

CHAPTER 2026-225

Committee Substitute for Committee Substitute for House Bill No. 4103

An act relating to the 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; prohibiting the City of Apalachicola from incurring certain additional obligations or indebtedness; requiring the city and district to enter into an interlocal agreement to effectuate the transfer of water and sewer service to the district; providing for the district to take certain actions if the city and the district do not enter an interlocal agreement; providing for the transfer of assets, assumption of all lawful debts and other obligations, and continuation of contracts by the district; providing for the status of certain employees; providing effective dates.

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

Section 1. The Apalachicola Water and Sewer 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.”

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

Section 2. Definitions.—

(1) “Board” means the Apalachicola Water and Sewer District Board.

(2) “District” means the Apalachicola Water and Sewer District.

(3) “Sewer system” means plant, system, facility, or other operation concerning collection, treatment, purification, or disposal of sewage.

(4) “Water system” means waterworks or a water treatment plant, or other operation concerning fresh water production, distribution, or sale.

Section 3. District boundaries.—The area within the boundaries of the City of Apalachicola and the existing customers presently served by the water and sewer service of the city.

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 Board of County Commissioners of Franklin County, and one member appointed by the City Commission of the City of Apalachicola. All members of the board must be legal residents and water and sewer customers of the district.

(2) Members shall serve 4-year terms, however, the members appointed by the Board of County Commissioners of Franklin County and the City Commission of the City of Apalachicola 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 meet monthly at such date, time, and place as the board may from time to time designate.

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

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

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

(8) Members of the board 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:

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

(c) To fix and collect rates and charges for water or sewer 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.

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

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

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

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

(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 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 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 from time to time rates and charges for water furnished by any water system and for sewage disposal 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 provide reserves therefor 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, care, maintenance, upkeep, and operation of a fresh 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 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 or sewer 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, use of tax deeds and tax certificates as appropriate for non-ad valorem assessments, and contractual agreements, and the methods for financing the district and for collecting non-ad valorem assessments, fees, or service charges, to the extent authorized by this act, shall be as forth in this charter, in chapters 170, 189, and 197, Florida Statutes, and in any applicable general or special law.

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

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

Section 3. Effective upon this act becoming a law, the City of Apalachicola may not incur any additional obligations or indebtedness related to the operation of its water and sewer utility other than expenses incurred in the ordinary course of business and shall avoid wasting its assets. The City of Apalachicola and the Apalachicola Water and Sewer District must enter into an interlocal agreement by the latter of July 1, 2026, or 30 days after the Governor makes initial appointments to the board to effectuate the transfer of water and sewer service from the city to the district. Such agreement shall include provisions concerning an assessment of all assets currently held by the city for providing water and sewer service, cooperation in meeting regulatory and permitting requirements for the transfer of the water and sewer utility, the transition of assets and liabilities from the city to the district, and membership of district employees in the Florida Retirement System, as well as any other terms and conditions mutually agreed to by the parties. Notwithstanding any other provision of law, if the city and the district do not enter into an interlocal agreement by the deadline established by this section, the district shall have the sole authority to make all determinations necessary to effectuate the transfer of water and sewer service, which are binding on both the city and the district.

Section 4. On December 1, 2026, all property, whether real, personal, or mixed, that is owned, possessed, or controlled by the City of Apalachicola for the purposes of providing water and sewer systems, as well as all other assets, contracts, obligations, and liabilities of the City of Apalachicola for such purposes, are hereby transferred and vested in the Apalachicola Water and Sewer District. All contracts and obligations of the City of Apalachicola for water and sewer systems existing on the effective date of this act shall remain in full force and effect, and this act shall in no way affect the validity of such contracts or obligations. Current employees of the city employed for the purpose of providing water and sewer service shall become employees of the district pursuant to the interlocal agreement or other determinations made pursuant to section 3 of this act, provided that the district shall ensure that employees continue membership in the Florida Retirement System.

Section 5. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law.

Approved by the Governor June 30, 2026.

Filed in Office Secretary of State June 30, 2026.