Holley-Navarre Water System, Inc.

SYSTEM CAPACITY FEE

POLICIES, PROCEDURES & CALCULATIONS

EFFECTIVE: AUGUST 4, 2017

REVISED: NOVEMBER 9, 2017

REVISION #2: MAY 20, 2025

8574 Turkey Bluff Road, Navarre, FL 32566
Phone: (850) 939-2427 Fax: (850) 939-9541

Table of Contents

GENERAL POLICY **1**
SYSTEM CAPACITY FEES REQUIRED **1**
SYSTEM CAPACITY FEE DETERMINATION REQUEST **1**
NO SYSTEM CAPACITY FEE RESERVATIONS ALLOWED **2**
TRANSFERABILITY AND REIMBURSEMENT OF SYSTEM CAPACITY FEES **2**
SYSTEM CAPACITY FEE FINANCING **2**
EQUIVALENT RESIDENTIAL UNIT (ERU) **2**
CURRENT SYSTEM CAPACITY FEES **2**
CALCULATION OF SYSTEM CAPACITY FEES **3**
RESIDENTIAL SYSTEM CAPACITY FEES **3**
COMMERCIAL SYSTEM CAPACITY FEES **3**
APPEALS OF SYSTEM CAPACITY FEE DETERMINATIONS **4**
MODIFICATION TO SYSTEM CAPACITY FEE POLICY **4**
F.A.C. 64E-6.008 TABLE 1 ..... **5**
SYSTEM CAPACITY FEE DETERMINATION REQUEST FORM **8**

SYSTEM CAPACITY FEE POLICIES, PROCEDURES, & CALCULATIONS

GENERAL POLICY

It is the policy of Holley Navarre Water System, Inc. (HNWS) that each new, expanded or altered connection to the water and sewer system pay their fair share of the common infrastructure required for their service such as wells, tanks, transmission lines, wastewater treatment plants, effluent disposal systems, primary collection lines and lift stations. System Capacity Fees are charged to each new, expanded or altered connection to recover these costs. Each new, expanded or altered connection to the system is evaluated to determine their impact upon the system and is then charged for the capacity of the common infrastructure they require for service.

It is commonly asked why new, expanded or altered connections to the system are charged a System Capacity Fee when the common infrastructure already exists and may even already be paid for. The answer is simple. Infrastructure that exists was paid for, or financed by, those customers that were in existence at that time. The infrastructure that exists that is currently being financed by pledging the system revenues is being paid for by existing customers through monthly water and wastewater charges. It is unfair for a new customer to connect to the system and reap a financial benefit at the expense of customers that have been on the system. While it is not possible to directly reimburse existing customers for what they have paid, the System Capacity Fees charged to new customers enable new construction and major repairs or replacement for common infrastructure to be completed without raising the rates of existing customers.

SYSTEM CAPACITY FEES REQUIRED

Payment of System Capacity Fees are required for any new residential or commercial construction. System Capacity Fees must be paid before water service will be provided to any residential or commercial property. Additionally, any change of use, remodeling, expansion or alteration of a residential home or commercial business may require the payment of additional System Capacity Fees if the alteration causes additional demands upon the water and/or wastewater system. Any residential or commercial customer that makes such an alteration is responsible for contacting HNWS to determine whether payment of additional System Capacity Fees is required. HNWS monitors the water usage of all customers for usage. If a customer makes alterations to an existing residence or business that increases demand without payment of additional System Capacity Fees, the customer may be subject to having their service terminated until payment has been received. If HNWS makes such a determination the customer will be notified and shall be provided 30 days to respond prior to termination of service.

SEWER SYSTEM CAPACITY FEES

Payment of System Capacity Fees are required for any meter that is associated with another metered account that is connected to the centralized sewer system. If the meter is not physically connected to the centralized sewer system, and therefore does not receive sewer service, it will still be charged a sewer system capacity fee and monthly sewer charge. These sewer charges are in place so that the requirements of the NWFWMD Water Use Permit are met, specifically the requirement not allowing HNWS to provide “yard meters” in the franchise. An example would include a separate meter for a pool that is part of an apartment complex or facility that is connected to sewer. The only kind of account that would be charged a monthly sewer rate, but not an initial sewer system capacity fee, is a food truck. This is because a food truck must meet the definition of being an itinerant vendor through the County and must remain in a mobile status. This applies to all existing accounts and additional sewer system capacity fees may be owed per the Annual Commercial Review. Sewer

system capacity fees will be owed in an amount equal to the number of water ERUs credited on the account through paid water system capacity fees.
A "yard meter" is any meter installed on a property for the specific purpose of avoiding a monthly sewer charge because the water usage does not enter the sewer system. These types of meters are associated with properties that have centralized sewer available.

SYSTEM CAPACITY FEE DETERMINATION REQUEST

To determine System Capacity Fees for new construction and to aid homeowners or developers for planning purposes, anyone may request an System Capacity Fee determination for a proposed or conceptual project by completing the attached form and providing the information requested on the form. It should be noted that System Capacity Fee determinations are only valid for 60 days for new construction and are only valid at issuance for conceptual projects. Every effort is made to notify the public in advance of System Capacity Fee changes, but no guarantees are made or implied. For the System Capacity Fee determination to be valid for 60 days, there must be evidence provided that the project is substantially designed or actively being permitted.

NO SYSTEM CAPACITY FEE RESERVATIONS ALLOWED

System Capacity Fees may not be paid for conceptual projects to reserve capacity or to reduce costs in advance of System Capacity Fee increases. System Capacity Fees may only be paid when construction is eminent. In the event that construction does not occur in a timely manner, or the project is delayed or abandoned, HNWS reserves the right to impose additional System Capacity Fees should the System Capacity Fees be increased during that time period. Projects for which System Capacity Fees have been paid and construction is eminent or under way and proceeding in a reasonably timely manner at the time of System Capacity Fee increases are NOT subject to additional System Capacity Fees.

TRANSFERABILITY AND REIMBURSEMENT OF SYSTEM CAPACITY FEES

System Capacity Fees or credits for System Capacity Fees are NOT transferable on permanent structures including mobile homes. System Capacity Fees that have been paid for on undeveloped property may be transferred with Board approval.

There shall be no reimbursement for System Capacity Fees paid in the event of abandonment or demolition of residences or commercial structures or the reduction in size of, or demand from, residences or commercial structures. The original System Capacity Fees paid and the number of ERUs paid for shall remain credited to the property, however.

SYSTEM CAPACITY FEE FINANCING

Generally, HNWS does not finance or provide payment plans for System Capacity Fees. Occasionally, in special circumstances, the Board may change or amend this policy on a case-by-case basis. The customer shall be responsible for making such request to the Board.

EQUIVALENT RESIDENTIAL UNIT (ERU)

System Capacity Fees are charged and calculated based upon an Equivalent Residential Unit also known and referred to as an ERU. An ERU is the expected average residential daily water use. HNWS currently uses 300 gallons per day as the

definition of an ERU. From time-to-time HNWS reviews the typical water use within the system and may change the definition of an ERU based upon actual data.

CURRENT SYSTEM CAPACITY FEES

The Board of Directors of HNWS sets the System Capacity Fees for the system as a matter of policy. The current System Capacity Fees for water and sewer are as follows:

Water
$2,250.00 per ERU

Sewer
$4,200.00 per ERU

CALCULATION OF SYSTEM CAPACITY FEES

System Capacity Fees are calculated differently for residential and commercial uses as follows:

Residential System Capacity Fees

Residential water usage is calculated as outlined in the residential section of **Table I** attached. The water usage is then divided by 300 gallons per day to determine the number of ERUs. The System Capacity Fee is calculated by multiplying the calculated number of ERUs by the water and sewer System Capacity Fees. A sample calculation is as follows:

An 1,150-square-foot house uses 200 gallons per day of water according to Table I. Dividing 200 gallons per day by 300 gallons per day per ERU results in 0.6667 ERUs. The ERU count of 0.6667 is then multiplied by $2,250 to determine the water System Capacity Fee and $4,200 to determine the sewer System Capacity Fee. The System Capacity Fees are as follows:

Water = 0.6667 ERU x $2,250 per ERU = $1,500.00
Sewer = 0.6667 ERU x $4,200 per ERU = $2,800.00
Total System Capacity Fees = $1,500.00 + $2,800.00 = 4,300.00

The total square footage of the house is deemed to be the total square footage that is enclosed under common roof and as outlined below. Any additional structures on the property that utilize water or sewer piping must also be included in the square footage. Common circumstances are addressed as follows:

(A) A garage that is fully enclosed but not heated or cooled would be included in the total square footage. A separated covered space for vehicles would not be included.
(B) A screened lanai would not be included. A fully enclosed sunroom would be included.
(C) A pool house that includes showers and/or sinks and/or toilets or any other related plumbing under roof would be included. A deck shower would not be included.
(D) A mobile sink would not be included. A permanently mounted outside kitchen under roof must be included whether fully enclosed or not.

Commercial System Capacity Fees

It is the policy of HNWS to calculate System Capacity Fees in accordance with the estimated sewage flows outlined in the Florida Administrative Code Chapter 64E-6 for all connections except residences which are calculated as discussed above. System Capacity Fees may be calculated using two methods as follows:

(A) In all cases the System Capacity Fee shall be calculated using the minimum estimated sewage flows outlined in FAC 64E-6 as incorporated into **Table I** attached. For those developments that intend to use potable water for irrigation purposes, HNWS shall impose additional System Capacity Fees relative to the intensity of proposed landscaping.

(B) If the customer so desires, the System Capacity Fee may be based upon existing similar type businesses using the following guidelines:

1. HNWS shall accept, for other than residences, metered water use data in lieu of the estimated sewage flows set forth in Table I. For metered flow consideration, the applicant shall provide authenticated monthly water use data documenting water consumption for the most recent 24-month period for at least three similar establishments. Similar establishments are those like size operations engaged in the same type of business or service, which are located in the same type of geographic environment, and which have approximately the same operating hours. Metered flow values will not be considered to be a reliable indicator of typical water use where one or more of the establishments utilized in the sample has exceeded the monthly flow average for all three establishments by more than 25 percent or where the different establishments demonstrate wide variations in monthly flow totals. When metered flow data is accepted in lieu of estimated flows found in Table I, the highest flow which occurred in any month for any of the three similar establishments shall be used for system sizing purposes.
2. The acceptance of this alternative System Capacity Fee calculation shall require the approval of the Board of Directors.
3. Should this form of System Capacity Fee calculation be approved, the project shall be reviewed at the one year and two-year anniversaries of operation to determine whether the usage is in line with that projected. Should usage deviate more than 10% from projected, the project shall be subject to additional System Capacity Fees payable with 30 days of notice. Non-payment of additional fees shall be cause for termination of service until such fees are paid.

APPEALS OF SYSTEM CAPACITY FEE DETERMINATIONS

Any appeal of System Capacity Fees as determined by HNWS shall be made to the HNWS Board of Directors at a regularly scheduled meeting.

MODIFICATIONS TO SYSTEM CAPACITY FEE POLICY

The Board of Directors of HNWS may from time-to-time review and modify this policy. The Board of Directors may from time to time temporarily modify or suspend portions of this policy if it is determined that the best interests of the members are served by such a modification.

TABLE I
For System Design
ESTIMATED SEWAGE FLOWS
TYPE OF GALLONS
ESTABLISHMENT PER DAY

COMMERCIAL:

Airports, bus terminals, train stations, port & dock facilities,
Bathroom waste only
(a) Per passenger 4
(b) Add per employee per 8 hour shift 15
Barber & beauty shops per service chair 75
Bowling alley bathroom waste only
Per lane 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, exclusive of industrial wastes gallons per employee per 8 hour shift
(a) No showers provided… 15
(b) Showers provided 25
Flea Market open 3 or less 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
(d) For flea markets open more than 3 days per week estimated flows shall be doubled
Food operations
(a) Restaurant operating 16 hours or less
per day per seat 40
(b) Restaurant operating more than 16 hours
per day per seat 60
(c) Restaurant using single service articles only and operating 16 hours or less per day
per seat 20
(d) Restaurant using single service articles only and operating more than 16 hours per day
per seat 35
(e) Bar and cocktail lounge per seat 20
add per pool table or video game 15
(f) Drive-in restaurant per car space 50
(g) Carry out only, including caterers
1. Per 100 square feet of floor space 50
2. Add per employee per 8 hour shift 15
(h) Institutions per meal 5
(i) Food Outlets excluding delis, bakery, or meat department
per 100 square feet of floor space 10
1. Add for deli per 100 square feet of deli
floor space 40
2. Add for bakery per 100 square feet of bakery

floor space 40
3. Add for meat department per 100 square feet of meat
department floor space 75
4. 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
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
275
Office building
Per employee per 8 hour shift or.....15
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..... 200
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
add 1 gallon for each 2 units or fraction thereof, for over 200 units, and shall be in
addition to employees, offices or living quarters flow rates.

INSTITUTIONAL:
Churches
Per seat which includes kitchen wastewater flows unless meals prepared

on a routine basis 3
If meals served on a regular basis add
per meal prepared... 5

Hospitals
Per bed which does not include
kitchen wastewater flows 200
add per meal prepared... 5

Nursing, rest homes, adult congregate living
Facilities per bed which does not
include 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 other than schools and hospitals
Per person which does not
include kitchen wastewater flows..... 100
add per meal prepared... 5
Schools per student
(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
750 sq. ft. or less of building area 100
751-1200 sq. ft. of building area 200
1201-2250 sq. ft. of building area 300
2251-3300 sq. ft. of building area 400
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 blackwater and 50 percent graywater.
4. 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.
5. 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.