



WATER AND SEWER  
INFRASTRUCTURE  
TASK FORCE  
REPORT

MAY 2003



Building Community.

Excessive nitrogen and phosphorus entering water bodies may cause too much plant growth that can rob the water of oxygen and turn cause certain plants, fish and animals to disappear from the waters.

### **C. Benefits of Connecting to Water and /or Sewer Service**

There is general agreement that property owners, the community, and the environment benefits when septic tanks and wells are replaced with publicly or investor owned water and sewer systems. Some benefits are as follows:

- Fire protection for the community and decreased fire insurance rates.
- Reduced health risks associated with contaminated standing surface water.
- Where mound drain fields are required, retrieves use of yard space on property.
- Eliminates constant concern of septic back up in house.
- Eliminates expense of maintenance, pumping and regular treatment of septic tanks.
- Assures customer of quality and volume of potable water.
- Provides a constant supply of water and water pressure.
- Eliminates the need to replace costly septic systems or to drill new wells.

### **D. Potential Customers Without Water and/or Sewer Service**

#### **Sewer Service**

A review of JEA service records indicate that as many as 175,000 customers are not connected to public sewer lines within the JEA Duval County service territory. A map depicting a portion of JEA's service territory, which graphically shows customers without central water and/or sewer service, is included in the Appendix. With the use of gravity sewer systems, the cost for construction could require capital investment of up to \$2.1 billion (current dollars) for the total program.

#### **Water Service**

A review of JEA service records indicate that as many as 118,000s customer are not connected public water lines within the JEA Duval County service territory. A map depicting a portion JEA's service territory, which graphically shows customers without central water and/or sewer service, is included in the Appendix. With the use of current technology for the installation of the water lines, the capital investment could reach approximately \$600 million (current dollars) for the total program.

### III. Financial Considerations

The objective of the Finance Subcommittee of the Water and Sewer Infrastructure Task Force was to seek sources, uses, timing and duration of funding to develop a program to offer alternatives for installation of water and sewer infrastructure in areas of existing development in JEA's Duval County service territory. To meet the objectives established by the Task Force, the Finance Subcommittee met bi-weekly over the last three months and researched funding sources available to finance the construction and development of the water and sewer infrastructure. The Subcommittee began by researching the funding sources specifically identified in City Council Resolution 2002-1147-A, and it then expanded its research to include additional funding options. In addition to researching the funding options, the subcommittee also developed rate and revenue models to illustrate the cost and duration of the funding for this project.

The Finance Subcommittee relied upon the findings of the Planning and Engineering Subcommittee to determine the potential need and the estimated construction cost for the water and sewer infrastructure in the existing areas of development in the Duval County service territory. The Planning and Engineering Subcommittee projects that there are approximately 118,000 potential water customers. The estimated cost for construction would typically range from \$3,000 to \$7,000 per connection. The estimated capital investment required for the construction of the water infrastructure is \$600 million dollars. The Planning and Engineering Subcommittee estimated that the cost for the construction of the sewer infrastructure may range from \$7,000 to \$20,000 per available connection, and the available number of possible sewer connections is approximately 175,000. The range of the overall capital investment for the sewer infrastructure is estimated between \$1.23 to \$2.1 billion dollars depending on various construction methods and system types.

Through its research, the Finance Subcommittee concluded that the capital demands of the water and sewer infrastructure construction support the use of a combination of funding sources to fund infrastructure construction. The costs may vary significantly per neighborhood due to factors such as density, soil conditions, and proximity to existing utility mains. Packaging funding sources for different neighborhoods is recommended as appropriate because some neighborhoods may qualify for various grants based upon the average income of the residents in the neighborhood.

#### A. Financial Resource Options

The Finance Subcommittee researched the following financing options for the water and sewer infrastructure.

##### Tax Increment Financing

Tax Increment Financing (TIF) is a redevelopment tool authorized by Florida Statutes and used by cities to finance certain public redevelopment costs. Projects financed with TIF's must serve a public purpose such as redeveloping blighted areas, constructing low-

#### IV. Recommendations of the Task Force

##### A. Creation of Water and Sewer Infrastructure Expansion Authority

The Task Force recommends the creation of a separate utility authorized under the City of Jacksonville Charter to coordinate and arrange the engineering, construction and financing of water and sewer utility lines in existing areas of development within JEA's Duval County water and sewer service territory, where such public utility lines are not currently available. The Authority would function as a clearing house and/or single point of contact for the implementation of voluntary water and sewer expansion and related activities. Due to the magnitude of the lack of central utilities in some neighborhoods, no funding sources were identified to provide the services at no cost to property owners. The separate utility would provide an alternative to owners seeking to have infrastructure installed in their neighborhoods with the ability to spread the capital costs of infrastructure construction over time through their water and/or sewer bills.

##### i. Organization Structure

It is recommended the Authority be comprised of a seven-member board, appointed by the Mayor and confirmed by the Council for a term of four years, with the initial Board having staggered terms. The Task Force recommends that the Authority operate with a small administrative staff and contract with the City, JEA, other agencies or vendors for services to reduce operational costs, limit duplication of expertise and administrative overhead, and benefit from available economies of scale that may be afforded by the current City or JEA structure.

##### ii. Powers and Duties

It is recommended the Authority have the power to do the following:

- Contract with the City, JEA or other entities to perform the planning, engineering, construction, operation and maintenance, financing, billing and collection of the utility assets and to pay a fee for these services;
- Coordinate with the City, JEA, JTA, JEDC, and other City agencies to minimize the total cost of water and sewer expansion projects and to reduce disruption to citizens;
- Solicit and receive various sources of loans and grant funds and utilize such funds in the pursuit of its function as it may determine to reduce the costs to the end customers;
- Issue various forms of debt subject to Council authorization for the purpose of financing or refinancing capital expenditures of the utility;

- Obtain wholesale water and sewer services from JEA or other providers, and charge and collect fees for the distribution of water and collection of wastewater services from customers;
- Acquire assets and easements by grant, purchase, gift, condemnation, exchange or lease for use by the utility;
- Enter into contracts in order to carry out its various functions;
- Enter into financial management contracts, such as, but not limited to, interest rate swaps, forward supply agreements, security lending agreements or other risk management techniques;
- Invest Authority money not required for immediate use in any lawful investment or investment vehicle;
- Shut off or discontinue services to Authority customers as necessary for nonpayment;
- Set non-uniform rates for Authority customers, based on operating and maintenance costs, cost of funds and capital costs;
- Establish mechanisms to assist low-income customers. The Authority's board shall use its best endeavors to create policies and procedures relative to qualifying low-income individuals; and
- Request the City Council to return to the Authority some or all of the City public service tax and/or the JEA City contribution from Authority water and sewer sales for the purposes of reducing the cost for qualifying low-income customers.

**B. Initial Funding for the Water and Sewer Expansion Authority**

It is recommended the Authority receive its initial funding and start-up capital from the City and JEA. It is recommended that the City and JEA include a line item for the Authority in their respective fiscal year 2003/04 budgets and that the City and JEA assist the Authority by lending employees or services.

**C. Voluntary Participation and Flexible Payment Options**

The Task Force recommends that customer participation in infrastructure projects be on a voluntary basis for those property owners that seek to acquire infrastructure installations in neighborhoods. Unlike special assessments, only those property owners that elect to participate and become customers would agree to fund the construction of the neighborhood infrastructure and pay for utility services through monthly billings. Once a new system is installed, additional property owners connected to the system would pay

the same capital recovery rates and water and sewer rates as the customers initiating the system until the system construction debt is retired. The Task Force recommends maximum flexibility for customer options including various terms for capital recovery costs not to exceed 30 years, the ability to finance onsite connection costs and JEA plant capacity fees through the monthly billing, and the ability to pay off the capital component obligation early if so elected.

It is anticipated that the property owners participating in the infrastructure projects will begin to make monthly service payments and capital recovery payments to the Authority only when the installations are complete and properties are connected to the system and owners begin receiving the service.

During the work of the Task Force several participants received feedback from the community and public officials that some property owners did not want central water or sewer infrastructure installed in their neighborhoods since they had well and/or septic tank systems that functioned properly. The Task Force was formed to address the desire or need of many residents who would like to have accessibility to central utility systems. The voluntary nature of the proposed program should satisfy both constituents groups' concerns.

#### D. Planning/Engineering Recommendations

##### i. Water System Technologies

Water service extensions are usually the simplest and least costly to accomplish. Extensions of water service to existing developed areas not currently served can be accomplished using current materials and installation technology. Issues such as right of way contamination, existing underground utility conflicts, and right of way ownership will need to be addressed on a case by case basis to determine the engineering and financial considerations for each neighborhood. No cost effective alternative technologies were found for water service extensions. However, continued evaluation of this potential should be made a part of this program to take advantage of possible future savings.

##### ii. Sewer System Technologies

Sewer service extensions offer the best opportunity to take advantage of alternative technologies. The Task Force investigated several sewer system types and construction techniques but recommends that both vacuum and low-pressure systems be considered to help reduce individual project construction times, impact to the neighborhoods receiving new sewer service and overall program costs. The current technology relies on gravity sewers and force mains. Gravity sewers are often more costly due to the size of pipes needed, depths of installation necessary for the system to flow by gravity and invasiveness of open cut installation. It is recommended that the Expansion Authority work with interested

neighborhoods to assess proximity to existing transmission mains, soil conditions, number of participants, existing utility elevations, and infrastructure space requirements and determine the most cost effective technology available to specific neighborhoods and participants.

### **iii. Prioritization Matrices**

Prioritizing water and sewer extension projects can be established utilizing the matrix developed for each utility type. Factors affecting public health, safety, needs, and costs are a part of each matrix. In view of the intent of this program to be strictly voluntary, the Task Force recommends that the Matrices developed be utilized to determine selection between communities where supplemental funding is available and the criteria for selection is otherwise very similar.

### **iv. Access and Right-Of Way Considerations**

One of the biggest challenges in cost reduction in this program is the ability to obtain legal access (easements) to private properties at no cost to the project. The Task Force recommends the donation of easements (for the purposes of installing water and/or sewer lines) by all property owners, provided each affected property owner could benefit from the improvements planned for installation on the properties needed. The donation of easements will be beneficial where additional construction space is necessary for installation or when working in private rights of way or on private property to complete service connections.

### **v. Construction Standards, Operation and Maintenance**

It is recommended the Authority establish construction and installation standards and operation and maintenance policies and that the City, JEA and other vendors be considered for operation and maintenance services.

## **E. Communications Plan**

A Communications Plan is recommended to educate the public of the availability of this alternative option for neighborhood infrastructure. The outreach program should indicate the voluntary nature of the program and also seek out neighborhood groups that are interested in participating in an infrastructure program.

Communications plans were developed to educate the stakeholders on the process and recommendations of the Task Force and to advise of the availability of the Water and Sewer Infrastructure Expansion Authority. The communications plans for the City Council, City Administration, Environmental Agencies/Health Department and the Community are provided below.

## Frequently Asked Questions

### 1. Why is water and sewer infrastructure so important (why should I care?)

There are residents within our community who want JEA water and/or sewer service, but they cannot afford the homeowner's share of the installation cost. There are neighborhoods within our community with aging and failing wells and/or septic tanks that may have a negative impact upon the environment. Failing septic tanks eventually contaminate soil, rivers and other waters and may lead to unsanitary and hazardous living conditions.

### 2. How big is the problem for our community?

There are an estimated 175,000 homes and businesses that are not connected to sewer lines and an estimated 118,000 homes and businesses that are not connected to water lines in the Duval County area. A large percentage of these residents have made inquiries and requests for connection. However, the residents cannot afford to pay the cost of building the infrastructure needed to connect.

### 3. Why do septic tanks fail?

Septic tanks may fail for several different reasons. Failure may be due to the lack of maintenance, high groundwater, too much flow for too small a system, or poor soil conditions. Septic tanks need to be pumped out periodically (every 3 to 5 years) to remove built up solids. If the tank is not pumped out regularly then the solids may build up and prevent the tank from draining into the drain field. Built-up solids can also reduce the effective volume of the septic tank causing a "short-circuit" where partially treated (solids) spills waste into the drain field. Also, poor soil conditions, in or beneath the drain field, will not allow the drain field to drain properly.

### 4. Who can I call with septic tank problems?

The Duval County Health Department is responsible for the permitting of septic tanks in Jacksonville. If you experience septic tank problems contact them at 630-3274.

### 5. Aren't there water and/or sewer lines running all over the city and why can't we just hook up to those lines?

While there are water and/or sewer lines running through many parts of the city, there certainly are not sewer lines in all areas of the 840 square miles that make up Jacksonville.



**6. Why does it cost so much for water and/or sewer service?**

Installing the pipes is just one part of developing the system needed to deliver water and/or sewer services. That cost includes disrupting the current streets and removing any existing infrastructure that cannot handle the extra load needed for the additional customers. The engineering and construction cost for water system typically cost \$3,000 to \$7,000 per home (or more) and the engineering and construction costs for a sewer system typically range from \$7,000 - \$20,000 per home (or more) depending on the complexity of the project. Planning, real estate, permitting, design, construction and public relations

**7. Why can't the City or JEA hook me up for free?**

The water and/or sewer rates are not nearly enough to pay for septic tank and/or well conversions. JEA uses revenues from monthly sewer billing to properly treat and dispose of sewage and maintain existing sewers that were initially paid for by homeowners. To use this monthly billing money from existing sewer customers to connect septic tank owners would not be appropriate since it would be using money from homeowners who paid their costs initially to have JEA sewer services connected. JEA would have to raise the rates of all of its customers to raise the capital to extend JEA water and sewer services to new customers. JEA will not inequitably burden its existing customers with the cost for new construction.

**8. Why can't JEA's profit from our water and sewer bills be used to pay for these pipes?**

JEA is a non-profit agency and its rate structure does not incorporate a profit from its customers. JEA's current rate structure does not include a capital component for installation of neighborhood utility construction.

**9. Who pays for water and sewer pipes everywhere else?**

The homeowner pays for the installation of the water and/or sewer. The homebuilder, or developer, initially pays for the installation and then passes the cost on to the homebuyer in the cost of the home. These costs include their share of the costs of the sewer piping under the streets throughout the neighborhood.

**10. What is a gravity sewer system?**

Gravity sewer systems have been the standard for wastewater collection for many years and, in most locations, will remain the method of choice for utilities. Gravity sewers use downhill flow to move wastewater from house laterals to sewers typically in the street to larger trunk sewers and ultimately to a pump station that pumps it

further downstream to another gravity sewer system, pump station, or wastewater treatment facility. The design of gravity sewers is based on the interrelationships of slope, velocity, and size and roughness of the inside of the pipe. Pipes are laid at a slope until some maximum depth is reached. An 8-inch pipe is the smallest diameter used for gravity sewers to allow for self cleaning and some system storage. Manholes are located at each change in direction, slope, pipe size, intersections of collecting sewers, and every 400 feet or less. Manholes allow access for inspection, cleaning and maintenance. Gravity sewer systems are higher capital cost, but low operating and maintenance cost systems. They are the most cost effective in densely populated areas.

#### **11. Are there other types of sewer systems?**

Yes, there are alternatives to the traditional septic tanks and gravity sewer systems. Alternative systems may or may not be feasible in all conditions. These systems, though new in this country, have been utilized over the years in Europe and other countries. Vacuum and low-pressure systems are currently in use in some parts of the United States. The closest vacuum system to Jacksonville was recently installed in St. Augustine, Florida.

#### **12. How do these alternative systems work?**

The vacuum sewer system functions just as the name implies, waste flows by way of the traditional gravity system from the home or business to a collection chamber, which stores the waste before discharging via a valve activated by the amount of waste. When released into the vacuum line, the effluent is transported by vacuum to the vacuum station where the waste is treated for disposal.

There are several low-pressure systems available. Common among them are the STEP (Septic Tank Effluent Pump) and the Grinder systems.

- The STEP system requires the use of a septic tank with a submersible pump either inside or outside of the tank to draw in the waste and pump it out to a treatment line under pressure. This system requires some electrical connection and use cost to the customer.
- In a grinder pump system, there is no septic tank. Wastewater flows into a small plastic or fiberglass chamber called a wet well. The grinder pump works like a garbage disposal by cutting and/or grinding solid materials into tiny pieces. All of the wastewater is then pumped into the utility's pressurized force main system.

#### **13. What are the advantages to using the alternative systems?**

Some advantages of using the vacuum sewer systems include:

- Cost effective in service to low population density area when at least 100 service connections are programmed to offset the capital cost of the required vacuum station
- Installation in rocky ground
- In terrain with insufficient slope for gravity transport
- In areas with high groundwater table
- In developed neighborhoods where deep excavations for gravity sewers could not be accomplished safely and cost effectively
- Lower capital costs due to smaller pipes, minimum cover, shorter construction period
- Can serve large areas with a single vacuum station
- Can route around underground obstacles
- Inflow/Infiltration virtually eliminated; lower pumping and treatment costs
- Odors minimized due to sealed and aerated system
- Corrosion minimized due to plastic or stainless steel parts
- Due to high line velocities, pipe blockages virtually eliminated
- No power cost to homeowner

Some advantages of using the low pressure systems include:

- Lower capital costs due to smaller pipes, minimum cover, shorter construction period
- Can route around underground obstacles
- Inflow/Infiltration virtually eliminated; lower pumping and treatment costs
- Odors minimized due to sealed system unless near the discharge point
- Can be used effectively in rocky, low-lying, or heavy tree-root areas
- Cost effective in sparsely populated, long connection line areas
- Avoid road cuts in areas with recent road re-paving

#### 14. What are the disadvantages to using the alternative systems?

Some disadvantages of using the vacuum system include:

- Technology is relatively unknown in the United States
- Most engineering firms unfamiliar with design criteria
- Maintenance personnel must be trained on new technology and troubleshooting, Perceived higher operation and maintenance costs
- Vacuum mains are too small to have conventional cameras inserted for visual inspection

The disadvantages of using a low pressure system include:

- System is owned and maintained by the home owner
- Higher O&M costs when compared to gravity systems
- Monthly electrical cost and maintenance fee to customer
- STEP-Tank pump-out fee (\$200-300) for customers (every 3 – 5 years),
- Cost to replace concrete lids every 10 to 15 years,
- Increased odors,

- No operation during power outages; overflow risk
- Grinder-More house lateral stoppages due to pump jams and failures
- Some older homes do not have capacity in electric panel to supply adequate power to pumps
- Low-pressure sewer mains are too small to have conventional cameras inserted for visual inspection.

**15. Are there any constructability issues associated with the types of sewer systems available?**

All three (gravity, vacuum and low pressure) systems discussed share similar concerns with regard to construct sewer systems in existing neighborhoods. Of primary concern is the ability to minimize disruption of the neighborhood while also minimizing project costs.

**16. What options does a customer with a failing septic tank or well have to switch to water and/or sewer service and what are the costs?**

There are two ways customers can switch from septic tanks and/or wells to water and/or sewer service:

- (A) Customer Deposit
- (B) Special Assessment

The initial cost to the homeowner is made up of the connection costs plus the construction costs. The connection cost consists of the re-piping of the home from the septic tank to the right of way line and abandoning the septic tank plus permit fees and capacity fees. Construction costs include the cost of installing the sewer lines within the streets of the neighborhood. Typically, the sewer connection cost is approximately \$2,000 to \$4,000 and the sewer construction costs typically range from \$7,000 to \$20,000 per home (or more) depending on the complexity of the project.

A property owner may request installation of the sewer service and bear the cost of the installation. However if 60 percent of the property owner's in a neighborhood commit to connecting to the sewer service, then the cost will be borne by the entire neighborhood and all property owners will be assessed a portion of the cost for the installation of the infrastructure for the JEA sewer lines.

**17. What is a customer deposit?**

Customer Deposit is where the homeowner pays the sewer construction costs to JEA. Homeowners can call JEA at 665-4491 to determine the closest point of connection to the sewer system. If a JEA sewer line is in close proximity, then homeowners can request a cost estimate to have JEA design, construct, and connect to it. When the

homeowner receives the estimate the homeowner must write a check to JEA for the full amount to initiate the work.

**18. What is a special assessment?**

Special Assessment is where several homeowners divide the cost among themselves to connect to JEA sewer. It starts off as a petition that is carried from house to house by one of the homeowners to determine the level of interest in the neighborhood. If at least 60 percent of the homeowners are interested, then a cost estimate is prepared by JEA and the costs are divided among the homeowners. A second petition is carried from house to house to show each homeowner what the costs would be. If at least 60 percent of the homeowners approve the petition with the costs, then JEA will design and construct the project. The construction cost is assessed on property frontage for the entire area, not just those who wish to connect to the JEA sewer system. The homeowners have a choice of paying the full amount immediately or paying in installments for up to 20 years at JEA's interest rate with each year's property taxes. Call JEA at 665-4465 for information about Special Assessment projects.

**19. Why has special assessment not been successful up to this point?**

The special assessment process seldom results in a project because it is difficult for neighborhoods to get 60% of its residents to commit to the installation of the infrastructure for the sewer lines. If 60% approval is not obtained, then the project is not undertaken. It is also difficult because it forces residents in an area to pay a special assessment for a service that it may not want.

**20. What can be done to address the problems with special assessment to make it work better?**

Special assessments will work better if the assessments are voluntary and if there is no mandatory minimum participation requirement by its residents. The consumers who want the service can pay for the service without forcing the participation of any of its neighbors.

**21. Who benefits when failing septic tanks are removed? (Complete list of benefits and recipients of those benefits including community benefits like environmental, economic, etc.)**

The community benefits because the environmental concerns that may be created by a failing septic tank are eliminated. The owner benefits because it has eliminated hazardous materials from his water and his immediate environment. The owner also

benefits because the value of his property will increase because of the connection to JEA water and sewer.

**22. What is being proposed by the Infrastructure Task Force?**

The Water and Sewer Infrastructure Task Force is proposing a new agency that will be specifically designed to coordinate the placement of water and sewer infrastructure in currently developed areas and provide water and sewer services to these customers. The new agency will provide an affordable long-term payment option for residents who want to voluntarily connect to water and sewer. There will be no minimum percentage requirement. Each resident who accepts the benefits of the infrastructure will pay the same cost whether he/she decides to connect next year or five years from now. The responsibility to pay for the system will remain with the property.

**23. How is it better than the current options for me as a homeowner with a failing septic tank and/or well? (what's in it for me?)**

It is better than the current options for homeowners with a failing septic tank and/or well because it provides an affordable option for connecting to water and/or sewer. It is also a better option because there is no requirement to encourage other homeowners in the neighborhood to also participate.

**24. Will I have to hook up to the new system? If so, how soon? If I don't, what happens?**

With the plan proposed by the Task Force there is no mandatory hook-up requirement. You may voluntarily hook-up whenever you want to take advantage of the services.

**25. What if I just don't have the money for all of this? Who pays, how and when?**

The plan proposed by the Task Force will allow for monthly payments over a thirty year period at a very low interest rate. The only time that part of the cost will be covered by taxpayers is when an area has been determined to be a sanitary nuisance by the Health Department. In that situation, the customer is still responsible for the connection costs and the monthly usage fee.

**26. When a pipe is installed down a street where only the first house and the last house are paying for the installation, who pays for the extra size of the pipe to serve future residents, or to be adequate to provide fire protection flows to fire hydrants when that requires bigger pipe than the domestic needs of the requesting property owners?**

With the current recommendation from the Task Force, the cost is borne by the customers in the neighborhood who choose to connect, and benefit from the services. As other residents connect to the service, the cost is shared equally by all of the residents, regardless of the date that he/she connected to the service.

**27. U.S. Congress continues to consider enacting legislation to fund water and sewer infrastructure rehab across the country. What can be done to encourage the inclusion of funding for expansion of pipes to eliminate septic tanks or failing wells?**

Cities, counties and individual residents may lobby their congressional officials to encourage their support of federal legislation. Emphasizing the detrimental impact upon the environment and the likely health hazards associated with failing septic systems will certainly help to encourage federal legislation to support this effort.

**28. What will happen to special assessment under the new system? Theoretically, there may be a point at which homeowners who want services could reduce their costs by going to special assessment since it spreads payments over all property owners, not just requesting ones.**

The special assessment system will remain in place for neighborhoods that can get 60% of their residents to agree to connect.

**29. How will costs be handled for homeowners who, sometime after the pipes are installed and partially paid for by their neighbors, decide to jump on the bandwagon?"**

Each homeowner will pay the same fee for the services. The average re-payment cycle is estimated at thirty years.

**30. Will the new agency be required to pay any contribution to the City General Fund? Will JEA be required to pay the normal contribution to the City General Fund based on the volume of wholesale service it provides to the new entity?**

The Task Force is not proposing that the new entity make any contributions to the City General Fund. This recommendation may change after the new entity is up and running on its own.

The Task Force is not proposing any changes in the payment that JEA currently makes to the City General Fund.

**31. Will rate structure segregate costs so that capital is paid as a separate line item?**

The new proposed agency will research all billing options and design in order to meet the customer needs.

**32. If so, will water and sewer rates follow JEA rates to maintain a city-wide approach to encouraging water conservation?**

Yes

**33. How will this new arrangement fit with the St. Johns River Water Management District and JEA permitting, etc.?**

The Task Force is proposing that the new agency have an opportunity to take advantage of any existing agreements that may exist between JEA and the City and other entities. The assumption is that the new agency will not effect or change any existing permitting arrangements.

**34. Will the economics be structured in such a way that the community shares at least a part of the cost of eliminating failing septic tanks since there is a community benefit in reducing pollution in the St. Johns River, its tributaries and other bodies of water in Duval County? Or is a failing septic tank a detriment for which the homeowner is responsible to the community, therefore eliminating the failing septic tank is a responsibility to meet community standards and therefore without monetary value to the community since the cost of this standard is borne by property owners, not the community?**

Current law only provides for payment of the replacement of a sanitary nuisance area that has been identified by the Health Department. The proposal from the Task Force will not change or affect this law. The new agency will only provide that individual homeowners who voluntarily choose to take advantage of the service will be required to pay for the cost of the connection. There is no distinction with the new agency in whether the septic tank is failing or whether the homeowner is simply interested in changing over to a more convenient system.