City of

Auburndale

2021 Utility Rate and Impact Fee Study

July 23, 2021

RAFTELIS

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July 23, 2021

Mr. Chris Reeder
Deputy Finance Director
City of Auburndale
4 Bobby Green Plaza
Auburndale, FL 33823

Subject: 2021 Utility Rate and Impact Fee Study

Dear Mr. Reeder,

Pursuant to our agreement with the City of Auburndale (City), Raftelis conducted a comprehensive water and wastewater rate study including a review of the existing rate structure to determine the appropriateness and adequacy of the user rates, fees, and charges. Raftelis also conducted an update to the water and wastewater impact fees to ensure they are based on recent and local data, as well as put the City in a position to collect adequate fees from growth that reflect the current cost of providing utility service. This report provides the analysis, findings, conclusions, and recommendations. Professional care was used in identifying and utilizing data, assumptions and estimates such that the rate structure and rates reasonably recovers the costs of providing services to customers within the City's service area.

Thanks and appreciation is extended to the City for this opportunity and to the fine staff members that provided data and assisted in the study process.

Sincerely,

Joe Williams
Manager

341 N. Maitland Ave, Suite 300
Maitland, FL 32751

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Executive Summary

Background of the Study

The City of Auburndale (City) provides water and sewer service to properties located within and outside of the City limits. The City accounts for the water and sewer funds and financial reporting as a combined enterprise fund (System). As an enterprise fund the costs of providing service are recovered primarily through user fees. Specifically, the City recovers its water and sewer utility costs through user rates and ancillary charges.

The City has engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a rate study, including provisions for a revenue sufficiency projection and alternative rate design options. Raftelis has prepared this report to document our findings and conclusions. Raftelis created an Excel-based financial model with the primary purpose to provide the City with a management tool to anticipate future needs, enhance operation and capital planning, and diminish the probability of sudden rate adjustments or other adverse financial conditions. This model can be updated periodically to estimate impacts of certain events such as new customer growth, large capital projects, etc. and overall revenue sufficiency over a multi-year period. This executive summary provides an overview of the study and includes findings and recommendations for a rate design adjustment, future rate adjustments, and financial policies.

System Overview

The City last completed a revenue sufficiency review in 2016 pursuant to the issuance of the 2016 bonds. Since that time, the City's customer base has continued to grow and several large projects have been identified to support increased capacity on both the water and wastewater services. The continued customer growth has prompted the City to participate in the Polk Regional Water Cooperative (PRWC), which is a collection of Polk County utilities that are working together to obtain future alternative water supply, as directed in part by the Southwest Florida Water Management Districts (SWFWMD). On the wastewater side, the City has identified the need for significant land acquisition and improvements to increase the discharge capacity to accommodate future growth. Each of these projects is having impacts on the System over the next several years and have been factored into the analysis to the extent information is available. Based on the forecast certain rate adjustments have been identified, as shown on the table below:

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water Rates	4.0%	4.0%	4.0%	4.0%	4.0%
Wastewater Rates	0.5%	0.5%	0.5%	0.5%	0.5%
Typical 6,000 Gallon Residential Bill % change [1]	1.4%	1.5%	1.5%	1.5%	1.6%

[1] Certain rate structure changes have been identified, as discussed below and in further detail throughout this report that will result in different outcomes than the overall rate adjustments identified.

Rate Design

The current rate structure has been in place for many years. When City staff identified that certain objectives, such as promoting water conservation, were very important it was apparent that certain rate structure adjustments were warranted to achieve these objectives. Upon review, the primary adjustments to the rate structure are as follows:

1. Addition of a fourth tiered water rate;
2. Reduction of the gallons included in each water tier, and
3. Re-alignment of the base charges by meter size to align with industry standards.

WATER VOLUMETRIC RATES

Water consumption is billed based on an established rate per 1,000 gallons with tiers that increase the rate as consumption increases each month. This is a typical water volumetric rate structure in the utility industry. However, based on the desire to encourage water conservation certain adjustments to this tiered structure are being recommended. First, with the elimination of the minimum gallons in the base charge a new first block is being established to capture the first 4,000 gallons. Above 4,000 gallons, the amount of gallons included in each tier are being reduced and the rates applied to tiers 3 and 4 are being increased, all in an effort to promote water conservation as shown on the table below.

Rate Component	FY 2021	Rate Design
Usage Charges		
Minimum	$0.00	N/A
Block 1	$2.08	$1.03
Block 2	$3.13	$2.06
Block 3	$4.17	$3.43
Block 4	N/A	$4.80
Consumption Blocks (in 1,000s)		
Minimum	0 – 4	N/A
Block 1	4 – 12	0 – 4
Block 2	12 – 35	4 – 10
Block 3	Above 35	10 – 20
Block 4	N/A	Above 20

BASE CHARGES

The City currently charges a single water base charge for all customer classes regardless of meter size and includes a minimum of 4,000 gallons monthly per account. Based on industry trends and the Utility's current objectives around water conservation, the minimum gallons in the water base charge are being eliminated. This will transition customers more to a pay for what you use methodology, which will influence the water conservation efforts. The base charges for commercial customers will be increased as the meter size increases, similar to how wastewater is currently applied. The factors used to determine the charge for each meter size, for both water and wastewater base charges, will be related to the American Water Works Association (AWWA) meter size flow factors from the M6 manual. The factors applied to the base charges, as based on the AWWA factors, are as follows:

Meter Size	AWWA Factor
¾" Meter	1.00
1" Meter	2.50
1 ½" Meter	5.00
2" Meter	8.00
3" Meter	16.00
4" Meter	25.00
6" Meter	50.00
8" Meter	80.00
10" Meter	115.00

CUSTOMER BILL IMPACTS

Below is a table illustrating impacts at various usage levels for a majority of the System's customers, single family inside city using less than 25,000 gallons per month of combined water and sewer services. The cumulative

percentage of single family water bills has been included to provide context for how these proposed rates will impact the customer base. For example, at the 4,000-gallon level 50.6% of the single family customers have been billed.

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	$52.37	$49.12	($3.25)	10.5%
3,000	$52.37	$52.20	($0.17)	40.1%
4,000	$52.37	$53.23	$0.86	50.6%
5,000	$54.45	$55.29	$0.83	59.1%
10,000	$64.85	$65.56	$0.71	80.7%
25,000	$109.70	$123.79	$14.09	92.1%

Utility Impact Fees

As previously discussed, the City is currently planning for several large projects that will provide additional capacity to serve growth and as such desired to review the impact fee levels to put the System in a position to charge growth its fair share of these costs. Additionally, the City has not updated the impact fees in many years and wanted to bring the fees up to a level that reflects recent and local cost data. The results of the impact fee update are provided on the table below:

Description	Existing	Calculated	Variance
Water	$1,264.99	$2,217.00	$952.01
Wastewater	3,939.14	4,258.00	319.86
Total	$5,203.13	$6,475.00	$1,271.87

Recommendations

Based on the information, analysis and discussions included in this report, it is recommended that:

1. The City proceed to establish the following inside City water rates, that will achieve rate objectives including conservation and include the rate adjustments identified each year of the forecast for inside City customers. Outside City customers will pay an additional 35% as shown on Exhibit 18, per City's existing policy.

Residential Inside Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge					
All Meters	$7.99	$8.31	$8.64	$8.99	$9.35
Usage Charges					
Minimum	N/A	$1.07	$1.11	$1.15	$1.20
Block 1	$1.03	$2.14	$2.23	$2.32	$2.41
Block 2	$2.06	$3.56	$3.70	$3.85	$4.00
Block 3	$3.43	$4.99	$5.19	$5.40	$5.62
Block 4	$4.80	$1.07	$1.11	$1.15	$1.20

Commercial Inside Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge					
¾" Meter	$7.99	$8.31	$8.64	$8.99	$9.35
1" Meter	$19.98	$20.77	$21.60	$22.46	$23.36
1 ½" Meter	$39.95	$41.55	$43.21	$44.94	$46.74
2" Meter	$63.92	$66.48	$69.14	$71.91	$74.79
3" Meter	$127.84	$132.95	$138.27	$143.80	$149.55

Commercial Inside Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
4" Meter	$199.75	$207.74	$216.05	$224.69	$233.68
6" Meter	$399.50	$415.48	$432.10	$449.38	$467.36
10" Meter	$918.82	$955.60	$993.82	$1,033.57	$1,074.91
Usage Charges					
Minimum	N/A	N/A	N/A	N/A	N/A
Block 1	$2.87	$2.98	$3.10	$3.22	$3.35

2. The City adopt the following block increments for residential water customers.

Consumption Blocks	Range
Residential	
Minimum	N/A
Block 1	0 – 4,000
Block 2	4,001 – 10,000
Block 3	10,001 – 20,000
Block 4	Above 20,000
Commercial	
Minimum	N/A
Block 1	All Usage

3. The City proceed to establish the following wastewater rates for inside City customers. Outside City customers will pay an additional 35% as shown on Exhibit 18, per City's existing policy.

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential Base Charge	$41.13	$41.34	$41.55	$41.76	$41.97
Commercial Base Charge:					
¾" Meter	$41.13	$41.34	$41.55	$41.76	$41.97
1" Meter	$102.83	$103.34	$103.86	$104.38	$104.90
1 ½" Meter	$205.65	$206.68	$207.71	$208.75	$209.79
2" Meter	$329.04	$330.69	$332.34	$334.00	$335.67
3" Meter	$658.08	$661.37	$664.68	$668.00	$671.34
4" Meter	$1,028.25	$1,033.39	$1,038.56	$1,043.75	$1,048.97
6" Meter	$2,056.50	$2,066.78	$2,077.11	$2,087.50	$2,097.94
10" Meter	$3,290.40	$3,306.85	$3,323.38	$3,340.00	$3,356.70
Commercial Usage Charges					
Minimum	N/A	N/A	N/A	N/A	N/A
Block 1	$7.01	$7.05	$7.09	$7.13	$7.17

4. The City adopt the update water and wastewater impact fees as calculated for inside City connections. Outside City connections will pay an additional 25% as shown on Exhibits 16-17, per City's existing policy.

Description	Existing	Calculated	Variance
Water	$1,264.99	$2,217.00	$952.01
Wastewater	3,938.14	4,258.00	319.86
Total	$5,203.13	$6,475.00	$1,271.87

5. The City establish and fund an alternative water supply reserve as presented herein to set aside funds to offset future requirements associated PRWC or other alternative water initiatives.

Section 1. Introduction

Background

The City of Auburndale (City) provides water and wastewater services to approximately 12,882 water customers and 8,134 wastewater customers located within and outside of the City's municipal limits. The City has engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a rate study to review the sufficiency of the water and wastewater systems' (System) ability to meet financial requirements including operating costs, capital improvements, and reserve fund requirements over the fiscal years 2021 through 2026 (Forecast Period). The City has also worked with Raftelis to review various rate design options to help promote conservation. Lastly, this report addresses updates to the City's water and wastewater impact fees, which are charged to new development or redevelopment for additional utility capacity required.

Summary of Report

In addition to Section 1, this report is subdivided into seven (7) other sections. The following is a brief discussion of the remaining sections included in this report.

Section 2. Customers and Existing Rates – This section summarizes the existing rate structures along with illustrating the historical and projected customers and sales. Projections are primarily based off recent historical trends and expected future growth with a conservative outlook.

Section 3. Revenue Requirements – This section summarizes the forecast of revenue requirements, which serves as the basis for the revenue sufficiency analysis. Included in this section is a discussion of the assumptions utilized in the forecast of operating and maintenance expenditures, debt service requirements, and capital improvement needs.

Section 4. Revenue Sufficiency – This section provides the future revenue forecast from existing rates based on the projected customers and sales identified in Section 2. The forecasted revenues are compared to the revenue requirements identified in Section 3 to determine the level of rate adjustments needed. Once the necessary rate adjustments are identified, there is a projection of fund balances and debt service coverage. Additionally, the water and wastewater rates for FY 2021 are compared to customer bills with other nearby communities.

Section 5. Rate Design – This section provides a review and discussion on the various rate components and structure modifications that were reviewed along with recommendations for changes.

Section 6. Water Impact Fee – This section details the analysis and assumptions used to calculate the water impact fee that will be charged to development requiring utility capacity and is based on current and local data.

Section 7. Wastewater Impact Fee – This section details the analysis and assumptions used to calculate the wastewater impact fee that will be charged to development requiring utility capacity and is based on current and local data.

Section 8. Findings, Conclusions and Recommendations – This section summarizes the findings, conclusions and recommendations developed during the course of this study, resulting from various data review and analysis performed.

Section 2. Customers and Existing Rates

General

A major component in the determination of sustained revenue sufficiency for water and wastewater service is the development of a forecast of customers and sales, to which existing rates are applied to calculate revenues. The customer and sales forecasts are essential components of this study that help to align the timing of future rate adjustments with capital projects and anticipated increases to ongoing operations. This section provides a discussion of the recent historical trends and the forecast of customers through FY 2026.

The revenue generation systems are comprised of user fees, ancillary charges for specifically requested services, penalties, and related interest earnings. Additionally, the utility system recovers costs through impact fees. The primary source of revenues for the water and wastewater system is from the monthly user fees designed on a modified cost-of-service basis and applied equitably pursuant to customer class, meter size and usage. Pursuant to Section 23-47 of the City Code of Ordinances, the existing water and wastewater rates were last adjusted with the passage of Ordinance No. 1516, effective in October 2016, and each October 1st thereafter through 2020.

Existing Rate Structure and Rates

The existing water and wastewater structure utilizes two components for the generation of monthly revenues: base and usage charges. The current water base charge is a fixed monthly amount charged to all customers receiving water service. Included in the water base charge is the first 4,000 gallons of usage per month per account. For residential customers, the water usage charges above 4,000 gallons are on an inclining block basis to encourage conservation, with a three-block structure. Block 1 ranges from 4,001 gallons to 12,000 gallons, Block 2 ranges from 12,001 to 35,000 gallons and Block 3 is applied to all usage above 35,000 gallons. Commercial customers are charge a uniform rate for all consumption above 4,000 gallons. The current wastewater base charge is a fixed monthly amount applied to each customer pursuant to certain characteristics. For residential customers, the wastewater base charge serves as a flat charge for wastewater service and is uniform for all connection sizes. For non-residential connections, the wastewater base charge increases pursuant to the water meter size used for service and includes a certain number of gallons per month, which are identified on Table 3. For consumption above the minimum gallons, the non-residential customers pay a uniform consumption rate per 1,000 gallons. The City charges 35% more to water and wastewater customers outside of the City limits.

Table 1: Existing FY 2021 Water Rates

Description	Inside City	Outside City
Base Charge		
All Customer Classes	$11.55	$15.59
Usage Charges per 1,000 Gallons		
Residential		
Block 1 (4,001 - 12,000)	$2.08	$2.81
Block 2 (12,001 - 35,000)	$3.13	$4.23
Block 3 (Above 35,000)	$4.17	$5.63
Commercial All Usage	$2.87	$3.87

Table 2: Existing FY 2021 Wastewater Rates

Description	Inside City	Outside City
Base Charge		
All Customer Types		
3/4"	$40.82	$55.11
1"	$68.87	$92.96
1 1/2"	$138.98	$187.63
2"	$279.23	$376.95
3"	$559.72	$755.62
4"	$1,120.68	$1,512.92
6"	$2,242.63	$3,027.55
8"	$4,486.51	$6,056.79
10"	$8,974.28	$12,115.28
Usage Charges per 1,000 Gallons		
Residential [1]	$0.00	$0.00
Non-Residential	$7.01	$9.47

[1] Residential users are not charged a usage charge.

Table 3: Existing FY 2021 Wastewater Minimum Gallons

Meter Size	Minimum Gallons
3/4"	6,000
1"	10,000
1 1/2"	20,000
2"	40,000
3"	80,000
4"	160,000
6"	320,000
8"	640,000
10"	1,280,000

Current and Projected Customers

The City provided two fiscal years of historical billing statistics in Microsoft-Excel format which included data on every bill issued during the FY 2019 and FY 2020 period. The statistics included account numbers, customer type, water meter size, metered monthly usage, and the annual bill amounts. The historical customers served and the trends in growth and water use/billed wastewater flow per equivalent residential unit (ERU) provided the basis for the forecast of customers through FY 2026.

The table below summarizes the historical FY 2020 customer statistics for the water system which served as the basis for the forecast of the billing determinates for the water system and the corresponding rate revenues.

Table 4: Historical FY 2020 Water Customer Statistics

Description	FY 2020
Residential Inside City	
Accounts	6,577
ERUs	6,577
Annual Consumption (1,000s of gallons)	682,684
Average Monthly Use per ERU	8.7
Residential Outside City	
Accounts	5,228
ERUs	5,228
Annual Consumption (1,000s of gallons)	341,414
Average Monthly Use per ERU	5.4
Commercial Inside City	
Accounts	656
ERUs	656
Annual Consumption (1,000s of gallons)	536,489
Average Monthly Use per ERU	68.2
Commercial Outside City	
Accounts	282
ERUs	282
Annual Consumption (1,000s of gallons)	65,373
Average Monthly Use per ERU	19.3
City Inside City	
Accounts	139
ERUs	139
Annual Consumption (1,000s of gallons)	100,038
Average Monthly Use per ERU	60.0
Total	
Accounts	12,882
ERUs	12,882
Annual Consumption (1,000s of gallons)	1,725,998
Average Monthly Use per ERU	11.2

As shown above, there were approximately 12,900 water customers in FY 2020. The average monthly use per ERU is about 11,000 gallons per month.

Table 5: Historical FY 2020 Wastewater Customer Statistics

Description	FY 2020
Residential Inside City	
Accounts	5,361
ERUs	5,361
Annual Consumption (1,000s of gallons)	623,393
Average Monthly Use per ERU	9.7
Residential Outside City	
Accounts	2,274
ERUs	2,274
Annual Consumption (1,000s of gallons)	158,528
Average Monthly Use per ERU	5.8
Commercial Inside City	
Accounts	420
ERUs	948
Annual Consumption (1,000s of gallons)	80,244.0
Average Monthly Use per ERU	7
Commercial Outside City	
Accounts	55
ERUs	399
Annual Consumption (1,000s of gallons)	29,080
Average Monthly Use per ERU	6.1
City Inside City	
Accounts	23
ERUs	84
Annual Consumption (1,000s of gallons)	87,636
Average Monthly Use per ERU	86.9
City Outside City	
Accounts	1
ERUs	7
Annual Consumption (1,000s of gallons)	14,104
Average Monthly Use per ERU	167.9
Total	
Accounts	8,134
ERUs	9,073
Annual Consumption (1,000s of gallons)	992,985
Average Monthly Use per ERU	9.1

There are approximately 8,100 wastewater customers in FY 2020. The average monthly use per ERU is about 9,000 gallons per month.

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Table 6: Historical FY 2020 Industrial Wastewater Customer Statistics

Description	Consumption (1,000s of gallons)
Inside City	
Coca-Cola - 1" Domestic Meter	1,214
Bynum Transport - 1.5"	2,675
Florida Brewery - 3"	984
KIK Florida/Sewell Products - 4"	5,954
Coca-Cola - 6"	180,579
Subtotal Inside City	191,406
Outside City	
All Temp Storage - 3/4"	832
Board of County Commission - 3/4"	23,840
Givaudan - 2"	5,686
Packaging Corp of America - 3"	2,939
Subtotal Outside City	33,297

The billing frequency analysis provides historical actual data associated with the number of accounts and ERUs together with the average monthly billable consumption per rate block per ERU by customer class. These billable flows per block are considered reliable indicators for ratemaking and projection purposes, as average usage trends are not anticipated to vary materially from year to year except for periods experiencing unusual weather conditions. Conversations with City staff together with an understanding of recent trends and maintaining a conservative approach to forecasting customer growth, an annual average water customer growth rate of 4.5% is assumed in FY 2021 and 2022, 2.9% in FY 2023 and 2024, and an annual average of 2.0% in FY 2025 and 2026. The wastewater customer growth is based on the water customer forecast, and assumes that all new development has both water and wastewater services.

A summary of the forecasted growth in water customer accounts, ERUs and billable consumption are provided in the table below with more detailed information by customer class provided in Exhibit 3 at the end of this report.

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Table 7: Water Customer Forecast

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential Inside City						
Accounts	6,970	7,350	7,570	7,800	7,960	8,120
ERUs	6,970	7,350	7,570	7,800	7,960	8,120
Annual Consumption (1,000s of gallons)	723,500	762,900	785,800	809,600	826,200	842,900
Average Monthly Use per ERU	8.7	8.7	8.7	8.7	8.7	8.7
Residential Outside City						
Accounts	5,440	5,660	5,830	6,000	6,120	6,240
ERUs	5,440	5,660	5,830	6,000	6,120	6,240
Annual Consumption (1,000s of gallons)	355,100	369,500	380,600	391,700	399,500	407,300
Average Monthly Use per ERU	5.4	5.4	5.4	5.4	5.4	5.4
Commercial Inside City						
Accounts	660	670	680	690	700	710
ERUs	660	670	680	690	700	710
Annual Consumption (1,000s of gallons)	539,700	547,900	556,100	564,300	572,500	580,600
Average Monthly Use per ERU	68.2	68.2	68.2	68.2	68.2	68.2
Commercial Outside City						
Accounts	285	288	291	294	297	300
ERUs	285	288	291	294	297	300
Annual Consumption (1,000s of gallons)	66,100	66,800	67,500	68,200	68,900	69,600
Average Monthly Use per ERU	19.3	19.3	19.3	19.3	19.3	19.3
City Inside City						
Accounts	139	139	139	139	139	139
ERUs	139	139	139	139	139	139
Annual Consumption (1,000s of gallons)	100,000	100,000	100,000	100,000	100,000	100,000
Average Monthly Use per ERU	60.0	60.0	60.0	60.0	60.0	60.0
Total						
Accounts	13,494	14,107	14,510	14,923	15,216	15,509
ERUs	13,494	14,107	14,510	14,923	15,216	15,509
Annual Consumption (1,000s of gallons)	1,784,400	1,847,100	1,890,000	1,933,800	1,967,100	2,000,400
Average Monthly Use per ERU	11.0	10.9	10.9	10.8	10.8	10.7

A summary of the forecasted growth in wastewater customers is provided in the table below with more detail provided in Exhibit 4. As shown in the table, the wastewater customer base is projected to grow by an average of 430 new customers per year through FY 2026.

Table 8: Wastewater Customer Forecast

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential Inside City						
Accounts	5,750	6,130	6,350	6,580	6,740	6,900
ERUs	5,750	6,130	6,350	6,580	6,740	6,900
Annual Consumption (1,000s of gallons)	668,600	712,800	738,400	765,100	783,700	802,300
Average Monthly Use per ERU	9.7	9.7	9.7	9.7	9.7	9.7
Residential Outside City						
Accounts	2,490	2,710	2,880	3,050	3,170	3,290
ERUs	2,490	2,710	2,880	3,050	3,170	3,290
Annual Consumption (1,000s of gallons)	173,600	188,900	200,800	212,600	221,000	229,400
Average Monthly Use per ERU	5.8	5.8	5.8	5.8	5.8	5.8
Commercial Inside City						
Accounts	420	420	420	420	420	420
ERUs	960	970	980	990	1,000	1,010
Annual Consumption (1,000s of gallons)	81,200	82,100	82,900	83,800	84,600	85,400
Average Monthly Use per ERU	7.1	7.1	7.1	7.1	7.1	7.1
Commercial Outside City						
Accounts	56	57	58	59	60	61
ERUs	403	407	411	415	419	423
Annual Consumption (1,000s of gallons)	29,400	29,600	29,900	30,200	30,500	30,800
Average Monthly Use per ERU	6.1	6.1	6.1	6.1	6.1	6.1
City Inside City						
Accounts	23	23	23	23	23	23
ERUs	84	84	84	84	84	84
Annual Consumption (1,000s of gallons)	87,600	87,600	87,600	87,600	87,600	87,600
Average Monthly Use per ERU	86.9	86.9	86.9	86.9	86.9	86.9
Total						
Accounts	8,739	9,340	9,731	10,132	10,413	10,694
ERUs	9,687	10,301	10,705	11,119	11,413	11,707
Annual Consumption (1,000s of gallons)	1,040,400	1,101,000	1,139,600	1,179,300	1,207,400	1,235,500
Average Monthly Use per ERU	9.0	8.9	8.9	8.8	8.8	8.8
	621	601	391	401	281	281

Industrial customer consumption is assumed to remain constant throughout the forecast period as shown on table 9 below with more detail provided on Exhibit 7:

Table 9: Industrial Wastewater Consumption Forecast (1,000 Gallons)

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Inside City						
Coca-Cola - 1" Domestic Meter	1,200	1,200	1,200	1,200	1,200	1,200
Bynum Transport - 1.5"	2,600	2,700	2,700	2,700	2,700	2,700
Florida Brewery - 3"	1,000	1,000	1,000	1,000	1,000	1,000
KIK Florida/Sewell Products - 4"	6,000	6,000	6,000	6,000	6,000	6,000
Coca-Cola - 6"	180,600	180,600	180,600	180,600	180,600	180,600
Subtotal Inside City	191,400	191,500	191,500	191,500	191,500	191,500
Outside City						
All Temp Storage - 3/4"	800	800	800	800	800	800
Board of County Commission - 3/4"	23,800	23,800	23,800	23,800	23,800	23,800
Givaudan - 2"	5,700	5,700	5,700	5,700	5,700	5,700
Packaging Corp of America - 3"	2,900	2,900	2,900	2,900	2,900	2,900
Subtotal Outside City	33,200	33,200	33,200	33,200	33,200	33,200

Section 3. Revenue Requirements

General

The City recovers the cost of providing water and wastewater services through the monthly user rates, fees, and impact fees. Operating cash revenue requirements is the term that defines the various components of cost associated with operating and maintaining the City's utility service. The sum of these cost components, less other income, represents the net revenue requirements that are funded from the monthly user rates and/or fees. The projected revenue requirements over the Forecast Period include the various generalized cost components described below:

- Operating and Maintenance (O&M) Expenses: These expenses include the cost of labor, insurance, utilities, contractual services, maintenance, materials, supplies, administration and other items necessary for the operation and maintenance related to providing services.
- Debt Service: Debt service includes the principal and interest on outstanding debt obligations payable from the net operating revenues. The projected revenue requirements also include the assumption that there will be additional debt during the Forecast Period to fund certain larger capital improvements.
- Other Revenue Requirements: This component of cost includes, in general, any ongoing capital improvements to be financed from revenues, transfers to reserves for future infrastructure rehabilitation or construction, transfers to the general fund, and funding of certain capital projects on a pay-as-you-go basis.

Projected Net Rate Requirements

The projected net rate requirements to be recovered through the monthly user rates, fees and charges were identified using the City's budgets for FY 2021 and FY 2022. Projections for fiscal years 2023 through 2026, reflect the anticipated impacts of inflation, labor and benefit adjustments, growth, and other increases affecting utilities. These impacts are addressed on a budget line-item basis using specific escalation factors. This process results in fiscal and net rate requirements that reasonably reflect future economic operating conditions of the Utility.

The primary assumptions utilized in the projection of net rate requirements for the years subsequent to FY 2022 are:

- Expenditures anticipated to be impacted by general inflation increase at 2.2 percent annually.
- Personnel salaries, merit and associated benefits increase 3.5 percent annually.
- Five additional personnel are assumed to be added during the Forecast Period.
- The general fund transfer and the contribution to the general fund are kept constant.
- Miscellaneous revenues, such as meter installations and late charges, are projected to increase by general inflation.
- In order to keep rate adjustments to a minimum, a new debt issue is anticipated during the Forecast Period and is assumed to be a state revolving fund (SRF) loan.

Based on the primary assumptions mentioned above, a summary of the projected amounts, for water and wastewater by major category are provided on Tables 10 and 11 as summarized from Exhibits 10 and 11. It should be noted that projections are based on anticipated events and assumptions that are subject to change; therefore, no assurance can be given with respect to the accuracy of such projections.

Table 10: Water Projected Net Rate Requirements

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water Operating Expenses	$2,519,840	$2,879,600	$2,985,900	$3,062,000	$3,140,100	$3,220,200
PRWC Operating Expenses	0	0	0	0	1,300,000	1,820,000
Total Operating Expenses	$2,519,840	$2,879,600	$2,985,900	$3,062,000	$4,440,100	$5,040,200
Existing Debt Service	649,600	650,000	649,800	648,700	612,700	603,100
Proposed Debt Service	0	0	0	0	0	0
Capital Funded by Rates	93,000	213,700	26,500	21,900	0	0
General Fund Transfer	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
Contribution to the General Fund	250,000	250,000	250,000	250,000	250,000	250,000
Total Rate Revenue Requirements	$5,284,290	$5,774,650	$5,693,600	$5,764,000	$7,084,200	$7,674,700
Less Revenue from Other Sources [1]	525,980	542,520	564,700	581,110	600,160	606,870
Net Revenue Requirements	4,758,310	5,232,130	5,128,900	5,182,890	6,484,040	7,067,830

[1] Amount excludes water impact fees that will be used to pay annual debt service requirements.

The water net rate requirements are projected to increase from $4.8 million in FY 2021 to $7.1 million by FY 2026. This increase can be primarily attributable to increases in operating and maintenance expenses due to additional personnel and inflationary pressures and the PRWC costs associated with the alternative water supply needs.

The projected net rate requirements for the wastewater system, net of income other than monthly rate revenue sources, estimated to be needed from the user rates and charges are summarized below:

Table 11: Wastewater Projected Net Rate Requirements

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Wastewater Operating Expenses	$3,438,970	$3,454,170	$3,574,800	$3,699,000	$3,827,800	$3,925,300
Existing Debt Service	1,948,900	1,949,900	1,949,300	1,946,300	1,838,300	1,809,500
Proposed Debt Service	0	0	0	453,800	453,800	453,800
Capital Funded by Rates	99,900	0	26,500	32,800	0	0
General Fund Transfer	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
Contribution to the General Fund	250,000	250,000	250,000	250,000	250,000	250,000
Total Rate Revenue Requirements	$7,509,620	$7,435,420	$7,582,000	$8,163,300	$8,151,300	$8,220,000
Less Revenue from Other Sources [1]	336,230	347,140	363,560	373,880	387,110	387,670
Net Revenue Requirements	$7,173,390	$7,088,280	$7,218,440	$7,789,420	$7,764,190	$7,832,330

[1] Amount excludes wastewater impact fees that will be used to pay annual debt service requirements.

The wastewater system is also anticipated to experience cost escalations due to being in a growing environment, inflationary pressures, and the additional personnel assumptions. Additionally, there is the Regional treatment plant Sprayfield expansion, which will require SRF debt funding.

Capital Improvement Requirements and Funding

The capital expenditures planned through FY 2026 are based on the City's capital improvement program (CIP) provided by staff. The combined water and wastewater six-year CIP demonstrates the need for approximately $34.1 million of projects. Funding for these improvements is projected to be from a variety of mechanisms including, but not limited to, unrestricted reserve funds, impact fees, utility rates, the American Rescue Act Funds (ARA Funds), and new debt. The table below illustrates the anticipated funding sources for the five-year CIP.

Table 12: Combined Six-Year Capital Improvement Program Funding

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
User Rates and Reserves	$3,614,500	$2,851,800	$3,295,000	$2,399,700	$3,466,500	$1,124,500	$16,752,000
Impact Fees	0	0	0	3,000,000	0	0	3,000,000
ARA Funds	0	2,832,500	4,455,800	0	0	0	7,288,300
New Debt	0	0	1,273,100	3,556,400	2,251,000	0	7,080,500
Total Funding Sources	$3,614,500	$5,684,300	$9,023,900	$8,956,100	$5,717,500	$1,124,500	$34,120,800

The timing and funding sources for each project within the CIP are provided on Exhibit 9.

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Section 4. Revenue Sufficiency

General

Sufficient revenues are necessary to pay for the continuing operations of the utility system providing for the health, safety and welfare of the community. The measure of revenue sufficiency is demonstrated not only by the ability to meet the annual operating requirements, but also to provide for ongoing capital asset renewals, upgrades and expansions. The initial task in determining revenue sufficiency is to identity the relative sufficiency of the revenues generated from existing rates, charges and fees to provide for: 1) projected O&M expenses; 2) debt service plus coverage and other covenant requirements for both the revenue bonds; 3) transfers to maintain reserve funds at adequate levels; and 4) capital improvement expenditures.

Revenue Sufficiency Projections at Existing Rates

Operating revenues are projected based on: 1) the existing rates, charges and fees; 2) forecasted customers, ERUs, and sales; and 3) other revenue from miscellaneous charges, penalties, and interest earnings. The first revenue test performed and shown on the following tables are projected sufficiency from revenues at existing rate levels.

The revenues from existing water and wastewater rates are forecasted to meet the projected net rate requirements through FY 2021, as shown in Table 13 and detailed on Exhibits 10 and 11, which will be accumulated in the utility reserve fund that can be used for projects, emergencies and adequate cash reserves for creditworthiness.

Table 13: Utility Revenue Sufficiency Forecast at Existing Rates

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenue from Existing Rates	$13,316,100	$13,880,700	$14,259,800	$14,647,300	$14,930,200	$15,212,800
Net Rate Requirements	9,333,200	9,720,510	9,987,440	10,574,210	12,409,830	13,071,360
Surplus/(Deficit)	$3,982,900	$4,160,190	$4,272,360	$4,073,090	$2,520,370	$2,141,440

Sufficiency of Projected Utility Rate Revenues

As previously discussed, the existing rates can support the net rate requirements forecast, which includes additional debt service associated with CIP funding and the first couple years of PRWC operating expenses. However, the City has a need to develop an alternative water supply reserve to help build up funds to pay for PRWC and/or other alternative water supply projects sometime in the 2025 to 2028 timeframe. Additionally, the City is not relying heavily on debt funding for it's CIP with over $34 million of projects, which means that utility rates will need to generate sufficient funds for these projects as well as to maintain and improve fund balance levels. Below are the rate adjustments identified to meet the City's needs for the next several years, based on currently available information from PRWC and the current CIP. Each of these items has the potential to change dramatically in a short period of time and should be monitored closely by the City to see if the recommendations contained herein need to be updated.

Table 14 provides the rate adjustments to address operating requirements, debt service coverage requirements, capital requirements and the minimum targets for the reserve funds through FY 2026.

Table 14: Proposed Annual Rate Adjustments

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water	4.0%	4.0%	4.0%	4.0%	4.0%
Wastewater	0.5%	0.5%	0.5%	0.5%	0.5%

With the implementation of the proposed rate adjustments, surpluses, as shown in Table 15, are increased to levels that provide additional funding required for the Utility's CIP and allow for development of a reserve fund for alternative water supply projects.

Table 15: Utility Revenue Sufficiency Forecast with Rate Adjustments

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenue from Proposed Rates	$13,316,100	$14,166,673	$14,856,153	$15,580,058	$16,218,795	$16,881,400
Net Rate Requirements	9,333,200	9,720,510	9,987,440	10,574,210	12,409,830	13,071,360
Surplus/(Deficit)	$3,982,900	$4,446,163	$4,868,713	$5,005,848	$3,808,965	$3,810,040

Debt Service Coverage

An important financial metric is debt service coverage, which is one of the most talked about and utilized financial indicators in the utility industry because of the nature of funding capital assets. The required coverage ratios established within the rate covenant provisions of the Bond Resolution or SRF Debt Purchase Agreement are intended to provide a buffer in the event of sudden downturns resulting in reduced revenues. The coverage ratios are generally only a minimum required coverage level. However, prudent utility rate setting provides for coverage ratios significantly greater than the minimum requirement as evidence by the medians reported in the Fitch 2020 Report.

The Bond Resolution has coverage requirements of: 1) Net Revenue at 120 percent of Annual Debt Service; and 2) 100 percent of any amounts required to the Reserve Subaccount. It is prudent that the Utility Enterprise strive to maintain coverage at or above 150 percent on a combined senior and subordinate debt service coverage, Table 16 provides the debt service calculation for the combined utility:

Table 16: Debt Service Coverage Forecast – Utility

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Net Operating Revenues	$8,219,500	$8,722,563	$9,223,713	$9,773,848	$8,938,165	$8,910,440
Other Expenses/Transfers	4,236,600	4,276,400	4,115,800	4,117,500	4,062,800	4,062,800
Impact Fees Applied to Debt Service	2,598,500	2,599,900	2,359,900	2,398,300	1,838,400	1,828,800
Total Debt Service	2,598,500	2,599,900	2,599,100	3,048,800	2,904,800	2,866,400
Debt Service Coverage Excluding Transfers						
Calculated	3.16	3.35	3.55	3.21	3.08	3.11
Required	1.25	1.25	1.25	1.25	1.25	1.25
Debt Service Coverage Including Transfers						
Calculated	1.53	1.71	1.97	1.86	1.68	1.69
Targeted	1.15	1.15	1.15	1.15	1.15	1.15
Debt Service Coverage Transfers and Impact Fees						
Calculated	2.53	2.71	2.87	2.64	2.31	2.33

Projected Reserve Fund Balances

The primary reserve funds for the objectives in this study consist of the Utility Reserve Fund, Renewal and Replacement Fund (R&R Fund), Water Impact Fee Fund, and Sewer Impact Fee Fund. Additionally, it is recommended that the Utility begin setting aside funds each year in an alternative water supply reserve, which will allow for tracking funds that are intended for use for alternative water projects, including the potential future PRWC projects. The primary benefit of setting up this alternative water supply reserve is the ability to buy down future debt obligations that the PRWC will take out on the City's behalf, which reduces future amounts due to PRWC.

The Utility Reserve Fund provides for the accumulation and expenditure of unrestricted earnings of the utility. The Water and Sewer Impact Fee reserve funds are limited to expenditures for improvements and debt service directly associated with capacity expansion of the systems. The R&R Fund is required to maintain a balance of $250,000 in accordance with the Series 2006 Revenue Loan. A key financial measure of the financial stability, health and creditworthiness of a utility and enterprise fund is the ability to maintain adequate levels of unrestricted funds. It is recommended that the City keeps at least 90 days of O&M expenses for the Utility Reserve Fund.

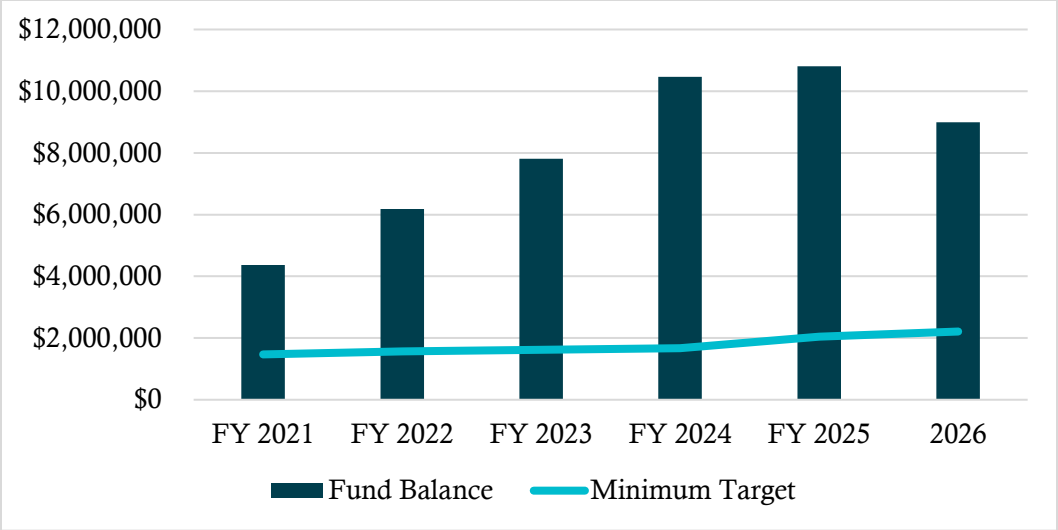
The projected reserve fund balances resulting from inflows based on the rate adjustments and projected outflows in support of the O&M expenses, debt service, and capital improvements are illustrated first on Table 17 and then in Figures 1, 2, and 3 below as summarized from Exhibit 13. These projections illustrate the relative activities in each reserve fund and demonstrate the levels of funds available for discretionary (amounts above minimum fund balances) capital expenditures, which should be reviewed each fiscal year and adjusted pursuant to the then current financial conditions.

Table 17: Project Reserve Fund Balances

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Utility Reserve Funds [1]						
Beginning Balance	$3,809,404	$4,370,704	$6,178,767	$7,805,480	$10,466,327	$10,808,792
Transfers In	3,982,900	4,446,163	4,868,713	5,005,848	3,808,965	3,810,040
Transfers Out	(3,421,600)	(2,638,100)	(3,242,000)	(2,345,000)	(3,466,500)	(5,624,500)
Ending Balance	$4,370,704	$6,178,767	$7,805,480	$10,466,327	$10,808,792	$8,994,332
Renewal & Replacement Fund						
Beginning Balance	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Ending Balance	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Water Impact Fee Fund						
Beginning Balance	$777,628	$960,328	$1,746,128	$2,044,328	$2,365,628	$2,432,428
Transfers In	832,300	1,435,800	948,000	970,000	679,500	679,500
Transfers Out	(649,600)	(650,000)	(649,800)	(648,700)	(612,700)	(603,100)
Ending Balance	$960,328	$1,746,128	$2,044,328	$2,365,628	$2,432,428	$2,508,828
Sewer Impact Fee Fund						
Beginning Balance	$2,016,785	$2,663,085	$3,303,085	$3,303,085	$303,085	$303,085
Transfers In	2,595,200	2,589,900	1,710,100	1,749,600	1,225,700	1,225,700
Transfers Out	(1,948,900)	(1,949,900)	(1,710,100)	(1,749,600)	(1,225,700)	(1,225,700)
Ending Balance	$2,663,085	$3,303,085	$3,303,085	$3,303,085	$303,085	$303,085

[1] Includes the Utility Reserve Fund, Utility Emergency Fund, and Alternative Water Fund as further detailed on Exhibit 13.

Figure 1: Unrestricted Reserves Fund Forecast



Note: amounts include the alternative water supply reserve.

Figure 2: Water and Sewer Impact Fee Fund Forecast

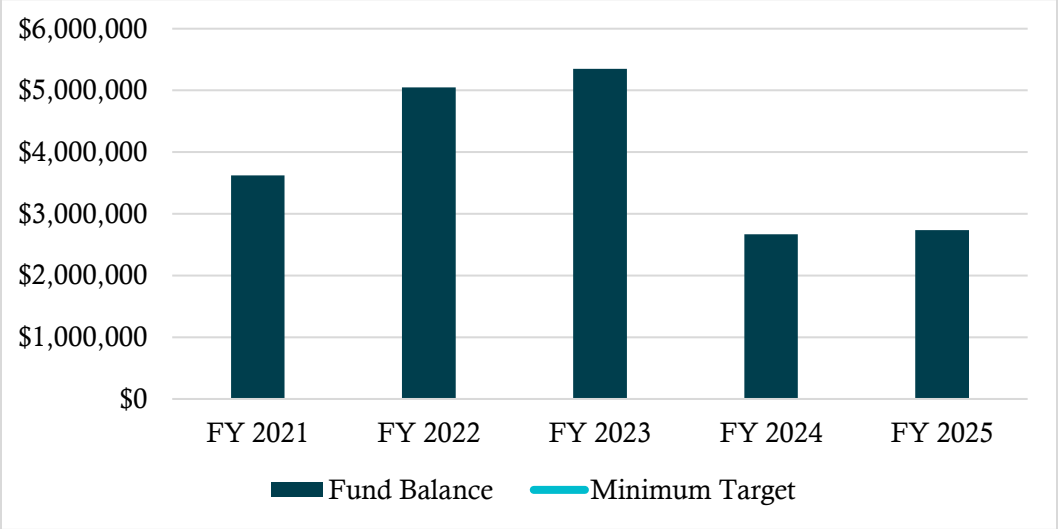
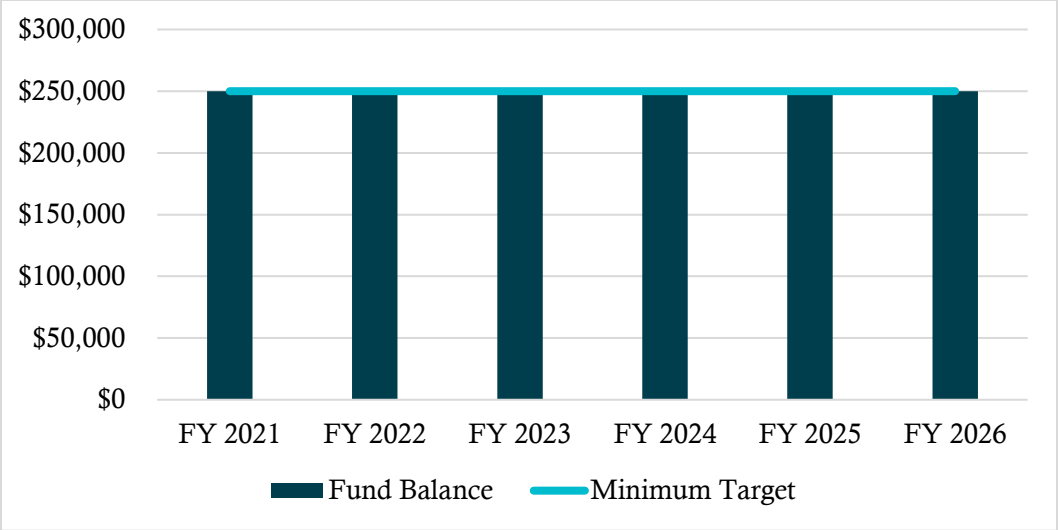


Figure 3: R&R Fund Forecast



Note: R&R Fund is maintained at the minimum requirement pursuant to the debt service covenants.

Section 5. Rate Design

General

The Utility maintains a just and equitable rate structure and rates; however, certain modifications and adjustments have been identified based on results of a detailed billing frequency analysis and to better align with City objectives. The primary objective being addressed by the recommended rate structure changes is water conservation. The City is currently in a position where in the near future alternative water supplies will be necessary to supplement demands from growth. This alternative water will be much more costly both in capital and operating than the City's existing groundwater supply. Therefore, any actions taken by the Utility and customers to reduce consumption and thereby reduce the need for future alternative water, will have significant financial advantages for all Utility customers.

WATER BASE CHARGES

The City currently charges a single base charge for all customer classes regardless of meter size and includes a minimum of 4,000 gallons monthly per account. Based on industry trends and the Utility's current objectives around water conservation, the minimum gallons in the water base charge are being eliminated. This will transition customers more to a pay for what you use methodology, which will influence the water conservation efforts. Additionally, larger meter sizes currently pay the same monthly base charge as a typical single family connection even though the potential for demands on the system is much greater. The base charges for commercial customers will be increased as the meter size increases, similar to how wastewater is currently applied. The factors used to determine the charge for each meter size will be related to the American Water Works Association (AWWA) meter size flow factors from the M6 manual.

WASTEWATER BASE CHARGES

As previously mentioned, the wastewater base charges are currently designed to increase as the meter size used for service increases to reflect the potential demand on the system. To maintain equitability and have a uniform application, the factors applied to larger meter sizes will be adjusted to match the AWWA meter size flow factors that are being applied to the water base charges.

WATER VOLUMETRIC RATES

Water consumption is billed based on an established rate per 1,000 gallons with tiers that increase the rate as consumption increases each month. This is a typical water volumetric rate structure in the utility industry. However, based on the desire to encourage water conservation certain adjustments to this tiered structure are being recommended. First, with the elimination of the minimum gallons in the base charge a new first block is being established to capture the first 4,000 gallons. Above 4,000 gallons, the amount of gallons included in each tier are being reduced and the rates applied to tiers 3 and 4 are being increased, all in an effort to promote water conservation.

Rate Design Results

Based on the objectives identified above, and using the costs and number of customers presented in prior sections of this report the following tables present the proposed inside City water and wastewater rates for implementation in FY 2022 (beginning October 1, 2021). Outside City customers will pay an additional 25%, per existing City policy.

Table 18: Proposed Residential Inside Water Rates

Rate Component	FY 2021	Rate Design
Base Charge		
All Meters	$11.55	$7.99
Usage Charges		
Minimum	$0.00	N/A
Block 1	$2.08	$1.03
Block 2	$3.13	$2.06
Block 3	$4.17	$3.43
Block 4	N/A	$4.80
Consumption Blocks (in 1,000s)		
Minimum	0 – 4	N/A
Block 1	4 – 12	0 – 4
Block 2	12 – 35	4 – 10
Block 3	Above 35	10 – 20
Block 4	N/A	Above 20

Table 19: Proposed Commercial Inside Water Rates

Rate Component	FY 2021	Rate Design
Base Charge		
¾" Meter	$11.55	$7.99
1" Meter	$11.55	$19.98
1 ½" Meter	$11.55	$39.95
2" Meter	$11.55	$63.92
3" Meter	$11.55	$127.84
4" Meter	$11.55	$199.75
6" Meter	$11.55	$399.50
8" Meter	$11.55	$639.20
10" Meter	$11.55	$918.82
Usage Charges		
Minimum	$0.00	N/A
Block 1	$2.87	$2.87
Consumption Blocks (in 1,000s)		
Minimum	0 – 4	N/A
Block 1	Above 4	All Usage

Table 20: Proposed Residential Inside Wastewater Rates

Rate Component	FY 2021	Rate Design
Base Charge		
All Meters	$40.82	$41.13
Usage Charges	N/A	N/A

Table 21: Proposed Commercial Inside Wastewater Rates

Rate Component	FY 2021	Rate Design
Base Charge		
¾" Meter	$40.82	$41.13
1" Meter	$68.87	$102.83
1 ½" Meter	$138.98	$205.65
2" Meter	$279.23	$329.04
3" Meter	$559.72	$658.08
4" Meter	$1,120.68	$1,028.25
6" Meter	$2,242.63	$750.00
8" Meter	$4,486.51	$3,290.40
10" Meter	$8,974.28	$4,729.95
Usage Charges		
Minimum (0-6,000) [1]	$0.00	$0.00
Above Minimum	$7.01	$7.01

[1] Minimum gallons increase as the meter size increases as shown on Table 22.

Table 22: Wastewater Minimum Gallons by Meter Size

Meter Size	Gallons Included
¾" Meter	6,000
1" Meter	15,000
1 ½" Meter	30,000
2" Meter	48,000
3" Meter	96,000
4" Meter	150,000
6" Meter	300,000
8" Meter	480,000
10" Meter	690,000

Rate Design Customer Bill Impacts

The tables and discussion below have been included for information purposes. Any change of rate structure has the potential for larger impacts to certain customers or customer classes.

Below is a table illustrating impacts at various usage levels for a majority of the System's customers, single family inside city using less than 25,000 gallons per month of combined water and sewer services. The cumulative percentage of single family water bills has been included to provide context for how these proposed rates will impact the customer base. For example, at the 4,000-gallon level 50.6% of the single family customers have been billed.

Table 23: Single Family Sample Bill Impacts (Water and Wastewater)

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	$52.37	$49.12	($3.25)	10.5%
3,000	$52.37	$52.20	($0.17)	40.1%
4,000	$52.37	$53.23	$0.86	50.6%
5,000	$54.45	$55.29	$0.83	59.1%
10,000	$64.85	$65.56	$0.71	80.7%
25,000	$109.70	$123.79	$14.09	92.1%

Section 6 – Water Impact Fee

Introduction

Water impact fees are one-time charges assessed against new water customers or developers to recover a proportional share of the capital costs incurred by the City to provide water capacity for new customers. This capacity may be already constructed, funded, and available in existing facilities, or the service capacity may be planned and included as future capital projects in a CIP. Impact fees are an important funding mechanism to ensure justifiable cost recovery and to limit the burden of water ratepayers funding growth-related projects.

This section of the report includes a review of the City's existing water impact fee and discusses the updated calculation of the proposed impact fees. Additionally, this section includes a comparison of the existing and calculated fees with other nearby utilities.

Existing Water Impact Fees

The City's existing water impact fees were last updated in 2006, pursuant to Ordinance No. 1230, and are charged to new customers for connection to the City's water system. Single family residential customers are charged $1,264.99 for each new inside City connection and commercial, industrial, and all non-residential connections are assessed the impact fee based on certain attributes for each type of development, as provided in Ordinance No. 1230. The City charges 25% more to connections outside the City limits.

Impact Fee Methodologies

There are numerous approaches to determining impact fees that have been adopted by water utilities across the state of Florida and the country. However, two approaches are most often used and are recognized in the industry as cost-justified by the American Water Works Association (AWWA) and Water Environmental Federation (WEF)[1]. These two approaches are the System Buy-In method and the Incremental Cost method.

Under the System Buy-In method, impact fees are based upon the "buy-in" concept that existing users, through service charges and other up-front charges, have developed a valuable public capital facility. This method is appropriate for utility systems, or components of utility systems, with additional capacity already in place, and provides an estimate of the cost of providing a unit of capacity based upon the net equity of the existing assets. This method calculates a fee based upon the proportional cost of each user's share of the existing system capacity available for new customers. The costs of the facilities are based on a review of fixed asset records and can be based on original asset costs, or may include escalation of the original asset costs to current dollars. Excluded from the calculation are local service lines that are dedicated to serving only existing customers, vehicle and minor equipment costs, and assets contributed by or paid for by developers.

The Incremental Cost method focuses on the cost of adding additional facilities to serve new customers. It is most appropriate in situations where additional capacity and/or trunk line extensions/expansions to provide service to new customers and the costs of the capacity can be tied to an approved CIP or master plan, such as the PRWC project. Under this method, it is important that any proposed capital projects required to address deficiencies in the

[1] AWWA Manual M26 – Water Rates and Related Charges, Ch. 3: System Development Charges, pp. 19-33.

existing facilities be excluded from the determination of the impact fee. This includes projects required to meet new or existing regulatory requirements and/or renewals and replacements of existing facilities.

The impact fee proposed in this report is based on a hybrid method as there is consideration that the City has a significant investment in existing assets and has identified certain required improvements over the next several years to serve new growth. The PRWC projects reflect a significantly higher cost per gallon than the existing City water capacity. The costs of PRWC have been blended with the City's existing capacity to begin capturing some of this cost from new development that is causing the need to participate in PRWC, but does not reflect the full cost of the PRWC projects. The City should consider updating the impact fees by 2024 to ensure the appropriate alternative water projects are included in the impact fee calculation and that growth is paying an equitable share of the costs.

Design of Water Impact Fee

Two significant components need to be addressed in the design of the water impact fees: 1) the level of service to be apportioned to the applicants that request system capacity; and 2) the amount of capital costs to be recovered from a new customer requesting service. Both of these issues are related to the level of the impact fee expressed on an equivalent residential connection (ERC) basis which represents the average capacity required to service a typical individually metered single family residential account.

LEVEL OF SERVICE REQUIREMENTS

Level of service (LOS) is an indicator of the amount of service provided by, or proposed to be provided by, a facility based on and related to the operational characteristics of the facility. LOS indicates the capacity per unit of demand for each public facility. The LOS commonly used for water service is the amount of flow (usually gallons) allocable to each ERC expressed on a daily basis. The LOS generally represents the amount of capacity allocable to an ERC, whether such capacity is actually used or not (commonly referred to as "readiness to serve"). An ERC is representative of the average capacity required to service a typical individually metered single family residential account. This class of users typically utilizes a 5/8" or 3/4" meter and represents the largest customer class served by a public utility and generally the lowest level of usage requirements for a specifically metered account.

The following table summarizes the level of service standards that were incorporated into this water impact fee analysis:

Table 24: Level of Service per ERC

Service	Gallons per Day
Water	275

The LOS per ERC shown above is 275 gallons per day. This LOS is based on the City's existing single family residential impact fee amount of $1,264.99.

CAPITAL COSTS RECOVERED

Buy-In Value

Water impact fees typically include the growth-related infrastructure costs associated with water supply, treatment, and transmission. The City has made a substantial investment in these types of facilities with capacity available for new users. The water treatment plant has a permitted average daily use of 7.00 million gallons per day (MGD) and has an average daily use of 5.50 MGD to serve existing customers. Since existing capacity is available to serve a

portion of the anticipated near-term growth in the City's water service area, it is appropriate to include the value of existing facilities in the water impact fee calculation.

The value of existing assets was determined based on a combination of the City's current fixed asset records as of October 1, 2020 and the last impact fee study, which valued certain transmission assets that were placed in service prior to 2005. The fixed asset records included a complete listing of water assets with its asset number, cost basis (Original Cost), year-to-date depreciation, and date acquired for all assets except certain transmission lines placed in service prior to 2005. The total original cost of all the water fixed assets is approximately $30.8 million.

The fixed assets were also classified by functional categories such as treatment and transmission to identify which of the assets are part of the major system backbone infrastructure and thus should be part of the water impact fee calculation. Local service lines that are dedicated to serving only existing customers, vehicle and minor equipment costs, and assets contributed by or paid for by developers are not included in the water impact fee calculation. Table 25 summarizes the value of existing water assets with capacity available to serve new customers:

Table 25: Water Fixed Asset Valuation

Description	Original Cost
Treatment	$15,836,423
Transmission	15,011,502
Total	$30,847,925

Incremental Cost

The City is one of sixteen member governments in the Polk Regional Water Cooperative (PRWC), which consists of fifteen cities and Polk County. The PRWC was formed to identify alternative future water resources and projects to ensure sustainability of the regional water supply. The City joined the PRWC to assure sufficient water supply as a result of potential water supply limitations in the future. The role of PRWC specifically includes identifying sustainable groundwater sources, developing strategies that meet future water demands, determining the required infrastructure, and establishing consistent rules. This venture is unprecedented in Polk County. For the first time many participants, including the City, will be obtaining water from outside their service area boundaries, which requires extensive transmission lines. Additionally, the cost of the alternative water projects is significantly more expensive than the City's current groundwater supply, resulting in higher capital and operating expenses. The PRWC identified 205 non-traditional or alternative water supply source projects in Polk County, of which 3 have been selected as priority projects by the member governments. The 3 projects selected were the West Polk County LFA Wellfield, Southeast Wellfield, and the Peace Creek Integrated Water Supply projects. Several iterations of the projects and costs have been circulated recently, leaving some level of uncertainty on the exact path that will be taken. In light of this, a conservative approach has been used for the impact fee calculation when accounting for the cost of additional capacity related to alternative water. The most recent estimates provide that for the Southeast project area a buildout capacity of 12.5 MGD is being considered. The total cost of providing the 12.5 MGD is shown on the table below, which is then broken down to a cost per gallon and ultimately to the amount of capacity and cost that is assigned to the City.

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Table 26: PRWC Alternative Water Costs

Description	Water Production	Water Transmission	Total
Total Southeast Project			
Capacity (MGD)	12.500	12.500	12.500
Capital Cost	$110,585,000	$96,863,000	$207,448,000
Cost per Gal of Capacity	$8.85	$7.75	$16.60
City of Auburndale			
Capacity (MGD)	1.650	1.650	1.650
Capital Cost	$14,597,220	$12,785,916	$27,383,136
Cost per Gal of Capacity	$8.85	$7.75	$16.60

Debt Service

The City has two outstanding debt issues on the utility system: a Water and Sewer Revenue Bonds Series 2006 (Series 2006) and a Water and Sewer Revenue Bonds Series 2016 (Series 2016). These debt issues have been utilized by the utility to align the funding of capital assets with the anticipated service life of such assets. This enables debt service to be shared by existing and future users over time. The repayment of debt service is generally funded by the user rates and charges since these are collected on a monthly basis and are fairly consistent from year to year. Reliance on impact fees to pay large portions of annual debt service does not lead to financially prudent planning since the revenue generated can fluctuate drastically from year to year. That being said, the City currently uses as much impact fee revenue collected in a given year to pay debt service requirements first, and then sets the rest aside for future expansion projects. While this is the approach implemented by the City, the user rates are set so that if impact fees are not available to pay debt service, then the user rates will generate a sufficient level of net revenue to pay all annual debt service requirements and meet the debt covenants.

Additionally, an important step in calculating the impact fee is to add the financing costs associated with the outstanding debt mentioned above. The addition of the interest costs is important since it represents the carrying costs of the assets. Using a discount rate of 5.375%, on the Series 2006 Note and a 2.50% discount rate on the Series 2016, the total principal and interest NPV is $5,132,100 and $22,325,200, respectively. The NPV calculated is then allocated between the water and wastewater system according to the percentages used in in Section 2 of this report. Of the calculated NPV amounts, the water portion of the financing costs is equal to $13.7 million. The NPV calculated is then allocated equally between the water and wastewater system pursuant to how the City has historically approach debt funding.

Table 27: NPV on Outstanding Debt

Description	Principal NPV	Interest NPV	Total NPV	Water Allocation	Wastewater Allocation
Series 2006	$4,374,175	$757,966	$5,132,141	50%	50%
Series 2016	13,837,760	8,487,443	22,325,203	50%	50%
Total	$18,211,935	$9,245,409	$27,457,344		

While the NPV was calculated on the principal and interest components of the outstanding debt payment, only the interest amount is added to the impact fee calculation. The principal amount is already reflected through the asset values that have been accumulated. The table below demonstrates the allocation of the interest amounts between the water and wastewater systems:

Table 28: Allocation of Interest NPV on Outstanding Debt

Description	Interest NPV	Water Allocation	Wastewater Allocation	Water NPV	Wastewater NPV
Series 2006	$757,966	50%	50%	$379,000	$379,000
Series 2016	8,487,443	50%	50%	4,243,700	4,243,700
Total	$9,245,409			$4,622,700	$4,622,700

After allocating the interest of financing costs between water and wastewater based on the assets funded from each outstanding loan, the amounts are then functionalized between treatment and transmission improvements.

Table 29: Water Financing Costs Functional Allocation

Description	Amount	Treatment Allocation	Transmission Allocation	Treatment NPV	Transmission NPV
Water Interest NPV	$4,622,700	50%	50%	$2,311,400	$2,311,400

USER FEE CREDITS

The amount of user fee credits that are applied towards the impact fee are determined by the net present value (NPV) of both the principal and interest costs on outstanding debt.

As shown on Table 30, the water system is allocated $13.7 million of the NPV costs. Finally, these amounts are allocated to existing and future users. As shown in Section 2, an estimated 3,810 accounts are added to the system between FY 2022 and FY 2031 for a total ten-year growth of 28.2%. The 28.2% is applied against the water NPV costs to calculate the user fee credit portion of the water impact fee calculation.

Table 30: Water User Fee Credit Calculation

Description	Amount
Water NPV	$13,728,676
% Allocated to 10-Year Growth	28.2%
User Fee Credit	$3,876,258

Water Impact Fee Calculation

To determine the unit cost of capacity, the sum of the original cost of the City's water system assets, the incremental costs identified with PRWC, and the NPV of financing costs and user fee credits are divided by the total average day capacity of 8.65 MGD. This calculation produces a unit cost expressed in gallons per day for inside City connections. The City will continue to apply an additional 25% to connections outside City limits. Table 31 illustrates the calculation of the water impact fee under the hybrid approach:

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Table 31: Water Impact Fee Calculation

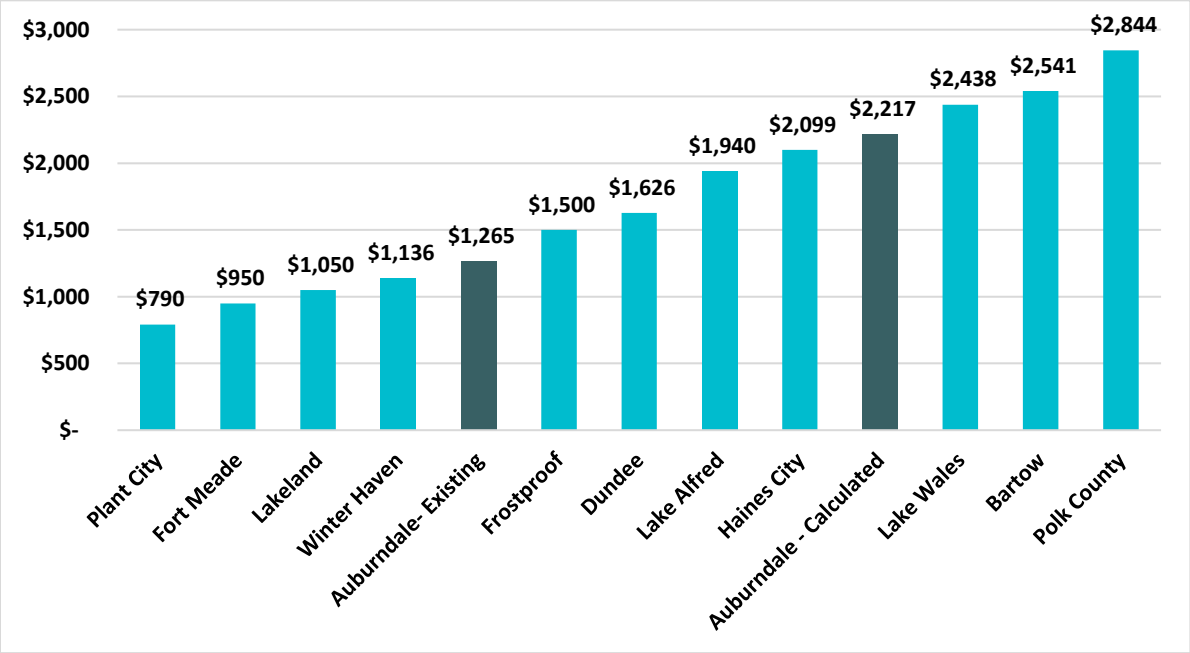
Description	Treatment	Transmission	Total
Existing Facilities [1]	$15,836,400	$1,828,700	$17,665,100
General Plant Improvements	0	13,182,828	13,182,828
Other Planned Improvements	8,290,800	2,472,000	10,762,800
PRWC Improvements	14,597,220	12,785,916	27,383,136
NPV of Financing Costs	2,311,400	2,311,400	4,622,800
Less: User Fee Credits	1,938,200	1,938,200	3,876,400
Total Costs Recovered	$39,097,620	$30,642,644	$69,740,264
Existing Capacity (MGD)	8.65	8.65	8.65
Unit Cost per Gallon	$4.52	$3.54	$7.97
Level of Service	275	275	275
Calculated Fee per ERC	$1,242.99	$974.19	$2,217.18
Calculated Fee per ERC (rounded)			$2,217.00

The fee levels of other customer types are provided on Exhibit 16.

Water Impact Fee Comparison

Figure 5 provides a comparison of the City's existing and proposed water impact fees to similar fees charged by other surrounding communities.

Figure 4: Water Impact Fee Comparison – Single Family



Section 7 – Wastewater Impact Fee

Introduction

Wastewater impact fees are one-time charges assessed against new customers or developers to recover a proportional share of the capital costs incurred by the City to provide capacity for new customers. This capacity may be already constructed, funded, and available in existing facilities, or the service capacity may be planned and included as future capital projects in a CIP. Impact fees are an important funding mechanism to ensure justifiable cost recovery and to limit the burden of ratepayers funding growth-related projects.

This section of the report summarizes the basis for the update of the City's calculated wastewater impact fees. Included is a review of the City's existing wastewater impact fees, a discussion of the derivation of the proposed impact fees, and a comparison of the existing and proposed fees with other nearby utilities.

Existing Wastewater Impact Fees

The City's existing wastewater impact fees were last updated in 2006, pursuant to Ordinance No. 1230, and are charged to new customers for connection to the City's sewer system. Single family residential customers are charged $3,938.14 for each new inside City connection and commercial, industrial, and all non-residential connections are assessed the impact fee based on certain attributes for each type of development, as provided in Ordinance No. 1230. The City charges 25% more to connections outside the City limits.

Impact Fee Methodologies

As mentioned in Section 6. Water Impact Fee, there are numerous approaches to determining impact fees that have been adopted by utilities across the state of Florida and the country. However, two approaches are most often used and are recognized in the industry as cost-justified by the American Water Works Association (AWWA) and Water Environmental Federation (WEF)[2]. These two approaches are the System Buy-In method and the Incremental Cost method. A brief description of these two approaches may be found in Section 8. The proposed wastewater impact fees discussed in this report are based on a hybrid method as there is consideration that the City has a significant investment in existing assets and has identified certain required improvements over the next several years to serve new growth.

Design of Wastewater Impact Fee

With respect to designing wastewater impact fees, generally there are two significant components that need to be addressed: 1) the level of service to be apportioned to the applicants that request system capacity; and 2) the amount of capital costs to be recovered from a new customer requesting service. Both of these issues are related to the level of the impact fee expressed on an equivalent residential connection (ERC) basis which represents the average capacity required to service a typical individually metered single family residential account.

[2] AWWA Manual M26 – Water Rates and Related Charges, Ch. 3: System Development Charges, pp. 19-33.

LEVEL OF SERVICE REQUIREMENTS

The previous Water Impact Fee section discusses LOS standards for water. A similar approach applies for wastewater impact fees. Table 32 summarizes the level of service standards incorporated into this wastewater impact fee analysis:

Table 32: Level of Service per ERC

Service	Gallons per Day
Wastewater	250

The LOS per ERC shown above is 250 gallons per day.

CAPITAL COSTS RECOVERED

Buy-In Value

According to staff, the City's wastewater treatment facility has been rated to provide 4.18 MGD of capacity, and the average daily sewage treated at the facility is currently 2.3 MGD. Since there is capacity available to serve the anticipated near-term growth in the City's wastewater service area, it is appropriate to include the value of existing facilities in the wastewater impact fee calculation. This value was determined based on the City's current fixed asset records as of October 1, 2020 and the last impact fee study, which valued certain collection assets that were placed in service prior to 2005. The records included a complete listing of wastewater assets with its asset number, cost basis (Original Cost), year-to-date depreciation, and date acquired for all assets except certain collection lines placed in service prior to 2005. The total original cost of all the wastewater fixed assets is approximately $77.1 million.

The fixed assets were also classified by functional categories such as treatment and collection to identify which of the assets are part of the major system backbone infrastructure and thus should be part of the wastewater impact fee calculation. Local service lines that are dedicated to serving only existing customers, vehicle and minor equipment costs, and assets donated by or paid for by developers are not included in the wastewater impact fee calculation. Table 33 summarizes the value of existing wastewater assets with capacity available to serve new customers:

Table 33: Wastewater Fixed Asset Valuation

Description	Original Cost
Treatment	$59,269,495
Collection	17,829,692
Total	$77,099,187

Incremental Costs

The City provided a CIP, summarized in Section 3, that identifies several wastewater upgrade and expansion projects that will provide benefits to new development. The primary project associated with new capacity is the acquisition and development of property to serve as a new sprayfield and increase the City's wastewater effluent capacity, which is planned to provide for a 1.217 MGD expansion of their Regional Treatment Plant. Since this expansion is to help serve new connections to the wastewater system it is appropriate to also include the value of the expansion in the wastewater impact fee calculation. The projects that are improvements to or expansions of the existing collection and treatment facilities have been included in the wastewater impact fee calculation. The table below provides the incremental costs based on the functional category of service.

Table 34: Incremental Wastewater Asset Investments

Description	Amount
Treatment	$8,741,800
Collection	0
Total	$8,741,800

Debt Service

As mentioned in Section 6, the City has two outstanding debt issues on the utility system: a Water and Sewer Revenue Bonds Series 2006 (Series 2006) and a Water and Sewer Revenue Bonds Series 2016 (Series 2016). These debt issues have been utilized by the utility to align the funding of capital assets with the anticipated service life of such assets. This enables debt service to be shared by existing and future users over time.

Additionally, an important step in calculating the impact fee is to add the financing costs associated with the outstanding debt mentioned above. The addition of the interest costs is important since it represents the carrying costs of the assets. Using a discount rate of 5.375%, on the Series 2006 Note and a 2.50% discount rate on the Series 2016, the total principal and interest NPV is $5,132,100 and $22,325,200, respectively. The NPV calculated is then allocated equally between the water and wastewater system pursuant to how the City has historically approach debt funding. The following table provides the amount allocated to the wastewater system.

Table 35: Allocation of NPV on Outstanding Debt

Description	Interest NPV [1]	Treatment Allocation	Transmission Allocation	Treatment NPV	Transmission NPV
Total	$4,622,700	50%	50%	$2,311,400	$2,311,400

[1] Amount from Table 27.

USER FEE CREDITS

The amount of user fee credits that are applied towards the impact fee are determined by the net present value (NPV) of both the principal and interest costs on outstanding debt.

As shown on Table 36, the wastewater system is allocated $13.7 million of the NPV costs. Finally, these amounts are allocated to existing and future users. As shown in Section 2, an estimated 3,440 accounts are added to the system between FY 2022 and FY 2031 for a total ten-year growth of 39.4%. The 39.4% is applied against the water NPV costs to calculate the user fee credit portion of the water impact fee calculation.

Table 36: Wastewater User Fee Credit Calculation

Description	Amount [1]
Wastewater NPV	$13,728,700
% Allocated to 10-Year Growth	39.4%
User Fee Credit	$5,409,700

[1] Amounts may be different due to rounding.

Wastewater Impact Fee Calculation

To determine the unit cost of capacity, the sum of the original cost of the City's wastewater system assets, the incremental wastewater asset investments, the NPV of financing costs, and the user fee credits are divided by the

5.40 MGD of capacity at the wastewater treatment plant. This calculation produces a unit cost expressed in gallons per day for all inside City connections. The City will continue to apply an additional 25% to connections outside City limits. Table 37 illustrates the calculation of the wastewater impact fee under the System Buy-In approach:

Table 37: Wastewater Impact Fee Calculation

Description	Treatment	Collection	Total
Existing Facilities [1]	$59,269,500	$3,424,700	$62,694,200
General Plant Improvements	0	14,405,000	14,405,000
Other Planned Improvements	8,741,800	0	8,741,800
NPV of Financing Costs	2,311,400	9,245,600	11,557,000
Less: User Fee Credits	2,704,900	2,704,900	5,409,800
Total Costs Recovered	$67,617,800	$24,370,400	$91,988,200
Existing Capacity (MGD)	5.40	5.40	5.40
Unit Cost per Gallon	$12.52	$4.51	$17.03
Level of Service	250	250	250
Calculated Fee per ERC	$3,130.45	$1,128.26	$4,258.71
Calculated Fee per ERC (rounded)			$4,258.00

[1] Amount represents the original cost of the assets.

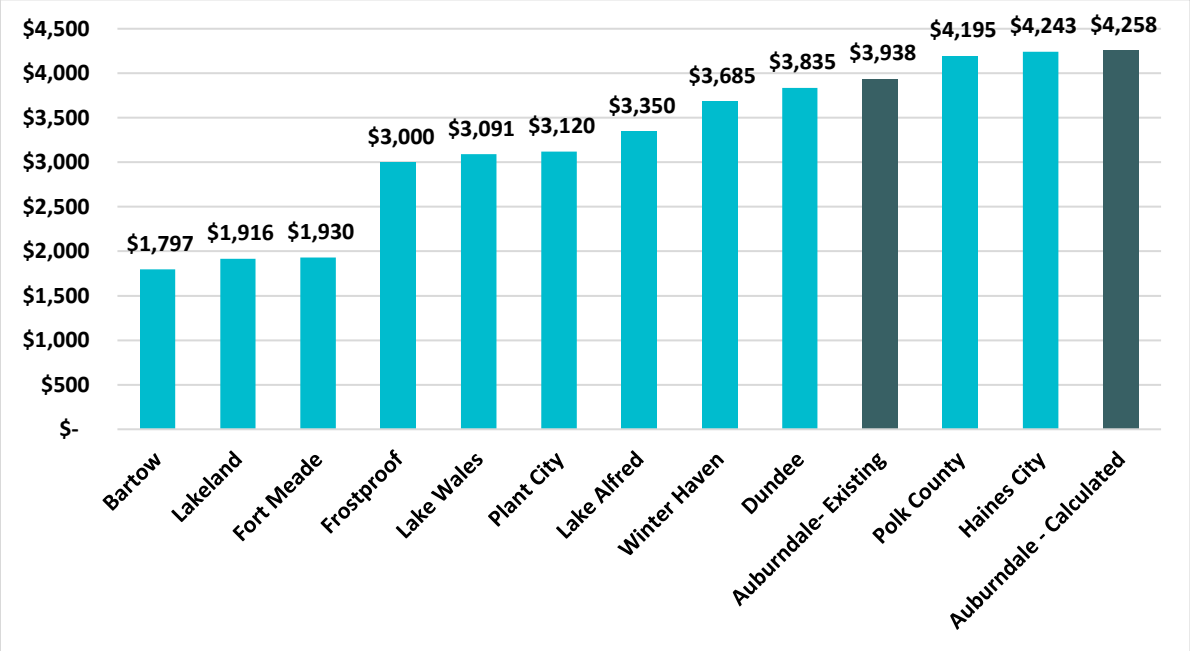
As shown on the table above, the proposed wastewater impact fee is $4,258 per ERC compared to the existing fee of $3,938.14, which represents an increase of $319.86 or approximately 8.1%.

The fee levels of other customer types are provided on Exhibit 17.

Wastewater Impact Fee Comparison

Figure 6 provides a comparison of the City's existing and proposed wastewater impact fees to similar fees charged by other surrounding communities.

Figure 5: Wastewater Impact Fee Comparison – Single Family



Section 8. Findings and Recommendations

Findings

This study undertook a comprehensive review of critical components required to adequately fund the operating requirements, remain in compliance with bond covenants, address future capital improvements, and importantly maintain just and equitable cost recovery from all customer classifications. The study has determined that the existing rate structure, with minor modifications, continues to provide just and equitable recovery of operating costs as required by Florida Statutes along with encouraging water conservation. The study findings are clear that rate adjustments are necessary not only to address the inflationary impact on O&M, but to also provide for alternative water costs, significant CIP and maintaining adequate reserve fund balances. Additionally, the study identified that: 1) the high levels of new connections during the last several years are anticipated to continue in the near term; 2) annual debt service is relatively stable and can accommodate modest increases; 3) Utility staff has also identified CIP requirements to address expansion capacity, upgrades and major facility R&R; and 4) existing reserve fund balances together with surpluses from anticipated rate adjustments and issuance of new debt should be adequate to allow for strategic CIP funding options.

Recommendations

Based on the information, analysis and discussions included in this report, it is recommended that:

1. The City proceed to establish the following water rates, that will achieve rate objectives including conservation and include the rate adjustments identified each year of the forecast for inside City customers. Outside City customers will pay an additional 35% as shown on Exhibit 18, per City's existing policy.

Residential Inside Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge					
All Meters	$7.99	$8.31	$8.64	$8.99	$9.35
Usage Charges					
Minimum	N/A	$1.07	$1.11	$1.15	$1.20
Block 1	$1.03	$2.14	$2.23	$2.32	$2.41
Block 2	$2.06	$3.56	$3.70	$3.85	$4.00
Block 3	$3.43	$4.99	$5.19	$5.40	$5.62
Block 4	$4.80	$1.07	$1.11	$1.15	$1.20

Commercial Inside Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge					
¾" Meter	$7.99	$8.31	$8.64	$8.99	$9.35
1" Meter	$19.98	$20.77	$21.60	$22.46	$23.36
1 ½" Meter	$39.95	$41.55	$43.21	$44.94	$46.74
2" Meter	$63.92	$66.48	$69.14	$71.91	$74.79
3" Meter	$127.84	$132.95	$138.27	$143.80	$149.55
4" Meter	$199.75	$207.74	$216.05	$224.69	$233.68
6" Meter	$399.50	$415.48	$432.10	$449.38	$467.36
10" Meter	$918.82	$955.60	$993.82	$1,033.57	$1,074.91
Usage Charges					
Minimum	N/A	N/A	N/A	N/A	N/A
Block 1	$2.87	$2.98	$3.10	$3.22	$3.35

2. The City adopt the following block increments for residential water customers.

Consumption Blocks	Range
Residential	
Minimum	N/A
Block 1	0 – 4,000
Block 2	4,001 – 10,000
Block 3	10,001 – 20,000
Block 4	Above 20,000
Commercial	
Minimum	N/A
Block 1	All Usage

3. The City proceed to establish the following wastewater rates for inside City customers. Outside City customers will pay an additional 35% as shown on Exhibit 18, per City's existing policy.

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential Base Charge	$41.13	$41.34	$41.55	$41.76	$41.97
Commercial Base Charge:					
¾" Meter	$41.13	$41.34	$41.55	$41.76	$41.97
1" Meter	$102.83	$103.34	$103.86	$104.38	$104.90
1 ½" Meter	$205.65	$206.68	$207.71	$208.75	$209.79
2" Meter	$329.04	$330.69	$332.34	$334.00	$335.67
3" Meter	$658.08	$661.37	$664.68	$668.00	$671.34
4" Meter	$1,028.25	$1,033.39	$1,038.56	$1,043.75	$1,048.97
6" Meter	$2,056.50	$2,066.78	$2,077.11	$2,087.50	$2,097.94
10" Meter	$3,290.40	$3,306.85	$3,323.38	$3,340.00	$3,356.70
Commercial Usage Charges					
Minimum	N/A	N/A	N/A	N/A	N/A
Block 1	$7.01	$7.05	$7.09	$7.13	$7.17

4. The City adopt the update water and wastewater impact fees as calculated for inside City connections. Outside City connections will pay an additional 25% as shown on Exhibits 16-17, per City's existing policy.

Description	Existing	Calculated	Variance
Water	$1,264.99	$2,217.00	$952.01
Wastewater	3,938.14	4,258.00	319.86
Total	$5,203.13	$6,475.00	$1,271.87

5. The City establish and fund an alternative water supply reserve as presented herein to set aside funds to offset future requirements associated PRWC or other alternative water initiatives.

It should be noted that assumptions used in this study reflect conservative positions such that actual results are anticipated to exceed the forecasted results; (as an example: this study assumes lower customer growth in the outer years of the forecast while the Utility does not currently have indications that growth will actually slow down). The expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historic data along with projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed rates and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

Exhibit 1:

Water Budget Projections

City of Auburndale
2021 Rate Study
Exhibit 1: Water Budget Projections

Account Number	Description	Escalation Factor	Projected Fiscal Year Ending September 30, FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Public Utilities Administration 430-3004-536							
1100	Overtime	Labor	$0	$0	$0	$0	$0	$0
1200	Payroll	Labor	33,000	33,990	35,200	36,400	37,700	39,000
	Additional Personnel	Calculated	0	0	0	0	0	0
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Labor	600	600	600	600	600	600
1900	Certification	Inflation	630	630	600	600	600	600
3420	Contract Landscape Services Labor	Inflation	0	30,000	30,700	31,400	32,100	32,800
4000	Training & Travel	Inflation	4,250	4,250	4,300	4,400	4,500	4,600
4110	Mobile Phone	Inflation	1,400	1,400	1,400	1,400	1,400	1,400
4580	Maint. & Repair (Standby Gen)	Inflation	10,000	15,000	15,300	15,600	15,900	16,200
4600	Repair Of Equipment	Inflation	250	250	300	300	300	300
4602	Maint. Of Data Processing Eq	Inflation	250	250	300	300	300	300
4650	Repair Of Motor Equipment	Inflation	6,500	6,500	6,600	6,700	6,800	6,900
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4950	Immunization (Employees)	Inflation	250	0	0	0	0	0
4960	Polk Correctional Fee	Inflation	30,000	0	0	0	0	0
5100	Office Supplies	Inflation	250	250	300	300	300	300
5130	Utility Locate	Inflation	1,600	1,600	1,600	1,600	1,600	1,600
5220	Uniforms	Inflation	250	250	300	300	300	300
5250	Gas, Oil & Diesel	Inflation	750	900	900	900	900	900
5400	Subscriptions/Memberships	Inflation	500	750	800	800	800	800
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	1,850	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Public Utilities Admin Subtotal		$92,330	$96,620	$99,200	$101,600	$104,100	$106,600
	Water Distribution 430-3001-536							
1000	Standby Water	Inflation	$5,200	$5,200	$5,300	$5,400	$5,500	$5,600
1100	Overtime	Labor	70,000	70,000	72,500	75,000	77,600	80,300
1200	Payroll	Labor	341,350	354,960	367,400	380,300	393,600	407,400
	Additional Personnel	Calculated	0	0	32,500	33,600	34,800	36,000
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	2,310	3,780	3,900	4,000	4,100	4,200
1900	Certificate/Education	Inflation	180	180	200	200	200	200
2000	Extra Help	Inflation	0	0	0	0	0	0
2999	Allocated OPEB Costs	Inflation	0	202,000	206,400	210,900	215,500	220,200
3110	Consulting Engineer	Inflation	15,000	0	0	0	0	0
4350	City Utility Billing	Inflation	500	500	500	500	500	500
4600	Repair Of Equipment	Inflation	500	500	500	500	500	500
4601	Hardware Replacement	Inflation	1,200	1,200	1,200	1,200	1,200	1,200
4602	M & R Data Processing Equip	Inflation	500	500	500	500	500	500
4603	Mobile Internet Access	Inflation	1,500	1,600	1,600	1,600	1,600	1,600
4610	Facility Maintenance	Inflation	3,500	3,500	3,600	3,700	3,800	3,900
4631	Maint. & Repair Water Meters	Inflation	30,000	30,000	30,700	31,400	32,100	32,800
4632	Maint. & Repair Water Lines	Inflation	70,000	70,000	71,500	73,100	74,700	76,300
4633	M&R Backflow Preventor	Inflation	7,000	7,000	7,200	7,400	7,600	7,800
4634	Maint. & Repair Fire Hydrants	Inflation	5,000	4,000	4,100	4,200	4,300	4,400
4640	Water Conservation Program	Inflation	500	500	500	500	500	500
4645	Upgrade Water Lines	Inflation	10,000	5,000	5,100	5,200	5,300	5,400
4650	Repair Of Motor Equipment	Inflation	20,000	20,000	20,400	20,800	21,300	21,800
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Reapirs (Credit	Inflation	0	0	0	0	0	0
4752	Upsize Lines (Water)	Inflation	10,000	10,000	10,200	10,400	10,600	10,800
4780	New Meter Hookups	Inflation	100,000	200,000	204,400	208,900	213,500	218,200
5110	General Supplies	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
5165	Lakeland Interconnect Billing	Inflation	500	0	0	0	0	0
5220	Uniforms	Inflation	3,000	3,500	3,600	3,700	3,800	3,900
5250	Gas, Oil & Diesel	Inflation	16,000	16,000	16,400	16,800	17,200	17,600
5600	Prwc Adminstration(Legal 18/19)	Inflation	14,000	25,000	25,600	26,200	26,800	27,400
5610	Prwc Conservation Program	Inflation	10,000	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6210	Capital Outlay - Water Meters Improvements	Inflation	0	0	0	0	0	0
6225	Simmers Young Water Line Extension	Inflation	0	0	0	0	0	0
6230	Gapway Road Water Line Extension	Inflation	0	0	0	0	0	0
6235	AUB/WH/PC Interconnection	Inflation	0	0	0	0	0	0
6250	Interconnection Lakeland-Aub Cost	Inflation	0	0	0	0	0	0
6260	Interconnect Aub,Wh, Pc	Inflation	0	0	0	0	0	0
6280	Lakeland Water Line (Lkld Reimb)	Inflation	0	0	0	0	0	0

City of Auburndale
2021 Rate Study
Exhibit 1: Water Budget Projections

Account Number	Description	Escalation Factor	Projected Fiscal Year Ending September 30, FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
6300	Prwc Phase I Project	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	14,800	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Water Distribution Subtotal		$755,540	$1,037,920	$1,098,900	$1,129,200	$1,160,400	$1,192,400
	Utility Billing 430-3006-536							
1100	Overtime	Labor	$250	$250	$300	$300	$300	$300
1200	Payroll	Labor	119,230	123,370	127,700	132,200	136,800	141,600
	Additional Personnel	Calculated	0	17,700	18,300	19,000	19,600	20,300
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	3,270	3,390	3,500	3,600	3,700	3,800
1900	Certificate/Education	Inflation	600	600	600	600	600	600
3115	Consulting - Rate Study	Inflation	20,000	0	0	0	0	0
3230	Software Support	Inflation	2,500	2,500	2,600	2,700	2,800	2,900
3231	Credit Card Expenses	Inflation	42,500	125,000	127,800	130,600	133,500	136,400
3250	Cellular Software Fee	Inflation	62,500	72,950	74,600	76,200	77,900	79,600
4215	Utility Billing Postage	Inflation	22,500	22,500	23,000	23,500	24,000	24,500
4300	Electricity	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
4350	City Utility Billing	Inflation	1,500	1,500	1,500	1,500	1,500	1,500
4400	Maintenance Equipment	Inflation	250	250	300	300	300	300
4601	Hardware Replacement	Inflation	750	750	800	800	800	800
4602	Maint. Of Data Processing Eq	Inflation	750	750	800	800	800	800
4610	Facility Maintenance	Inflation	2,500	2,500	2,600	2,700	2,800	2,900
4650	Repair Of Motor Equipment	Inflation	1,250	1,250	1,300	1,300	1,300	1,300
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4700	Outsource Printing Service	Inflation	7,000	7,000	7,200	7,400	7,600	7,800
4935	Copier Lease Purchase	Inflation	1,100	1,000	1,000	1,000	1,000	1,000
4940	Alarm System Expense	Inflation	250	200	200	200	200	200
4960	Interest Utility Deposit Payable	Inflation	1,750	1,750	1,800	1,800	1,800	1,800
4990	Uncollectible Accounts	Inflation	12,500	12,500	12,800	13,100	13,400	13,700
5100	Office Supplies	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
5110	General Supplies	Inflation	1,250	1,250	1,300	1,300	1,300	1,300
5220	Uniforms	Inflation	500	500	500	500	500	500
5250	Gas, Oil & Diesel	Inflation	2,750	2,750	2,800	2,900	3,000	3,100
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equip	Inflation	0	0	0	0	0	0
	Utility Billing Subtotal		$313,450	$408,210	$419,500	$430,700	$442,100	$453,800
	Water Treatment Plants 430-3002-536							
1000	Standby Water Treatment Plants	Labor	$5,200	$5,200	$5,400	$5,600	$5,800	$6,000
1100	Overtime	Labor	20,000	20,000	20,700	21,400	22,100	22,900
1200	Payroll	Labor	129,060	132,930	137,600	142,400	147,400	152,600
	Additional Personnel	Calculated	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	1,870	2,490	2,500	2,600	2,700	2,800
1900	Certificate/Education	Inflation	2,520	2,880	2,900	3,000	3,100	3,200
2050	Holiday Pay	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	15,000	0	0	0	0	0
4100	Telephone/Internet	Inflation	5,500	6,000	6,100	6,200	6,300	6,400
4300	Electricity	Inflation	300,000	260,000	265,700	271,500	277,500	283,600
4350	City Utility Billing	Inflation	9,000	7,500	7,700	7,900	8,100	8,300
4601	Hardware Replacement	Inflation	1,000	0	0	0	0	0
4602	Maint Data Processing	Inflation	500	500	500	500	500	500
4603	Mobile Internet Access	Inflation	500	500	500	500	500	500
4610	Facility Maintenance	Inflation	10,000	12,000	12,300	12,600	12,900	13,200
4635	Maint. & Repair Pumps & Equip	Inflation	40,000	50,000	51,100	52,200	53,300	54,500
4650	Repair Of Motor Equipment	Inflation	1,500	3,000	3,100	3,200	3,300	3,400
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Copier Lease Purchase	Inflation	1,000	1,000	1,000	1,000	1,000	1,000
5110	General Supplies	Inflation	5,000	5,500	5,600	5,700	5,800	5,900
5210	Tools, Implements & Instruments	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
5220	Uniforms	Inflation	600	700	700	700	700	700
5245	Chemical	Inflation	75,000	90,000	92,000	94,000	96,100	98,200
5246	Lab Supplies & Analysis	Inflation	18,000	22,000	22,500	23,000	23,500	24,000
5249	Water Permit	Inflation	8,000	8,000	8,200	8,400	8,600	8,800
5250	Gas, Oil & Diesel	Inflation	6,000	6,000	6,100	6,200	6,300	6,400
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equip	Inflation	0	0	0	0	0	0
	Water Treatment Plants Subtotal		$658,250	$639,200	$655,300	$671,800	$688,800	$706,300

City of Auburndale
2021 Rate Study
Exhibit 1: Water Budget Projections

Account Number	Description	Escalation Factor	Projected Fiscal Year Ending September 30, FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Allred Wastewater Treatment Plant 430-3003-536							
1010	Standby Wastewater	Inflation	$0	$0	$0	$0	$0	$0
1100	Overtime	Labor	0	0	0	0	0	0
2050	Holiday Pay	Labor	0	0	0	0	0	0
1200	Payroll	Labor	0	0	0	0	0	0
	Additional Personnel	Calculated	0	0	0	0	0	0
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	0	0	0	0	0	0
1900	Certificate/Education	Inflation	0	0	0	0	0	0
2000	Extra Help	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	0	0	0	0	0	0
3430	Sanitation Charges	Inflation	0	0	0	0	0	0
3480	Sludge Disposal Contract	Inflation	0	0	0	0	0	0
4100	Telephone/Internet	Inflation	0	0	0	0	0	0
4300	Electricity	Inflation	0	0	0	0	0	0
4350	City Utility Billing	Inflation	0	0	0	0	0	0
4360	Lift Station City Util Billing	Inflation	0	0	0	0	0	0
4400	Reuse Tank Lease From Gen Fund	Inflation	0	0	0	0	0	0
4600	Repair Of Equipment	Inflation	0	0	0	0	0	0
4601	Hardware Replacement	Inflation	0	0	0	0	0	0
4603	Internet Access/Brighthouse	Inflation	0	0	0	0	0	0
4610	Facility Maintenance	Inflation	0	0	0	0	0	0
4620	Maint.& Repair Uv System	Inflation	0	0	0	0	0	0
4637	Maint. Sprayfields	Inflation	0	0	0	0	0	0
4638	Maint. & Repair Wastewater Pl	Inflation	0	0	0	0	0	0
4639	Maint. & Repair Lift Station	Inflation	0	0	0	0	0	0
4640	Maint. & Repair Sewer Lines	Inflation	0	0	0	0	0	0
4641	Maint Derby Ave Groves	Inflation	0	0	0	0	0	0
4650	Repair Of Motor Equipment	Inflation	0	0	0	0	0	0
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Copier Lease Purchase	Inflation	0	0	0	0	0	0
5110	General Supplies	Inflation	0	0	0	0	0	0
5210	Tools, Implements & Instruments	Inflation	0	0	0	0	0	0
5220	Uniforms	Inflation	0	0	0	0	0	0
5245	Chemical	Inflation	0	0	0	0	0	0
5246	Lab Supplies & Analysis	Inflation	0	0	0	0	0	0
5247	Industrial Pretreatment Exp	Inflation	0	0	0	0	0	0
5248	Ww Permit & Renewal(Dep)	Inflation	0	0	0	0	0	0
5250	Gas, Oil & Diesel	Inflation	0	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6225	Influent Lift Station Rehab	Inflation	0	0	0	0	0	0
6230	Lake Shore Liftstation	Inflation	0	0	0	0	0	0
6233	Lakeland Reuse Line (Lakeland)	Inflation	0	0	0	0	0	0
6235	Fpu Reuse Line (Wmd Reimb 50%)	Inflation	0	0	0	0	0	0
6245	Fpu Reuse Tank (Wmd Reimb)	Inflation	0	0	0	0	0	0
6247	Winter Haven Fiber Conduit (Wh Reimb)	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Allred Wastewater Treatment Plant Subtotal		$0	$0	$0	$0	$0	$0
	Regional Wastewater Treatment Plant 530-3007-536							
1100	Overtime	Labor	$0	$0	$0	$0	$0	$0
1200	Payroll	Labor	0	0	0	0	0	0
	Additional Personnel	Calculated	0	0	0	0	0	0
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	0	0	0	0	0	0
1900	Certificate/Education	Inflation	0	0	0	0	0	0
1950	Assignment Pay	Inflation	0	0	0	0	0	0
2000	Extra Help	Inflation	0	0	0	0	0	0
2050	Holiday Pay	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	0	0	0	0	0	0
3430	Sanitation Charges	Inflation	0	0	0	0	0	0
3480	Sludge Disposal Contract	Inflation	0	0	0	0	0	0
4300	Electricity	Inflation	0	0	0	0	0	0
4350	City Utility Bill	Inflation	0	0	0	0	0	0
4600	Repair Of Equipment	Inflation	0	0	0	0	0	0
4601	Hardware Replacement	Inflation	0	0	0	0	0	0
4603	Mobile Internet Access	Inflation	0	0	0	0	0	0
4610	Facility Maintenance	Inflation	0	0	0	0	0	0

City of Auburndale
2021 Rate Study
Exhibit 1: Water Budget Projections

Account Number	Description	Escalation Factor	Projected Fiscal Year Ending September 30, FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
4637	Maint. Spray Irrigation	Inflation	0	0	0	0	0	0
4638	Maint. & Repair Wastewater Plant	Inflation	0	0	0	0	0	0
4650	Repair Of Motor Equipment	Inflation	0	0	0	0	0	0
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Lease Copier	Inflation	0	0	0	0	0	0
4940	Alarm System Expense	Inflation	0	0	0	0	0	0
5110	General Supplies	Inflation	0	0	0	0	0	0
5210	Tools, Implements & Instruments	Inflation	0	0	0	0	0	0
5220	Uniforms	Inflation	0	0	0	0	0	0
5245	Chemical	Inflation	0	0	0	0	0	0
5246	Lab Supplies & Analysis	Inflation	0	0	0	0	0	0
5250	Gas, Oil & Diesel	Inflation	0	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6230	Reg Sprayfield Property Exchange	Inflation	0	0	0	0	0	0
6240	Tortoise Mitigation Reg. Sprayfield	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Regional Wastewater Treatment Plant Subtotal		$0	$0	$0	$0	$0	$0
	Administration & General 430-3005-536							
4950	Contribution - General Fund	Inflation	$0	$0	$0	$0	$0	$0
4980	General Fund Services	Inflation	700,270	697,650	713,000	728,700	744,700	761,100
0	Contribution - General Fund	Inflation	0	0	0	0	0	0
	Administration & General Subtotal		$700,270	$697,650	$713,000	$728,700	$744,700	$761,100
	Total Operating & Maintenance		**$2,519,840**	**$2,879,600**	**$2,985,900**	**$3,062,000**	**$3,140,100**	**$3,220,200**
	Debt Service 430-3085-536							
7150	Bond 2006-1995 (Principal)	Inflation	$0	$0	$0	$0	$0	$0
7197	Bond 2016 (Princ - 2007,2009, Line Credit)	Inflation	0	0	0	0	0	0
7317	Bond Issue Exp/Underwriter	Inflation	0	0	0	0	0	0
7325	Bond Compliance Reporting	Inflation	0	0	0	0	0	0
7350	Bond 2006-1995 (Interest)	Inflation	0	0	0	0	0	0
7397	Bond 2016 (Int - 2007,2009, Line Credit)	Inflation	0	0	0	0	0	0
	Debt Service Subtotal		$0	$0	$0	$0	$0	$0
	Reserves 430-6086-580							
8177	Public Utility Reserve	Inflation	$0	$0	$0	$0	$0	$0
8180	PRWC Phase I Reserve	Inflation	0	0	0	0	0	0
8182	PRWC Phase II Reserve	Inflation	0	0	0	0	0	0
8184	Water Distribution Reserve	Inflation	0	0	0	0	0	0
8192	W&S Emergency Reserve	Inflation	0	0	0	0	0	0
	Reserve Subtotal		$0	$0	$0	$0	$0	$0
	Interfund Transfer 430-6088-581							
9000	Trans Out Special Rev Fund	Inflation	$0	$0	$0	$0	$0	$0
9135	Interfund/General Fund Transfer	Constant	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
	Contribution - General Fund	Constant	250,000	250,000	250,000	250,000	250,000	250,000
	Interfund Transfer Subtotal		$2,021,850	$2,031,350	$2,031,400	$2,031,400	$2,031,400	$2,031,400
	Total Utility Expenses		**$4,541,690**	**$4,910,950**	**$5,017,300**	**$5,093,400**	**$5,171,500**	**$5,251,600**

Exhibit 2:

Wastewater Budget Projections

City of Auburndale
2021 Rate Study
Exhibit 2: Wastewater Budget Projections

Account Number	Description	Escalation Factor	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Public Utilities Administration 430-3004-536							
1100	Overtime	Labor	$0	$0	$0	$0	$0	$0
1200	Payroll	Labor	33,000	33,990	35,200	36,400	37,700	39,000
	Additional Personnel	Calculated	0	0	0	0	0	0
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Labor	600	600	600	600	600	600
1900	Certification	Inflation	630	630	600	600	600	600
3420	Contract Landscape Services Labor	Inflation	0	30,000	30,700	31,400	32,100	32,800
4000	Training & Travel	Inflation	4,250	4,250	4,300	4,400	4,500	4,600
4110	Mobile Phone	Inflation	1,400	1,400	1,400	1,400	1,400	1,400
4580	Maint. & Repair (Standby Gen)	Inflation	10,000	15,000	15,300	15,600	15,900	16,200
4600	Repair Of Equipment	Inflation	250	250	300	300	300	300
4602	Maint. Of Data Processing Eq	Inflation	250	250	300	300	300	300
4650	Repair Of Motor Equipment	Inflation	6,500	6,500	6,600	6,700	6,800	6,900
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4950	Immunization (Employees)	Inflation	250	0	0	0	0	0
4960	Polk Correctional Fee	Inflation	30,000	0	0	0	0	0
5100	Office Supplies	Inflation	250	250	300	300	300	300
5130	Utility Locate	Inflation	1,600	1,600	1,600	1,600	1,600	1,600
5220	Uniforms	Inflation	250	250	300	300	300	300
5250	Gas, Oil & Diesel	Inflation	750	900	900	900	900	900
5400	Subscriptions/Memberships	Inflation	500	750	800	800	800	800
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	1,850	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Public Utilities Admin Subtotal		$92,330	$96,620	$99,200	$101,600	$104,100	$106,600
	Water Distribution 430-3001-536							
1000	Standby Water	Inflation	$0	$0	$0	$0	$0	$0
1100	Overtime	Labor	0	0	0	0	0	0
1200	Payroll	Labor	0	0	0	0	0	0
	Additional Personnel	Calculated	0	0	0	0	0	0
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	0	0	0	0	0	0
1900	Certificate/Education	Inflation	0	0	0	0	0	0
2000	Extra Help	Inflation	0	0	0	0	0	0
2999	Allocated OPEB Costs	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	0	0	0	0	0	0
4350	City Utility Billing	Inflation	0	0	0	0	0	0
4600	Repair Of Equipment	Inflation	0	0	0	0	0	0
4601	Hardware Replacement	Inflation	0	0	0	0	0	0
4602	M & R Data Processing Equip	Inflation	0	0	0	0	0	0
4603	Mobile Internet Access	Inflation	0	0	0	0	0	0
4610	Facility Maintenance	Inflation	0	0	0	0	0	0
4631	Maint. & Repair Water Meters	Inflation	0	0	0	0	0	0
4632	Maint. & Repair Water Lines	Inflation	0	0	0	0	0	0
4633	M&R Backflow Preventor	Inflation	0	0	0	0	0	0
4634	Maint. & Repair Fire Hydrants	Inflation	0	0	0	0	0	0
4640	Water Conservation Program	Inflation	0	0	0	0	0	0
4645	Upgrade Water Lines	Inflation	0	0	0	0	0	0
4650	Repair Of Motor Equipment	Inflation	0	0	0	0	0	0
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Reapirs (Credit	Inflation	0	0	0	0	0	0
4752	Upsize Lines (Water)	Inflation	0	0	0	0	0	0
4780	New Meter Hookups	Inflation	0	0	0	0	0	0
5110	General Supplies	Inflation	0	0	0	0	0	0
5165	Lakeland Interconnect Billing	Inflation	0	0	0	0	0	0
5220	Uniforms	Inflation	0	0	0	0	0	0
5250	Gas, Oil & Diesel	Inflation	0	0	0	0	0	0
5600	Prwc Adminstration(Legal 18/19)	Inflation	0	0	0	0	0	0
5610	Prwc Conservation Program	Inflation	0	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6210	Capital Outlay - Water Meters Improvements	Inflation	0	0	0	0	0	0
6225	Simmers Young Water Line Extension	Inflation	0	0	0	0	0	0
6230	Gapway Road Water Line Extension	Inflation	0	0	0	0	0	0
6235	AUB/WH/PC Interconnection	Inflation	0	0	0	0	0	0
6250	Interconnection Lakeland-Aub Cost	Inflation	0	0	0	0	0	0
6260	Interconnect Aub,Wh, Pc	Inflation	0	0	0	0	0	0
6280	Lakeland Water Line (Lkld Reimb)	Inflation	0	0	0	0	0	0

City of Auburndale
2021 Rate Study
Exhibit 2: Wastewater Budget Projections

Account Number	Description	Escalation Factor	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
6300	Prwc Phase I Project	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Water Distribution Subtotal		$0	$0	$0	$0	$0	$0
	Utility Billing 430-3006-536							
1100	Overtime	Labor	$250	$250	$300	$300	$300	$300
1200	Payroll	Labor	119,230	123,370	127,700	132,200	136,800	141,600
	Additional Personnel	Calculated	0	17,700	18,300	19,000	19,600	20,300
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	3,270	3,390	3,500	3,600	3,700	3,800
1900	Certificate/Education	Inflation	600	600	600	600	600	600
3115	Consulting - Rate Study	Inflation	20,000	0	0	0	0	0
3230	Software Support	Inflation	2,500	2,500	2,600	2,700	2,800	2,900
3231	Credit Card Expenses	Inflation	42,500	125,000	127,800	130,600	133,500	136,400
3250	Cellular Software Fee	Inflation	62,500	72,950	74,600	76,200	77,900	79,600
4215	Utility Billing Postage	Inflation	22,500	22,500	23,000	23,500	24,000	24,500
4300	Electricity	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
4350	City Utility Billing	Inflation	1,500	1,500	1,500	1,500	1,500	1,500
4400	Maintenance Equipment	Inflation	250	250	300	300	300	300
4601	Hardware Replacement	Inflation	750	750	800	800	800	800
4602	Maint. Of Data Processing Eq	Inflation	750	750	800	800	800	800
4610	Facility Maintenance	Inflation	2,500	2,500	2,600	2,700	2,800	2,900
4650	Repair Of Motor Equipment	Inflation	1,250	1,250	1,300	1,300	1,300	1,300
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4700	Outsource Printing Service	Inflation	7,000	7,000	7,200	7,400	7,600	7,800
4935	Copier Lease Purchase	Inflation	1,100	1,000	1,000	1,000	1,000	1,000
4940	Alarm System Expense	Inflation	250	200	200	200	200	200
4960	Interest Utility Deposit Payable	Inflation	1,750	1,750	1,800	1,800	1,800	1,800
4990	Uncollectible Accounts	Inflation	12,500	12,500	12,800	13,100	13,400	13,700
5100	Office Supplies	Inflation	3,000	3,000	3,100	3,200	3,300	3,400
5110	General Supplies	Inflation	1,250	1,250	1,300	1,300	1,300	1,300
5220	Uniforms	Inflation	500	500	500	500	500	500
5250	Gas, Oil & Diesel	Inflation	2,750	2,750	2,800	2,900	3,000	3,100
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equip	Inflation	0	0	0	0	0	0
	Utility Billing Subtotal		$313,450	$408,210	$419,500	$430,700	$442,100	$453,800
	Water Treatment Plants 430-3002-536							
1000	Standby Water Treatment Plants	Labor	$0	$0	$0	$0	$0	$0
1100	Overtime	Labor	0	0	0	0	0	0
1200	Payroll	Labor	0	0	0	0	0	0
	Additional Personnel	Calculated	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	0	0	0	0	0	0
1900	Certificate/Education	Inflation	0	0	0	0	0	0
2050	Holiday Pay	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	0	0	0	0	0	0
4100	Telephone/Internet	Inflation	0	0	0	0	0	0
4300	Electricity	Inflation	0	0	0	0	0	0
4350	City Utility Billing	Inflation	0	0	0	0	0	0
4601	Hardware Replacement	Inflation	0	0	0	0	0	0
4602	Maint Data Processing	Inflation	0	0	0	0	0	0
4603	Mobile Internet Access	Inflation	0	0	0	0	0	0
4610	Facility Maintenance	Inflation	0	0	0	0	0	0
4635	Maint. & Repair Pumps & Equip	Inflation	0	0	0	0	0	0
4650	Repair Of Motor Equipment	Inflation	0	0	0	0	0	0
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Copier Lease Purchase	Inflation	0	0	0	0	0	0
5110	General Supplies	Inflation	0	0	0	0	0	0
5210	Tools, Implements & Instruments	Inflation	0	0	0	0	0	0
5220	Uniforms	Inflation	0	0	0	0	0	0
5245	Chemical	Inflation	0	0	0	0	0	0
5246	Lab Supplies & Analysis	Inflation	0	0	0	0	0	0
5249	Water Permit	Inflation	0	0	0	0	0	0
5250	Gas, Oil & Diesel	Inflation	0	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equip	Inflation	0	0	0	0	0	0
	Water Treatment Plants Subtotal		$0	$0	$0	$0	$0	$0

City of Auburndale
2021 Rate Study
Exhibit 2: Wastewater Budget Projections

Account Number	Description	Escalation Factor	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Allred Wastewater Treatment Plant 430-3003-536							
1010	Standby Wastewater	Inflation	$5,200	5,200	$5,300	$5,400	$5,500	$5,600
1100	Overtime	Labor	60,000	60,000	62,100	64,300	66,600	68,900
2050	Holiday Pay	Labor	3,500	3,500	3,600	3,700	3,800	3,900
1200	Payroll	Labor	317,660	322,770	334,100	345,800	357,900	370,400
	Additional Personnel	Calculated	0	0	32,500	67,200	69,600	72,000
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	7,700	4,520	4,600	4,700	4,800	4,900
1900	Certificate/Education	Inflation	2,640	1,680	1,700	1,700	1,700	1,700
2000	Extra Help	Inflation	0	0	0	0	0	0
3110	Consulting Engineer	Inflation	40,000	0	0	0	0	0
3430	Sanitation Charges	Inflation	2,000	2,000	2,000	2,000	2,000	2,000
3480	Sludge Disposal Contract	Inflation	35,000	35,000	35,800	36,600	37,400	38,200
4100	Telephone/Internet	Inflation	3,200	3,500	3,600	3,700	3,800	3,900
4300	Electricity	Inflation	250,000	250,000	255,500	261,100	266,800	272,700
4350	City Utility Billing	Inflation	9,000	9,000	9,200	9,400	9,600	9,800
4360	Lift Station City Util Billing	Inflation	3,000	4,000	4,100	4,200	4,300	4,400
4400	Reuse Tank Lease From Gen Fund	Inflation	92,000	92,000	94,000	96,100	98,200	100,400
4600	Repair Of Equipment	Inflation	3,500	3,500	3,600	3,700	3,800	3,900
4601	Hardware Replacement	Inflation	4,000	4,000	4,100	4,200	4,300	4,400
4603	Internet Access/Brighthouse	Inflation	1,000	0	0	0	0	0
4610	Facility Maintenance	Inflation	15,000	15,000	15,300	15,600	15,900	16,200
4620	Maint.& Repair Uv System	Inflation	20,000	10,000	10,200	10,400	10,600	10,800
4637	Maint. Sprayfields	Inflation	10,000	10,000	10,200	10,400	10,600	10,800
4638	Maint. & Repair Wastewater Pl	Inflation	80,000	80,000	81,800	83,600	85,400	87,300
4639	Maint. & Repair Lift Station	Inflation	200,000	200,000	204,400	208,900	213,500	218,200
4640	Maint. & Repair Sewer Lines	Inflation	120,000	120,000	122,600	125,300	128,100	130,900
4641	Maint Derby Ave Groves	Inflation	0	0	0	0	0	0
4650	Repair Of Motor Equipment	Inflation	32,000	32,000	32,700	33,400	34,100	34,900
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Copier Lease Purchase	Inflation	2,000	2,000	2,000	2,000	2,000	2,000
5110	General Supplies	Inflation	9,000	9,000	9,200	9,400	9,600	9,800
5210	Tools, Implements & Instruments	Inflation	5,000	5,000	5,100	5,200	5,300	5,400
5220	Uniforms	Inflation	2,000	2,000	2,000	2,000	2,000	2,000
5245	Chemical	Inflation	45,000	45,000	46,000	47,000	48,000	49,100
5246	Lab Supplies & Analysis	Inflation	35,000	35,000	35,800	36,600	37,400	38,200
5247	Industrial Pretreatment Exp	Inflation	7,000	0	0	0	0	0
5248	Ww Permit & Renewal(Dep)	Inflation	7,000	0	0	0	0	0
5250	Gas, Oil & Diesel	Inflation	35,000	0	0	0	0	0
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6225	Influent Lift Station Rehab	Inflation	0	0	0	0	0	0
6230	Lake Shore Liftstation	Inflation	0	0	0	0	0	0
6233	Lakeland Reuse Line (Lakeland)	Inflation	0	0	0	0	0	0
6235	Fpu Reuse Line (Wmd Reimb 50%)	Inflation	0	0	0	0	0	0
6245	Fpu Reuse Tank (Wmd Reimb)	Inflation	0	0	0	0	0	0
6247	Winter Haven Fiber Conduit (Wh Reimb)	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Allred Wastewater Treatment Plant Subtotal		$1,463,400	$1,365,670	$1,433,100	$1,503,600	$1,542,600	$1,582,700
	Regional Wastewater Treatment Plant 530-3007-536							
1100	Overtime	Labor	$50,000	50,000	$51,800	$53,600	$55,500	$57,400
1200	Payroll	Labor	275,010	285,750	295,800	306,200	316,900	328,000
	Additional Personnel	Calculated	0	0	0	0	34,800	36,000
1300	Sick Pay	Labor	0	0	0	0	0	0
1400	Vacation	Labor	0	0	0	0	0	0
1450	Longevity	Inflation	4,930	5,540	5,700	5,800	5,900	6,000
1900	Certificate/Education	Inflation	2,640	2,640	2,700	2,800	2,900	3,000
1950	Assignment Pay	Inflation	840	840	900	900	900	900
2000	Extra Help	Inflation	20,000	20,000	20,400	20,800	21,300	21,800
2050	Holiday Pay	Inflation	3,500	3,500	3,600	3,700	3,800	3,900
3110	Consulting Engineer	Inflation	30,000	30,000	30,700	31,400	32,100	32,800
3430	Sanitation Charges	Inflation	2,000	2,000	2,000	2,000	2,000	2,000
3480	Sludge Disposal Contract	Inflation	25,000	25,000	25,600	26,200	26,800	27,400
4300	Electricity	Inflation	225,000	225,000	230,000	235,100	240,300	245,600
4350	City Utility Bill	Inflation	1,000	1,000	1,000	1,000	1,000	1,000
4600	Repair Of Equipment	Inflation	1,000	1,000	1,000	1,000	1,000	1,000
4601	Hardware Replacement	Inflation	2,000	2,000	2,000	2,000	2,000	2,000
4603	Mobile Internet Access	Inflation	500	750	800	800	800	800
4610	Facility Maintenance	Inflation	3,000	3,000	3,100	3,200	3,300	3,400

City of Auburndale
2021 Rate Study
Exhibit 2: Wastewater Budget Projections

Account Number	Description	Escalation Factor	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
4637	Maint. Spray Irrigation	Inflation	10,000	10,000	10,200	10,400	10,600	10,800
4638	Maint. & Repair Wastewater Plant	Inflation	90,000	90,000	92,000	94,000	96,100	98,200
4650	Repair Of Motor Equipment	Inflation	15,000	15,000	15,300	15,600	15,900	16,200
4680	All Other Motor Equipment	Inflation	0	0	0	0	0	0
4690	Total Repairs (Credit)	Inflation	0	0	0	0	0	0
4935	Lease Copier	Inflation	1,800	1,100	1,100	1,100	1,100	1,100
4940	Alarm System Expense	Inflation	400	400	400	400	400	400
5110	General Supplies	Inflation	3,500	3,500	3,600	3,700	3,800	3,900
5210	Tools, Implements & Instruments	Inflation	1,200	1,500	1,500	1,500	1,500	1,500
5220	Uniforms	Inflation	1,200	1,500	1,500	1,500	1,500	1,500
5245	Chemical	Inflation	60,000	65,000	66,400	67,900	69,400	70,900
5246	Lab Supplies & Analysis	Inflation	30,000	30,000	30,700	31,400	32,100	32,800
5250	Gas, Oil & Diesel	Inflation	10,000	10,000	10,200	10,400	10,600	10,800
6200	Capital Outlay - Improvement	Inflation	0	0	0	0	0	0
6230	Reg Sprayfield Property Exchange	Inflation	0	0	0	0	0	0
6240	Tortoise Mitigation Reg. Sprayfield	Inflation	0	0	0	0	0	0
6400	Capital Outlay - Equipment	Inflation	0	0	0	0	0	0
6420	Capital Outlay - Motor Equipment	Inflation	0	0	0	0	0	0
	Regional Wastewater Treatment Plant Subtotal		$869,520	$886,020	$910,000	$934,400	$994,300	$1,021,100
	Administration & General 430-3005-536							
4950	Contribution - General Fund	Inflation	$0	$0	$0	$0	$0	$0
4980	General Fund Services	Inflation	700,270	697,650	713,000	728,700	744,700	761,100
0	Contribution - General Fund	Inflation	0	0	0	0	0	0
	Administration & General Subtotal		$700,270	$697,650	$713,000	$728,700	$744,700	$761,100
	Total Operating & Maintenance		**$3,438,970**	**$3,454,170**	**$3,574,800**	**$3,699,000**	**$3,827,800**	**$3,925,300**
	Debt Service 430-3085-536							
7150	Bond 2006-1995 (Principal)	Inflation	$0	$0	$0	$0	$0	$0
7197	Bond 2016 (Princ - 2007,2009, Line Credit)	Inflation	0	0	0	0	0	0
7317	Bond Issue Exp/Underwriter	Inflation	0	0	0	0	0	0
7325	Bond Compliance Reporting	Inflation	0	0	0	0	0	0
7350	Bond 2006-1995 (Interest)	Inflation	0	0	0	0	0	0
7397	Bond 2016 (Int - 2007,2009, Line Credit)	Inflation	0	0	0	0	0	0
	Debt Service Subtotal		$0	$0	$0	$0	$0	$0
	Reserves 430-6086-580							
8177	Public Utility Reserve	Inflation	$0	$0	$0	$0	$0	$0
8180	PRWC Phase I Reserve	Inflation	0	0	0	0	0	0
8182	PRWC Phase II Reserve	Inflation	0	0	0	0	0	0
8184	Water Distribution Reserve	Inflation	0	0	0	0	0	0
8192	W&S Emergency Reserve	Inflation	0	0	0	0	0	0
	Reserve Subtotal		$0	$0	$0	$0	$0	$0
	Interfund Transfer 430-6088-581							
9000	Trans Out Special Rev Fund	Inflation	$0	$0	$0	$0	$0	$0
9135	Interfund/General Fund Transfer	Constant	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
	Contribution - General Fund	Constant	250,000	250,000	250,000	250,000	250,000	250,000
	Interfund Transfer Subtotal		$2,021,850	$2,031,350	$2,031,400	$2,031,400	$2,031,400	$2,031,400
	Total Utility Expenses		**$5,460,820**	**$5,485,520**	**$5,606,200**	**$5,730,400**	**$5,859,200**	**$5,956,700**

Exhibit 3:

Existing and Projected Water Customers

City of Auburndale
2021 Rate Study
Exhibit 3: Existing and Projected Water Customers

	Historical	Projected Fiscal Year Ending September 30,					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential-Inside City							
Average Monthly Customers	6,577	6,970	7,350	7,570	7,800	7,960	8,120
Average Monthly ERU's	6,577	6,970	7,350	7,570	7,800	7,960	8,120
Total Consumption (1,000s of gallons)	682,684	723,500	762,900	785,800	809,600	826,200	842,900
Monthly Consumption per ERU	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Residential-Outside City							
Average Monthly Customers	5,228	5,440	5,660	5,830	6,000	6,120	6,240
Average Monthly ERU's	5,228	5,440	5,660	5,830	6,000	6,120	6,240
Total Consumption (1,000s of gallons)	341,414	355,100	369,500	380,600	391,700	399,500	407,300
Monthly Consumption per ERU	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Commercial-Inside City							
Average Monthly Customers	656	660	670	680	690	700	710
Average Monthly ERU's	656	660	670	680	690	700	710
Total Consumption (1,000s of gallons)	536,489	539,700	547,900	556,100	564,300	572,500	580,600
Monthly Consumption per ERU	68.2	68.2	68.2	68.2	68.2	68.2	68.2
Commercial-Outside City							
Average Monthly Customers	282	285	288	291	294	297	300
Average Monthly ERU's	282	285	288	291	294	297	300
Total Consumption (1,000s of gallons)	65,373	66,100	66,800	67,500	68,200	68,900	69,600
Monthly Consumption per ERU	19.3	19.3	19.3	19.3	19.3	19.3	19.3
City-Inside City							
Average Monthly Customers	139	139	139	139	139	139	139
Average Monthly ERU's	139	139	139	139	139	139	139
Total Consumption (1,000s of gallons)	100,038	100,000	100,000	100,000	100,000	100,000	100,000
Monthly Consumption per ERU	60.0	60.0	60.0	60.0	60.0	60.0	60.0
Totals							
Average Monthly Customers	12,882	13,494	14,107	14,510	14,923	15,216	15,509
Average Monthly ERU's	12,882	13,494	14,107	14,510	14,923	15,216	15,509
Total Consumption (1,000s of gallons)	1,725,998	1,784,400	1,847,100	1,890,000	1,933,800	1,967,100	2,000,400
Monthly Consumption per ERU	11.17	11.02	10.91	10.85	10.8	10.77	10.75
Growth in Customers		612	613	403	413	293	293

City of Auburndale
2021 Rate Study
Exhibit 3: Existing and Projected Water Customers

		Historical	Projected Fiscal Year Ending September 30,					
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Consumption by Block (1,000s of gallons)								
Residential-Inside City								
Minimum Usage (0 - 4,000)	35.9%	245,064	259,716	273,859	282,080	290,623	296,582	302,577
Block 1 (4,001 - 12,000)	32.1%	218,914	232,002	244,637	251,980	259,612	264,935	270,290
Block 2 (12,001 - 35,000)	26.6%	181,286	192,125	202,587	208,668	214,988	219,397	223,831
Block 3 (Above 35,000)	5.5%	37,420	39,657	41,817	43,072	44,377	45,287	46,202
Total		682,684	723,500	762,900	785,800	809,600	826,200	842,900
Residential-Outside City								
Minimum Usage (0 - 4,000)	51.5%	175,715	182,759	190,170	195,883	201,596	205,610	209,624
Block 1 (4,001 - 12,000)	32.3%	110,195	114,612	119,260	122,843	126,425	128,943	131,460
Block 2 (12,001 - 35,000)	13.9%	47,541	49,447	51,452	52,998	54,543	55,629	56,715
Block 3 (Above 35,000)	2.3%	7,963	8,282	8,618	8,877	9,136	9,318	9,500
Total		341,414	355,100	369,500	380,600	391,700	399,500	407,300
Commercial-Inside City								
Minimum Usage (0 - 4,000)	3.2%	17,274	17,377	17,641	17,905	18,169	18,433	18,694
Block 1 (Above 4,000)	96.8%	519,215	522,323	530,259	538,195	546,131	554,067	561,906
Total		536,489	539,700	547,900	556,100	564,300	572,500	580,600
Commercial-Outside City								
Minimum Usage (0 - 4,000)	12.4%	8,079	8,169	8,255	8,342	8,428	8,515	8,601
Block 1 (Above 4,000)	87.6%	57,294	57,931	58,545	59,158	59,772	60,385	60,999
Total		65,373	66,100	66,800	67,500	68,200	68,900	69,600
City-Inside City								
Minimum Usage (0 - 4,000)	3.5%	3,462	3,461	3,461	3,461	3,461	3,461	3,461
Block 1 (Above 4,000)	96.5%	96,576	96,539	96,539	96,539	96,539	96,539	96,539
Total		100,038	100,000	100,000	100,000	100,000	100,000	100,000
Total Consumption		**1,725,998**	**1,784,400**	**1,847,100**	**1,890,000**	**1,933,800**	**1,967,100**	**2,000,400**

Exhibit 4:

Existing and Projected Wastewater Customers

City of Auburndale
2021 Rate Study
Exhibit 4: Existing and Projected Wastewater Customers

		Historical	Projected Fiscal Year Ending September 30,					
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Residential-Inside City								
Average Monthly Customers		5,361	5,750	6,130	6,350	6,580	6,740	6,900
Average Monthly ERU's		5,361	5,750	6,130	6,350	6,580	6,740	6,900
Total Consumption (1,000s of gallons)		623,393	668,600	712,800	738,400	765,100	783,700	802,300
Monthly Consumption per ERU		9.69	9.69	9.69	9.69	9.69	9.69	9.69
Residential-Outside City								
Average Monthly Customers		2,274	2,490	2,710	2,880	3,050	3,170	3,290
Average Monthly ERU's		2,274	2,490	2,710	2,880	3,050	3,170	3,290
Total Consumption (1,000s of gallons)		158,528	173,600	188,900	200,800	212,600	221,000	229,400
Monthly Consumption per ERU		5.81	5.81	5.81	5.81	5.81	5.81	5.81
Commercial-Inside City								
Average Monthly Customers		420	420	420	420	420	420	420
Average Monthly ERU's		948	960	970	980	990	1,000	1,010
Total Consumption (1,000s of gallons)		80,244	81,200	82,100	82,900	83,800	84,600	85,400
Monthly Consumption per ERU		7.05	7.05	7.05	7.05	7.05	7.05	7.05
Commercial-Outside City								
Average Monthly Customers		55	56	57	58	59	60	61
Average Monthly ERU's		399	403	407	411	415	419	423
Total Consumption (1,000s of gallons)		29,080	29,400	29,600	29,900	30,200	30,500	30,800
Monthly Consumption per ERU		6.07	6.07	6.07	6.07	6.07	6.07	6.07
City-Inside City								
Average Monthly Customers		23	23	23	23	23	23	23
Average Monthly ERU's		84	84	84	84	84	84	84
Total Consumption (1,000s of gallons)		87,636	87,600	87,600	87,600	87,600	87,600	87,600
Monthly Consumption per ERU		86.94	86.94	86.94	86.94	86.94	86.94	86.94
City-Outside City								
Average Monthly Customers		1	1	1	1	1	1	1
Average Monthly ERU's		7	7	7	7	7	7	7
Total Consumption (1,000s of gallons)		14,104	14,100	14,100	14,100	14,100	14,100	14,100
Monthly Consumption per ERU		167.90	167.90	167.90	167.90	167.90	167.90	167.90
Totals								
Average Monthly Customers		8,134	8,740	9,341	9,732	10,133	10,414	10,695
Average Monthly ERU's		9,073	9,694	10,308	10,712	11,126	11,420	11,714
Total Consumption (1,000s of gallons)		992,985	1,054,500	1,115,100	1,153,700	1,193,400	1,221,500	1,249,600
Monthly Consumption per ERU		9.12	9.06	9.01	8.98	8.94	8.91	8.89
Consumption								
Commercial-Inside City								
Minimum Gallons	39.8%	31,944	32,325	32,683	33,002	33,360	33,678	33,997
Above Minimum	60.2%	48,300	48,875	49,417	49,898	50,440	50,922	51,403
Total		80,244	81,200	82,100	82,900	83,800	84,600	85,400
Commercial-Outside City								
Minimum Gallons	61.4%	17,869	18,066	18,189	18,373	18,557	18,742	18,926
Above Minimum	38.6%	11,211	11,334	11,411	11,527	11,643	11,758	11,874
Total		29,080	29,400	29,600	29,900	30,200	30,500	30,800

Exhibit 5:

Projected Water Revenue

City of Auburndale
2021 Rate Study
Exhibit 5: Projected Water Revenue

	Calculated	Projected Fiscal Year Ending September 30,					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge Revenue							
Residential-Inside City	$893,400	$966,000	$1,018,700	$1,049,200	$1,081,100	$1,103,300	$1,125,400
Residential-Outside City	958,600	1,017,700	1,058,900	1,090,700	1,122,500	1,144,900	1,167,400
Commercial-Inside City	89,100	91,500	92,900	94,200	95,600	97,000	98,400
Commercial-Outside City	51,700	53,300	53,900	54,400	55,000	55,600	56,100
City-Inside City	18,900	19,300	19,300	19,300	19,300	19,300	19,300
Base Charge Revenue Total	$2,011,700	$2,147,800	$2,243,700	$2,307,800	$2,373,500	$2,420,100	$2,466,600
Usage Charge Revenue							
Block 1							
Residential-Inside City	$446,600	$482,600	$508,800	$524,100	$540,000	$551,100	$562,200
Residential-Outside City	303,000	322,100	335,100	345,200	355,300	362,300	369,400
Commercial-Inside City	1,459,000	1,499,100	1,521,800	1,544,600	1,567,400	1,590,200	1,612,700
Commercial-Outside City	217,100	224,200	226,600	228,900	231,300	233,700	236,100
City-Inside City	271,400	277,100	277,100	277,100	277,100	277,100	277,100
Subtotal	$2,697,100	$2,805,100	$2,869,400	$2,919,900	$2,971,100	$3,014,400	$3,057,500
Block 2							
Residential-Inside City	$556,500	$601,400	$634,100	$653,100	$672,900	$686,700	$700,600
Residential-Outside City	196,800	209,200	217,600	224,200	230,700	235,300	239,900
Commercial-Inside City							
Commercial-Outside City							
City-Inside City							
Subtotal	$753,300	$810,600	$851,700	$877,300	$903,600	$922,000	$940,500
Block 3							
Residential-Inside City	$153,000	$165,400	$174,400	$179,600	$185,100	$188,800	$192,700
Residential-Outside City	44,000	46,600	48,500	50,000	51,400	52,500	53,500
Commercial-Inside City							
Commercial-Outside City							
City-Inside City							
Subtotal	$197,000	$212,000	$222,900	$229,600	$236,500	$241,300	$246,200
Total Usage Revenue by Class							
Residential-Inside City	$1,156,100	$1,249,400	$1,317,300	$1,356,800	$1,398,000	$1,426,600	$1,455,500
Residential-Outside City	543,800	577,900	601,200	619,400	637,400	650,100	662,800
Commercial-Inside City	1,459,000	1,499,100	1,521,800	1,544,600	1,567,400	1,590,200	1,612,700
Commercial-Outside City	217,100	224,200	226,600	228,900	231,300	233,700	236,100
City-Inside City	271,400	277,100	277,100	277,100	277,100	277,100	277,100
Total Usage Revenue	$3,647,400	$3,827,700	$3,944,000	$4,026,800	$4,111,200	$4,177,700	$4,244,200
Total Revenue by Class							
Residential-Inside City	$2,049,500	$2,215,400	$2,336,000	$2,406,000	$2,479,100	$2,529,900	$2,580,900
Residential-Outside City	1,502,400	1,595,600	1,660,100	1,710,100	1,759,900	1,795,000	1,830,200
Commercial-Inside City	1,548,100	1,590,600	1,614,700	1,638,800	1,663,000	1,687,200	1,711,100
Commercial-Outside City	268,800	277,500	280,500	283,300	286,300	289,300	292,200
City-Inside City	290,300	296,400	296,400	296,400	296,400	296,400	296,400
Total Revenue	$5,659,100	$5,975,500	$6,187,700	$6,334,600	$6,484,700	$6,597,800	$6,710,800

Exhibit 6:

Projected Wastewater Revenue

City of Auburndale
2021 Rate Study
Exhibit 6: Projected Wastewater Revenue

	Calculated	Projected Fiscal Year Ending September 30,					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Charge Revenue							
Residential-Inside City	$2,574,600	$2,816,600	$3,002,700	$3,110,500	$3,223,100	$3,301,500	$3,379,900
Residential-Outside City	1,474,400	1,646,700	1,792,200	1,904,600	2,017,000	2,096,400	2,175,700
Commercial-Inside City	455,300	470,200	475,100	480,000	484,900	489,800	494,700
Commercial-Outside City	258,700	266,500	269,200	271,800	274,400	277,100	279,700
City-Inside City	40,300	41,100	41,100	41,100	41,100	41,100	41,100
City-Outside City	4,500	4,600	4,600	4,600	4,600	4,600	4,600
Base Charge Revenue Total	$4,807,800	$5,245,700	$5,584,900	$5,812,600	$6,045,100	$6,210,500	$6,375,700
Usage Charge Revenue							
Block 1							
Residential-Inside City	$0	$0	$0	$0	$0	$0	$0
Residential-Outside City	0	0	0	0	0	0	0
Commercial-Inside City	332,300	342,600	346,400	349,800	353,600	357,000	360,300
Commercial-Outside City	104,000	107,300	108,100	109,200	110,300	111,300	112,400
City-Inside City	0	0	0	0	0	0	0
City-Outside City	0	0	0	0	0	0	0
Sub-Total Block 1	$436,300	$449,900	$454,500	$459,000	$463,900	$468,300	$472,700
Total Usage Revenue by Class							
Residential-Inside City	$0	$0	$0	$0	$0	$0	$0
Residential-Outside City	0	0	0	0	0	0	0
Commercial-Inside City	332,300	342,600	346,400	349,800	353,600	357,000	360,300
Commercial-Outside City	104,000	107,300	108,100	109,200	110,300	111,300	112,400
City-Inside City	0	0	0	0	0	0	0
City-Outside City	0	0	0	0	0	0	0
Total Usage Revenue	$436,300	$449,900	$454,500	$459,000	$463,900	$468,300	$472,700
Total Revenue by Class							
Residential-Inside City	$2,574,600	$2,816,600	$3,002,700	$3,110,500	$3,223,100	$3,301,500	$3,379,900
Residential-Outside City	1,474,400	1,646,700	1,792,200	1,904,600	2,017,000	2,096,400	2,175,700
Commercial-Inside City	787,600	812,800	821,500	829,800	838,500	846,800	855,000
Commercial-Outside City	362,700	373,800	377,300	381,000	384,700	388,400	392,100
City-Inside City	40,300	41,100	41,100	41,100	41,100	41,100	41,100
City-Outside City	4,500	4,600	4,600	4,600	4,600	4,600	4,600
Total Revenue	$5,244,100	$5,695,600	$6,039,400	$6,271,600	$6,509,000	$6,678,800	$6,848,400

Exhibit 7:

Projected Industrial Sewer Customers and Revenue Under Existing Rates

City of Auburndale
2021 Rate Study
Exhibit 7: Projected Industrial Sewer Customers and Revenue Under Existing Rates

	Historical	Historical	Projected Fiscal Year Ending September 30,					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Inside City Industrial								
Base Rate								
Coca-Cola - 1" Domestic Meter	$67.52	$67.52	$68.87	$68.87	$68.87	$68.87	$68.87	$68.87
Bynum Transport - 1.5"	$136.26	$136.26	$138.98	$138.98	$138.98	$138.98	$138.98	$138.98
Florida Brewery - 3"	$548.74	$548.74	$559.72	$559.72	$559.72	$559.72	$559.72	$559.72
KIK Florida/Sewell Products - 4"	$1,098.71	$1,098.71	$1,120.68	$1,120.68	$1,120.68	$1,120.68	$1,120.68	$1,120.68
Coca-Cola - 6"	$2,198.66	$2,198.66	$2,242.63	$2,242.63	$2,242.63	$2,242.63	$2,242.63	$2,242.63
Total Base Revenue	$48,599	$48,599	$49,571	$49,571	$49,571	$49,571	$49,571	$49,571
Annual Usage (1,000s of gallons)								
Coca-Cola - 1" Domestic Meter	1,167	1,214	1,200	1,200	1,200	1,200	1,200	1,200
Bynum Transport - 1.5"	2,527	2,675	2,600	2,700	2,700	2,700	2,700	2,700
Florida Brewery - 3"	984	984	1,000	1,000	1,000	1,000	1,000	1,000
KIK Florida/Sewell Products - 4"	3,780	5,954	4,900	6,000	6,000	6,000	6,000	6,000
Coca-Cola - 6"	174,508	180,579	180,579	180,600	180,600	180,600	180,600	180,600
Subtotal	182,966	191,406	190,279	191,500	191,500	191,500	191,500	191,500
Monthly Minimum Gallons (in 1,000s)								
Coca-Cola - 1" Domestic Meter	10	10	10	10	10	10	10	10
Bynum Transport - 1.5"	20	20	20	20	20	20	20	20
Florida Brewery - 3"	80	80	80	80	80	80	80	80
KIK Florida/Sewell Products - 4"	160	160	160	160	160	160	160	160
Coca-Cola - 6"	320	320	320	320	320	320	320	320
Subtotal	590	590	590	590	590	590	590	590
Revenue Gallons (in 1,000s)								
Coca-Cola - 1" Domestic Meter	1,047	1,094	1,080	1,080	1,080	1,080	1,080	1,080
Bynum Transport - 1.5"	2,287	2,435	2,360	2,460	2,460	2,460	2,460	2,460
Florida Brewery - 3"	24	24	40	40	40	40	40	40
KIK Florida/Sewell Products - 4"	1,860	4,034	2,980	4,080	4,080	4,080	4,080	4,080
Coca-Cola - 6"	170,668	176,739	176,739	176,760	176,760	176,760	176,760	176,760
Total Revenue Gallons	175,886	184,326	183,199	184,420	184,420	184,420	184,420	184,420
Usage Rate	$6.88	$6.88	$7.01	$7.01	$7.01	$7.01	$7.01	$7.01
Total Usage Revenue	$1,210,100	$1,268,200	$1,284,200	$1,292,800	$1,292,800	$1,292,800	$1,292,800	$1,292,800
Total Inside City Industrial Sewer Revenue	$1,258,698.68	$1,316,798.68	$1,333,770.56	$1,342,370.56	$1,342,370.56	$1,342,370.56	$1,342,370.56	$1,342,370.56
Outside City Industrial								
Base Rate								
All Temp Storage - 3/4"	$54.03	$54.03	$55.11	$55.11	$55.11	$55.11	$55.11	$55.11
Board of County Commission - 3/4"	$8,266.59	$8,266.59	$8,431.83	$8,431.83	$8,431.83	$8,431.83	$8,431.83	$8,431.83
Givaudan - 2"	$369.56	$369.56	$376.95	$376.95	$376.95	$376.95	$376.95	$376.95
Packaging Corp of America - 3"	$740.80	$740.80	$755.62	$755.62	$755.62	$755.62	$755.62	$755.62
Total Base Revenue	$113,172	$113,172	$115,434	$115,434	$115,434	$115,434	$115,434	$115,434
Annual Usage (1,000s of gallons)								
All Temp Storage - 3/4"	4,983	832	800	800	800	800	800	800
Board of County Commission - 3/4"	26,116	23,840	23,800	23,800	23,800	23,800	23,800	23,800
Givaudan - 2"	8,213	5,686	5,700	5,700	5,700	5,700	5,700	5,700
Packaging Corp of America - 3"	3,690	2,939	2,900	2,900	2,900	2,900	2,900	2,900
Subtotal	43,002	33,297	33,200	33,200	33,200	33,200	33,200	33,200
Monthly Minimum Gallons (in 1,000s)								
All Temp Storage - 3/4"	6	6	6	6	6	6	6	6
Board of County Commission - 3/4"	918	918	918	918	918	918	918	918
Givaudan - 2"	40	40	40	40	40	40	40	40
Packaging Corp of America - 3"	80	80	80	80	80	80	80	80
Subtotal	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044
Revenue Gallons (in 1,000s)								
All Temp Storage - 3/4"	4,911	760	728	728	728	728	728	728
Board of County Commission - 3/4"	15,100	12,824	12,784	12,784	12,784	12,784	12,784	12,784
Givaudan - 2"	7,733	5,206	5,220	5,220	5,220	5,220	5,220	5,220
Packaging Corp of America - 3"	2,730	1,979	1,940	1,940	1,940	1,940	1,940	1,940
Total Revenue Gallons	30,474	20,769	20,672	20,672	20,672	20,672	20,672	20,672
Usage Rate	$9.28	$9.28	$9.47	$9.47	$9.47	$9.47	$9.47	$9.47
Total Usage Revenue	$282,800	$192,700	$195,800	$195,800	$195,800	$195,800	$195,800	$195,800
Total Outside City Industrial Sewer Revenue	$395,972	$305,872	$311,234	$311,234	$311,234	$311,234	$311,234	$311,234
Total Industrial Revenue	$1,654,700	$1,622,700	$1,645,000	$1,653,600	$1,653,600	$1,653,600	$1,653,600	$1,653,600

Exhibit 8:

Forecast of Miscellaneous Charge Revenue

City of Auburndale
2021 Rate Study
Exhibit 8: Forecast of Miscellaneous Charge Revenues

Account Number	Description	Actual FY 2020	FY 2021 Budget	Adjustments	Adjusted FY 2021	Allocation Factor	Allocation % Water	Allocation % Sewer	Water Allocation	Sewer Allocation	Escalation Factor
	Miscellaneous Revenues										
430-343-6110	Water Charges	$5,661,570	$5,600,000	($5,600,000)	$0	W-Only	100.0%	0.0%	$0	$0	Inflation
430-343-6120	Water Connection Fees	216,746	150,000	0	150,000	W-Only	100.0%	0.0%	150,000	0	Inflation
430-343-6135	Service Fees	117,975	130,000	0	130,000	W-Only	100.0%	0.0%	130,000	0	Inflation
430-343-6140	Reinstatement Fees	31,575	50,000	0	50,000	W-Only	100.0%	0.0%	50,000	0	Inflation
430-343-6190	Temporary Service	13,340	8,000	0	8,000	W-Only	100.0%	0.0%	8,000	0	Inflation
430-343-6210	Sewer Charges	7,012,026	7,200,000	(7,200,000)	0	WW-Only	0.0%	100.0%	0	0	Inflation
430-343-6215	P/T Factor (Sewer)	55,646	30,000	0	30,000	WW-Only	0.0%	100.0%	0	30,000	Inflation
430-343-6220	Sewer Permits/Connections	118,010	100,000	0	100,000	WW-Only	0.0%	100.0%	0	100,000	Inflation
430-343-6230	Industrial Pretreatment Permit	500	1,000	0	1,000	WW-Only	0.0%	100.0%	0	1,000	Inflation
430-343-6240	Duke Energy Reuse Fee	61,832	60,000	(60,000)	0	WW-Only	0.0%	100.0%	0	0	Inflation
430-343-6250	Pretreatment Expenses	6,285	4,500	0	4,500	WW-Only	0.0%	100.0%	0	4,500	Inflation
430-343-6510	Late Charges	102,730	160,000	0	160,000	Accounts	61.3%	38.7%	98,070	61,930	Inflation
430-343-6550	Hydrant/Sprinkler Annual Fees	16,275	18,000	0	18,000	Accounts	61.3%	38.7%	11,030	6,970	Inflation
430-343-6560	Bad Debt Repayments	6,028	10,000	0	10,000	Accounts	61.3%	38.7%	6,130	3,870	Inflation
430-343-6800	Over/Shortage	56	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-343-6900	All Other	27,030	50,000	0	50,000	Accounts	61.3%	38.7%	30,650	19,350	Inflation
430-361-1034	Int. Ws Emergency	1,937	2,000	(2,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-361-1036	Int. Utility Fund Res.	977	1,000	(1,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-361-1038	Int Fl Safe (Formerly 2016 Bond Proceeds)	21,089	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-361-1044	Interest On Impact Fees Rr	189	400	(400)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-361-1079	Interest Util Deposits Payable	1,709	1,000	(1,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-361-1080	Interest On Water Sewer	7,091	10,000	(10,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-363-2010	Impact Fees-Water	0	400,000	(400,000)	0	W-Only	100.0%	0.0%	0	0	Inflation
430-363-2020	Impact Fees - Sewer	0	1,000,000	(1,000,000)	0	WW-Only	0.0%	100.0%	0	0	Inflation
430-363-2060	Impact Fees - Fire Sprinkler	0	10,000	(10,000)	0	W-Only	100.0%	0.0%	0	0	Inflation
430-364-4101	Sale Of Motor Equipment	7,238	500	(500)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4050	Reimb - Liability Insurance	24,053	25,000	(25,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4530	Public Utilities Reserve	80,000	90,000	(90,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4545	Ws Emerg Reserve	575,180	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4558	Water Meter Replacement Bonds	0	0	0	0	W-Only	100.0%	0.0%	0	0	Inflation
430-369-4560	FPU Reuse (75%Wmd/25%Fpu)	450,000	150,000	(150,000)	0	WW-Only	0.0%	100.0%	0	0	Inflation
430-369-4563	Wmd Reuse Line Reimb (50% Wmd)	0	255,700	(255,700)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4564	Winter Haven Fiber Conduit Reimb	0	50,125	(50,125)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4580	FDOT Reimb Regional Sprayfield	3,073,063	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4585	Tortoise Mitigation Fdot	458,319	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-4588	Lkld Potable Wa Interconnect	1,484,000	755,700	(755,700)	0	W-Only	100.0%	0.0%	0	0	Inflation
430-369-4795	FEMA Reimb Generators		142,000	(142,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-5500	Reimb Polk Water Coop Project	894	1,000	(1,000)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-9000	Impact Fee Transfer Reserve	0	1,500	(1,500)	0	Accounts	61.3%	38.7%	0	0	Inflation
430-369-9040	County Tax Commission (1%City)	1,610	0	0	0	Accounts	61.3%	38.7%	0	0	Inflation
430-381-8500	Ift Impact Fees To Water Sewer Utilities	1,410,400	1,410,400	(1,410,400)	0	Accounts	61.3%	38.7%	0	0	Inflation
Total Utility Misc. Revenues		$21,045,372	$17,877,825	($17,166,325)	$711,500				$483,880	$227,620	

Exhibit 9:

Capital Improvement Plan Projects and Funding Sources

City of Auburndale
2021 Rate Study
Exhibit 9: Capital Improvement Plan Projects and Funding Sources

Description	Escalation Factors	Funding Source	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Funding Sources									
Water Rates		W Rates	$93,000	$213,700	$26,500	$21,900	$0	$0	$355,100
Wastewater Rates		WW Rates	99,900	0	26,500	32,800	0	0	159,200
Water Reserves		W Reserve	1,476,500	1,366,900	2,361,000	542,000	1,288,700	173,900	7,209,000
Wastewater Reserves		WW Reserve	1,945,100	1,271,200	881,000	1,803,000	2,177,800	950,600	9,028,700
R&R Fund		R&R	0	0	0	0	0	0	0
Water Impact Fees		W IF	0	0	0	0	0	0	0
Wastewater Impact Fees		WW IF	0	0	0	3,000,000	0	0	3,000,000
American Rescue Act Funds		Fed Funds	0	2,832,500	4,455,800	0	0	0	7,288,300
Future 2023 Loan		2023 Loan	0	0	1,273,100	3,556,400	2,251,000	0	7,080,500
Total			$3,614,500	$5,684,300	$9,023,900	$8,956,100	$5,717,500	$1,124,500	$34,120,800
Water									
Upsize/Extension/Relocates Water Line									
Old Berkley Rd.	Inflation	W Reserve	$200,000	$0	$0	$0	$0	$0	$200,000
Plymouth Road Loop	Inflation	W Rates	0	206,000	0	0	0	0	206,000
Main St./Recker Loop	Inflation	W Reserve	0	0	0	131,100	0	0	131,100
Simmer Young Extension	Inflation	Fed Funds	0	1,236,000	0	0	0	0	1,236,000
Gapway Extension	Inflation	Fed Funds	0	1,236,000	0	0	0	0	1,236,000
Aub/WH/PC Interconnect	Inflation	Fed Funds	0	360,500	0	0	0	0	360,500
Hwy 542 Extension	Inflation	W Reserve	0	0	0	0	0	0	0
Public Utilities Administration									
Systemwide Scada	Inflation	W Reserve	0	0	318,300	0	0	0	318,300
Utility Billing									
Office Remodel	Inflation	W Rates	8,000	0	0	0	0	0	8,000
Parking Lot Resurfacing	Inflation	W Rates	0	0	0	0	0	0	0
Lobby Improvements	Inflation	W Rates	0	7,700	0	0	0	0	7,700
Water Distribution									
Lakeland Water Line	Inflation	W Reserve	755,700	0	0	0	0	0	755,700
Winter Haven Fiber Conduit	Inflation	W Rates	50,100	0	0	0	0	0	50,100
Water Shop Relocate	Inflation	W Reserve	0	0	328,900	0	0	0	328,900
Backhoe	Inflation	W Reserve	0	0	0	142,100	0	0	142,100
150hp Pump Control	Inflation	W Reserve	0	0	0	0	0	0	0
Equipment Storage Building Reserve	Inflation	W Reserve	0	113,300	0	0	0	0	113,300
Walk Behind Trencher	Inflation	W Reserve	5,000	0	0	0	0	0	5,000
Wire Locator and 3: Diaphram Pump	Inflation	W Reserve	4,800	0	0	0	0	0	4,800
Pipe Cutting Chain Saw	Inflation	W Reserve	5,000	0	0	0	0	0	5,000
Polk Regional Water Cooperative									
Project Phase I Reserve	Inflation	W Reserve	166,000	171,000	176,100	181,400	934,200	0	1,628,700
Project Phase II Reserve	Inflation	W Reserve	0	721,000	1,485,300	0	0	0	2,206,300
Water Plant Improvement									
Generator Atlantic	Inflation	W Reserve	150,000	0	0	0	0	0	150,000
Pump/Motor Assembly Altantic #3	Inflation	W Reserve	70,000	0	0	0	0	0	70,000
Main Control Panel Atlantic	Inflation	W Reserve	50,000	0	0	0	0	0	50,000
Chloride Skid	Inflation	W Reserve	25,000	0	0	0	0	0	25,000
Berkley Pump Expansion	Inflation	W Reserve	0	133,900	0	0	0	0	133,900
Winona WTF Well Rehab	Inflation	W Reserve	0	0	31,800	0	0	0	31,800
Paint Berkley/Water Tank	Inflation	W Reserve	0	0	0	21,900	0	0	21,900
Office Improvements	Inflation	W Reserve	0	0	0	0	33,800	0	33,800
Berkley Storage Expansion	Inflation	Fed Funds	0	0	4,455,800	0	0	0	4,455,800
Berkley Storage Expansion	Inflation	W IF	0	0	0	0	0	0	0
Atlantic Control Panel	Inflation	W Reserve	0	154,500	0	0	0	0	154,500
Ground Storage Tank Inspection	Inflation	W Reserve	0	0	14,900	0	0	0	14,900
Winona Central Panel	Inflation	W Reserve	0	0	0	0	0	173,900	173,900
Winona CL2 System Upgrade	Inflation	W Reserve	0	0	0	0	0	0	0
Chlorine/PH Analyzer	Inflation	W Reserve	0	14,400	0	0	0	0	14,400
New Chlorine Tanks	Inflation	W Reserve	0	12,400	0	0	0	0	12,400
Equipment									
Tractor	Inflation	W Rates	0	0	0	0	0	0	0
By-pass Pump	Inflation	W Rates	0	0	0	0	0	0	0
Inmate Equipment	Inflation	W Rates	7,900	0	0	0	0	0	7,900
Small Dump Truck	Inflation	W Rates	0	0	26,500	0	0	0	26,500
Vehicle Replacement	Inflation	W Rates	0	0	0	21,900	0	0	21,900
Vac Truck	Inflation	W Reserve	0	0	0	0	253,200	0	253,200
Ditch Witch	Inflation	W Reserve	0	0	0	0	0	0	0
Jack Hammer	Inflation	W Reserve	0	0	1,200	0	0	0	1,200
Utility Trailer 18'	Inflation	W Reserve	0	0	4,500	0	0	0	4,500
Vehicle Replacement									
Crane Truck (Hydrant/Lift Stations)	Inflation	W Reserve	45,000	0	0	0	0	0	45,000
UBO Vehicle	Inflation	W Rates	12,000	0	0	0	0	0	12,000
Admin Truck	Inflation	W Rates	15,000	0	0	0	0	0	15,000
Vehicle Replacement	Inflation	W Reserve	0	41,200	0	0	67,500	0	108,700
Vermeer Vactor	Inflation	W Reserve	0	0	0	54,600	0	0	54,600

City of Auburndale
2021 Rate Study
Exhibit 9: Capital Improvement Plan Projects and Funding Sources

Description	Escalation Factors	Funding Source	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
UTV	Inflation	W Reserve	0	0	0	10,900	0	0	10,900
Fuel Trailer	Inflation	W Reserve	0	5,200	0	0	0	0	5,200
Total Water			$1,569,500	$4,413,100	$6,843,300	$563,900	$1,288,700	$173,900	$14,852,400
Wastewater									
Public Utilities Administration									
Systemwide Scada	Inflation	WW Reserve	$0	$0	$318,300	$0	$0	$0	318,300
Utility Billing									
Office Remodel	Inflation	WW Reserve	8,000	0	0	0	0	0	8,000
Parking Lot Resurfacing	Inflation	WW Reserve	0	0	0	0	0	0	0
Lobby Improvements	Inflation	WW Reserve	0	7,700	0	0	0	0	7,700
Allred WWTP Improvement									
Auto Headworks	Inflation	WW Reserve	350,000	0	0	0	0	0	350,000
Generator Fuel Tank	Inflation	WW Reserve	75,000	0	0	0	0	0	75,000
Sludge Pump	Inflation	WW Reserve	70,000	0	0	0	0	0	70,000
FPU Reuse Line	Inflation	WW Reserve	511,400	0	0	0	0	0	511,400
Centrifuge Replacement	Inflation	WW Reserve	0	0	0	0	0	0	0
Equipment Shed	Inflation	WW Reserve	0	0	0	0	0	0	0
Filter Rehab	Inflation	2023 Loan	0	0	795,700	0	0	0	795,700
New Digester	Inflation	WW Reserve	0	0	0	874,200	0	0	874,200
Park FM	Inflation	WW Reserve	0	0	0	0	900,400	0	900,400
Clear O2 Ditch	Inflation	WW Reserve	0	0	0	0	0	371,000	371,000
Generator	Inflation	WW Reserve	0	257,500	0	0	0	0	257,500
Infiltrate Pump	Inflation	WW Reserve	0	30,900	0	0	0	0	30,900
CL2 Skid	Inflation	WW Reserve	0	0	26,500	0	0	0	26,500
Utility System Rehabilitation	Inflation	WW Reserve	0	515,000	530,500	546,400	562,800	579,600	2,734,300
3" Trash Pump	Inflation	WW Reserve	0	1,600	0	0	0	0	1,600
Sewer Push Camera	Inflation	WW Reserve	0	9,300	0	0	0	0	9,300
Small Tractor - Front Loader	Inflation	WW Reserve	0	16,500	0	0	0	0	16,500
Sledge Dumpster Skids	Inflation	WW Reserve	0	10,300	0	0	0	0	10,300
Regional WWTP Improvements									
Centrifuge	Inflation	WW Reserve	300,000	360,500	0	0	393,900	0	1,054,400
Digester Shoring	Inflation	WW Reserve	125,000	0	0	0	0	0	125,000
Saddle Creek FM	Inflation	WW Reserve	150,000	0	0	0	0	0	150,000
Grit Pump Replacement	Inflation	WW Reserve	35,000	0	0	0	0	0	35,000
Roof Repairs	Inflation	WW Reserve	80,000	0	0	0	0	0	80,000
Filter Rehab	Inflation	2023 Loan	0	0	477,400	0	0	0	477,400
Bar Screen Replacement	Inflation	WW Reserve	0	0	0	327,800	0	0	327,800
Sprayfield Expansion	Inflation	2023 Loan	0	0	0	3,556,400	2,251,000	0	5,807,400
Sprayfield Expansion	Inflation	WW IF	0	0	0	3,000,000	0	0	3,000,000
Equipment Shed	Inflation	WW Reserve	0	0	0	0	0	0	0
System Upgrades	Inflation	WW Reserve	0	0	0	0	0	0	0
CL2 Shade Balls	Inflation	WW Reserve	0	15,500	0	0	0	0	15,500
Lab Spectrophotometer	Inflation	WW Reserve	5,000	0	0	0	0	0	5,000
C12 Analyzer	Inflation	WW Reserve	6,500	0	0	0	0	0	6,500
Composter Sampler	Inflation	WW Reserve	7,200	0	0	0	0	0	7,200
Replace Office Floors	Inflation	WW Reserve	7,000	0	0	0	0	0	7,000
Wastewater Lift Station Upgrades									
General	Inflation	WW Reserve	80,000	0	0	0	0	0	80,000
Equipment									
Tractor	Inflation	WW Reserve	90,000	0	0	0	0	0	90,000
By-pass Pump	Inflation	WW Rates	65,000	0	0	0	0	0	65,000
Inmate Equipment	Inflation	WW Rates	7,900	0	0	0	0	0	7,900
Small Dump Truck	Inflation	WW Rates	0	0	26,500	0	0	0	26,500
Vehicle Replacement	Inflation	WW Rates	0	0	0	21,900	0	0	21,900
Vac Truck	Inflation	WW Reserve	0	0	0	0	253,200	0	253,200
Ditch Witch	Inflation	WW Reserve	0	0	0	0	0	0	0
Jack Hammer	Inflation	WW Reserve	0	0	1,200	0	0	0	1,200
Utility Trailer 18'	Inflation	WW Reserve	0	0	4,500	0	0	0	4,500
Vehicle Replacement									
Crane Truck (Hydrant/Lift Stations)	Inflation	WW Reserve	45,000	0	0	0	0	0	45,000
UBO Vehicle	Inflation	WW Rates	12,000	0	0	0	0	0	12,000
Admin Truck	Inflation	WW Rates	15,000	0	0	0	0	0	15,000
Vehicle Replacement	Inflation	WW Reserve	0	41,200	0	0	67,500	0	108,700
Vermeer Vactor	Inflation	WW Reserve	0	0	0	54,600	0	0	54,600
UTV	Inflation	WW Rates	0	0	0	10,900	0	0	10,900
Fuel Trailer	Inflation	WW Reserve	0	5,200	0	0	0	0	5,200
Total Wastewater			$2,045,000	$1,271,200	$2,180,600	$8,392,200	$4,428,800	$950,600	$19,268,400
Total System CIP			**$3,614,500**	**$5,684,300**	**$9,023,900**	**$8,956,100**	**$5,717,500**	**$1,124,500**	**$34,120,800**

Exhibit 10:

Projected Water Revenue Requirements

City of Auburndale
2021 Rate Study
Exhibit 10: Projected Water Revenue Requirements

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water Operating Expenses	$2,519,840	$2,879,600	$2,985,900	$3,062,000	$3,140,100	$3,220,200
PRWC Operating Expenses	0	0	0	0	1,300,000	1,820,000
Total Operating Expenses	$2,519,840	$2,879,600	$2,985,900	$3,062,000	$4,440,100	$5,040,200
Debt Service						
Existing Debt Service						
Series 2006 Revenue Bonds	$295,300	$294,700	$294,500	$294,800	$294,700	$49,100
Series 2016 Revenue Bonds	354,300	355,300	355,300	353,900	318,000	554,000
Total Existing Debt Service	$649,600	$650,000	$649,800	$648,700	$612,700	$603,100
Proposed Debt Service	$0	$0	$0	$0	$0	$0
Total Debt Service	$649,600	$650,000	$649,800	$648,700	$612,700	$603,100
Other Expense/Transfers						
R&R Transfer	$0	$0	$0	$0	$0	$0
Capital Funded by Rates	93,000	213,700	26,500	21,900	0	0
General Fund Transfer	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
Contribution - General Fund	250,000	250,000	250,000	250,000	250,000	250,000
Total Other Expenses/Transfers	$2,114,850	$2,245,050	$2,057,900	$2,053,300	$2,031,400	$2,031,400
Total Gross Revenue Requirements	$5,284,290	$5,774,650	$5,693,600	$5,764,000	$7,084,200	$7,674,700
Less Revenue from Other Sources						
Miscellaneous Revenues	$483,880	$494,520	$505,400	$516,510	$527,860	$539,470
Impact Fees for Debt Service	649,600	650,000	649,800	648,700	612,700	603,100
Interest Income	42,100	48,000	59,300	64,400	72,300	67,400
Total Revenue from Other Sources	$1,175,580	$1,192,520	$1,214,500	$1,229,610	$1,212,860	$1,209,970
Net Revenue Requirements	$4,108,710	$4,582,130	$4,479,100	$4,534,390	$5,871,340	$6,464,730
Water Revenue from Existing Rates	$5,975,500	$6,187,700	$6,334,600	$6,484,700	$6,597,800	$6,710,800
Revenue from Prior Years Adjustments	0	0	253,384	529,152	823,828	1,139,887
Total Current Year Revenue	$5,975,500	$6,187,700	$6,587,984	$7,013,852	$7,421,628	$7,850,687
Percent Adjustment Proposed		4.0%	4.0%	4.0%	4.0%	4.0%
Effective Month		Oct	Oct	Oct	Oct	Oct
% of Current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustment		$247,508	$263,519	$280,554	$296,865	$314,027
Total Water Revenue from Rates	$5,975,500	$6,435,208	$6,851,503	$7,294,406	$7,718,493	$8,164,714
Total Revenue Surplus/Deficiency	$1,866,790	$1,853,078	$2,372,403	$2,760,016	$1,847,153	$1,699,984

Exhibit 11:

Projected Wastewater Revenue Requirements

City of Auburndale
2021 Rate Study
Exhibit 11: Projected Wastewater Revenue Requirements

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Wastewater Operating Expenses	$3,438,970	$3,454,170	$3,574,800	$3,699,000	$3,827,800	$3,925,300
Debt Service						
Existing Debt Service						
Series 2006 Revenue Bonds	$886,000	$884,000	$883,400	$884,500	$884,200	$147,400
Series 2016 Revenue Bonds	1,062,900	1,065,900	1,065,900	1,061,800	954,100	1,662,100
Total Existing Debt Service	$1,948,900	$1,949,900	$1,949,300	$1,946,300	$1,838,300	$1,809,500
Proposed Debt Service	$0	$0	$0	$453,800	$453,800	$453,800
Total Debt Service	$1,948,900	$1,949,900	$1,949,300	$2,400,100	$2,292,100	$2,263,300
Other Expense/Transfers						
R&R Transfer	$0	$0	$0	$0	$0	$0
Capital Funded by Rates	99,900	0	26,500	32,800	0	0
General Fund Transfer	1,771,850	1,781,350	1,781,400	1,781,400	1,781,400	1,781,400
Contribution - General Fund	250,000	250,000	250,000	250,000	250,000	250,000
Total Other Expenses/Transfers	$2,121,750	$2,031,350	$2,057,900	$2,064,200	$2,031,400	$2,031,400
Total Gross Revenue Requirements	$7,509,620	$7,435,420	$7,582,000	$8,163,300	$8,151,300	$8,220,000
Less Revenue from Other Sources						
Miscellaneous Revenues	$227,620	$232,630	$237,750	$242,970	$248,300	$253,760
Impact Fees for Debt Service	1,948,900	1,949,900	1,710,100	1,749,600	1,225,700	1,225,700
Interest Income	42,100	48,000	59,300	64,400	72,300	67,400
Revenue from Reuse	66,510	66,510	66,510	66,510	66,510	66,510
Total Revenue from Other Sources	$2,285,130	$2,297,040	$2,073,660	$2,123,480	$1,612,810	$1,613,370
Net Revenue Requirements	$5,224,490	$5,138,380	$5,508,340	$6,039,820	$6,538,490	$6,606,630
Wastewater Revenue from Existing Rates	$7,340,600	$7,693,000	$7,925,200	$8,162,600	$8,332,400	$8,502,000
Revenue from Prior Years Adjustments	0	0	39,626	81,830	125,612	171,320
Total Current Year Revenue	$7,340,600	$7,693,000	$7,964,826	$8,244,430	$8,458,012	$8,673,320
Percent Adjustment Proposed		0.5%	0.5%	0.5%	0.5%	0.5%
Effective Month		Oct	Oct	Oct	Oct	Oct
Percent of current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustment		$38,465	$39,824	$41,222	$42,290	$43,367
Total Wastewater Revenue from Rates	$7,340,600	$7,731,465	$8,004,650	$8,285,652	$8,500,302	$8,716,687
Total Revenue Surplus/Deficiency	$2,116,110	$2,593,085	$2,496,310	$2,245,832	$1,961,812	$2,110,057

Exhibit 12:

Project Debt Service Coverage

City of Auburndale
2021 Rate Study
Exhibit 12: Projected Debt Service Coverage

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Operating Revenues						
Water	$5,975,500	$6,435,208	$6,851,503	$7,294,406	$7,718,493	$8,164,714
Sewer	7,340,600	7,731,465	8,004,650	8,285,652	8,500,302	8,716,687
Total Operating Revenues	$13,316,100	$14,166,673	$14,856,153	$15,580,058	$16,218,795	$16,881,400
Total Miscellaneous Revenue	$778,010	$793,660	$809,660	$825,990	$842,670	$859,740
Interest Income	84,200	96,000	118,600	128,800	144,600	134,800
Total Gross Revenues	$14,178,310	$15,056,333	$15,784,413	$16,534,848	$17,206,065	$17,875,940
Operating Expenses						
Water	$2,519,840	$2,879,600	$2,985,900	$3,062,000	$4,440,100	$5,040,200
Sewer	3,438,970	3,454,170	3,574,800	3,699,000	3,827,800	3,925,300
Total Operating Expenses	$5,958,810	$6,333,770	$6,560,700	$6,761,000	$8,267,900	$8,965,500
Net Revenue for Debt Service Coverage	$8,219,500	$8,722,563	$9,223,713	$9,773,848	$8,938,165	$8,910,440
Debt Service						
Existing Debt Service						
Series 2006	$1,181,300	$1,178,700	$1,177,900	$1,179,300	$1,178,900	$196,500
Series 2016	1,417,200	1,421,200	1,421,200	1,415,700	1,272,100	2,216,100
Total Existing Debt Service	$2,598,500	$2,599,900	$2,599,100	$2,595,000	$2,451,000	$2,412,600
Proposed Debt Service	$0	$0	$0	$453,800	$453,800	$453,800
Total Debt Service	$2,598,500	$2,599,900	$2,599,100	$3,048,800	$2,904,800	$2,866,400
Debt Service Coverage						
Excluding Transfers (min target = 1.25x)	3.16	3.35	3.55	3.21	3.08	3.11
Including Transfers (min target = 1.15x)	1.53	1.71	1.97	1.86	1.68	1.69
Including Transfers and Impact Fees	2.53	2.71	2.87	2.64	2.31	2.33
Other Sources of Funds						
Impact Fees Applied to Debt Service	$2,598,500	$2,599,900	$2,359,900	$2,398,300	$1,838,400	$1,828,800
Other Sources of Funds	$2,598,500	$2,599,900	$2,359,900	$2,398,300	$1,838,400	$1,828,800
Other Expense/Transfers						
R&R Transfer	$0	$0	$0	$0	$0	$0
Capital Funded by Rates	192,900	213,700	53,000	54,700	0	0
General Fund Transfer	3,543,700	3,562,700	3,562,800	3,562,800	3,562,800	3,562,800
Contribution - General Fund	500,000	500,000	500,000	500,000	500,000	500,000
Total Other Expenditures	$4,236,600	$4,276,400	$4,115,800	$4,117,500	$4,062,800	$4,062,800
Amount Available for Other Lawful Purposes	$3,982,900	$4,446,163	$4,868,713	$5,005,848	$3,808,965	$3,810,040

Exhibit 13:

Projected Fund Balances

City of Auburndale
2021 Rate Study
Exhibit 13: Projected Fund Balances

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water & Sewer Pooled Cash						
Beginning Balance	$1,934,807	$0	$0	$0	$0	$0
Transfer In from Operating	3,982,900	4,446,163	4,868,713	5,005,848	3,808,965	3,810,040
Transfer Out to Utility Emergency Fund	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Transfer Out to Alternative Subaccount	0	(500,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Transfer Out to Utility Reserve Fund	(5,667,707)	(3,696,163)	(3,618,713)	(3,755,848)	(2,558,965)	(2,560,040)
Transfer Out to Capital Improvements						
Ending Balance	$0	$0	$0	$0	$0	$0
Utility Reserve Fund						
Beginning Balance	$768,617	$3,014,724	$4,072,787	$4,449,500	$5,860,347	$4,952,812
Transfer In from Utility Reserve Fund	5,667,707	3,696,163	3,618,713	3,755,848	2,558,965	2,560,040
Transfer Out to Capital Improvements	(3,421,600)	(2,638,100)	(3,242,000)	(2,345,000)	(3,466,500)	(1,124,500)
Ending Balance	$3,014,724	$4,072,787	$4,449,500	$5,860,347	$4,952,812	$6,388,352
Utility Emergency Fund						
Beginning Balance	$1,105,980	$1,355,980	$1,605,980	$1,855,980	$2,105,980	$2,355,980
Transfer In from Utility Reserve Fund	250,000	250,000	250,000	250,000	250,000	250,000
Transfer Out	0	0	0	0	0	0
Ending Balance	$1,355,980	$1,605,980	$1,855,980	$2,105,980	$2,355,980	$2,605,980
Alternative Water Subaccount						
Beginning Balance	$0	$0	$500,000	$1,500,000	$2,500,000	$3,500,000
Transfers In	0	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer Out	0	0	0	0	0	(4,500,000)
Ending Balance	$0	$500,000	$1,500,000	$2,500,000	$3,500,000	$0
Total Unrestricted Reserves	**$4,370,704**	**$6,178,767**	**$7,805,480**	**$10,466,327**	**$10,808,792**	**$8,994,332**
Target Balance (90 Days O&M)	*$1,469,296*	*$1,561,752*	*$1,617,707*	*$1,667,096*	*$2,038,660*	*$2,210,671*
Renewal & Replacement Fund						
Beginning Balance	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Transfer In from Operating	0	0	0	0	0	0
Transfer Out to Capital Improvements	0	0	0	0	0	0
Ending Balance	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Minimum Required Balance	*$250,000*	*$250,000*	*$250,000*	*$250,000*	*$250,000*	*$250,000*
Water Impact Fee Fund						
Beginning Balance	$777,628	$960,328	$1,746,128	$2,044,328	$2,365,628	$2,432,428
Transfer In from New Connections	832,300	1,435,800	948,000	970,000	679,500	679,500
Transfer to Operations for Debt Service	(649,600)	(650,000)	(649,800)	(648,700)	(612,700)	(603,100)
Transfer Out to Capital Improvements	0	0	0	0	0	(2,000,000)
Ending Balance	$960,328	$1,746,128	$2,044,328	$2,365,628	$2,432,428	$508,828
Sewer Impact Fee Fund						
Beginning Balance	$2,016,785	$2,663,085	$3,303,085	$3,303,085	$303,085	$303,085
Transfer In from New Connections	2,595,200	2,589,900	1,710,100	1,749,600	1,225,700	1,225,700
Transfer to Operations for Debt Service	(1,948,900)	(1,949,900)	(1,710,100)	(1,749,600)	(1,225,700)	(1,225,700)
Transfer Out to Capital Improvements	0	0	0	(3,000,000)	0	0
Ending Balance	$2,663,085	$3,303,085	$3,303,085	$303,085	$303,085	$303,085

Exhibit 14:

Water Impact Fee Calculation

City of Auburndale
2021 Rate Study
Exhibit 14: Water Impact Fee Calculation

Description	Original Cost
Treatment Facilities	
Water Treatment Plants	$15,836,400
PRWC	14,597,220
Other Planned Improvements	8,290,800
NPV of Financing Costs	2,311,400
Less:	
User Fee Credit	1,938,200
Total Treatment Facilities	$39,097,620
Capacity (MGD)	
Existing Water Use Permit	7.00
Additional	1.65
Total Treatment Capacity	8.65
Water Treatment Cost per Gallon	$4.52
ERC Factor (gallons per day)	275
Treatment Connection Fee per ERC	$1,242.99
Transmission Facilities	
Water Transmission	$15,011,528
PRWC	12,785,916
Other Planned Improvements	2,472,000
NPV of Financing Costs	2,311,400
Less:	
User Fee Credit	1,938,200
Total Transmission Facilities	$30,642,644
Capacity (MGD)	
Existing Water Use Permit	7.00
Additional	1.65
Total Transmission Capacity	8.65
Water Transmission Cost per Gallon	$3.54
ERC Factor (gallons per day)	275
Transmission Connection Fee per ERC	$974.19

City of Auburndale
2021 Rate Study
Exhibit 14: Water Impact Fee Calculation

Description	Original Cost
Total Water Connection Fee per ERC	$2,217.18
Total Water Connection Fee per ERC (Rounded)	$2,217.00
Existing Water Connection Fee	$1,264.99
Calculated Increase	$952.01
Percent Increase	75.3%

Exhibit 15:

Wastewater Impact Fee Calculation

City of Auburndale
2021 Rate Study
Exhibit 15: Wastewater Impact Fee Calculation

Description	Original Cost
Treatment Facilities	
Wastewater Treatment Plants	$59,269,500
General Plant Improvements	0
Other Planned Improvements	8,741,800
NPV of Financing Costs	2,311,400
Less:	
User Fee Credit	2,704,900
Total Treatment Facilities	$67,617,800
Capacity (MGD)	
Existing Wastewater Capacity	4.18
Additional	1.22
Total Treatment Capacity	5.40
Wastewater Treatment Cost per Gallon	$12.52
ERC Factor (gallons per day)	250
Treatment Impact Fee per ERC	$3,130.45
Collection Facilities	
Wastewater Collection	$3,424,700
Prior to 2005 Collection	14,405,000
Other Planned Improvements	0
NPV of Financing Costs	9,245,600
Less:	
User Fee Credit	2,704,900
Total Collection Facilities	$24,370,400
Capacity (MGD)	
Existing Wastewater Capacity	4.18
Other	1.22
Total Collection Capacity	5.40
Wastewater Collection Cost per Gallon	$4.51
ERC Factor (gallons per day)	250
Collection Impact Fee per ERC	$1,128.26

City of Auburndale
2021 Rate Study
Exhibit 15: Wastewater Impact Fee Calculation

Description	Original Cost
Total Wastewater Impact Fee per ERC	$4,258.71
Total Wastewater Impact Fee per ERC (Rounded)	$4,258.00
Existing Wastewater Connection Fee	$3,938.14
Calculated Increase	$319.86
Percent Increase	8.1%

Exhibit 16:

Water Impact Fee by Land Use

City of Auburndale
2021 Impact Fee Study
Exhibit 16: Water Impact Fee by Land Use

Type	Unit	Calculated - Inside City	Calculated - Outside City
Single Family	1	$2,217.00	$2,771.25
Manufactured Home	1	$1,566.26	$1,957.83
Duplex/Triplex	Dwell. Unit (DU)	$2,216.50	$2,770.63
Multi-Family	DU	$2,216.50	$2,770.63
Barber/Beauty Shop	Chair	$604.50	$755.63
Bowling Alley	Lane	$406.26	$507.83
Auto Repair - Bay	Bay	$2,682.39	$3,352.99
Car Wash (automatic)	Stall	$40,300.00	$50,375.00
Car Wash (self service)	Stall	$806.00	$1,007.50
Country Club/Golf Course	Acre	$536.26	$670.33
Add per employee/shift	Empl/Shift	$121.88	$152.35
Doctor/Dentist/Vet.			
Add per practitioner	Practitioner	$2,013.74	$2,517.18
Add per employee/shift	Empl/Shift	$121.88	$152.35
Add per kennel (cage)		$162.50	$203.13
Factory (Ex. Ind. Waste)			
a) per employee/shift w/o showers, or	Empl/Shift	$120.88	$151.10
b) per employee/shift w/ showers	Empl/Shift	$201.52	$251.90
Flea Market: < 3 dpw			
a) non-food service, or	Vendor	$121.88	$152.35
b) food service, or	100 sqft	$406.24	$507.80
c) limited food service	Establishment	$203.13	$253.91
Flea Market: > 3 dpw			
a) non-food service, or	Vendor	$243.75	$304.69
b) food service, or	100 sqft	$806.00	$1,007.50
c) limited food service	Establishment	$406.26	$507.83
Food Operation			
a) < 16 hr operation, or	Seat	$322.24	$402.80
b) > 16 hr operation, or	Seat	$483.29	$604.11
c) single service (donuts/ice cream/etc)			
< 16 hr operation, or	Seat	$162.50	$203.13
d) single service (donuts/ice cream/etc)			
> 16 hr operation	Seat	$284.40	$355.50
Bar/Cocktail	Seat	$161.13	$201.41
Drive-in Restaurant	Space	$403.98	$504.98
Carryout (including caterers)	100 sqft	$406.26	$507.83
Carryout (including caterers)	Empl/Shift	$121.88	$152.35
Food Outlet (excluding deli, bakery, meat)	100 sqft	$19.73	$24.66
Add for deli	100 sqft	$78.88	$98.60
Add for bakery	100 sqft	$78.88	$98.60
Add for meat dept	100 sqft	$147.90	$184.88
Add for water closet	Closet	$403.00	$503.75
Health Club	1000 sqft	$5,372.89	$6,716.11

City of Auburndale
2021 Impact Fee Study
Exhibit 16: Water Impact Fee by Land Use

Type	Unit	Calculated - Inside City	Calculated - Outside City
Hotel/Motel			
a) regular, or	Room	$809.72	$1,012.15
b) resort, camps, cottages, suites/kitchenett	Room	$1,612.00	$2,015.00
Add self service laundry	Machine	$6,045.00	$7,556.25
Laundry (self service)	Machine (reg)	$3,425.50	$4,281.88
Laundry (self service)	Machine (50lb)	$3,224.00	$4,030.00
Laundry/Dry Clean (commercial)	Machine	$3,224.00	$4,030.00
Office Building	100 sqft	$121.88	$152.35
RV Park (transient)			
a) overnight stay - no water/sewer, or	Space	$406.26	$507.83
b) overnight stay - with water/sewer	Space	$604.50	$755.63
Service Station			
a) open < 16 hrs, or	Water Closet	$2,015.00	$2,518.75
b) open > 16 hrs	Water Closet	$2,619.50	$3,274.38
Store/Shopping Center (excluding food/laundry	SqFt	$0.79	$0.99
Sports Stadium	Seat	$31.40	$39.25
Swim and Bathing Facility (public)	Person	$81.25	$101.56
Theater/Auditorium	Seat	$32.28	$40.35
Warehouse with Office			
Add per employee/shift	Empl/Shift	$121.88	$152.35
Add loading bay	Bay	$806.00	$1,007.50
Add self storage	Unit	$8.13	$10.16
Institutional			
Church	Seat	$24.37	$30.46
Add meals - regular basis	Meal	$40.42	$50.53
Hospital (no meals)	Bed	$1,612.00	$2,015.00
Add meals prepared	Meal	$40.65	$50.81
Nursing Home (no meals)	Bed	$809.72	$1,012.15
Add meals prepared	Meal	$40.65	$50.81
Parks, Public Picnic			
a) toilets only, or	Acre	$104.68	$130.85
b) bathhouse, showers/toilets	Acre	$217.50	$271.88
Public Institution (other than school)			
not including kitchen wwf, and	Person	$806.00	$1,007.50
add meals	Meal	$40.65	$50.81
Schools			
a) day-type, and	Student	$81.25	$101.56
add for showers (3)	Shower	$32.49	$40.61
add for cafeteria (3)	Meal	$32.49	$40.61
add per employee/shift	Empl/Shift	$121.88	$152.35
b) boarding type, or	Student	$605.82	$757.28
c) college	Student	$1,119.68	$1,399.60
Work Camp - Const/Ag	Worker	$406.26	$507.83

Exhibit 17:

Wastewater Impact Fee by Land Use

City of Auburndale
2021 Impact Fee Study
Exhibit 17: Wastewater Impact Fee by Land Use

Type	Unit	Calculated - Inside City	Calculated - Outside City
Single Family	1	$4,258.00	$5,322.50
Manufactured Home	1	$2,997.28	$3,746.60
Duplex/Triplex	Dwell. Unit (DU)	$4,257.50	$5,321.88
Multi-Family	DU	$4,257.50	$5,321.88
Barber/Beauty Shop	Chair	$1,277.25	$1,596.56
Bowling Alley	Lane	$851.50	$1,064.38
Auto Repair - Bay	Bay	$5,109.00	$6,386.25
Car Wash (automatic)	Stall	$85,150.00	$106,437.50
Car Wash (self service)	Stall	$17,030.00	$21,287.50
Country Club/Golf Course	Acre	$1,175.07	$1,468.84
Add per employee/shift	Empl/Shift	$272.48	$340.60
Doctor/Dentist/Vet.			
Add per practitioner	Practitioner	$4,257.50	$5,321.88
Add per employee/shift	Empl/Shift	$255.45	$319.31
Add per kennel (cage)		$340.60	$425.75
Factory (Ex. Ind. Waste)			
a) per employee/shift w/o showers, or	Empl/Shift	$255.45	$319.31
b) per employee/shift w/ showers	Empl/Shift	$425.75	$532.19
Flea Market: < 3 dpw			
a) non-food service, or	Vendor	$255.45	$319.31
b) food service, or	100 sqft	$851.50	$1,064.38
c) limited food service	Establishment	$425.75	$532.19
Flea Market: > 3 dpw			
a) non-food service, or	Vendor	$510.90	$638.63
b) food service, or	100 sqft	$1,703.00	$2,128.75
c) limited food service	Establishment	$851.50	$1,064.38
Food Operation			
a) < 16 hr operation, or	Seat	$851.50	$1,064.38
b) > 16 hr operation, or	Seat	$1,021.80	$1,277.25
c) single service (donuts/ice cream/etc)			
< 16 hr operation, or	Seat	$340.60	$425.75
d) single service (donuts/ice cream/etc)			
> 16 hr operation	Seat	$596.05	$745.06
Bar/Cocktail	Seat	$340.60	$425.75
Drive-in Restaurant	Space	$596.05	$745.06
Carryout (including caterers)	100 sqft	$851.50	$1,064.38
Carryout (including caterers)	Empl/Shift	$255.45	$319.31
Food Outlet (excluding deli, bakery, meat)	100 sqft	$170.30	$212.88
Add for deli	100 sqft	$681.20	$851.50
Add for bakery	100 sqft	$681.20	$851.50
Add for meat dept	100 sqft	$1,277.25	$1,596.56
Add for water closet	Closet	$3,406.00	$4,257.50
Health Club	1000 sqft	$10,218.00	$12,772.50

City of Auburndale
2021 Impact Fee Study
Exhibit 17: Wastewater Impact Fee by Land Use

Type	Unit	Calculated - Inside City	Calculated - Outside City
Hotel/Motel			
a) regular, or	Room	$1,703.00	$2,128.75
b) resort, camps, cottages, suites/kitchenette	Room	$3,406.00	$4,257.50
Add self service laundry	Machine	$12,772.50	$15,965.63
Laundry (self service)	Machine (reg)	$5,109.00	$6,386.25
Laundry (self service)	Machine (50lb)	$6,812.00	$8,515.00
Laundry/Dry Clean (commercial)	Machine	$6,812.00	$8,515.00
Office Building	100 sqft	$255.45	$319.31
RV Park (transient)			
a) overnight stay - no water/sewer, or	Space	$851.50	$1,064.38
b) overnight stay - with water/sewer	Space	$1,277.25	$1,596.56
Service Station			
a) open < 16 hrs, or	Water Closet	$4,257.50	$5,321.88
b) open > 16 hrs	Water Closet	$5,534.75	$6,918.44
Store/Shopping Center (excluding food/laundry)	SqFt	$1.72	$2.15
Sports Stadium	Seat	$68.12	$85.15
Swim and Bathing Facility (public)	Person	$170.30	$212.88
Theater/Auditorium	Seat	$68.12	$85.15
Warehouse with Office			
Add per employee/shift	Empl/Shift	$255.45	$319.31
Add loading bay	Bay	$1,703.00	$2,128.75
Add self storage	Unit	$17.03	$21.29
Institutional			
Church	Seat	$85.15	$106.44
Add meals - regular basis	Meal	$85.15	$106.44
Hospital (no meals)	Bed	$3,406.00	$4,257.50
Add meals prepared	Meal	$85.15	$106.44
Nursing Home (no meals)	Bed	$1,703.00	$2,128.75
Add meals prepared	Meal	$85.15	$106.44
Parks, Public Picnic			
a) toilets only, or	Acre	$221.39	$276.74
b) bathhouse, showers/toilets	Acre	$34.06	$42.58
Public Institution (other than school)			
not including kitchen wwf, and	Person	$1,703.00	$2,128.75
add meals	Meal	$85.15	$106.44
Schools			
a) day-type, and	Student	$177.15	$221.44
add for showers (3)	Shower	$68.12	$85.15
add for cafeteria (3)	Meal	$68.12	$85.15
add per employee/shift	Empl/Shift	$255.45	$319.31
b) boarding type, or	Student	$1,277.25	$1,596.56
c) college	Student	$2,128.75	$2,660.94
Work Camp - Const/Ag	Worker	$851.50	$1,064.38

Exhibit 18:

Recommended Utility Rates

City of Auburndale
2021 Rate Study
Exhibit 18: Recommended Utility Rates

	Inside City					Outside City				
	FY 2022	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Water										
Base Charge										
All Residential Connections	$7.99	$8.31	$8.64	$8.99	$9.35	$10.79	$11.22	$11.66	$12.14	$12.62
Non-Residential by Meter Size										
3/4"	$7.99	$8.31	$8.64	$8.99	$9.35	$10.79	$11.22	$11.66	$12.14	$12.62
1"	$19.98	$20.77	$21.60	$22.46	$23.36	$26.97	$28.04	$29.16	$30.32	$31.54
1 1/2"	$39.95	$41.55	$43.21	$44.94	$46.74	$53.93	$56.09	$58.33	$60.67	$63.10
2"	$63.92	$66.48	$69.14	$71.91	$74.79	$86.29	$89.75	$93.34	$97.08	$100.97
3"	$127.84	$132.95	$138.27	$143.80	$149.55	$172.58	$179.48	$186.66	$194.13	$201.89
4"	$199.75	$207.74	$216.05	$224.69	$233.68	$269.66	$280.45	$291.67	$303.33	$315.47
6"	$399.50	$415.48	$432.10	$449.38	$467.36	$539.33	$560.90	$583.34	$606.66	$630.94
8"	$639.20	$664.77	$691.36	$719.01	$747.77	$862.92	$897.44	$933.34	$970.66	$1,009.49
10"	$918.85	$955.60	$993.82	$1,033.57	$1,074.91	$1,240.45	$1,290.06	$1,341.66	$1,395.32	$1,451.13
Usage Charges										
Residential										
Block 1 (0-4,000 gallons)	$1.03	$1.07	$1.11	$1.15	$1.20	$1.39	$1.44	$1.50	$1.55	$1.62
Block 2 (4,001-10,000 gallons)	$2.06	$2.14	$2.23	$2.32	$2.41	$2.77	$2.89	$3.01	$3.13	$3.25
Block 3 (10,001-20,000 gallons)	$3.43	$3.56	$3.70	$3.85	$4.00	$4.62	$4.81	$5.00	$5.20	$5.40
Block 4 (Above 20,000 gallons)	$4.80	$4.99	$5.19	$5.40	$5.62	$6.47	$6.74	$7.01	$7.29	$7.59
Non-residential All Usage	$2.87	$2.98	$3.10	$3.22	$3.35	$3.87	$4.02	$4.19	$4.35	$4.52
Wastewater										
Base Charge										
All Residential Connections	$41.13	$41.34	$41.55	$41.76	$41.97	$55.53	$55.81	$56.09	$56.38	$56.66
Non-Residential by Meter Size										
3/4"	$41.13	$41.34	$41.55	$41.76	$41.97	$55.53	$55.81	$56.09	$56.38	$56.66
1"	$102.83	$103.34	$103.86	$104.38	$104.90	$138.81	$139.51	$140.21	$140.91	$141.62
1 1/2"	$205.65	$206.68	$207.71	$208.75	$209.79	$277.63	$279.02	$280.41	$281.81	$283.22
2"	$329.04	$330.69	$332.34	$334.00	$335.67	$444.20	$446.43	$448.66	$450.90	$453.15
3"	$658.08	$661.37	$664.68	$668.00	$671.34	$888.41	$892.85	$897.32	$901.80	$906.31
4"	$1,028.25	$1,033.39	$1,038.56	$1,043.75	$1,048.97	$1,388.14	$1,395.08	$1,402.06	$1,409.06	$1,416.11
6"	$2,056.50	$2,066.78	$2,077.11	$2,087.50	$2,097.94	$2,776.28	$2,790.15	$2,804.10	$2,818.13	$2,832.22
8"	$3,290.40	$3,306.85	$3,323.38	$3,340.00	$3,356.70	$4,442.04	$4,464.25	$4,486.56	$4,509.00	$4,531.55
10"	$4,729.95	$4,753.60	$4,777.37	$4,801.26	$4,825.27	$6,385.43	$6,417.36	$6,449.45	$6,481.70	$6,514.11
Non-Residential per 1,000 gallons	$7.01	$7.05	$7.09	$7.13	$7.17	$9.47	$9.52	$9.57	$9.63	$9.68