

**SPECIAL MEETING  
APALACHICOLA CITY COMMISSION  
MONDAY, DECEMBER 15, 2025 – 1:00PM  
COMMISSION MEETING ROOM  
74 6<sup>TH</sup> STREET, 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 rise 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. Agenda Adoption**
- III. Public Comment**
- IV. Commission Discussion/Decision – Local Bill Transferring 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

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

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

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

94        (d) To acquire in the name of the district, by purchase or  
 95        gift, within and without such lands and rights and interests  
 96        therein, including lands over and under water and riparian  
 97        rights; to acquire such personal property as it may deem  
 98        necessary in connection with the construction or operation of  
 99        water and sewer systems; and to hold and dispose of all real and  
 100       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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126        (i) To enter on any lands, water, or premises located  
 127        within the area described in section 3 or, pursuant to an  
 128        agreement with the property owner or interlocal agreement, land  
 129        located outside the district's boundaries to make surveys,  
 130        borings, soundings, or examinations to effectuate the purposes  
 131        of this act.

132        (j) To construct and operate water mains, laterals,  
 133        conduits, pipelines, pumping stations, lift stations, valves,  
 134        force mains, laterals, pressure lines, mains, and all necessary  
 135        appurtenances thereto, in, along, or under any street, alley,  
 136        highway, or other public place in the area described in section  
 137        3 or any other area that is subject to an agreement between the  
 138        district and the entity controlling the public property.

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

148        (l) Subject to such provisions and restrictions as may be  
 149        set forth in any resolution or trust agreement authorizing or  
 150        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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201 district shall discontinue furnishing water to such premises and  
 202 may disconnect the same from the water system. Any such  
 203 resolution or trust agreement may include any or all of the  
 204 following provisions, and may require the board to adopt such  
 205 resolutions or to take such other lawful action as shall be  
 206 necessary to effectuate such provisions, and the board is hereby  
 207 authorized to adopt such resolutions and to take such other  
 208 action.

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

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

223 (6) The powers, functions, and duties of the district  
 224 relating to bond issuance, other revenue-raising capabilities,  
 225 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.