

STANDBY CHARGES EXPLANATION

Reserved Capacity; User's allocation in Altamonte Springs sewage treatment plant expansion.

Standby capacity is based upon the estimated amount of sewer flow a company determined they would need to send to the Altamonte Springs Sewage Treatment facility, based upon what was assumed would be built on specific parcels of land. The City maintains *Sewer Agreements*, stating the gallons of capacity purchased, with each of the companies currently being invoiced for Standby Charges. If the underlying land is sold, a new *Agreement* is needed with the new land owner. The *Agreement* is not automatically transferred with the sale of land. Capacity can be sold if the amount purchased is higher than what is actually needed. The number of gallons needed is based on the DEP permit. The city has the *right of first refusal* on all sales, and must acknowledge all transfers.

By agreement the company has contracted to use a specific amount of sewer for the property owned in the Maitland area.

Prior to development the whole amount is calculated and paid on a monthly basis. After development, when the City starts charging for sewer, the used sewer amount is subtracted from the original contracted amount of reserved capacity and the difference is billed to the company. If the usage and contracted amounts are the same no bill will be generated.