

**Indian River County, Florida  
Department of Utility Services  
Board Memorandum**

**Date:** September 30, 2021

**To:** Jason E. Brown, County Administrator

**From:** Sean Lieske, Director of Utility Services

**Subject:** Recommendation for Mandatory Connections

**Background/Analysis:**

During the August 16, 2022, Board of County Commissioners (BCC) meeting, Commissioner O'Bryan, along with support from the rest of the Commissioners, instructed the Indian River County Department of Utility Services (IRCDUS) to provide the Commission with recommendations on a policy related to mandatory sewer connections following the installation of sanitary sewer infrastructure associated with septic to sewer (S2S) projects. While county ordinances include specifics surrounding connections to public sanitary sewer, they have often not been consistently enforced and are not clear in the expectations related to mandatory connections following S2S conversion projects.

During a Commission meeting on November 13, 2018, staff recommended the Commission adopt the following septic to sewer policy:

1. Require benefiting property owners to pay a minimum of 20% of project costs
2. Solicit alternative funding options, which include various grants, to cover the remaining project costs
3. Use Optional Sales Tax dollars as needed, not to exceed 25% for both construction cost and impact fees
4. Establish a S2S financing interest rate to be the greater of the maximum of either 2% or half of the current BCC approved rate. (At the time, the current rate was 5% so the S2S rate was 2.5%)
5. Extend the amortization period from 10 years up to a 20-year term and direct staff to work with the Indian River County Tax Collector (IRCTC) to add the annual assessment fee to the property tax bill in order to ensure a more consistent reimbursement cash flow for the project
6. Offer a S2S impact fee credit of 100% for those property owners who commit to connect to the sewer system before sewer is available to the property. For those property owners that connect within one year from service availability, provide a credit of 50% of the impact fee. (The funding for this currently comes from Optional Sales Tax)

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The policy was approved by the BCC on November 13, 2018, but with a minor change to item 6. The BCC's directive was to still allow up to three years to connect, but residents would be eligible for the impact fee credit based on a sliding scale of 100% prior to sewer being available, 75% in year one, 50% in year two and 0% if they waited to connect after three years. The following is an excerpt from the BCC Meeting minutes:

**A motion was made by Vice Chairman Solari, seconded by Commissioner Flescher, to approve staff's recommendations one (1) through five (5). Recommendation number six (6) was approved with the following modification: Offer a Septic to Sewer impact fee credit of 100% for those property owners who commit to connect to the sewer system before sewer is available to the property. For those property owners that connect within one year from service availability, provide a credit of 75% of the impact fee. For those property owners that connect within two years from service availability, provide a credit of 50% of the impact fee. There would be no credit (0%) for property owners who connect after the second year of availability, with mandatory hookup required by year three.**

While many of these policy decisions have been followed, the policy has been difficult to enforce since County ordinances have not been revised to reflect the policy. IRCDUS has prepared a series of suggestions on what we believe would be necessary to update county ordinances to create more certainty surrounding expectations for sewer lateral and water service line connections following infrastructure installation. IRCDUS would recommend working with the County Attorney's office to consider further development of the following suggestions:

- 1) Must connect within three years of water/sewer becoming available.
  - a. This could also be either one or two years, depending upon the determination of the BCC.  
*Note: Current warranty periods we receive from the contractors for the water and sewer mains are one year, so requiring connections within one year would coincide with that warranty period.*
  - b. Would need to identify some limit as to what is meant by "availability". Current requirements require connection if the gravity or force main is within 200 feet for single family residential (SFR) homes, ¼ mile for residential land development permits, and ¼ mile for commercial properties within the urban service boundary (USB). This may also need to include verbiage to address accessibility, such as easements and/or right-of-way (ROW) to access property and other factors related to cost and feasibility of connection.
  - c. Recommend amending County Code based on the BCC's preference, which would make it a code violation if a residence did not connect.
  - d. The code would need to address residents in areas where existing infrastructure has already been installed. Perhaps it would be possible to provide existing customers that meet the distance limitations up to three (3) to five (5) years to connect. This could be done through some form of grandfathering clause.

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- 2) In order to receive sewer service, homeowners must also connect to water.
  - a. Unable to determine sewer usage without the metering of the water on the front end.
  - b. This too would likely require a change to County Code, thereby making it a code violation if they were not to connect to water.
  
- 3) Set aside a specified amount of funding in each year's budget to assist with low income/disadvantaged home owners. The amount would be based on S2S projects that have been completed or are expected to be completed during the fiscal year. The amount would then be approved by the BCC during the budgetary approval process.
  - a. Funding could be anywhere between 0 – 100% of sewer and water, depending upon eligibility. For example, the County could provide up to 100% of connection costs for households in the Extremely Low and Very Low income category. This would drop to 75% for household qualified as Low income, and would decrease to 50% for Moderate income households. Above this amount, the property owner would be responsible for 100% of connection costs.
  - b. Eligibility would be based on the formulas within the State Housing Initiative Partnership (SHIP) Program. We could call the program SWIFT (Sewer & Water Infrastructure Funding Tactic).

Household Size	Eligible to receive up to <b>\$20,000.00</b> Purchase Assistance loan if total gross annual income is:		Eligible to receive up to <b>\$15,000.00</b> Purchase Assistance loan if total gross annual income is:	Eligible to receive up to <b>\$10,000.00</b> Purchase Assistance loan if total gross annual income is:
	<b>Extremely Low</b> <u>Not to Exceed</u> 30% of MI	<b>Very Low</b> <u>Not to Exceed</u> 50% of MI	<b>Low</b> <u>Not to Exceed</u> 80% of MI	<b>Moderate</b> <u>Not to Exceed</u> 120% of MI
1 Person	\$14,650	\$24,400	\$39,000	\$58,560
2 Persons	\$17,240	\$27,850	\$44,600	\$66,840
3 Persons	\$21,720	\$31,350	\$50,150	\$75,240
4 Persons	\$26,200	\$34,800	\$55,700	\$83,520
5 Persons	\$30,680	\$37,600	\$60,200	\$90,240
6 Persons	\$35,160	\$40,400	\$64,650	\$96,960
7 Persons	\$39,640	\$43,200	\$69,100	\$103,680
8 Persons	\$44,120	\$45,950	\$73,550	\$110,280

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- c. Only permanent residents (or homesteaded properties) would be eligible. Landlords/rental properties would be required to cover the entire expense on their own.
  - d. The plan would be to continue to fund this through Optional Sales Tax. This may be problematic if sewer were to be installed within a low-income community as enough funding may not be available.
- 4) Cost of connections could be paid through the tax roll, with a 10 – 20-year payoff, depending upon the amount needing to be financed.
- a. Consider 10 years interest free. If elect to finance for greater than 10 years, consider requiring interest to be accrued as part of the payoff.
  - b. Cost of connection would run with the house.
  - c. Must be paid in full at sale of house, unless new owner agrees to continue the debt payments.
- 5) Require that once connected to County water, not allowed to return to well water.
- a. This would require a change to County code, thereby making it a code violation if they were to reconnect to well water.
  - b. Since we do not shut off sewer, we need a way to hold citizens accountable for their water bill, especially when/if we have to cut off the water for no payment.  
*Note: Current code technically requires metering of private wells if a location is only connected to sewer; however, this can be problematic since wells are considered private property.*
  - c. Could be tied to a cross-connection ordinance. Connecting their household plumbing to well water when they are also connected to County water creates a cross-connection unless properly protected. County code at Section 201.32 addresses illegal cross-connections

### Funding:

No funding is required at this time, but if we were to move forward with these proposals, we would anticipate funding for the SWIFT program would come from Optional Sales Tax.

### Recommendation:

Staff recommends the Board of County Commissions instruct the Indian River County Department of Utility Services work with the County Attorney's office, Budget Office and the Tax Collector's Office to evaluate these options and bring forth proposed changes to County Code in accordance with the appropriate administrative procedures. Any proposed ordinance changes would be accompanied by a corresponding guidance document to assist staff and citizens with understanding the requirements.