

**COMMUNITY WORKSHOP
APALACHICOLA CITY COMMISSION
TUESDAY, DECEMBER 9, 2025 – 6:00 PM
CHAPMAN AUDITORIUM
155 AVENUE E, APALACHICOLA, FLORIDA 32320**

AGENDA

You are welcome to comment on any matter under consideration by the Apalachicola City Commission when recognized to do so by the Mayor. Once recognized please come to the podium, state your name for the record and adhere to the five-minute time limit for public comment. Comments may also be sent by email to the City Manager or to Commissioners.

I. Call to Order

II. DISCUSSION: Receive Public Input - Local Bill Transferring the City of Apalachicola's Utility System

Adjournment

Any person who desires to appeal any decision at this meeting will need a record of the proceeding and for this purpose, may need to ensure that a verbatim record of the proceeding is made which includes testimony and evidence upon which the appeal is based. Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office 48 hours in advance of the meeting.

MEMORANDUM

TO: City Commission
City Attorney Daniel Hartman

DATE: December 2, 2025

FROM: Chuck Anderson, City Manager

SUBJ: Community Update - Local Bill Transferring the City of Apalachicola's Utility System

The purpose of this Memorandum is to provide background, updates, and additional information regarding the latest Bill language and Commissioner meetings related to the establishment of the Apalachicola Water and Sewer District.

Background and Updates

The local delegation provided a draft of the legislation that they introduced for the upcoming session. The City has unfortunately not had a role in crafting the legislation up to this point. Initially, it was proposed that the local delegation would introduce a bill expanding the boundaries of the Eastpoint Water and Sewer District to encompass the City service territory. The local delegation has changed from that standpoint to establishing an Independent Special District called the "Apalachicola Water and Sewer District." The City of Apalachicola would be the sole entity in this district. For planning purposes, all bill changes need to be submitted through Representative Shoaf's office by January 9, 2026. Another local delegation meeting for the community is currently being scheduled for some time this month, and possibly during the week of December 15, 2025.

The Apalachicola Water and Sewer District would be governed by a five-member Board. Three members would be appointed by the Governor, one by the County and one by the City. Members would serve four-year terms and would be required to be users of the water and sewer services. The board will currently **NOT** have Ad Valorem taxing authority. Establishing the new district is being relayed as a first step in regionalization of utility systems. Other potential entities that would join in the regionalization, whether they be cities/towns/counties or other districts will be known when a feasibility study is completed by Northwest Florida Water Management District in the next 18-24 months.

The local bill is currently worded to transfer all property, owned, possessed, or controlled by the City of Apalachicola (COA) for the purposes of providing water and sewer systems as well as other assets, contracts, obligations, and liabilities of the COA to the new district. A review of the bill and the process to establish the new district revealed several items that remain undetermined;

- a. How will the initial costs to create the district and provide services be funded,
- b. How much will rates have to increase for the district to function,
- c. What happens to the city's employees and their jobs,
- d. How will the city be compensated for the transfer of assets to the district,
- e. How is it guaranteed that the new district will provide better service or water quality,
- f. Will the creation of the district conflict with the city charter? Would a referendum or charter amendment be needed?

Yesterday, representatives from Senator Simon's and Representative Shoaf's offices as well as representatives from NWF Water Mgt District and FL Rural Water met with each City Commissioner individually to update the commissioners on the bill and to answer questions they had. The following questions were asked;

- *Can citizens be allowed to vote on this local bill?*
- *When will negotiations for assets and boundaries be discussed?*
- *How was the need for the district defined, and by whom?*
- *What does regionalization look like for this area/forgotten coast?*
- *What are the steps to form this district, the timelines, and items needing to be addressed to begin providing service from this district?*
- *Will the new district have access to the City of Apalachicola's Area of Critical Concern appropriation funding?*
- *Is the City reimbursed for usage of the Rights of Way? Are we still responsible to maintain the rights-of-way when the district is formed?*
- *What effect/conflicts does the formation of the district have with the City Charter?*
- *Could a third disinterested party (such as FL Rural Water or NWF Water Mgt District) have a member appointed to the board?*
- *Can the Governor change district board appointees at will?*
- *What is the funding mechanism for start up costs of the district?*
- *What is the short range plan (1-2 years) for the current utility system?*
- *Will the City assets be taken by the new district?*
- *What other examples of prior utility migrations are there? Can you provide their agreements?*
- *How does the local bill solve regionalization as the City could do that now without creating a district?*
- *How will the new district improve water/sewer service and quality?*
- *What are the mechanics of how the local bill becomes law and how does that migrate into providing services?*
- *Is the proposed 12-months being proposed from when the bill is signed enough time to transition to a new and functional district?*
- *How are assets transferred; when and how and how is the city compensated?*
- *What is the economic impact on the City and is there a statement that lists the impacts?*
- *Can the City have right of first refusal to provide services to the City if the new district dissolves?*
- *How much will rates increase with the new district?*
- *How does the local bill/district improve water quality now?*
- *Will employees be provided (or guaranteed) jobs at the new district?*
- *What education can the legislature provide our citizens so they understand what is occurring?*
- *With this transition, can the State Revolving Fund loan be forgiven?*

With these meetings concluded, the City faces a significant decision as to whether to cooperate with the transfer of the utility system to alternative ownership as described or not. This is a complex and likely permanent decision and will form the basis for the next steps the City undertakes.

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A bill to be entitled
An act relating to Apalachicola Water and Sewer District, Franklin County; creating and establishing the Apalachicola Water and Sewer District; providing a district charter; providing definitions; describing boundaries; providing for a district board; providing powers of the district and district board; providing for the transfer of assets, assumption of all lawful debts and other obligations, and continuation of contracts by district; providing an effective date.

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

Section 1. The Apalachicola Water and Sewer District ("district") is created as an independent special district in Franklin County. The district is organized and exists for all purposes and shall hold all powers set forth in this act and chapters 189 and 197, Florida Statutes, except as otherwise provided in this act. The district charter may be amended only by special act of the Legislature.

Section 2. The charter for the Apalachicola Water and Sewer District is created to read:

Section 1. Name and corporate status.-

(1) The name of the district is the "Apalachicola Water and Sewer District."

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(2) The district shall be an independent special district of the State of Florida and a body corporate and politic.

Section 2. Definitions.-

(1) "Water system" means waterworks or water treatment plant, or other operation concerning fresh water production, distribution, or sale.

(2) "District" means the Apalachicola Water and Sewer District.

(3) "Board" means the Apalachicola Water and Sewer District Board.

(4) "Sewer system" means plant, system, facility, or other operation concerning collection, treatment, reuse, purification, or disposal of effluent water.

(5) "Water Reuse" means any water used for alternative uses like irrigation, or water recycling for the purpose of disposal of effluent water from the treatment of wastewater.

Section 3. District boundaries.- The lands incorporated within the Apalachicola Water and Sewer District consist of the following described lands in Franklin County:

[insert property description]

Section 4. Board of the district.-

(1) The governing body of the district shall be the Apalachicola Water and Sewer District Board consisting of five members, with three members appointed by the Governor, one member appointed by the Franklin County Board of County

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Commissioners, and one member appointed by the City of Apalachicola City Commission. All members of the board must be water and/or sewer customers of the district.

(2) Members shall serve a 4-year term, however the members appointed by the Franklin County Board of County Commissioners and the City of Apalachicola City Commission shall be subject to removal by those governing bodies during their unexpired terms.

(3) Each year, the board shall hold an annual organizational meeting and elect a chair, vice chair, secretary, and treasurer, whose duties shall be established by resolution of the board.

(4) The board shall have those administrative duties set forth in this charter and chapter 189, Florida Statutes.

(5) A quorum of the board shall be a majority of its members. Official action will require a majority of those voting members present.

(6) Requirements for financial disclosure, meeting notices, reporting, and public records maintenance and shall be as set forth in chapters 112, 119, 189, and 286, Florida Statutes.

(7) Members of the boards shall serve without compensation, but may be reimbursed for their expenses pursuant to s. 112.061, Florida Statutes.

Section 5. Powers of the district and board.-

(1) The district, by and through the board, is authorized and empowered:

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(a) To purchase and/or construct, reconstruct, buy, improve, extend, enlarge, equip, repair, maintain, and operate a water system; to provide fresh water either within the area described in section 3 of this act or to property located outside the district's boundaries if the district enters into an agreement with effected property owners, or both; to operate, manage, and control all such systems so purchased and/or constructed and all properties pertaining thereto; and to furnish and supply water, sewage, and disposal services such as water reuse to such district or adjoining area and any persons, firms, or corporation, public or private, in any such area.

(b) To issue negotiable water revenue certificates of the district, payable from revenues to be derived from the operation of said water and/or sewer system.

(c) To fix and collect rates and charges for water sewer or reuse, furnished by said water and sewer systems and to fix and collect charges for making connections with any water or sewer system.

(d) To acquire in the name of the district, by purchase or gift, within and without such lands and rights and interests therein, including lands over and under water and riparian rights; to acquire such personal property as it may deem necessary in connection with the construction or operation of water and sewer systems; and to hold and dispose of all real and personal property under its control.

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101 (e) To enter into contracts with private parties or
 102 interlocal agreements with governmental entities for the purpose
 103 of purchasing, constructing, operating, or maintaining a water
 104 system or providing water services in the area described in
 105 section 3 of this act or to areas outside the district's
 106 boundaries.

107 (f) To exercise the right and power of eminent domain,
 108 pursuant to general law, over property described in section 3,
 109 except municipal, county, state, special district, or federal
 110 property used for a public purpose.

111 (g) To make and enter into all contracts and agreements
 112 necessary or incidental to the performance of its duties and the
 113 execution of its powers under this act, including a trust
 114 agreement or trust agreements securing any bonds issued
 115 hereunder; to employ such expert and clerical personnel as may,
 116 in the judgment of the board, be deemed necessary; and to fix
 117 their compensation, provided, however, that all such expenses
 118 shall be payable solely from funds made available under the
 119 provisions of this act.

120 (h) To exercise jurisdiction, control, and supervision
 121 over any water and sewer systems owned, operated, or maintained
 122 by it; to make and enforce such rules and regulations for the
 123 maintenance and operation of any such system as may in its
 124 judgment be necessary or desirable for the efficient operation
 125 thereof; and to accomplish the purposes of this act.

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(i) To enter on any lands, water, or premises located within the area described in section 3 or, pursuant to an agreement with the property owner or interlocal agreement, land located outside the district's boundaries to make surveys, borings, soundings, or examinations to effectuate the purposes of this act.

(j) To construct and operate water mains, laterals, conduits, pipelines, pumping stations, lift stations, valves, force mains, laterals, pressure lines, mains, and all necessary appurtenances thereto, in, along, or under any street, alley, highway, or other public place in the area described in section 3 or any other area that is subject to an agreement between the district and the entity controlling the public property.

(k) To restrain, enjoin, or otherwise prevent any political subdivision or agency and any person or corporation, public or private, from discharging into any navigable or non-navigable waters within the limits of the district any sewage, industrial waters, or other refuse which would contribute to the pollution of such and to restrain, enjoin, or otherwise prevent the violation of any provision of this act or any resolution, regulation, or rule adopted pursuant to the powers granted by this act.

(l) Subject to such provisions and restrictions as may be set forth in any resolution or trust agreement authorizing or securing any bonds issued under the provisions of this act, to

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enter into contracts with the government of the United States or
the state or any agency or instrumentality of either thereof, or
with any municipality, district, private corporation, co-
partnership, association, or individual providing for or
relating to such water system or the purchase and sale of water
or sewer system and the disposal of sewage.

(m) To receive and accept from any authorized agency of
the Federal or State Government loans or grants for the
planning, construction, improvement, extension, enlargement,
reconstruction, or equipment of any water and sewer systems; to
enter into agreements with such agency respecting any such loans
or grants; and to receive and accept aid or contributions from
any source of either money, property, labor, or other things of
value, to be held, used, and applied only for the purposes for
which such loans, grants, or contributions be made.

(n) To do all acts and things necessary or convenient to
carry out the powers expressly granted in this act.

(2) The board may fix and revise, as needed, rates and
charges for water furnished by any water system and for sewage
and/or effluent disposal, or water reuse by any sewer system and
charge and collect the same. Any such rates and charges shall be
so fixed and revised as to provide funds, with other funds
available for such purpose, sufficient at all times:

(a) To pay the cost of maintaining, repairing, and
operating the water and sewer systems of the district, and to

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provide reserves therefore and for replacements, depreciation,
and necessary extensions and enlargements.

(b) To pay the principal of and the interest on all
outstanding bonds for the payment of which such rates and
charges are pledged as the same shall become due and provide
reserves therefor.

(c) To provide a margin of safety for making such payments
and providing such reserves. Such rates and charges shall not be
subject to supervision or regulation by any commission, board,
bureau, or agency of the state or of any political subdivision
of the state. Such rates and charges shall be just and
equitable.

(3) The district shall have no power or authority to impose
or collect ad valorem taxes.

(4) No funds of the district shall be used for any purpose
other than those defined in this section and the administration
of the affairs and business of the district, or the purpose,
acquisition, construction, expansion, , maintenance, provide
improvement, and operation of a water system and sewer system in
the district as the board may determine to be for the best
interest of the district and inhabitants thereof.

(5) The board may provide in the resolution authorizing
the issuance of bonds under this act or in any trust agreement
securing such bonds that if any water or sewer rates shall not
be paid within 30 days from the rendition of any such bills, the

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district shall discontinue furnishing water to such premises and
may disconnect the same from the water system. Any such
resolution or trust agreement may include any or all of the
following provisions, and may require the board to adopt such
resolutions or to take such other lawful action as shall be
necessary to effectuate such provisions, and the board is hereby
authorized to adopt such resolutions and to take such other
action.

(a) The district may require the owner, tenant, or
occupant of each lot or parcel of land within the district who
is obligated to pay water or sewer rates to the district; to
make a reasonable deposit with the district in advance; to
ensure the payment of such rates or charges; and to be subject
to application to the payment thereof if and when delinquent.

(b) If any water/ sewer or reuse rates charges payable to
the district shall not be paid within 30 days after the same
shall become due and payable, the district may at the expiration
of such 30 days period disconnect the premises from the water
system and the district may proceed to recover the amount of any
such delinquent rates or charges, with interest at the highest
legal rate, in any court having jurisdiction over claims for
money damages.

(6) The powers, functions, and duties of the district
relating to bond issuance, other revenue-raising capabilities,
budget preparation and approval, liens and foreclosure of liens,

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226 , and contractual agreements, and the methods for financing the
 227 district and, fees, or service charges, to the extent authorized
 228 by this act, shall be as forth in this charter, in chapters 170,
 229 189, and 197, Florida Statutes, and in any applicable general or
 230 special law.

231 (7) The district's planning requirements shall be as set
 232 forth in this act and chapter 189, Florida Statutes.

233 (8) The procedures for conducting any district elections or
 234 referenda authorized by general law, as well the qualification
 235 for electors for any district elections or referenda, shall be
 236 pursuant to chapter 189, Florida Statutes.

237 Section 3. As of the effective date of this act, all
 238 property, whether real, personal, or mixed, that is owned,
 239 possessed, or controlled by the City of Apalachicola for the
 240 purposes of providing water and sewer systems, as well as all
 241 other assets, contracts, obligations, and liabilities of the
 242 City of Apalachicola for such purposes, are hereby transferred
 243 and vested in the Apalachicola Water and Sewer District. All
 244 contracts and obligations of the City of Apalachicola for water
 245 and sewer systems existing on the effective date of this act
 246 shall remain in full force and effect, and this act shall in no
 247 way affect the validity of such contracts or obligations.

248 Section 4. This act shall take effect upon becoming a law.