

EXHIBIT 2

ORDINANCE NO. HCW&SD 89-1

AN ORDINANCE AMENDING HERNANDO COUNTY WATER AND SEWER DISTRICT ORDINANCE NO. 88-1, KNOWN AS THE UTILITIES CONNECTION FEE ORDINANCE; SPECIFICALLY AMENDING SECTION 4, CONNECTION FEES; AND SECTION 7.4, CONNECTION FEE REVISIONS.

BE IT ORDAINED BY THE GOVERNING BOARD OF THE HERNANDO COUNTY WATER AND SEWER DISTRICT, HERNANDO COUNTY, FLORIDA, AS FOLLOWS:

SECTION I. AMENDMENT. Section 4 of Hernando County Water and Sewer District Ordinance Number 88-1 is hereby amended in its entirety to read:

SECTION 4. CONNECTION FEES.

4.1 Definitions.

4.1.1 Subregional Wastewater Plant Capacity - Major subregional components consisting of wastewater treatment plants and disposal or reuse facilities.

4.1.2 Wastewater Onsite Facilities - Gravity lines, force mains and pump stations within the legal boundary of the property to be developed, excluding oversizing requested by the district.

4.1.3 Subregional Wastewater Offsite Transmission Facilities - All gravity lines, force mains and pump stations to transmit wastewater from the onsite system to the capacity system of sufficient size and design to accommodate future area growth.

4.1.4 Nonsubregional Offsite Facilities - Consists of the lines, pumps, and pump stations to transfer sewage from the project boundary to the subregional transmission system, subregional wastewater plant, interim wastewater transmission system, or interim wastewater plant which is not sufficiently sized and designed to accommodate future area growth.

4.1.5 Wastewater Equivalent Residential Unit (ERU) - Average flow required or generated by a development divided by 200 gallons per day (gpd) for wastewater; ERU's for commercial or industrial use shall be determined by dividing the average flow required or generated by 250 gpd for wastewater.

4.1.6 Wastewater Connection Fee - As established by the district and consisting of three (3) components:

- (a) The subregional wastewater plant capacity portion is \$500 per ERU (\$2.50 per gallon).
- (b) The subregional wastewater offsite transmission facilities portion is \$428 per ERU.
- (c) The nonsubregional offsite facilities portion is \$172 per ERU.

4.1.7 Water Supply - The ability to provide adequate amounts of water to businesses and residences within the district's franchise area from wells throughout the district.

4.1.8 Water Storage - The use of water storage tanks to provide additional water capacity during peak demand hours when water consumption is greater than water pumpage prevents the district from having to construct additional wells that can pump enough water to meet peak demands.

4.1.9 Water Treatment - The use of chemicals such as chlorine, to purify the water and kill any bacteria which may exist in the water to ensure that the water is fit for consumption.

4.1.10 Offsite Water Transmission - All water lines and water mains necessary to transmit water from the well to the onsite water distribution system.

4.1.11 Water Onsite Facilities - Water lines and water mains within the legal boundary of the property to be developed, excluding oversizing requested by the district.

4.1.12 Water Equivalent Residential Unit (ERU) - The district has estimated this to be 250 gallons per day (gpd). For calculating ERU's for commercial or industrial use, the district divides the average daily water required by 250 and this gives the number of ERU's for which the developer must pay connection fees.

4.1.13 Water Connection Fee - As established by the district and consisting of four components:

- (a) The water supply portion is \$68 per ERU.
- (b) The water storage portion is \$165 per ERU.
- (c) The water treatment portion is \$59 per ERU.
- (d) The offsite water transmission portion is \$200 per ERU.

4.2 Connection Fees.

4.2.1 Connection fees shall be uniform, and based upon current average costs of providing potable water supply or wastewater treatment plant and disposal facilities. Connection fees shall be based upon the anticipated average water consumption or wastewater flow contribution for the type of development or establishment requesting service. Connection fees shall be determined in accordance with TABLES 1 and 2, FLOW ESTIMATES AND CONNECTION FEES, (attached) and Section 4. Where existing structures connected to the system are being renovated to require an increased water or sewer demand, connection fees shall be based upon the increase in flow resulting from the new demand.

4.2.2 Water meter installation charges established by the County Utilities Department shall be uniform, and based upon the then current average costs of tapping the main, running the service line to the property line, and setting the meter. Water meter installation charges are not included in the connection fee described above and shall be paid directly to the Utilities Department at the time actual service is requested for each connection. Allow two to four weeks for meter installation. If requested by the Applicant and approved by the County Utilities Department, the Applicant may construct the service line from the main to the property line with the District installing the meter at cost.

4.2.3 In the event any application for service cannot be calculated by the Utilities Department and engineering work is required, then the Applicant shall pay the cost of such engineering.

4.2.4 Calculation of Wastewater Connection Fees.

(a) Wastewater connection fees are calculated based on 200 gpd of normal domestic sewage (1ERU) for sewage which does not require pretreatment prior to discharge into the sewerage system. For establishments where wastewater flows exceed either the 200 gpd flow or normal domestic strength, the ERUs shall be adjusted to compensate for the cost of reducing such flow and/or strength to an equivalent residential unit.

(b) Wastewater connection fee credits may only be granted for those projects where the developer is actually constructing the applicable connection fee portions of wastewater facilities.

- (1) Subregional Wastewater Plant Capacity - Credit up to \$500 per ERU may be granted only for the design, construction and engineering services of subregional wastewater plants and disposal or reuse facilities to include land. Credit will not be given for connection to, or expansion, or construction of interim wastewater facilities.
- (2) Subregional Wastewater Offsite Transmission Facilities - Credit up to \$428 per ERU may be granted only for the design, construction and engineering services of subregional transmission facilities at the required subregional size at build-out.
- (3) Nonsubregional Offsite Facilities - Credit up to \$172 per ERU may be granted for the construction of offsite transmission and collection system(s).

#### 4.2.5 Calculation of Water Connection Fees.

- (a) Water connection fees are calculated based on 250 gpd of normal domestic usage. For establishments where water flows will exceed 250 gpd, connection fees will be calculated as follows:
  - (1) Average Daily Flow - 250 = ERU's
  - (2) ERU's X Current Connection Fee Rates = Total Connection Fee Charge.
- (b) Water connection fee credits may only be granted for those projects where the developer is actually constructing the applicable connection fee portions of water facilities.
  - (1) Water Supply - Credit of up to \$68 per ERU may be granted only for the design, construction and engineering services of water wells.
  - (2) Water Storage Costs - Credit of up to \$165 per ERU may be granted only for the design, construction and engineering services of water storage facilities.
  - (3) Water Treatment Costs - Credit of up to \$59 per ERU may be granted only for the design, construction and engineering services of water treatment facilities.
  - (4) Offsite Water Transmission Costs - Credit of up to \$200 per ERU may be granted only for the design, construction and

engineering services of offsite water transmission facilities.

4.3 Expenditure of Connection Fees.

4.3.1 Connection fees collected by the District for subregional wastewater plant capacity may be expended for design, construction and engineering services for subregional wastewater treatment plants and disposal or reuse facilities to include land. These funds may also be used to pay debt service on financing new facilities.

4.3.2 Connection fees collected by the District for subregional wastewater offsite transmission facilities may be expended for design, construction and engineering services for subregional wastewater offsite transmission facilities. These funds may also be used to pay debt service on financing new facilities.

4.3.3 Connection fees collected by the District for nonsubregional offsite facilities may be expended for design, construction and engineering services for nonsubregional offsite facilities. These funds may also be used to pay debt service on financing new facilities.

4.3.4 Connection fees collected by the district for water supply may be expended for design, construction and engineering services for wells to include land. These funds may also be used to pay debt service on financing new facilities.

4.3.5 Connection fees collected by the district for water storage facilities may be expended for design, construction and engineering services for water storage facilities. These funds may also be used to pay debt service on financing new facilities.

4.3.6 Connection fees collected by the district for water treatment facilities may be expended for design, construction and engineering services for water treatment facilities to include land. These funds may also be used to pay debt service on financing new facilities.

4.3.7 Connection fees collected by the district for water offsite transmission facilities may be expended for design, construction and engineering services for water offsite transmission facilities. These funds may also be used to pay debt service on financing new facilities.

4.4 Franchise Connection Fees.

Connection fees for water and/or wastewater franchises or systems in existence prior to the effective date of this Ordinance to be connected to the District's system, in which the franchise agreement requires payment of appropriate connection fees, shall be determined by deducting from the "Connection Fee" as set forth in Subsection 4.1.6 of this Ordinance, the verified cost of the existing water and/or wastewater treatment facilities to be taken out of service. Franchises executed subsequent to the effective date of the Ordinance shall contain an appropriate connection fee clause.

SECTION II. AMENDMENT. Section 7.4 of Hernando County Water and Sewer District Ordinance Number 88-1 is hereby amended in its entirety to read:

7.4 Connection Fee Revisions.

Any changes in regard to connection fees listed herein shall be by resolution of the Hernando county Water and Sewer District Board at a properly advertised Board meeting. Revised connection fees shall apply to commitments then in effect as follows:

7.4.1 Commitments involving connection fees fully paid under the Lump Sum Payment method shall not be effected by the revised fee schedule until expiration of the commitment. If a time extension is granted upon expiration of the commitment, additional fees shall apply for all project phases which permits have not been issued. The applicant shall have the option of either paying the difference in connection fees for each project phase made after expiration of the original commitment or of having the remaining unused connection fee balance credited toward a revised number of prepaid connections.

7.4.2 Commitments involving connection fees paid under the Incremental Payment method shall be revised in the following manner:

7.4.2.1 Down payments shall be credited in the same manner as Lump Sum Payments described in Paragraph 7.4.1 of this Ordinance.

7.4.2.2 Upon full utilization of the Lump Sum Payment, connection fees for remaining units shall be based upon the connection fees in effect at the time application is made for a Building Permit.

SECTION III. SEVERABILITY. If any section, part of section, paragraph, clause, phrase or word of this ordinance is declared invalid, the remaining provisions of this ordinance shall not be affected.

SECTION IV. EFFECTIVE DATE. This Ordinance shall take effect immediately upon adoption.

ADOPTED BY THE GOVERNING BOARD OF THE HERNANDO COUNTY WATER AND SEWER DISTRICT, in Regular Session this 23<sup>rd</sup> day of May, 1989.

WATER AND SEWER DISTRICT  
HERNANDO COUNTY, FLORIDA

(SEAL)

Attest:

Karen Nicolai  
Karen Nicolai  
Clerk

By:

Richard C. Killingsworth  
Richard C. Killingsworth,  
Chairman

TABLE 1  
FLOW ESTIMATES AND CONNECTION FEES

R E S I D E N T I A L

TYPE	AVERAGE DAILY WATER CONSUMPTION	SINGLE-FAMILY RESIDENTIAL EQUIV.	WATER CHARGE	AVERAGE DAILY* WASTEWATER DISCHARGE	SINGLE-FAMILY RESIDENTIAL EQUIV.	WASTEWATER CHARGE
SINGLE FAMILY RESIDENCE	250 GPD	1.0	\$492.00	200	1.0	\$1,100
MOBILE HOME (SINGLE-WIDE)	200 GPD	.8	394.00	160	.8	880
MOBILE HOME (DOUBLE-WIDE & UP)	250 GPD	1.0	492.00	200	1.0	1,100
RECREATIONAL VEHICLE PARKS	125 GPD	.5	246.00	100	.5	550
DUPLEX	400 GPD	1.6	787.00	320	1.6	1,760
MULTI-FAMILY #1 (3 OR MORE UNITS) I.E., TRIPLEX, TOWN- HOUSE, CONDOMINIUM	600 GPD FOR THE FIRST 3 UNITS AND 200 GPD FOR EACH UNIT THEREAFTER	2.4 + .8/ UNIT AFTER 3	1,181 + 394 FOR EVERY UNIT AFTER 3	540 FOR FIRST 3 UNITS & 180 FOR EACH UNIT THEREAFTER	2.7 + .9 FOR EACH UNIT THEREAFTER	2,970 990/Unit after 3
MULTI-FAMILY #2 (3 OR MORE UNITS) APARTMENT TYPE: I.E., RENTAL	450 GPD FOR THE FIRST 3 UNITS AND 150 GPD FOR EACH UNIT THEREAFTER	1.8 + .6 FOR EACH UNIT AFTER 3	886 + 295 FOR EVERY UNIT AFTER 3	405 FOR FIRST 3 UNITS, & 135 FOR EACH UNIT THEREAFTER	2.02 FOR FIRST 3 UNITS & .67 FOR EACH ADDITIONAL UNIT	2,222 737/Unit after 3

TABLE 2

FLOW ESTIMATES AND CONNECTION FEES

CONNECTION FEES FOR ALL COMMERCIAL USES

<u>METER SIZE (Inches)</u>	<u>EQUIVALENT UNITS</u>	<u>WATER CHARGE</u>	<u>WASTEWATER CHARGE</u>
5/8 x 3/4	1.0	\$ 492.00	\$ 1,375.00
1	2.5	\$ 1,230.00	\$ 3,437.50
1-1/2	5.0	\$ 2,460.00	\$ 6,875.00
2	10.0	\$ 4,920.00	\$ 13,750.00
3	20.0	\$ 9,840.00	\$ 27,500.00
4	30.0	\$14,760.00	\$ 41,250.00
6	100.0	\$49,200.00	\$137,500.00
8	175.0	\$86,100.00	\$240,625.00

NOTE:

Industrial use should be based on meter size for water and an evaluation of flow and treatment requirements for wastewater.

Where a commercial user does not have a water meter, as set forth above, connection fees will be determined based on the Utilities Department estimate of what water meter size would be utilized if Hernando County did, in fact, provide water service.