

Apalachicola Water & Sewer District Utility Transfer

Q&A #1 for Customers – July 6, 2026

What is changing?

Q: What does this bill do? A: It transfers ownership and operation of the City of Apalachicola's water and sewer system to a new, independent special district — the Apalachicola Water and Sewer District. The district will take over the utility's assets, contracts, debts, and staff from the City.

Q: When does the transfer happen? A: On **December 1, 2026**, all City-owned property, assets, contracts, and liabilities related to water and sewer service are transferred to and vested in the District.

Q: Do the City and District have to agree on how this happens? A: Yes. The City of Apalachicola and the District are required to enter into an interlocal agreement by **July 1, 2026, or 30 days after the Governor makes the initial board appointments**, whichever is later. This agreement is meant to cover things like an assessment of existing utility assets, regulatory and permitting cooperation, how assets and liabilities move to the District, and how district employees join the district and be serviced by the Florida Retirement System.

Q: What happens if the City and District can't agree by the deadline? A: The District gets sole authority to make whatever determinations are necessary to complete the transfer, and those decisions are binding on both the City and the District.

Q: Can the City take on new water/sewer debt in the meantime? A: No. Once the bill becomes law, the City may not incur any new obligations or debt related to the water and sewer utility, other than normal day-to-day operating expenses, and must avoid wasting its utility assets.

Will my water/sewer service be interrupted?

Q: Will service stop during the transfer? A: No. The bill is designed for continuity. All existing contracts and obligations for water and sewer service remain in full force and effect — the transfer doesn't cancel or void them.

Q: Will my provider change? A: Yes, technically — the Apalachicola Water and Sewer District becomes the utility owner and operator instead of the City. Day-to-day service (pipes, billing, maintenance, etc..) is intended to continue without disruption.

Who runs the District, and how are they accountable?

Q: Who sits on the District's board? A: Five board members make up the district board and must be **legal residents and water/sewer customers of the district** — so members must actually use the service they're overseeing.

Q: How are board members appointed or removed? A: All members serve 4-year terms. The **Governor appoints three members** to the board, who — like all board members — must be legal residents and water/sewer customers of the district. Additionally, one member is appointed by the **Franklin County Board of County Commissioners** and one member by the **Apalachicola City Commission**. These last two members can be removed by those bodies during their unexpired terms.

Q: What does the board need to do to officially organize and operate? A: Each year, the board must hold an **annual organizational meeting** to elect a chair, vice chair, secretary, and treasurer. A **quorum** is a majority of the board's members, and any **official action requires a majority vote of the members present** at a meeting. The board must also meet monthly.

Q: Will the board have to hire an attorney or a manager/director? A: The bill doesn't require it, but it gives the board the authority to do so. The board may **employ expert and clerical personnel** whenever it judges this necessary — which could include an attorney, general manager, or director — and sets their pay. Any such staffing costs must be paid solely out of district funds, not from taxes (since the district cannot levy ad valorem taxes).

Q: How often does the board meet, and is it public? A: The board must hold an **annual organizational meeting** to elect a chair, vice chair, secretary, and treasurer, and must **meet monthly**. The board is subject to Florida's financial disclosure, public meeting notice, reporting, and public records laws (Chapters 112, 119, 189, and 286, Florida Statutes).

Q: Are board members paid? A: No. Members serve without compensation, though they may be reimbursed for expenses under s. 112.061, Florida Statutes.

Rates, billing, and payment

Q: Who sets water and sewer rates? A: The District's board sets and can revise rates and charges, and these are **not subject to state or local government rate regulation** — but

the law requires rates to be "just and equitable" and structured to cover operating costs, debt payments, and reserves.

Q: Can the District charge me property taxes? A: No. The District has **no authority to impose or collect ad valorem (property) taxes**. It's funded through user rates and charges, not taxes.

Q: Can the District require a deposit or disconnect service for nonpayment? A: Yes. The District can require a reasonable deposit in advance, and if a bill isn't paid within **30 days** of becoming due, the District may disconnect service and pursue collection of the unpaid amount, plus interest at the highest legal rate, through the courts.

Q: How are my rate payments used? A: Funds may only go toward district administration, operating the water/sewer system, and paying costs the board determines serve the "best interest of the district and inhabitants" — not for unrelated purposes.

Utility operations and infrastructure

Q: What powers does the District have over the water/sewer system? A: Broad operational powers, including the ability to build, buy, expand, repair, and operate water and sewer systems; issue water revenue certificates (bonds); acquire property (including by eminent domain, except for other public property used for a public purpose); enter contracts and interlocal agreements; enforce anti-pollution rules; and accept state/federal loans or grants for system improvements.

Q: Can the District serve customers outside Apalachicola? A: Yes, if it enters an agreement with affected property owners or through an interlocal agreement, the District can extend service or infrastructure outside its boundaries.

What happens to current City utility employees?

Q: Will City water/sewer staff lose their jobs? A: No. Current City employees who work in providing water and sewer service become **employees of the District**, as detailed in the interlocal agreement or other transition determinations.

Q: What about their retirement benefits? A: The District must ensure that transferred employees **continue their membership in the Florida Retirement System (FRS)**.

Timeline

Date	Event
Upon becoming law	City barred from new water/sewer debt beyond normal operating expenses
July 1, 2026 (or 30 days after Governor's initial board appointments, if later)	Deadline for City–District interlocal agreement
December 1, 2026	All water/sewer assets, contracts, and liabilities formally transfer from City to District

NOTE: Please send any additional questions about the transfer to Colin Wefing, Special Projects Coordinator at cwefing@cityofapalchicola.com. Those questions will be consolidated and responded to in a future update.
