or per 100 square feet of floor space whichever is greater	15
Transient Recreational Vehicle Park	
(a) Recreational vehicle space for overnight stay, without water and sewer hookup per vehicle space	50
(b) Recreational vehicle space for overnight stay, with water and sewer hookup per vehicle space	75
Service Stations per water closet	
(a) Open 16 hours per day or less	250
(b) Open more than 16 hours per day	325
Shopping Centers without food or laundry per square foot of floor space	0.1
Stadiums, Race Tracks, Ball Parks per seat	4
Stores per bathroom	100
Swimming and Bathing Facilities, public per person	10
Theatres and Auditoriums per seat	4
Veterinary Clinic	
(a) Per practitioner	250
(b) Add per employee per 8 hour shift	15
(c) Add per kennel, stall or cage	20
Warehouse	
(a) Add per employee per 8 hour shift	15
(b) Add per loading bay	100
(c) Self-storage, per unit (up to 200 units)	1

INSTITUTIONAL:

Churches per seat *(includes kitchen wastewater flows)*	
(a) Meals NOT prepared on a regular basis	3
(b) Meals prepared on a regular basis, add per meal	5
Hospitals per bed *(does not include kitchen flows)*	200
- Add per meal prepared	5
Nursing, Rest Homes, Adult Congregate living per bed *(includes kitchen wastewater flows)*	100
- Add per meal prepared	5
Parks, Public Picnic	
(a) With toilets only per person	4
(b) With bathhouse, showers & toilets per person	10
Public Institutions *(does not include kitchen flows)*	100
- Add per meal prepared	5

Schools	
(a) Day-type	10
(b) Add for showers	4
(c Add for cafeteria	4
(d) Add for day school workers	15
(e) Boarding-type	75
Work/Construction Camps, semi-permanent per worker	50

RESIDENTIAL:

Residences	
(a) Single or multiple family per dwelling unit:	
1 Bedroom with 750 sq. ft. or less of building area	100
2 Bedrooms with 751-1200 sq. ft. of building area	200
3 Bedrooms with 1201-2250 sq. ft. of building area	300
4 Bedrooms with 2251-3300 sq. ft. of building area	400

NOTE: For each additional bedroom or each additional 750 square feet of building area or fraction thereof in a dwelling unit, system sizing shall be increased by 100 gallons per dwelling unit.

(b) Other per occupant	50

Footnotes to Table I:

1. For food operations, kitchen wastewater flows shall normally be calculated as 66 percent of the total establishment wastewater flow.

2. Systems serving high volume establishments, such as restaurants, convenience stores and service stations located near interstate type highways and similar high-traffic areas, require special sizing consideration due to expected above average sewage

volume. Minimum estimated flows for these facilities shall be 3.0 times the volumes determined from the Table I figures.

3. For residences, the volume of wastewater shall be calculated as 50 percent black water and 50 percent gray water.

4. Where the number of bedrooms indicated on the floor plan and the corresponding building area of a dwelling unit in Table I do not coincide, the criteria, which will result in the greatest estimated sewage flow, shall apply.

5. Convenience store estimated sewage flows shall be determined by adding flows for food outlets and service stations as appropriate to the products and services offered.

6. Estimated flows for residential systems assumes a maximum occupancy of two persons per bedroom. Where residential care facilities will house more than two persons in any bedroom, estimated flows shall be increased by 50 gallons per each additional occupant.

Table of Electrical Diversity Factors	
Customer Type	**Diversity Factor (D)**
Mid-Size Restaurant	0.3
Fast Food Restaurant	0.3
Church	0.0175
Grocery Store	0.45
Supermarket	0.45
Mid-Size Hotel	0.2
Large Hotel	0.2
Warehouse/Storage	0.15
Light Industrial	0.45
Bank	0.4
Laundromat	0.35
Small Retail	0.45
Large Retail	0.325
School	0.5
Hospital	0.5
Call Center	0.5
Computer Center	0.5
Doctors Office	0.45
Small Restaurant	0.3
Pharmacies	0.45
Cell Phone Tower	0.5
Government Building	0.5
Convenient Store With Pumps	0.6
Convenient Store W/O Pumps	0.6

Florida Department of Environmental Protection FORM LETTER

(Date)

State of Florida Department of Environmental Protection
P. O. Box 15425
West Palm Beach, FL 33406

Re: FDEP Water Permit # _____

FDEP Wastewater Permit # _____

To Whom It May Concern:

Fort Pierce Utilities Authority (FPUA) signed the applications for construction for water and/or wastewater permits for my project:

_____

for **water,** on the date: _____

for **wastewater,** on the date: _____

These permits obligate FPUA to reserve system capacity for this project.

If my project does not have the water and/or wastewater facilities constructed by the date _____, then I agree to pay Guaranteed Revenue Charges (GRC) to FPUA in accordance with applicable UA Resolutions. If GRCs are not paid to FPUA within 30 days of being invoiced by FPUA, then FPUA may withdraw its capacity reservations for my project, or the sections or phases of the project which have not been constructed.

Furthermore, I agree that FPUA may request Florida Department of Environmental Protection to cancel or void permits issued by your agency for water/wastewater facilities not constructed.

_____ _____

By: Owner/Developer Date

_____ _____

Notary Public Date
(Seal)

(Exhibit C)

Water and Wastewater Capacity Reduction Example

May 2007, "Customer X" reserved:

100 Water ERC @ $1,841 *CIC* = $184,100

100 Wastewater ERC @ $2,815 *CIC* = $281,500

Note: *CIC price at the time of reservation*

May 2008, Customer X has not connected any units within one year and is billed GRC:

100 Water ERC @ $105.24 = $10,524

100 Wastewater ERC $160.92 = $16,920

Customer X and FPUA elect the Reduced Capacity Option:

GRC / (Water *CIC*) = Capacity Reduction (ERC)

$10,524 / ($1,841 *CIC*) = 5.72 ERC

GRC / (Wastewater *CIC*) = Capacity Reduction (ERC)

$16,920 / ($2,815 *CIC*) = 6.01 ERC

Note: *calculation based on CIC price at the time of reservation*

Customer X has Reduced Capacity remaining:

100 Water ERC – 5.72 ERC = 94.28 ERC remaining

100 Wastewater ERC – 6.01 ERC = 93.99 ERC remaining

Assuming Customer X does not connect any units by the second year Customer X would be billed GRC based on his remaining capacity:

94.28 Water ERC @ $105.24 = $9,922.03

93.99 Wastewater ERC $160.92 = $15,124.87

Accrued Guaranteed Revenue Charges (AGRC)

	Month Ending (1)											
	October	November	December	January	February	March	April	May	June	July	August	September
Water System												
FY 2007	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 8.77	$ 17.54	$ 26.31	$ 35.08	$ 43.85	$ 52.62	$ 61.39	$ 70.16
FY 2008	$ 78.93	$ 87.70	$ 96.47	$105.24	$114.01	$122.78	$131.55	$140.32	$149.09	$157.86	$166.63	$175.40
FY 2009	$184.17	$192.94	$201.71	$210.48	$219.25	$228.02	$236.79	$245.56	$254.33	$263.10	$271.87	$280.64
FY 2010	$289.41	$298.18	$306.95	$315.72	$324.49	$333.26	$342.03	$350.80	$359.57	$368.34	$377.11	$385.88
FY 2011	$394.65	$403.42	$412.19	$420.96	$429.73	$438.50	$447.27	$456.04	$464.81	$473.58	$482.35	$491.12
FY 2012	$499.89	$508.66	$517.43	$526.37	$526.37	$526.37	$526.37	$526.37	$526.37	$526.37	$526.37	$526.37
Wastewater System												
FY 2007	$ 0.00	$0.00	$ 0.00	$ 0.00	$ 13.41	$ 26.82	$ 40.23	$ 53.64	$ 67.05	$ 80.46	$ 93.87	$107.28
FY 2008	$120.69	$134.10	$147.51	$160.92	$174.33	$187.74	$201.15	$214.56	$227.97	$241.38	$254.79	$268.20
FY 2009	$281.61	$295.02	$308.43	$321.84	$335.25	$348.66	$362.07	$375.48	$388.89	$402.30	$415.71	$429.12
FY 2010	$442.53	$455.94	$469.35	$482.76	$496.17	$509.58	$522.99	$536.40	$549.81	$563.22	$576.63	$590.04
FY 2011	$603.45	$616.86	$630.27	$643.68	$657.09	$670.50	$683.91	$697.32	$710.73	$724.14	$737.55	$750.96
FY 2012	$764.37	$777.78	$791.19	$804.86	$804.86	$804.86	$804.86	$804.86	$804.86	$804.86	$804.86	$804.86

Footnotes

(1) Amount reflects additional payments due per ERC in addition to proposed Capital Improvement Charges that identify the Authority's accrued investment in facilities for the benefit of future growth.

(Exhibit E)