



### CAPACITY EXPANSION CHARGES

Within the service areas of Okaloosa County Water & Sewer (OCWS), Capacity Expansion Charges (CECs) pertain to new construction.

CECs will increase incrementally beginning October 1, 2024, with the following schedule:

- currently - \$800 for water and \$3,200 for sewer for a single family home (or 1 equivalent residential unit)
- October 1, 2024 - increase to \$900 for water and \$3,500 for sewer
- **October 1, 2025 - increase to \$1,000 for water and \$3,800 for sewer**
- October 1, 2026 - increase to \$1,100 for water and \$4,100 for sewer
- October 1, 2027 - increase to \$1,200 for water and \$4,400 for sewer
- Fire CECs for new construction also increase incrementally, which are dependent upon the diameter of the dedicated fire line as it enters the building.

To provide more background:

- OCWS' CECs have been \$800 and \$3,200 for water & sewer, respectively, since 2003, with no increase.
- The Board of County Commissioners approved the above-listed increases in September 2023, with a 5-year Rate Plan, and then information was disseminated to Builders and Developers via email and at a BIA meeting (Building Industry Association).
- CECs help defray the cost of critical behind-the-scenes infrastructure, such as wastewater plants and public water supply wells. OCWS' 5-year Capital Improvement Plan contains numerous projects that will allow growth and development to continue. OCWS has attempted to keep CECs and rates as low as possible, but this incremental increase is necessary.
- If anyone is interested in pre-paying CECs before October 1 to achieve the lower rate, this can only be done per Sections 24-172 and 24-173 of the Water & Sewer Ordinance, which is attached.

Please be advised that all payments must be received prior to the above-mentioned October 1 dates to pay the lower rate. For example, any CECs received on 10/1/2024 to 9/30/2025 will be \$900 for water and \$3,500 for sewer (for 1 unit).

## **Okaloosa County Water & Sewer Ordinance Ordinance No. 2023-18, Effective 10/1/2023**

Key sections related to Capacity Expansion Charges:

### **Sec. 24-172. - Site specific water and sewer capacity expansion charges.**

Water and sewer capacity expansion charges (formerly referred to as "tapping fees") shall be for a specific project at a specific site and shall not be transferable. No water and/or sewer capacity expansion charge shall be allowed to be moved to any other site. Water and sewer capacity expansion charges are non-refundable, unless the physical connection to the Okaloosa County Water and/or Sewer System has not been made; in that case, any refunds would be for the original charges paid (not necessarily the current charges listed in Appendix A) to the current land owner. Capacity expansion charges run with the land. Any interest earned by the Board on capacity expansion charges while being held by the Board shall be deemed an additional charge for water and sewer service.

### **Sec. 24-173. - Pre-paid capacity expansion charges.**

Capacity expansion charges may only be sold if the parcel is a platted lot; is an approved lot split; is subject to an active Development Order or Development Agreement; is a building addition; or is for specific structures on larger tracts that are undergoing building permit or Development Order review. Pre-paid capacity expansion charges are defined as capacity expansion charges that have been paid for, but the physical connection to the Okaloosa County Water and/or Sewer System has not yet been made. Effective October 1, 2021, pre-paid capacity expansion charges will be refunded to the current land owner if not connected within five years of the initial payment. For any pre-paid capacity expansion charges paid for by County-obtained outside funding (i.e. grants), capacity expansion charges will not be refunded to a customer or property owner. Pre-paid capacity expansion charges before October 1, 2021, will be refunded to the current land owner if not connected within five years of the initial payment, unless the property owner specifically requests in writing not to receive the refund; these pre-paid capacity expansion charges will then continue to be site specific and will run with the land per Section 24-172.