TAMPA BAY WATER

Approved Operating Budget

Fiscal Year 2025

Organizational Information

Tampa Bay Water Board of Directors 7
Tampa Bay Water Executive Team 8
Organizational Chart 9
Agency Profile 10
Tampa Bay Water Service Areas 11
Tampa Bay Water Facilities 12
- Map-Tampa Bay Water Facilities Locations 13

Tampa Bay Water Strategic Plan 2022-2027, Updated 2023 14
Tampa Bay Water Mission, Vision and Value Statements 16
Tampa Bay Water Strategic Goals and Objectives 17
- Goal 1 – Water Supply 17
- Goal 2 – Continuous Improvement 18
- Goal 3 – Optimize Financial Stability and Sustainability 19
- Goal 4 – Stakeholder and Regional Collaboration 20
- Goal 5 – Workforce Learning and Growth 21
- Goal 6 – Security and Readiness 22

Tampa Bay Water Board Performance Dashboard 23
GFOA Distinguished Budget Award Fiscal Year 2023 26

General Manager's Budget Message and Executive Summary

General Manager's Budget Message and Executive Summary 28
- Policy Goals for Fiscal Year 2025 Budget Development 29
- Key Factors Affecting Fiscal Year 2025 Budget 30
- Water Demand Used in the Fiscal Year 2025 Budget 31
- Operational Highlights for Fiscal Year 2025 32
- Fiscal Year 2025 Budget Timing 33
- Analysis of Costs in the Fiscal Year 2025 Budget 34

Annual Budget Development

Budget Format 36
Budget Basis 39
Annual Budget Requirements 39
Annual Budget Process 40
Fiscal Year 2025 Budget Development Schedule 41
Major Responsibilities 43
Budget Implementation 45
Budget Amendments 45

Financial Management Policies

Utility Reserve Fund (Fund Balance) Policy 47
Rate Stabilization Account Policy 47
Fixed Asset Policy 48
Investment Policy 48
Debt Policy 49
Accounting, Auditing and Financial Reporting Policies 50
- Auditing 50
- Basis of Accounting and Accounting Systems 50
- Performance Audit 50

Balanced Budget Policy 50

Financial Plan

Funds Structure Overview 52
- Funds and Accounts Flowchart 52

Reserves and Restricted Funds 53
Projected Changes in Fund Equity Schedule 56
Financial Planning and Trends 57
Long-term Master Water Plan 59
Revenues 62
Expenditures 63
Balanced Budget 63
Sources and Uses of Funds – Actuals FY23, Approved FY24, Approved FY25 64
Sources and Uses of Funds – Budget Projections FY 2026 – FY 2030 65
Explanation of Variances 66
Capital Expenditures 67
- Routine Capital Expenditures 68
- Non-Routine Capital Expenditures 68

Annual Rate Setting and Member Costs

Overview 70
Rate Setting 71
Uniform Rate Elements 72
- Fixed Costs 72
- Variable Costs 72
- Rate for City of Tampa from Tampa Bypass Canal 73

Other Budget Factors 73
Projected Water Demand for Fiscal Year 2025 Chart 74
Estimated Net Member Costs Fiscal Year 2025 Chart 74
Uniform Water Rates – Fiscal Year 2025 Approved, FY 2026-FY2030 Projections 75

Annual Rate Setting and Member Costs (continued)

Estimated Net Member Costs Details – Fiscal Year 2025 77
Estimated Member Costs – Hillsborough County 78
Estimated Member Costs – Pasco County 79
Estimated Member Costs – Pinellas County 80
Estimated Member Costs – City of New Port Richey 81
Estimated Member Costs – City of St. Petersburg 82
Estimated Member Costs – City of Tampa 83

Debt Service

Bonds 85
- Outstanding Bonds 85

Rate Covenant 86
Facility Acquisition Credits 87
- Outstanding Facility Acquisition Credits by Member Chart 87
- Outstanding Facility Acquisition Credits by Year Chart 87

Summary of Fiscal Year 2025 Debt Service 88
Rating Agencies Analysis 88
Outstanding Debt Service 90
- Annual Debt Service Payments by Bond Series Chart 90
- Annual Debt Service Payments - Principal & Interest Chart 90

Future Borrowing 91
- Estimated Timeline and Amounts of Future Borrowing 91

Capital Improvement Program

Capital Improvement Planning and Financing 93
Capital Improvement Program Definition 94
FY 2025 – FY 2034 Capital Improvement Program Document Link 95
- Capital Improvement Program Expenditures Fiscal Year 2025 95
- Capital Improvement Program Projects Fiscal Year 2025 96

Divisional Operating Budget Detail

Tampa Bay Water's Divisional Organization 98
Staffing 99
- Staffing Comparison by Division Table FY 2020 – FY 2024 99

New Positions in Fiscal Year 2025 99
- Staffing by Division Chart – FY 2025 100

Agency Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 101
Fiscal Year 2025 Projected Operating Expenses by Division Chart 105
Fiscal Year 2025 Projected Operating Expenses by Category and Division 106

Divisional Operating Budget Detail (continued)

Office of the General Manager 108
Office of the General Counsel 109
Office of the General Manager (including General Counsel) Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 110
Business Strategies Division 111
- Government Affairs Department 112
- Public Communications Department 112
- Continuous Improvement Department 112
- Safety Services Department 112
- Human Resources Department 112

Business Strategies Division Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 113
Business Strategies Division Performance 114
Finance & Administration Division 115
- Finance Department 116
- Purchasing Department 116
- Records Department 116

Finance & Administration Division Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 117
Finance & Administration Division Performance 119
Information Technology Division 120
- Applications Team 121
- Systems & Security Team 121
- SCADA Team 121

Information Technology Division Operations by Category – Actuals FY 2023, Approved FY 2024-2025 122
Information Technology Division Performance 123
Planning & Projects Division 124
- Engineering Department 125
- Surveying Department 125
- Construction Department 125
- Real Property Department 125
- Project Management Department 125

Planning & Projects Division Operations by Category – Actuals FY 2023, Approved FY 2024-2025 126
Planning & Projects Division Performance 127

Divisional Operating Budget Detail (continued)

Science Division 128
- Water Use Permitting Department 129
- Environmental Monitoring Department 129
- System Decision Support Department 129
- Water Quality Services Department 129
- Laboratory Department 129
- Source Water Assessment Department 129

Science Division Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 130
Science Division Performance 131
Water Production Division 132
- Operations & Maintenance Departments 133
- Maintenance Planning & Reliability Department 133
- Reservoir Compliance Department 133
- Buildings, Ground & Fleet Department 133

Water Production Division Operations by Category – Actuals FY 2020-2023, Approved FY 2024-2025 134
Water Production Division Performance 136

Summary of Contracts and Resolutions

Amended and Restated Interlocal Agreement 138
Master Water Supply Contract 140
Master Bond Resolution 143

Appendix

Service Area Demographics and Statistical Information 147
- Population 148
- Households 149
- Climate Data 150

Members' Fixed Costs Potential Annual True Up - Fiscal Year 2024 (5/31/24) 153
Historical Uniform Rates Fiscal Years 2000 – 2024 154
Projected Uniform Rates Fiscal Years 2025 – 2030 154

Glossary

Definitions 156
Acronyms 163

Tampa Bay Water Board of Directors
May 2024

Tampa Bay Water is often cited as a model of regional cooperation, thanks to the spirit of regionalism that created the utility as well as the continuous regional efforts of our board of directors. Each elected official on our nine-member board represents an individual city or county that we serve, but at the dais, each also represents the Tampa Bay region. The policy decisions and directives of our board ensure our region has adequate and sustainable drinking water to support our economy, environment, and way of life.

Harry Cohen _____ Chairman
Commissioner – Hillsborough County

Lisset Hanewicz _____ Vice-Chair
Council Member – City of St. Petersburg

Dave Eggers _____ Member
Commissioner – Pinellas County

Ron Oakley _____ Member
Commissioner – Pasco County

Chopper Davis _____ Member
Mayor – City of New Port Richey

Charlie Miranda _____ Member
Councilman City of Tampa

Jack Mariano _____ Member
Commissioner – Pasco County

Brian Scott _____ Member
Commissioner – Pinellas County

Joshua Wostal _____ Member
Commissioner – Hillsborough County

Tampa Bay Water Executive Team
May 2024

Charles Carden _____ General Manager

Kelly M. Fernandez, *Persson, Cohen, Mooney, Fernandez & Jackson* _____ General Counsel

Michelle L. Stom, MPA, APR _____ Chief of Staff/Chief Strategy Officer

Christina Sackett, MBA _____ Chief Financial Officer

Warren Hogg, P.G. _____ Chief Science Officer

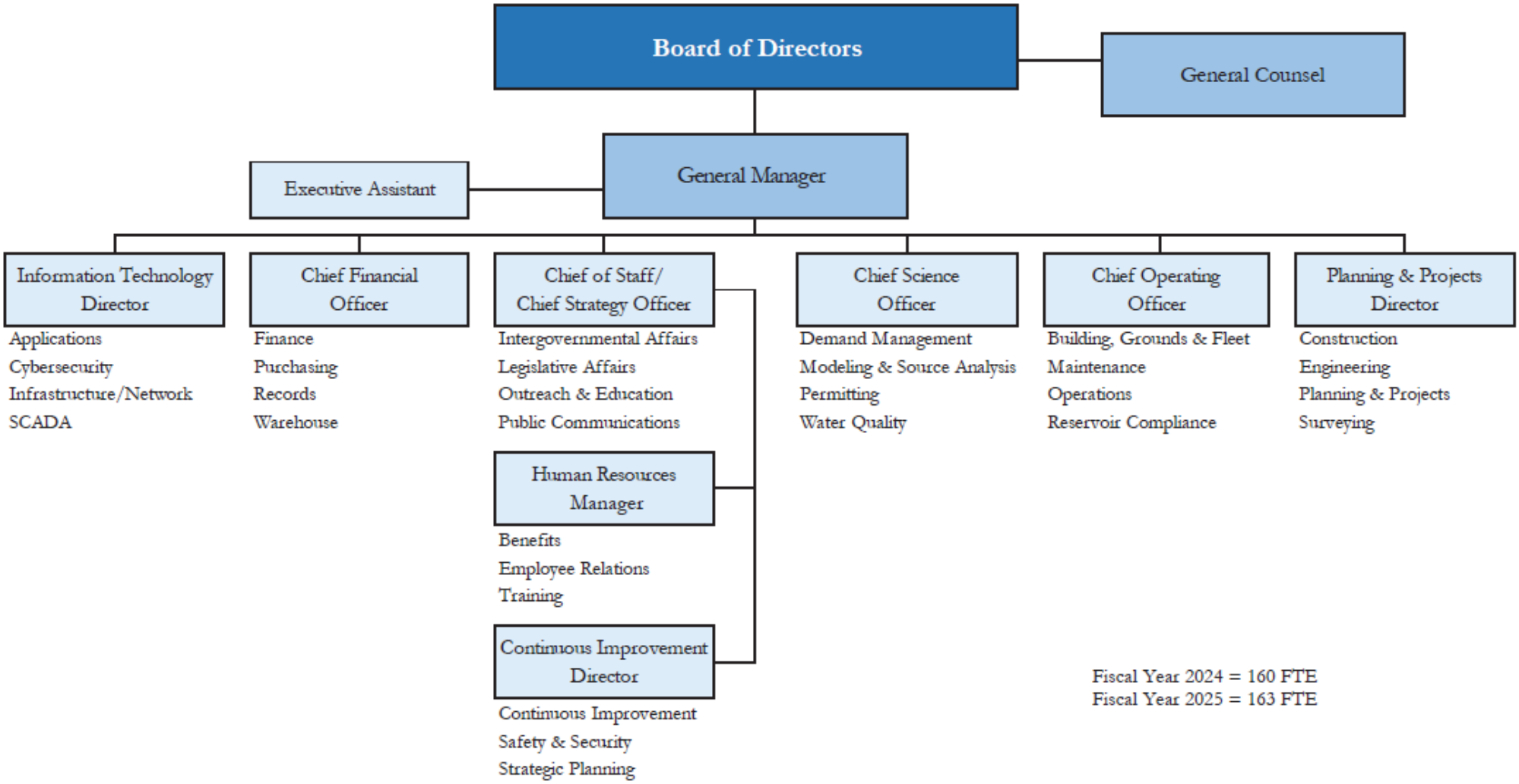
Paul Stanek _____ Chief Operating Officer

Casey LaLomia _____ Information Technology Director

Maribel Medina, P.E., PMP _____ Planning & Projects Director

Shane Johnson _____ Continuous Improvement Director

Tampa Bay Water Organizational Chart
Fiscal Year 2025



Agency Profile

Tampa Bay Water, A Regional Water Supply Authority (the Agency), formerly the West Coast Regional Water Supply Authority (the Predecessor Authority), was created on October 25, 1974, by enabling state legislation under *Florida Statute* Sections 163.01, 373.713, and 373.715. Hillsborough, Pasco, and Pinellas counties and the cities of St. Petersburg, Tampa, and New Port Richey comprise the Member Governments of the Agency. A Governance Study was adopted by the Florida Legislature in 1997 (the 1997 Legislation) amending Section 373.1963, *Florida Statutes*.

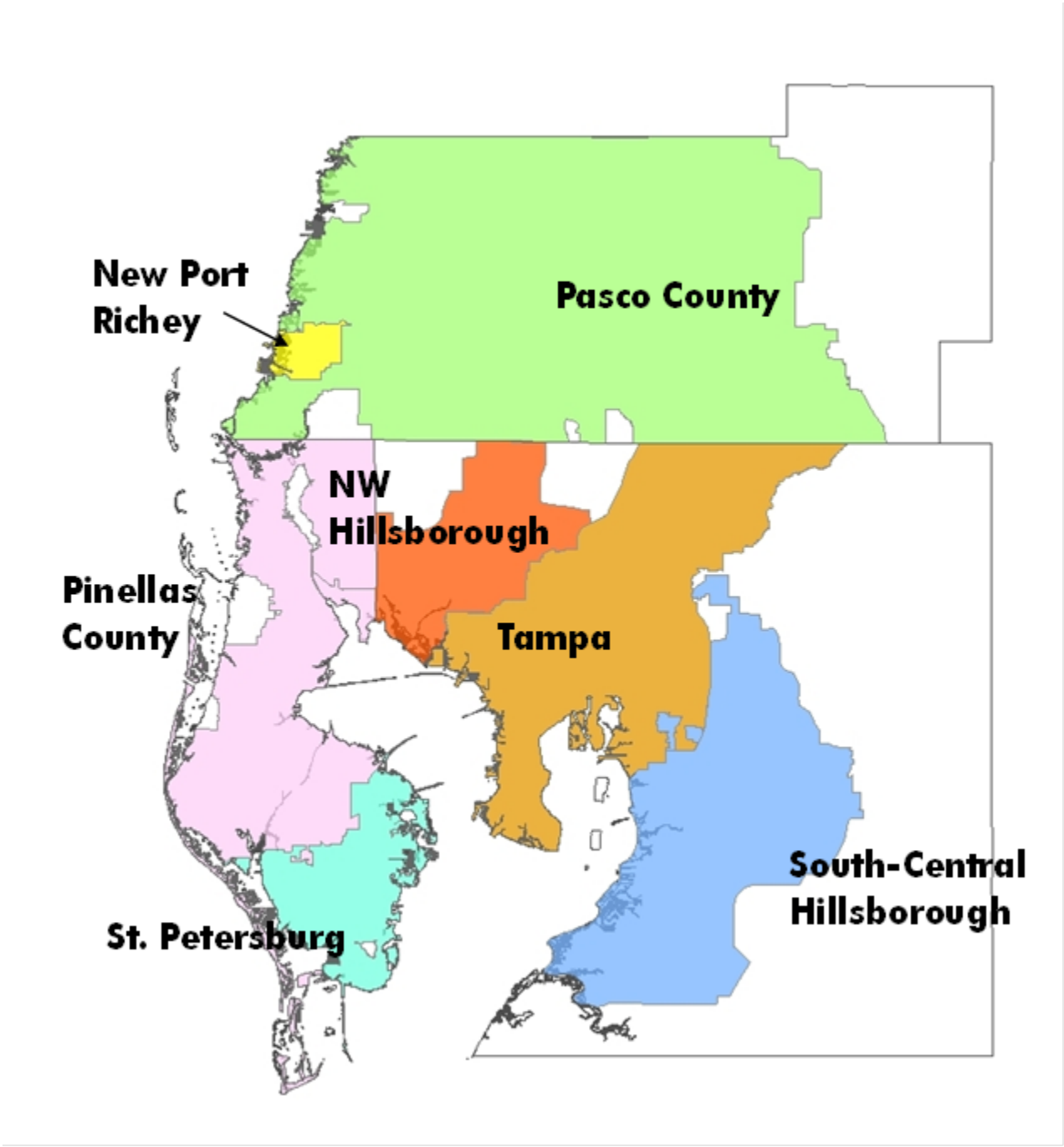
As part of the 1997 Legislation, the Agency entered into the Interlocal Agreement and the Master Water Supply Contract with its Member Governments for a term of 40 years. Pursuant to the Amended and Restated Interlocal Agreement and Master Water Supply Contract, the Agency is required to meet the Quality Water needs of the Member Governments and to charge a uniform per-gallon wholesale rate to Member Governments for the wholesale supply of drinking water; with one exception for the City of Tampa. The Agency will charge a separate rate to the City of Tampa for water delivered from the Tampa Bypass Canal. (See Summary of Contracts and Resolutions.)

Since forming in 1998, Tampa Bay Water has successfully achieved all the goals to create a new, diverse water supply system and cut back on groundwater pumping. Operating as a true, regional utility, the Agency has met its commitments to our local governments, the Florida Legislature, the regulatory officials, and the public by:

- Reducing groundwater pumping by nearly 100 million gallons per day through the development of alternative water supplies.
- Achieving environmental recovery in many of the region's wetland areas.
- Improving environmental monitoring at new and existing agency facilities.
- Providing high-quality, safe drinking water that surpasses all state and federal standards to our member governments.
- Ending litigation among our members and regulatory agencies over water issues.

Tampa Bay Water Service Areas

The Agency supplies wholesale drinking water to Hillsborough County, Pasco County, Pinellas County, New Port Richey, St. Petersburg, and Tampa. We supply water to more than 2.5 million people through the governments we serve.



Tampa Bay Water Facilities

The Agency's administrative office is in Clearwater, Florida. The Agency's operations, maintenance, and laboratory staff are located primarily at its Infrastructure Emergency Management and Laboratory facilities at the Cypress Creek Wellfield in Land O' Lakes, Florida. The Agency's diverse water system includes the following facilities located in Pasco, Pinellas, and Hillsborough Counties:

Groundwater:

- Cypress Creek Wellfield & Pump Station
- Eldridge-Wilde Wellfield
- Cross Bar Ranch Wellfield
- Morris Bridge Wellfield
- Cypress Bridge Wellfield
- Northwest Hillsborough Wellfield
- Cosme-Odessa Wellfield
- Section 21 Wellfield
- Starkey Wellfield
- South Pasco Wellfield
- South Central Hillsborough Wellfield
- Carrollwood Wells
- Brandon Urban Dispersed Wells
- Keller Hydrogen Sulfide Removal Facility
- Lithia Hydrogen Sulfide Removal Facility

Surface Water:

- Tampa Bay Regional Water Treatment Plant
- Alafia River Pump Station
- South Central Hillsborough Booster Station
- Tampa Bypass Canal Pump Station
- C.W. Bill Young Regional Reservoir
- Off-Stream Reservoir Pump Station

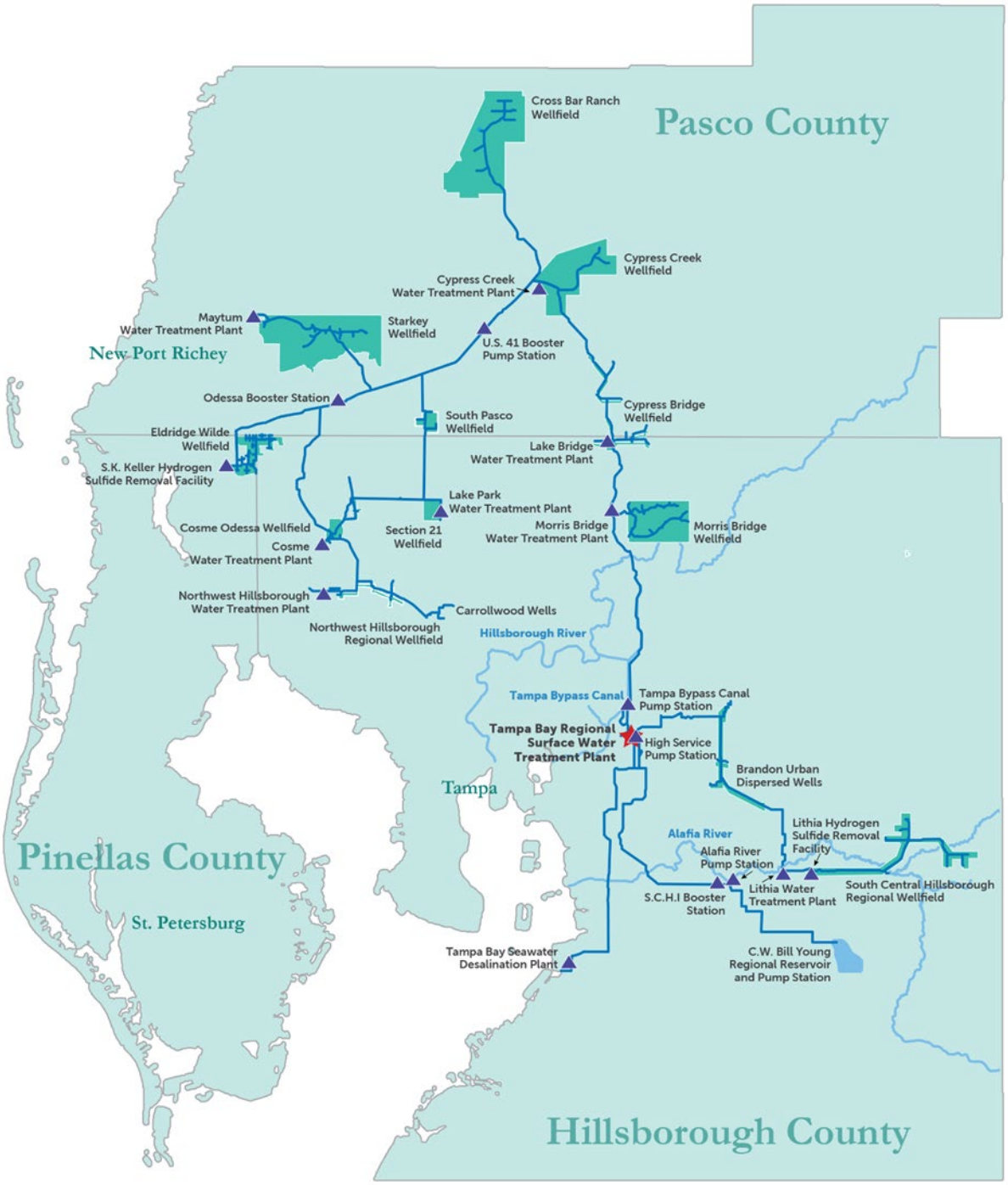
Desalinated Water:

- Tampa Bay Water Seawater Desalination Plant

The water system also includes various booster stations, water treatment facilities, and approximately 200 miles of raw water collection mains and large-diameter potable water transmission mains.

Tampa Bay Water is subject to regulation by the Florida Department of Environmental Protection, the Florida Department of Health, and the United States Environmental Protection Agency (USEPA) for matters related to the quality of water and the construction of its facilities. In addition, the Southwest Florida Water Management District (SWFWMD) regulates consumptive uses of water through a permitting process.

Tampa Bay Water Facility Locations



Tampa Bay Water Strategic Plan – 2022-2027, Updated 2023

The Tampa Bay Water Strategic Plan describes the six strategic goals, objectives, and key performance indicators necessary to carry out the policies set forth by the agency's board of directors and the strategic direction laid out in the Amended and Restated Interlocal and Master Water Supply agreements. Based on a five-year horizon, the Strategic Plan is updated annually in accordance with guiding policies and principles, related planning documents, and an analysis of current business trends.

The agency's member governments are represented through a nine-member board of directors. Tampa Bay Water was formed by the Florida Legislature under Sections 373.1962 and 163.01, Florida Statutes, which established the board of directors as the agency's governing body. This enabling legislation and the Amended and Restated Interlocal Agreement authorize Tampa Bay Water as the sole and exclusive supplier of Quality Water for its member governments; to meet its member government's water demands though implementing its master water planning process; to design, permit, construct, operate, and maintain water production and wholesale distribution facilities; and to incur bonded indebtedness and charge its customers a uniform wholesale rate.

In addition to the mandates in the agency's enacting legislation, the Amended and Restated Interlocal Agreement and the Master Water Supply Agreement, Tampa Bay Water's board of directors have adopted policies and principles consistent with those documents to guide the strategic direction of the agency. Those policies and procedures, as well as the strategic issues identified in three board of directors' workshops in 2020 and 2021, have been used in drafting the Tampa Bay Water Strategic Plan – 2022-2027.

The Strategic Plan is divided into six Strategic Goal areas that each recognize a key focus area of the agency. Each Strategic Goal area is then divided into Objectives that contain the internal management Strategies and Tactics necessary to achieve Tampa Bay Water's mission and vision.

Strategic Planning Process

Tampa Bay Water pursued a strategic planning update process that followed the book, *The Art of Strategic Leadership*, as recommended by the facilitator, WSP USA, Inc. This process uses skill and innovation to lead an organization to define and achieve a shared strategic direction. The process is proven to create a sustainable, programmatic approach to the development of an organization's strategy and leadership. It includes specific and intentional approaches that ensure implementation of the strategic plan will occur.

A key component of the process is the selection of a Core Planning Team. Tampa Bay Water's Core Planning Team was made up of agency managers, senior managers, and executive team members. This team met in a series of ten workshops over ten months from March 2021 to December 2021 to develop the agency's new vision and strategic goals, objectives, strategies, and tactics to meet that vision. The Core Planning Team members gathered input and endorsement from all agency staff throughout the strategic planning process.

The role of the Core Planning Team was to be diverse and include existing and emergent agency leaders, to bring a wide range of perspectives to the strategic planning process and ultimately to build agency-wide acceptance for the strategic plan. During the workshops, team members were

introduced to key performance indicators, understanding, and working with different communications styles, using active listening skills, gaining staff endorsement, aligning everyday activities with the agency's mission and vision, and other tips for work prioritization.

In addition, Tampa Bay Water used several inputs to create the strategic plan including:

- Strengths, weaknesses, opportunities and threats and board-identified organizational issues from the board's three workshops throughout 2020 and the beginning of 2021.
- Recommendations and input from the agency's 2020 Performance and Management Audit by CliftonLarsonAllen.
- An internal Gap Analysis performed by the Core Planning Team to identify key organizational issues.

Each of these inputs provided the group with direction for creating the strategic goals, objectives, strategies, and tactics.
The final products from the Core Planning Team effort include:

- The **Tampa Bay Water Strategic Plan – 2022-2027** that includes the agency's Mission, Vision, Strategic Goals, Objectives, and Strategies that was approved by the Board at its January 2022 meeting.
- A one-year Strategic Tactical Plan that includes the most urgent and top-ranked strategies and tactics for staff implementation. This plan will be updated annually, and the priorities will be included in the agency's annual budget. In addition, these activities will be monitored closely on a quarterly basis by the agency's Strategic Leadership Team and Executive Management Team.
- Finally, the remaining strategies and tactics will be consolidated into a Strategic Leadership Plan for the agency's Executive Management Team to prioritize annually.

In the spring of 2023, Tampa Bay Water staff developed a process to periodically review each strategic tactic for continued relevancy and to report its completion or progress towards its completion for quarterly Executive Team and Leadership review and annual Board review ensuring accountability. Staff also developed a process to annually review the strategic plan's goals and objectives and provide recommendations to the Board for any proposed changes. This process includes completing a Business Environment Scan to identify any new internal or external business trends that need consideration in the Strategic Plan. This process ensures the Strategic Plan remains a relevant tool that drives staff behavior and decision-making. Finally, staff developed an annual process for tactic planning and assignment, resulting in an annually prioritized Strategic Leadership Plan. This process allows tactics to be assigned to staff as part of their annual individual performance management goal setting for the new fiscal year and provides input into the budget preparation process for the next fiscal year.

The following Tampa Bay Water Strategic Plan – 2022-2027, updated 2023 includes the agency's mission, vision, values statements, strategic goals, and objectives for board consideration and approval.

Mission

Tampa Bay Water's mission is to reliably provide clean, safe water to the region now and for future generations.

Vision

Tampa Bay Water's vision is to be the leader in supplying sustainable, quality water.

Values Statements

A trained and engaged staff, adaptable processes, and a focus on safety are keys to the agency's success.

Integrity and accountability create trust and credibility with our stakeholders.

We strive to be forward-thinking and innovative and seek improvement in everything we do.

We fulfill our mission in partnership with our stakeholders in a reliable, efficient, and responsible manner.

Water Supply – Goal 1 – Enhance System Reliability and Sustainability

The Water Supply Strategic Goal consists of four Objectives that meet the agency's commitments and mandates.

1. *Achieve 100% compliance with regional contract requirements and permit limitations.*
   The Compliance Objective was developed to guide implementation of the agency's core mandates and responsibilities and to ensure a reliable, high-quality water supply.

2. *Continually evaluate options to enhance water quality and public health protection.*
   The Water Quality objective focuses on meeting current and future challenges and ensures delivery of high-quality water meeting Board of Director's policies and the Interlocal Agreement's water quality standard.

3. *Ensure resilience of infrastructure and supplies due to climate change and sea level rise.*
   The Resilience Objective focuses on the agency's preparedness for Climate Change threats.

4. *Conserve an additional 3.8 million gallons per day regionally by 2030.*
   The Conservation Objective contains one Strategy that focuses on modifying the agency's demand on the most cost-effective basis to minimize or defer future capital costs.

Continuous Improvement – Goal 2 – Continuously Improve Agency Operations

To meet its commitments to its member governments and achieve Tampa Bay Water's vision requires agency leadership to commit to being a learning organization and to seek continuous improvement. The Continuous Improvement goal supports the agency's ability to adapt, be innovative and systematically enhance targeted management and operational performance.

1. *Develop continuous improvement organizational program.*
   The Organizational Continuous Improvement Program objective helps the Agency meet future challenges and identifies new skills and business processes needed to improve knowledge retention and training and optimizes operational responsiveness and efficiency.

2. *Strengthen Information Technology and Data Management programs.*
   Moving Tampa Bay Water master planning systems onto GIS platforms, increasing the usage of the agency's Computer Maintenance Management System and optimizing asset management practices improves agency performance.

Financial Management – Goal 3 – Optimize Financial Stability and Sustainability

The Financial Management goal includes three Objectives that maintain and enhance the predictability and sustainability of Tampa Bay Water's uniform rate.

1. *Maintain uniform rate predictability.*

   Predicting and optimizing future Uniform Rates is dependent on multi-variate operations and maintenance and capital project cost data and income inputs. Adopting financial tools and procedures and conducting cost-benefit evaluations aid in ensuring reliable agency rate projections.

2. *Optimize our future debt structure.*

   The Agency's cost of future capital funds is to the size and structure of our debt. Optimizing our debt structure helps us reduce variability of our future uniform rates and supports our future financial stability.

3. *Pursue outside funding.*

   Tampa Bay Water can reduce its costs and minimize Uniform Rate increases by securing federal, state, or local appropriations, grants, and cooperative research funding.

Stakeholder and Regional Collaboration – Goal 4 – Promote Open, Collaborative Relationships with Stakeholders

Promoting Tampa Bay Water's interests as a regional water leader and creating a culture based on collaborative engagement with board members, member government utility leadership, staff and community partners enhances the level of service Tampa Bay Water provides to the regional community. Awareness of regional leadership at the local, state, and federal level ensures that member government interests are heard and known. The Stakeholder Relationship goal ensures effective communications throughout the Tampa Bay community.

1. *Increase awareness of agency as water leader.*

   Tampa Bay Water emerged from the Water Wars of the eighties and nineties as a model of regional cooperation for cost-effectively providing critical infrastructure for the region's water supply. This Objective is about creating a pathway for policy leaders to find optimal regional solutions.

2. *Increase collaboration with member governments.*

   Providing water supply services requires addressing challenges due to the constantly changing demands of growth, increasing customer satisfaction and education, understanding regulatory changes to protect public health, understanding local levels of service, and collaborating with member government staff towards common interests.

3. *Increase awareness of agency projects and initiatives.*

   Today, one of the greatest challenges to water agencies is having customers understand the value of the water delivered to their taps and instilling and maintaining trust. This Objective continues the agency's proactive and positive community presence to underscore the value of having a regional solution for water supply

Workforce Learning and Growth – Goal 5 – Ensure an Engaged, Skilled and Adaptable Workforce

Tampa Bay Water is committed to its mission and to promoting the agency's collective interests as a regional water leader. To achieve these, the agency must maintain sustainability with an unprecedented number of retiring employees, shifting demographics, and a declining number of science and technical students receiving water-related degrees and/or technical training. Central to meeting this challenge is developing agency leaders, training staff, developing skills, promoting employee engagement and communication, and managing for retention. In addition, employee safety is at the forefront for the agency.

1. *Promote Workforce Training & Development*

   The Training and Development objective enhances the Agency's workforce leadership skills to promote sustainable management and develops agency training to improve employee skills and adaptability.

2. *Recruit and Retain Engaged and Skilled Workforce*

   The Recruiting and Retention objective focuses on employee engagement and conducts collaborative workforce communications to provide feedback for Agency continuous improvement efforts.

3. *Continued Enhancement of our Safety Program*

   The Safety program objective creates a safety-first agency culture and creates tools that promote safe work environments.

Security and Readiness – Goal 6 – Safeguard Agency Infrastructure

Tampa Bay Water must be prepared to overcome many significant threats and challenges – both physical and cyber. In this digital age, information has intrinsic value and is shared and leveraged within an organization to support personnel and optimize working processes. One of the greater challenges a water agency faces is cyber threats. This goal addresses both physical assets and information technology systems including preparedness, risk and resiliency, security, and the organization's ability to recover from emergencies.

1. *Improve agency risk and resiliency program.*
   The Risk and Resiliency Objective tests the organization's emergency readiness and focuses on Comprehensive Continuity of Operations to ensure the ability to deliver on our commitments to our members.

2. *Secure agency physical assets.*
   The Secure Agency Physical Assets Objective includes implementing a transformative Safety and Security Field Assessment Program that is critical to operationalize safety and security performance standards agencywide and advancing the Information Technology Asset Management Program to ensure the security of organizational resources.

3. *Enhance comprehensive cyber security program.*
   As critical infrastructure, it's imperative the agency has a comprehensive cybersecurity program to guard the agency and water system against cyber threats.

Tampa Bay Water Board Performance Dashboard

Tampa Bay Water developed performance metrics to report on overall agency health and success toward meeting its mission to reliably provide clean, safe water to the region now and for future generations. Metrics and key performance indicators were developed from the agency's strategic plan and are measured against the agency's internal benchmarks and policies and the American Water Works Association's water utility industry benchmarks. The benchmarks provide a snapshot of the agency's overall performance. The agency's performance measures are reported monthly to its Board of Directors in performance dashboard; each agency division contributes to the reporting. In addition, in 2022, the agency established a Continuous Improvement department to focus on monitoring, measuring and reporting agency progress toward the board-adopted strategic goals, with an emphasis on establishment of an agency document management system for controlled documents and process improvement.

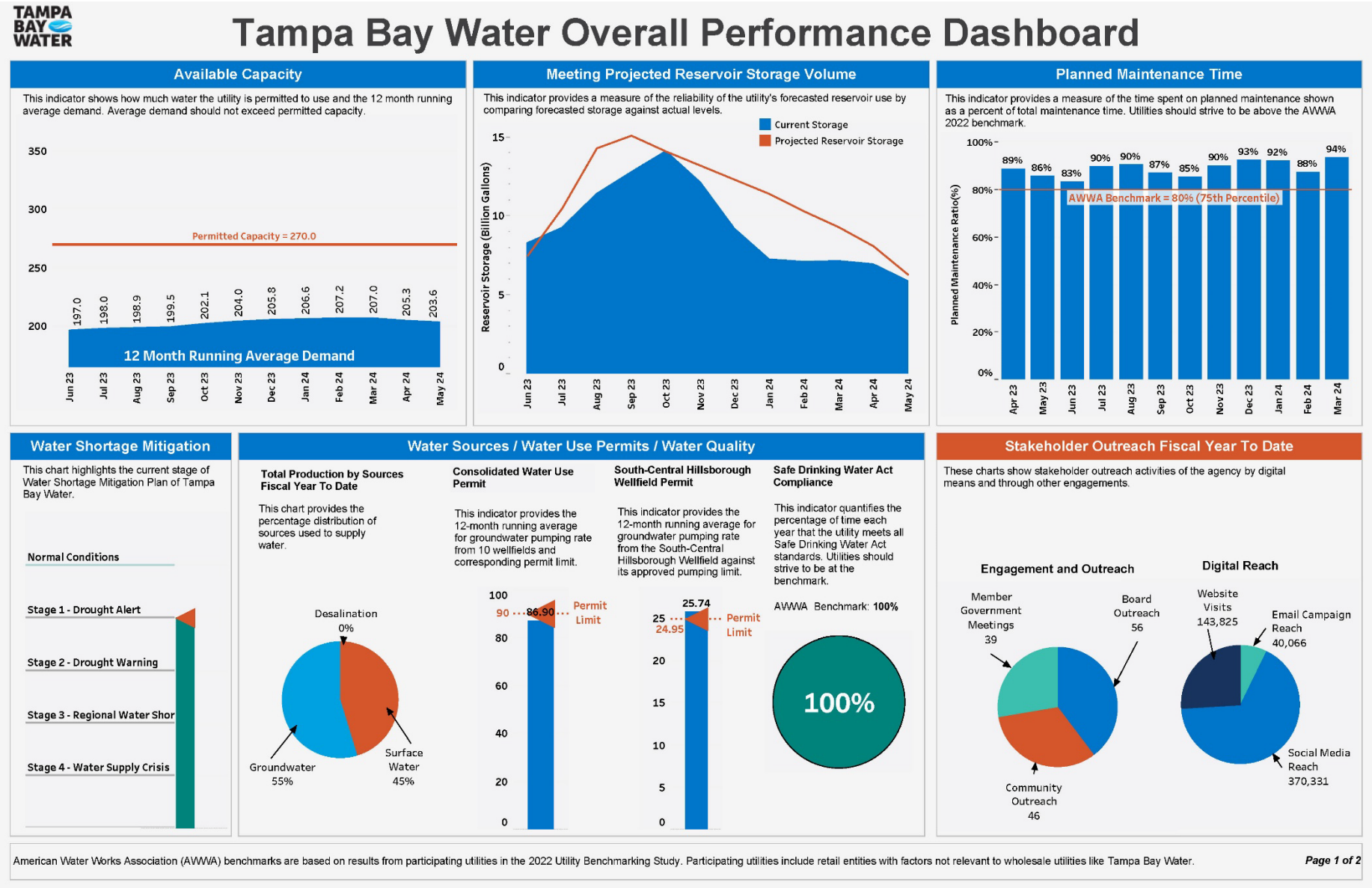
Tampa Bay Water's performance metrics include measurements in the areas of:

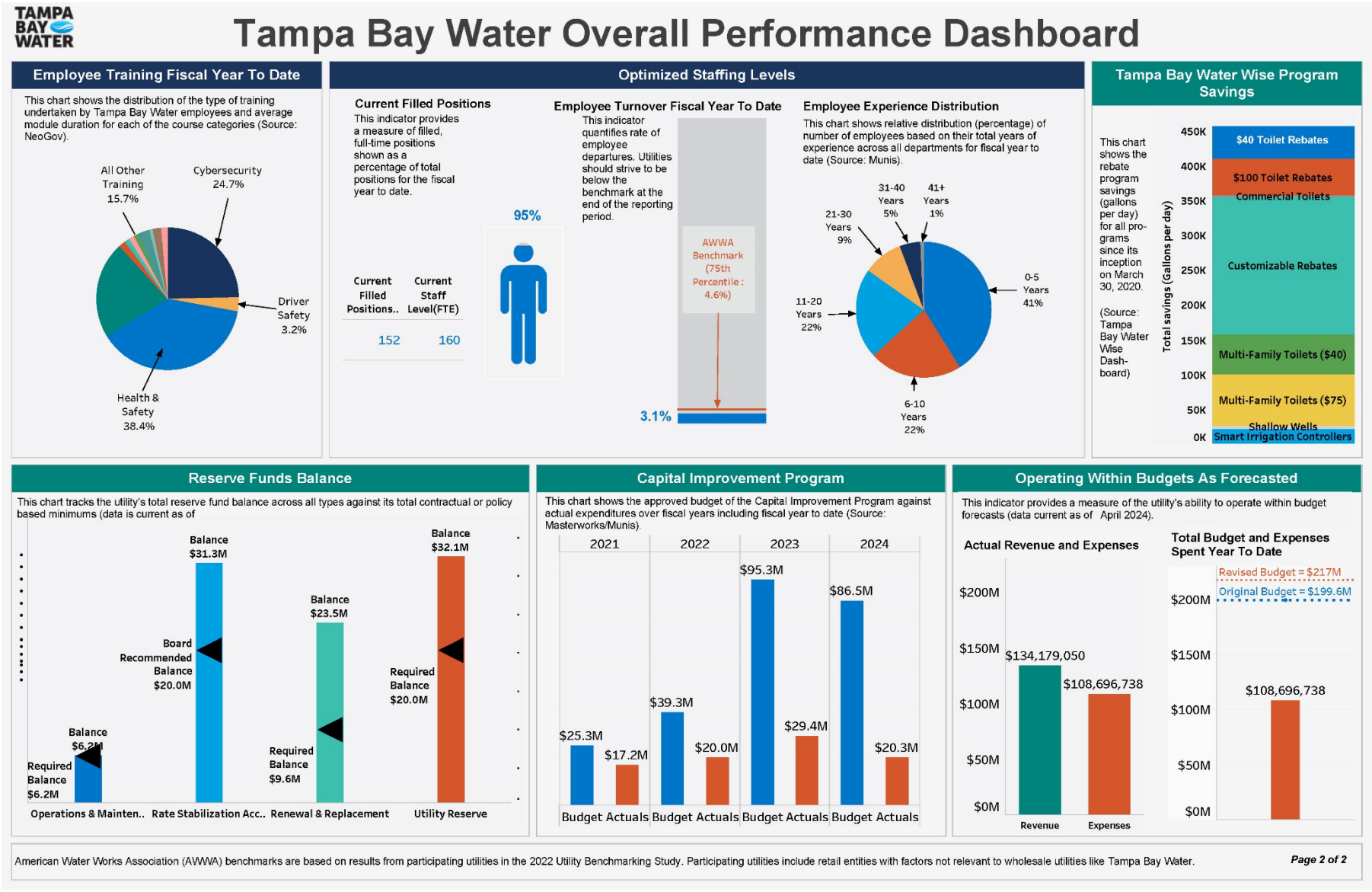
- Service to Customers
- Efficiency of Operations
- Compliance with Regulations and Permits
- Financial Stability and Fiscal Responsibility
- Stakeholder Relations and Outreach
- Employee Relations, Recruitment and Retention
- Training and Development

While these performance metrics do not, in and of themselves, ensure efficiency and compliance in agency business operations, they provide valuable data for assisting in daily agency decision making, implementing best management practices, and improving policies, processes and procedures. They also support the agency's vision to be a leader in supplying sustainable, quality water.

Divisional performance metrics are found in the Divisional Operating Budget Detail section.

Below is the Tampa Bay Water Overall Performance Dashboard provided to the Board at the May 20, 2024, Board meeting.




TAMPA BAY WATER
Tampa Bay Water Overall Performance Dashboard
Employee Training Fiscal Year To Date
This chart shows the distribution of the type of training undertaken by Tampa Bay Water employees and average module duration for each of the course categories (Source: NeoGov).
All Other Training 15.7%
Cybersecurity 24.7%
Driver Safety 3.2%
Health & Safety 38.4%
Optimized Staffing Levels
Current Filled Positions
This indicator provides a measure of filled, full-time positions shown as a percentage of total positions for the fiscal year to date.
Current Filled Positions..
Current Staff Level(FTE)
152
160
95%
Employee Turnover Fiscal Year To Date
This indicator quantifies rate of employee departures. Utilities should strive to be below the benchmark at the end of the reporting period.
AWWA Benchmark (75th Percentile : 4.6%)
3.1%
Employee Experience Distribution
This chart shows relative distribution (percentage) of number of employees based on their total years of experience across all departments for fiscal year to date (Source: Munis).
31-40 Years 5%
41+ Years 1%
21-30 Years 9%
0-5 Years 41%
11-20 Years 22%
6-10 Years 22%
Tampa Bay Water Wise Program Savings
This chart shows the rebate program savings (gallons per day) for all programs since its inception on March 30, 2020.
(Source: Tampa Bay Water Wise Dashboard)
Total savings (Gallons per day)
450K
400K
350K
300K
250K
200K
150K
100K
50K
0K
$40 Toilet Rebates
$100 Toilet Rebates
Commercial Toilets
Customizable Rebates
Multi-Family Toilets ($40)
Multi-Family Toilets ($75)
Shallow Wells
Smart Irrigation Controllers
Reserve Funds Balance
This chart tracks the utility's total reserve fund balance across all types against its total contractual or policy based minimums (data is current as of
Balance $6.2M
Required Balance $6.2M
Balance $31.3M
Board Recommended Balance $20.0M
Balance $23.5M
Required Balance $9.6M
Balance $32.1M
Required Balance $20.0M
Operations & Mainten..
Rate Stabilization Acc..
Renewal & Replacement
Utility Reserve
Capital Improvement Program
This chart shows the approved budget of the Capital Improvement Program against actual expenditures over fiscal years including fiscal year to date (Source: Masterworks/Munis).
2021
2022
2023
2024
$25.3M
$17.2M
$39.3M
$20.0M
$95.3M
$29.4M
$86.5M
$20.3M
Budget Actuals
Operating Within Budgets As Forecasted
This indicator provides a measure of the utility's ability to operate within budget forecasts (data current as of April 2024).
Actual Revenue and Expenses
$200M
$150M
$100M
$50M
$0M
$134,179,050
$108,696,738
Revenue
Expenses
Total Budget and Expenses Spent Year To Date
Revised Budget = $217M
Original Budget = $199.6M
$108,696,738
American Water Works Association (AWWA) benchmarks are based on results from participating utilities in the 2022 Utility Benchmarking Study. Participating utilities include retail entities with factors not relevant to wholesale utilities like Tampa Bay Water.
Page 2 of 2

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Tampa Bay Water

Florida

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morrill

Executive Director

General Manager's Budget Message and Executive Summary

Fiscal Year 2025

The General Manager's Budget Message and Executive Summary section presents the key initiatives and priorities of the Fiscal Year 2025 Operating Budget and provides a summary of Tampa Bay Water's financial plan by highlighting major items in the fiscal year 2025 operating budget.

TAMPA BAY WATER
Supplying Water To The Region

Board of Directors
Harry Cohen
Lisset Hanewicz
Chopper Davis
Dave Eggers
Jack Mariano
Charlie Miranda
Ron Oakley
Brian Scott
Joshua Wostal

General Manager
Charles H. Carden

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May 20, 2024

Members of the Board:

I am pleased to present the Tampa Bay Water annual Proposed Operating Budget for Fiscal Year 2025. The proposed budget focuses on the agency's future needs while being cost effective with the available resources and protecting the environment. Through implementation of the board approved strategic plan, we strive to be the leader in supplying sustainable, quality water.

In the Proposed Fiscal Year 2025 Operating Budget, we are committed to meeting the regional water supply needs with the expansion of the Surface Water Treatment Plant, building a pipeline to deliver additional water to the rapidly growing South Hillsborough County service area, and developing long-term solutions to tackle social, economic, and environmental challenges.

Three additional staff positions are being requested in the proposed budget, two safety technicians and one purchasing specialist, which will bring the full-time employee count to 163. A cost-of-living adjustment of three percent is proposed, alongside a performance-based merit of up to three percent. Water sales are estimated to total 209.7 million gallons per day (mgd) at a uniform rate of $2.6177 per 1,000 gallons.

The following pages contain an executive summary with information about the proposed Fiscal Year 2025 budget along with policy goals and key factors driving budgetary decisions.

Thanks to the many staff members that worked together along with the Finance Department to prepare Tampa Bay Water's annual budget.

Respectfully submitted,

Charles H. Carden
General Manager

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Policy Goals Used in Fiscal Year 2025 Budget Development

The Fiscal Year 2025 budget was put together with important agency policy goals in mind. Those goals included:

- Meeting the performance requirements of the Master Water Supply Contract to provide high-quality water to our six-member governments.
- Operating our water supply facilities to improve supply delivery while also maintaining full compliance with regulatory permits.
- Achieving the goals specified in the Agency's updated strategic plan.
    - Enhance System Reliability and Sustainability
    - Continuously Improve Agency Operations
    - Optimize Future Financial Stability
    - Enhance Our Relationships with Stakeholders
    - Ensure an Engaged, Skilled and Adaptable Workforce
    - Safeguard Agency Infrastructure
- Addressing recommendations from the 2020 Performance and Management Audit Report and allocating our staff and financial resources to meet the board's objectives for a sustainable and affordable water supply system.
- Continuing to balance and blend our multiple supplies of water sources to deliver high-quality, affordable water to our member governments.
- Continuing to work on the South Hillsborough Pipeline to meet the growing water needs of South Hillsborough County.
- Continuing to work on the Surface Water Treatment Plant Expansion Project to meet water demands by the year 2028.
- Performing the feasibility studies on the short-listed projects in the 2023 Long-Term Master Water Plan Update.
- Refining the models used to accurately predict the need for new water supplies in the future.
- Safeguarding the public's investment in the region's water supply and delivery system to ensure that both the water quality and water quantity meet the needs of the more than 2.5 million people in our region. Protecting that investment includes:
    - Focusing on the safety and security of our employees and our water supply facilities.
    - Renewing and replacing existing infrastructure to ensure the optimal operation of our facilities over time.
    - Continuing to engage with community, environmental and educational organizations on projects that promote the protection of our drinking water sources through the Source Water Protection Mini-Grant Program.
- Updating the Agency's 2020 Succession Plan designed to proactively respond to shifts in staff attrition, address emerging recruitment challenges, and capitalize on development opportunities in a way that ensures business continuity and supports both immediate and long-range agency priorities.

- Continuing to administer the agency's cost-of-living adjustment and performance-based merit programs.
- Addressing the safety and security of both physical assets and information technology systems.
- Expanding the agency's outreach and education program to underscore the importance of a reliable, sustainable water supply for economic and regional growth and development.
- Working with our member governments on the coordination and sharing of utility best management practices.
- Creating a framework and implementing a continuous improvement program throughout the agency.
- Working with our colleagues around the country on continuing research into changes in weather patterns and the impact of climate change upon the surface water systems serving our area.
- Maintaining a strong relationship with the Southwest Florida Water Management District, the Florida Department of Environmental Protection, and other regulatory agencies to ensure open and honest communication on regulatory, planning, and financial matters.

Key Factors Affecting the Fiscal Year 2025 Budget

Large Increase in Annual Water Sales

The agency is projecting an increase of 12 million gallons per day (mgd) in water sales to our member governments over the 2024 budgeted water sales of 197.7 mgd. The Fiscal Year 2025 water delivery projection of 209.70 mgd reflects an adjustment accounting for the actual water delivered in fiscal year 2023 being greater (202.2 mgd) than the budgeted water delivered. In addition, we are predicting normal weather conditions for Fiscal Year 2025. The agency expects a steady trend in growth of water sales for future years and budgets.

Net Revenue Required from Water Sales

Another important factor in calculating the agency's water rate is the net revenue required from water sales. The net revenue required must cover the agency's costs: debt service, variable costs, contracted costs, and fixed costs. Management continues to improve operational efficiencies and reduce fixed costs, while maintaining our reliable water supply system, to minimize the impact on net revenue required. In addition, the agency has adequate reserve funds if needed for contingency, in the Rate Stabilization Account and the Utility Reserve.

Personnel Services

Starting in fiscal year 2023 the agency's personnel services includes a cost-of-living adjustment alongside a performance-based merit program. The Fiscal Year 2025 budget contains a 3% cost-of-living adjustment and a performance-based merit of up to 3%. The approved budget also includes the request for three positions – two safety technicians and one purchasing specialist I.

Annual Bond Debt Costs

In February 2020, the Board approved executing a Forward Delivery Agreement with Bank of America to refund all or a part of the Series 2010, 2011A and 2013 bonds in three tranches, in July 2020, July 2021 and July 2023 respectively. These tranches resulted in a decrease of $2,858,406 in the annual debt service for fiscal year 2025 which totals $73,032,037. In late fiscal year 2024, the agency will be seeking board approval on the next bond issuance, estimated at $420 million, that will be needed to fund the Capital Improvement Fund expenditures in fiscal years 2025 and 2026. The fiscal year 2025 annual debt service amount does not reflect an impact from the Series 2024 bonds, as it is anticipated they will be issued with at least one year of capitalized interest.

Uniform Rate Increase

Due to the above factors, the Fiscal Year 2025 budget includes an increase in the Uniform Rate for Tampa Bay Water's customers. The approved rate of $2.6177 per 1,000 gallons is an increase of $0.0188 or 0.72% over the Fiscal Year 2024 uniform rate and is $0.0251 less than the Fiscal Year 2025 rate projected in the Fiscal Year 2024 budget.

Water Demand Used in the Fiscal Year 2025 Budget

The projected water sales to the six-member governments are based on a multi-step process that considers the total water demand for each member government and for the region reflected in the Agency's long-term water demand forecasting models. These models produce retail and wholesale water demands for each of the seven water demand planning areas served by our member governments based on annually updated projected socio-economic data and normal weather (rainfall and temperature conditions). The annual update of projected member government water demands is presented to the Board at the end of each year. These demand projections are also compared with each member government's annual report.

The Fiscal Year 2025 budget was developed to reflect demand with average annual rainfall. The City of Tampa, Pasco County and the City of New Port Richey supply some water through their own facilities to meet a portion of their total water needs. The total regional water demand is reduced by the amount of water these members supply to themselves, resulting in the aggregate expected water demand for budget and planning purposes. The projected annual delivery to the member governments is significantly affected by the amount of water purchased by the City of Tampa, an uncertainty that is directly related to the amount of rainfall that may be experienced. For budgeting purposes, the City of Tampa's demand is budgeted at 4.1 million gallons per day (mgd) for fiscal year 2025. This 4.1 mgd is included in the total amount of water expected for delivery to the member governments. This projected total value of 209.70 mgd forms the basis of the budgeted uniform rate for fiscal year 2025. This compares to 197.70 mgd for fiscal year 2024. The increase in the projected demand is due to socio-economic projections which indicate that growth in the region is positive.

The Agency's budget is developed each year with a focus on the expected rainfall for the year. Scenarios for operating the system are developed to maximize the use of available river water and

manage groundwater resources to achieve environmental recovery around our wellfields and meet permit requirements. Source selection for fiscal year 2025 includes use of the desalination facility at an annual average rate of 12.0 mgd.

The Agency maintains strong reserve balances to avoid mid-year rate increases due to unexpected changes in demand or increased costs. The Agency is proactive in funding reserve accounts for both the short and long term, allowing the Agency to maintain rates with moderate-to-no increases year-to-year, implement the renewal and replacement program, implement a comprehensive asset management program, and retain excellent credit ratings on debt service.

Operational Highlights for Fiscal Year 2025

The amount of funding required to meet the Agency's approved fiscal year 2025 expenditures is $212,630,454. The total expenditures are comprised of $45,389,055 to cover variable costs and the remaining $167,241,399 to cover the fixed costs components, such as debt, operations, and operations and maintenance agreements. Overall, this is a $13 million net increase over the approved Fiscal Year 2024 Budget, with variable costs increasing by $8.4 million and fixed costs increasing by $4.6 million.

Some of the key features of the Fiscal Year 2025 Budget include:

- Operation of the Tampa Bay Seawater Desalination Plant at an annual average of 12.0 mgd, production at the plant will fluctuate monthly to increase efficiency and decrease maintenance costs.
- Full use of the C.W. Bill Young Regional Reservoir, the region's water savings account.
- An annual average production of 77.70 mgd at the Regional Surface Water Treatment Plant, using flows from the Hillsborough and Alafia rivers and the Tampa Bypass Canal, as well as water stored in the regional reservoir. The Plant production is managed to maximize the seasonally available higher river flows during wet-weather months. Like production at the desalination facility, Surface Water Treatment Plant production may be increased proportionately when river flows are available, to maintain the agency's groundwater pumping permitted levels.
- Use of 85.4 mgd on an annual average basis from the consolidated permit wellfields, which is 4.6 mgd less than the permit limit of 90 mgd, in recognition that we may need to increase groundwater production if we have a drier than normal year. Plus, an additional 34.6 mgd will come from other groundwater sources that are not part of the consolidated water permit.

The budget sub-total of $212.6 million, totaling 100% of the budget, includes variable operating costs of $45.4 million and fixed operating costs of $167.2 million, 21% and 79% of the Agency's budget respectively. The $167.2 million includes $73.0 million for debt service, $10.3 million for acquisition and water quality credits to the Members, and $83.9 million in fixed operating costs, inclusive of $16.6 million in professional services for the operations and maintenance agreements associated with the contracted water plant operations.

The Fiscal Year 2025 budget includes the following $12.2 million in other funding sources that reduces the amount needed in net revenue from water sales.

- $5.6 million in unencumbered funds from FY 2024 to be carried over to FY 2025.
- $5 million in Investment Revenue.
- $392 thousand of revenue from surplus water sales at Tampa Bypass Canal.
- $42 thousand for an Operation & Maintenance contract agreement with Pasco County at the Lake Bridge Facility.
- $398 thousand of grant revenue from the Southwest Florida Water Management District
- $766.5 thousand of Rate Stabilization Funds

The total expenditures are adjusted by the other funding sources to provide the net revenue required from water sales. The net revenue required for the approved Fiscal Year 2025 budget is $200,357,357 resulting in a uniform rate of $2.6177 per 1,000 gallons.

Fiscal Year 2025 Budget Timing

To provide our member governments and the public with a budget document for use as information and for planning, the budget schedule requires final approval of the budget prior to August 1st each year.

The abbreviated proposed Fiscal Year 2025 budget was distributed to the member governments prior to April 15th for review, followed by meetings with Tampa Bay Water staff and member governments to discuss. The proposed Fiscal Year 2025 budget was reviewed by the Board at a budget workshop held on April 15, 2024. A public hearing notice of the Board's intended adoption of the proposed Fiscal Year 2025 budget on May 20, 2024, was published in compliance with requirements in the Amended and Restated Interlocal Agreement for final budget approval. Following the public hearing the Board approved the Operating Budget and Capital Improvement Program for Fiscal Year 2025 via approval of Resolution 2024-001.

Budget Communication

An electronic version of Tampa Bay Water's Approved Fiscal Year 2025 Operating Budget can be found on the Agency's website.

https://www.tampabaywater.org/agency/tampa-bay-water-budget-and-financial-information/

For other budget communications, type "budget" in the search field and Tampa Bay Water blogs, news releases and other site pages will be displayed.

Analysis of Costs in the Fiscal Year 2025 Budget

Enterprise Funds	Approved 2024	Proposed 2025	Variance +/-	Effect on Rate
Sources of Funds				
Water Sales	$ 188,053,606	$ 200,357,357	$ 12,303,751	0.1607
Additional Credits/ Surcharges (Board Approved)	42,000	42,000	-	-
TBC - Sale of Water	392,000	392,000	-	-
Grant Revenue	398,000	398,000	-	-
Interest Income	5,135,727	5,033,012	(102,715)	(0.0013)
Subtotal	$ 194,021,333	$ 206,222,369	$ 12,201,036	0.1594
Transfers In from Rate Stabilization Account	-	766,476	766,476	0.0100
Unencumbered Funds from Prior Year[1]	5,575,433	5,641,609	66,176	0.0009
Total Sources	**$ 199,596,766**	**$ 212,630,454**	**$ 13,033,688**	**0.1703**
Uses of Funds				
Personnel Services	$ 25,377,300	$ 26,888,100	$ 1,510,800	.0197
Materials & Supplies	3,279,648	3,214,094	(65,554)	(0.0009)
Professional Services	34,387,652	35,650,815	1,263,163	0.0165
Repairs & Other Services	8,204,458	11,342,045	3,137,587	0.0410
Rent & Insurance	3,311,226	4,016,750	705,524	0.0092
Legal Services	750,000	725,000	(25,000)	(0.0003)
Capital Expenditures	1,133,310	2,093,000	959,690	0.0125
Debt Service-Bonds[2]	75,890,443	73,032,037	(2,858,406)	(0.0373)
Acquisition Credit to Member Governments	10,231,558	10,231,558	-	-
Water Quality Credit to Member Governments	48,000	48,000	-	-
Water Treatment Chemicals -Variable Cost	23,431,064	25,679,820	2,248,756	0.0294
Power / Electricity -Variable Cost	12,911,320	19,050,635	6,139,315	0.0802
Water for Resale -Variable Cost	640,787	658,600	17,813	0.0002
Subtotal	$ 199,596,766	$ 212,630,454	$ 13,033,688	$ 0.1703
Transfer Out to R&R Fund	-	-	-	
Total Uses	**$ 199,596,766**	**$ 212,630,454**	**$ 13,033,688**	**0.1703**
Projected Water Demand (mgd)	197.70	209.70	12.00	
Projected Uniform Water Rate ($/1000 gal.)	$ 2.5989	$ 2.6177	$ 0.0187	

Note 1 – Fiscal Year 2025 unencumbered funds from prior year, are estimated at 3% of the fiscal year 2024 revenue from water sales. Funds transfer through the rate stabilization account at year-end.

Note 2 – Series 2024 bond issuance is anticipated to have at least one year of capitalized interest and is not forecasted to impact debt service-bonds for fiscal year 2025.

Annual Budget Development

Fiscal Year 2025

The Annual Budget Development section provides an overview of the key requirements for the annual budget development and approval process.

Budget Format

The summary and layout of the annual budget document is as follows:

- The **General Manager's Budget Message and Executive Summary** is designed to provide a summary of Tampa Bay Water's financial plan by highlighting major issues to be addressed in the fiscal year.
- The **Annual Budget Development** section provides an overview of the key requirements for the annual budget development and the approval process.
- The **Financial Management Policies** section provides a summary of Tampa Bay Water's primary financial policies.
- The **Financial Plan** section provides an overview of Tampa Bay Water's budgetary fund structure and information on revenue and expenditures, as well as capital spending for the fiscal year.
- The **Annual Rate Setting and Member Costs** section provides summarized information and schedules including current and projected rates and member costs. Charts and graphs are provided that depict the components of the budget and the rate impacts. Separate charts and schedules are provided for each Member Government to assist them in planning and coordination of their budgets and financial obligations associated with Tampa Bay Water's contractual commitments.
- The **Debt Service** section provides a listing of the outstanding debt of the Agency, the Agency's bond ratings, and the details of the debt requirements shown in the Financial Plan section. The section also provides information on debt coverage requirements and future debt service.
- The **Capital Improvement Program** section provides summary information about the Agency's capital projects. This includes projects that are scheduled to be in the feasibility, design and construction phases during the fiscal year.
- The **Divisional Operating Budget Detail** section provides information on Tampa Bay Water's office and divisional organization and responsibilities. It also includes the fiscal year budget for each division.
- The **Summary of Contracts and Resolutions** section provides key contractual requirements of the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and the Master Bond Resolution.
- The **Appendix** section includes a schedule of key dates for the budget process for the fiscal year. It also provides demographic and statistical information for Tampa Bay Water's service area, and information to assist the Member Governments in the planning of their budgets.
- The **Glossary** section includes an alphabetical list of terms used in the budget document and defined by the Amended and Restated Interlocal Agreement, the Master Water Supply Contract, and the Master Bond Resolution.

Tampa Bay Water's budget is formatted into two offices, the office of the General Manager and the Office of the General Counsel and six divisions under the General Manager, as listed below:

Office of the General Manager

General Manager

- Legal Coordination

Business Strategies Division

Chief of Staff/Chief Strategy Officer

- Intergovernmental Affairs
- Legislative Affairs
- Outreach & Education
- Continuous Improvement
- Human Resources
- Safety and Security

Information Technology Department

Information Technology Director

- Applications
- Cybersecurity
- Infrastructure/Network
- SCADA

Finance and Administration Division

Chief Financial Officer

- Finance
- Records
- Purchasing
- Warehouse

Water Production Division

Chief Operating Officer

- Building, Grounds and Fleet
- Maintenance
- Operations
- Reservoir Compliance

Science Division

Chief Science Officer

- Demand Management
- Modeling and Source Analysis
- Permitting
- Water Quality

Planning & Projects Division

Planning and Projects Director

- Construction
- Engineering
- Real Estate
- Planning & Projects

Office of the General Counsel

General Counsel

- Legal Services

Tampa Bay Water's annual budget development process utilizes a budget format that organizes the annual operating costs and other financial requirements of the divisions and the officed of the General Manager and the General Counsel, into fourteen major expense categories and approximately 60 sub-categories.

The major expense categories for budgetary and accounting purposes include the following:

- Personnel Services
- Materials and Supplies
- Professional Services
- Repairs and Other Services
- Rent, Leases and Insurance
- Legal Services
- Capital Expenditures
- Debt Service – Bonds
- Debt Service – Member Acquisition Credits
- Member Water Quality Credits
- Water Treatment Chemicals
- Power and Electricity
- Water for Resale
- Reserve Funding

The major expense categories consist of sub-categories to allow Tampa Bay Water's divisions and offices to estimate the projected expenses at the sub-category level. For example, the Personnel Services category includes the following sub-categories: Regular Salaries, Other Salaries and Wages, Overtime, Shift Differential, On-call Pay, FICA, FRS, Life and Health Insurance, Workers' Compensation, Unemployment Compensation, and Auto Allowance.

As part of the annual budget development process, each of Tampa Bay Water's divisions and offices are required to prepare their initial annual budget requirements by major categories and sub-categories, using the budget model. These initial budget requirements are reviewed, evaluated, and modified, as needed, at the department, division, and agency levels to ensure that budgets are appropriate for planned operating levels, proposed project activity, and achievement of agency goals. The proposed budget is presented at a Board workshop for further review by the Board. Meetings are also held with the staff of the six member governments to review the proposed budget.

Budget Basis

The basis for developing and adopting the annual budget for Tampa Bay Water is established by the Amended and Restated Interlocal Agreement. This requires that the budget be prepared primarily on an accrual basis, which is similar to the Agency's annual financial statements. Notable differences between the budget basis and the GAAP basis used for financial reporting are as follows:

- Principal payments on long-term debt are treated as current expenditures for the budget basis, as opposed to being recorded as a reduction of outstanding liabilities for the GAAP basis.
- Capital expenditures funded from the rate are treated as current expenditures under the budget basis, but are treated as acquisition of capital assets under the GAAP basis.
- Capital expenditures funded from debt proceeds are not reflected under the budget basis and are capital asset acquisitions under the GAAP basis.
- The budget basis includes only that investment income which is available for use for budgetary purposes. The GAAP basis reflects all interest income, including that restricted as to purpose, and as adjusted for interest income which is offset against interest costs allocated to construction projects in accordance with GAAP.
- The budget basis includes only interest expense that is to be paid from the rate and budgeted revenue sources. Interest expense under the GAAP basis may also include interest costs being paid from bond proceeds (capitalized interest) and will exclude any interest costs that are treated as a cost of assets in the construction phase.
- The budget basis also reflects transfers to and from various reserves, which are not revenue and expense under the GAAP basis.

Annual Budget Requirements

This section briefly describes the key requirements of the annual budget development and approval process, as outlined in the Interlocal Agreement.

Section 2.08. Article II, Creation and Governance, of the Amended and Restated Interlocal Agreement establishes the procedures and requirements for the development of an annual budget for Tampa Bay Water. The requirements are as follows:

- Prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for Tampa Bay Water covering its proposed operating and other financial requirements for the ensuing fiscal year. The tentative budget shall identify:
- The rate at which Quality Water will be sold to Member Governments during such fiscal year; and
- The rate to be charged to the City of Tampa for water provided through the Tampa Bypass Canal pumping facility during such fiscal year.
- The Board shall publish a notice of its intention to adopt the budget and shall provide copies of the notice and tentative budget to each Member Government on or before the first publication date. The notice shall include a summary of the tentative budget; specify the rates at which Quality Water will be sold to the Member Governments; and identify the time, date,

and place at which the public may appear before the Board and state their objections to or support of the budget and rates. The notice shall be published once a week for two consecutive weeks within thirty (30) days of the public hearing, in any newspaper qualified to accept legal advertisements in each county in the jurisdiction of Tampa Bay Water, the last insertion of which shall appear not less than one week prior to the date set by the Board for the hearing on the proposed budget and rates.

- At the time, date and place specified in the notice, the Board shall conduct a public hearing and thereafter may consider adoption of the budget and rates with any amendments it deems advisable. Unless otherwise authorized by the Board, the final budget and rates shall be adopted by August 1.
- The adopted budget shall be the operating and fiscal guide for Tampa Bay Water for the ensuing fiscal year. The Board may amend the budget at any regular or special meeting; provided however, that prior to approving any budget amendment that increases the total budget for any fiscal year (other than a budget amendment appropriating grant funds or the proceeds of debt obligations), the Board shall provide notice and conduct an additional public hearing in the manner described above.

Annual Budget Process

The Finance Department has the overall responsibilities of coordinating and managing the annual budget development process. Typically, Tampa Bay Water's annual budget development and approval process (for the ensuing fiscal year) runs from November to June of the current fiscal year – essentially, the annual budget development process starts approximately eleven (11) months prior to the beginning of the fiscal year for which the budget is being developed.

The budget process begins with the finance department developing budget packets to be distributed to the Executive Team and Department Managers. The budget packets include the previous two years of budgeted and actual expenditures, the current year's budget and actual expenditures for two months.

The Department Managers, with guidance from finance, prepare and submit their operating, personnel and capital requests. The Finance Department distributes a draft departmental budget worksheet for the ensuing fiscal year to each Department Manager and meets with each division to review their corresponding departments' budget requests.

Member Governments are required to provide the agency with an updated annual report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five Fiscal Years of projected water service demand for their respective service area. This report along with other various demand forecasting tools are used to project the budgeted demand for the ensuing fiscal year and the next five years. Effectively managing groundwater, maximizing use of available surface water and efficiently running the regional system guides the source selection annually to meet the projected demand.

The Finance Department prepares and distributes a preliminary division/department budget worksheet for review and comment by all departments then holds meetings with the General Manager, Executive Team and Department Managers to review program plans and outstanding issues. This is followed by a redistribution of the preliminary division/department budget worksheet incorporating any changes resulting from the meetings for review and comment.

The Finance Department prepares an Agency Sources and Uses budget worksheet for the Executive Team to review. The Executive Team meets to discuss any program plans and outstanding issues that may need to be addressed.

The first draft of the budget document is prepared and distributed for internal management review. After any needed edits, the proposed budget document along with the ten-year Capital Improvement Program is distributed to the Member Governments and Board. This is followed with individual meetings with each Member Government to discuss the proposed annual budget for the ensuing Fiscal Year and ensuing ten-year Capital Improvement Program.

In accordance with Section 13(A) of the Master Water Supply Contract, no later than April 15 of each year, Tampa Bay Water shall submit to the Member Governments the Annual Estimate which shall set forth the anticipated costs to the Agency for providing Water Service to the Member Governments for the forthcoming Fiscal Year. The Annual Estimate shall be based upon the Agency's proposed budget for such Fiscal Year.

In April a Board Workshop is conducted to discuss the proposed annual budget for the ensuing Fiscal Year and to review the Capital Improvement Program for the ensuing ten fiscal years.

After the Budget Workshop, the Finance Department makes any Board requested changes to the proposed annual budget or ten-year Capital Improvement Program and schedules and issues a notice for the public hearing regarding the final budget approval for the ensuring fiscal year.

Pursuant to Section 2.08(C) of the Interlocal Agreement the final budget and rates shall be adopted by August 1, unless otherwise authorized by the Board. A Public Hearing is held prior to August 1 of each fiscal year to obtain Board approval of the ensuing Fiscal Year's final annual budget and capital improvement program expenditures plus acceptance of the full ten-year Capital Improvement Program Plan.

Fiscal Year 2025 Budget Development Schedule

December 11, 2024	Budget packets distributed internally, meeting with Officers and Department Managers for "Fiscal Year 2025 Budget Kickoff."
January 12, 2024	Fiscal year 2025 budget submissions due from departments.
January 22-30, 2024	Finance meets with Executive Team and Department Managers to review department 2025 budget requests.
January 31, 2024	Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated

	Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area.
February 9, 2024	Preliminary draft of fiscal year 2025 division/department budget worksheet distributed internally for review and comments by all departments.
February 19-23, 2024	General Manager meetings with Executive Team and Department Managers to review program plans and outstanding issues.
March 1, 2024	Distribute revised draft of Proposed Fiscal Year 2025 division/department budget worksheet with changes resulting from February meetings.
March 7, 2024	Executive Team meets to review Proposed Fiscal Year 2025 Sources and Uses Budget Worksheet, Strategic Plan, FY2025-FY2034 Capital Improvement Program Plan and any related outstanding issues.
March 14, 2024	First draft of Proposed Fiscal Year 2025 Budget document and FY2025-FY2034 Capital Improvement Program Plan prepared and distributed for internal management review before external distribution.
March 25, 2024	The Proposed Fiscal Year 2025 Budget including annual estimate and FY2025-FY2034 Capital Improvement Program Plan distributed to staff, Member Governments, and Board.
April 1–5, 2024	Individual meetings with Member Governments to discuss Proposed Fiscal Year 2025 Budget and FY2025-FY2034 Capital Improvement Program Plan.
April 12, 2024	Tampa Bay Water contractual annual estimate due (distributed in late March).
April 15, 2024	Board workshop – Board reviews the Proposed Fiscal Year 2025 Budget and the FY2025-FY2034 Capital Improvement Program plan and schedule a public hearing for budget approval on May 20, 2024.
April 18-22, 2024	Executive Team meets to review any Board workshop requested changes, if applicable.
April 24, 2024	Distribute revised Proposed Fiscal Year 2025 Budget with any changes from Board workshop for internal management review.
May 3, 2024	Distribute revised Proposed Fiscal Year 2025 Budget and FY2025-FY2034 Capital Improvement Program Plan to the Member Governments, Board and Public.
May 20, 2024	Public Hearing – Fiscal Year 2025 Budget and Fiscal Year 2025 of the Capital Improvement Program approved by the Board and FY2025-FY2034 of Capital Improvement Program plan accepted by the Board.
October 1, 2024	Uniform Rate for Fiscal Year 2025 becomes effective.
October 11, 2024	Fiscal Year 2024 Annual True-up and reconciliation of fixed component to Fiscal Year 2025 annual estimate distributed to members.

Major Responsibilities

The annual budget development process for Tampa Bay Water is a group effort that relies on regular interactions between the Executive Team, department managers, and the Finance Department. Additionally, the Finance Department works closely with representatives of Member Governments to seek their input during the annual budget development process. A high-level summary of major roles and responsibilities of various entities involved in the annual budget development process is presented below.

Tampa Bay Water – Finance Department

The Finance Department has the overall responsibility for coordinating and managing the annual budget development process. The major responsibilities of the Finance Department include:

- Prepare the necessary budget packets of prior fiscal year budget allocations and year-to- date actual expenses by major categories for all departments – information provided in these budget packets serve as a basis for developing budgetary estimates for the ensuing fiscal year.
- Distribute the relevant budget packets to departments.
- Set up and maintain the budget model to collect and process the annual budget data/information by categories for the ensuing fiscal year as received from departments.
- Review the annual budgetary estimates prepared by departments for the ensuing fiscal year.
- Identify and document a list of potential modifications to the annual budgetary requirements for departments for the ensuing fiscal year based on prior fiscal year budget allocations, actual expenses, and guidelines established by the Chief Financial Officer, Finance Manager, and General Manager (e.g., impact on Member Governments of potential rate increase, keeping the total increase in the annual budget to a manageable level, etc.).
- Meet with the department managers and staff to review the annual budgetary estimates for the ensuing fiscal year for their respective department.
- Meet with the General Manager, Officers, Directors and Managers to review the proposed budget requirements for the ensuing fiscal year.
- Revise the budget estimates, as necessary, based on the feedback received from Tampa Bay Water management.
- Prepare and distribute copies of the annual budget estimate for the ensuing fiscal year to Tampa Bay Water management, Member Governments and the Board.
- Meet with the representatives of Member Governments to review the annual budget estimates for the ensuing fiscal year.
- Review potential concerns/comments/suggestions expressed by Member Governments regarding the annual budget estimate for the ensuing fiscal year with the Chief Financial Officer and General Manager, as necessary.
- Incorporate all changes to the preliminary budget estimate for the ensuing fiscal year that are approved by the General Manager and/or the Chief Financial Officer.

- Verify the annual budget's compliance with the terms specified in the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and provisions of the Financing Documents.
- Prepare and distribute the final budget for the ensuing fiscal year.

Tampa Bay Water – Executive Team and Department Managers

The Executive Team and department managers are responsible for the following activities for their respective divisions and departments:

- Review the current fiscal year budget allocation against the year-to-date actual expenses by major categories.
- Identify, estimate and document anticipated changes (+/-) in the annual budgetary requirements (both capital and operating budget) for the ensuing fiscal year due to change in program(s) and/or project(s) requirements.
- Estimate and document potential changes (+/-) in the annual budgetary requirements for the ensuing fiscal year due to anticipated changes in operations, costs and/or quantities of materials/supplies required, consulting support services, etc.
- Prepare a preliminary department/division budget estimate (both capital and operating budget) for the ensuing fiscal year and input the annual budget estimates by budget category and sub-category in the budget model.
- Meet with the Finance Department to discuss the annual budget requirements for the ensuing fiscal year.

Member Governments

Tampa Bay Water's Member Governments have the following responsibilities in the annual budget development process:

- Provide the next five fiscal years of projected water services demand for their respective service area to Tampa Bay Water (use the form provided in Exhibit K of the Amended and Restated Interlocal Agreement).
- Identify and communicate any special program needs, which could have an impact on the annual budget request, for the ensuing fiscal year to Tampa Bay Water.
- Review the preliminary annual budget request for the ensuing fiscal year, and provide any comments/suggestions to the Finance Department.

Tampa Bay Water – Board

Tampa Bay Water Board has the final authority to approve the annual budget request. The Board has the following responsibilities in the annual budget development and approval process:

- Review the tentative budget for Tampa Bay Water covering its operating and financial requirements for the ensuing fiscal year.
- Provide comments/suggestions, as necessary, to Tampa Bay Water's Management regarding the annual budget request for the ensuing fiscal year.
- Publish a notice of its intention to adopt the budget for the ensuing fiscal year during the scheduled public meeting.
- Conduct a public hearing and adopt the final budget and rates with any amendments it deems advisable.

Budget Implementation

The approved annual budget is input to the Agency's financial accounting system at the beginning of each fiscal year. The system provides accountability and reporting of purchase order encumbrances and actual expenditures versus the approved budget. Agency staff, together with the Finance Department, monitor compliance with the budget. At year end, encumbrances which represent on-going contractual commitments are carried over to the succeeding fiscal year until the commitment is completed. Encumbrances which terminate at the end of the fiscal year are closed out at year end.

Budget Amendments

Agency policy allows the transfer of budget between sub-categories within a single budgetary category (e.g. within Professional Services from Hydrological Services to Ecological Services) with the approval of the General Manager. Transfers of budget between major categories (e.g. from Professional Services to Materials & Supplies or to Repairs & Other Services) must be submitted to the Agency's board for approval regardless of dollar amount. Any increase to the total budget also requires Board approval and a public hearing.

Financial Management Policies

Fiscal Year 2025

The Financial Management Policies section provides a summary of Tampa Bay Water's primary financial policies.

The financial policies are intended as a guide to financial stewardship of Tampa Bay Water. The policies will guide essential decisions affecting budget and financial matters to ensure the Agency is financially prepared to meet the Board's immediate and long-term service objectives.

Utility Reserve Fund (Fund Balance) Policy

To provide adequate operating capital at all times, Tampa Bay Water shall maintain, at a minimum, a Utility Reserve Fund sufficient to cover 10% of yearly budgeted Gross Revenue (as defined in Tampa Bay Water's bond covenants), exclusive of revenue from government grants, whether such grants are received for capital improvement or operating purposes. The balance in the Utility Reserve Fund shall also be maintained at levels sufficient to ensure that Tampa Bay Water complies with its bond covenant requirements including a requirement that Net Revenues plus Fund Balance (unencumbered monies on deposit in the Utility Reserve Fund on the preceding September 30th) be equal to or greater than 125% of annual debt service coming due in the fiscal year. A higher coverage may be established by the Board if circumstances warrant such coverage.

To ensure compliance with Master Water Supply requirements, any Gross Revenues which remain on deposit at the end of the fiscal year and which are not required to pay liabilities existing at the end of the fiscal year (unexpended funds) shall be deposited to the Utility Reserve Fund. The Chief Financial Officer will evaluate the adequacy of the Utility Reserve Fund balance as it relates to both the current year and the succeeding budget year debt covenant calculations. Monies deposited to the Utility Reserve Fund will remain in the Utility Reserve Fund to the extent they are needed to maintain compliance with bond covenants and as required by the Utility Reserve Fund Policy.

Rate Stabilization Account Policy

The Master Water Supply Contract allows the Board to establish a Rate Stabilization account. After meeting the Utility Reserve Fund requirements, any additional funds deposited to the Utility Reserve Fund at the end of the fiscal year shall be transferred to the Rate Stabilization Account and accounted for as deferred revenues of the fiscal year in which the revenues were accrued. Such transfer and accounting must be made no later than 90 days after the end of the fiscal year in which the funds were accrued and must be approved by the General Manager.

The lesser of (a) 3% of budgeted revenue of the year just ended or (b) the total amount of encumbrances being carried forward or (c) the total amount of monies deposited to the Rate Stabilization Account may be applied as Revenue in the first succeeding fiscal year, with the approval of the General Manager. Such funds are to be used for purposes of funding encumbrances carried forward and/or other approved activities. Encumbrances which exist at the end of the fiscal year just ended and which are being funded from the Uniform Rate may also be carried to the first succeeding fiscal year with the approval of the General Manager to allow for completion of tasks that were budgeted and approved in the fiscal year just ending.

Any monies placed in the Rate Stabilization Account in excess of the 3% of budgeted revenue amount will be applied to the first succeeding fiscal year either to pay expenditures of the first succeeding fiscal

year for which rates are collected or to remain in the Rate Stabilization Account for use in a subsequent year. Any application of these monies in excess of 3% requires approval of the Board of Directors.

To the extent that any monies are utilized from the Rate Stabilization Account to fund expenditures currently provided for in the Uniform Rate, the rate being charged will be modified to take this funding into account.

Fixed Asset Policy

The Chief Financial Officer is responsible for establishing the policies and procedures necessary to provide adequate internal control over Fixed Assets. Policies and procedures shall be approved by the General Manager. Statements of policy shall be submitted to the Board of Directors for review. All Fixed Assets acquired by the Agency shall be titled to the Agency and recorded in the Fixed Assets records system. At a minimum, the Fixed Assets records system shall contain the applicable information required by regulatory bodies. (Reference: Fla. Statutes, Chap. 274.02; Florida Administrative Code, Chap. 69I-73.003). An annual physical inventory of all movable equipment shall be taken under the direction of the finance department and reconciled to the fixed asset records and general ledger control accounts in accordance with Fla. Statutes, Chap. 274.02 and Florida Administrative Code, Chap. 69I-73.006.

Investment Policy

The objectives of the Agency's investment policy are safety, liquidity and return on investment. The primary objective is safety, i.e. the minimization of risk and the preservation and protection of investment principal. The second objective is always to maintain enough liquidity to meet all cash requirements that can reasonably be anticipated. The third objective is to maximize investment return, but only within the constraints of the first two objectives. The investment policy also establishes allowable investments, investment providers, and investment concentrations in furtherance of these objectives. The Agency currently maintains all of its deposit accounts in accounts that qualify as Public Deposit accounts as defined by Florida Statutes or have been purchased from Securities Investor Protection Corporation (SIPC) brokers/dealers with a long-term issuer rating in the "A" category or higher from both Standard & Poor's and Moody's Rating Services.

Debt Policy

The Agency's debt policy permits the following: (a) issuance of debt obligations on behalf of Tampa Bay Water to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its water supply obligations to the member governments; and (b) issuance of debt obligations to refund outstanding debt when market conditions indicate at least a 3% present value savings or when other management considerations, as recommended by the agency's financial advisors, indicate the refunding is appropriate. The debt policy requires that debt obligations be issued and administered in such a manner as to insure and sustain the long-term financial integrity of Tampa Bay Water and to achieve the highest possible credit rating for the Agency. Debt obligations must be consistent with the Board's Derivative Policy. Also, debt obligations shall not be issued, and debt proceeds shall not be used to finance current operations without specific action of the Board and concurrence of the Agency's Bond Counsel as to the appropriateness of that action.

There is no legal limitation on the amount of debt that the Agency can issue. However, the Agency must be able to demonstrate that it can repay the debt from the revenues generated from water sales or other approved sources.

Tampa Bay Water's procedures for effective management of debt are as follows:

- Comply with all debt covenants and requirements of the bond resolution
- Evaluate potential refinancing of debt when present value savings equal or exceed 3% of current debt service
- Issue new debt at the most beneficial interest rates and only when required for financing of the Capital Improvement Program
- Maintain favorable bond ratings by effectively communicating the financial condition of Tampa Bay Water to rating agencies, bond holders and the public
- Utilize cooperative funding through grant programs whenever possible to reduce borrowing
- Schedule debt service payments to provide for gradual impacts on the uniform rate charged to the member governments over a period not to exceed the lesser of the useful life of the project or thirty years

Accounting, Auditing and Financial Reporting Policies

Tampa Bay Water maintains a system of financial monitoring, control, and reporting for its operations and resources to provide an effective means of ensuring that Agency goals and objectives are met.

Auditing

Each year the Agency has an annual financial audit performed by an independent certified public accounting firm. The results of this audit are included with the Agency's annual financial statements and are reported to the Board no later than March 1st of the subsequent year. The audited financial statements are available on the Tampa Bay Water website.

The Agency's independent auditors are selected in accordance with the Agency's Auditor Selection Policy and applicable Florida Statutes.

Basis of Accounting and Accounting Systems

The Agency's financial records and the annual financial statements are maintained on the accrual basis of accounting, consistent with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements applicable to an enterprise fund. In addition, the Agency follows the rules of the Auditor General of the State of Florida which are applicable to the Agency and utilizes the State of Florida Uniform Accounting System. The Agency's accounting system also includes an encumbrance system for tracking purchase commitments.

Performance Audit

The Agency is required to have a performance audit and management study of its operations at five-year intervals. The performance audit and management study reviews program results and makes recommendations regarding the Agency's governance structure and the proper, efficient, and economical operation and maintenance of the Agency's water supply facilities. The last Management and Performance Audit was completed in fiscal year 2020 by CliftonLarsonAllen, LLP.

Balanced Budget Policy

In accordance with Section 2.08(A) of the Interlocal Agreement, prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for the Agency covering its proposed operating and other financial requirements for the ensuing Fiscal Year. The proposed budget shall identify the (1) rate at which Quality Water will be sold to Member Governments during such Fiscal Year, and (2) the rate to be charged to Tampa for Water provided through the Tampa Bypass Canal pumping facility during such Fiscal Year.

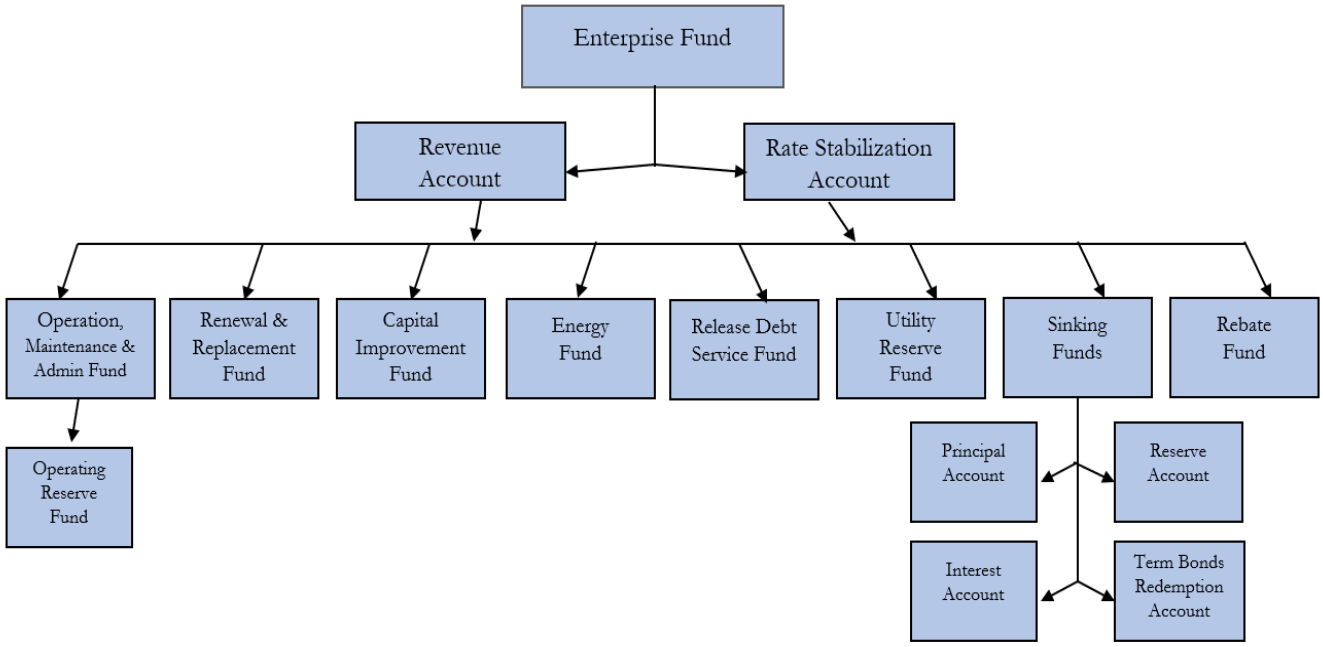
Tampa Bay Water's annual budget is balanced. Our projected revenue covers projected operating costs and other financial requirements for the ensuing fiscal year.

Financial Plan | Fiscal Year 2025

The Financial Plan section provides an overview of Tampa Bay Water's budgetary fund structure and information on revenue and expenditures, as well as capital spending for the budget year.

Funds Structure Overview

Tampa Bay Water consists of one major Enterprise Fund, which is further broken down into additional funds and accounts for accounting purposes.



- The **Revenue Account** is the initial depository for all Agency revenue. Revenue is transferred to other funds as required.
- The **Rate Stabilization Account** is funded and used by the annual budget and/or Board approved transfers, including funding of the Revenue Account.
- The **Operation, Maintenance, and Administration Fund** is used to pay all operating and administrative costs of the Agency. The Operation, Maintenance and Administration Fund includes the *Operating Reserve Fund*.
- The **Renewal and Replacement Fund** is used for repairs and replacement of the System as the need arises and as approved by the Board.
- The **Capital Improvement Fund** is used to pay costs of various capital projects as designated and approved by the Board.
- The **Energy Fund** is used for various energy projects as designated and approved by the Board.
- The **Released Debt Service Fund** is used to pay costs of various capital projects as designated and approved by the Board.
- The **Utility Reserve Fund** is used for transfers in of any unexpended funds remaining at the end of a fiscal year. The fund balance is maintained at a balance sufficient to meet bond coverage requirements and operating capital needs. The Utility Reserve may be used for any lawful purpose relating to the System, including funding of the Rate Stabilization Account.

- The **Sinking Funds** holds all Agency funds restricted to payment of Agency debt. The Sinking Funds consists of four (4) accounts: ***Interest Account, Principal Account, Reserve Account and Term Bonds Redemption Account.*** The Interest, Principal, and Redemption Accounts are funded annually from Revenues and are used annually to pay debt service. The Reserve Account is fully funded from bond proceeds and generally changes only when new debt is issued, or an outstanding bond issue is redeemed.
- The **Rebate Fund** is used for rebatable arbitrage to the IRS, whenever interest on tax-exempt bond construction funds exceeds allowable earnings under IRS arbitrage regulations.

Reserves and Restricted Funds

Tampa Bay Water maintains the following funds and accounts to comply with requirements of the financing documents and the Master Water Supply Contract.

Operating Reserve

Tampa Bay Water maintains Operating Reserve Funds. The amount of Operating Reserve Funds shall not exceed an amount equal to two times the monthly average Variable Costs as provided in Tampa Bay Water's annual budget. Investment earnings on the Operating Reserve remain in the account until the funding requirement is fully met and then may be used for any lawful purpose.

The Operating Reserve balance on October 1, 2024, is estimated to be $6,163,862. This is two months of the fiscal year 2024 estimated variable costs of $36,983,172. A transfer of $1,400,981, which is about 23% of the fund balance will be made from the Rate Stabilization account at the beginning of fiscal year 2025 to bring the Operating Reserve to a level equal to two months of increased variable costs in fiscal year 2025 of $45,389,055.

Renewal and Replacement Fund

Tampa Bay Water is required to maintain an amount equal to five (5) percent of the prior fiscal year's Gross Revenues or such other amount as is certified by the Consulting Engineer. These funds are available to be used for repair and/or replacement of the System as the need arises. Investment earnings in the Renewal and Replacement Fund remain in the fund until the funding requirement is met. Investment earnings more than the funding requirement are deposited into the Revenue Fund and are available for any lawful purpose.

The Renewal and Replacement fund balance on October 1, 2024, is estimated at $15,524,041. Tampa Bay Water has developed a Renewal and Replacement Program that identifies all critical components of the water delivery system and assists in developing a schedule for replacing or improving components to maintain the reliability of the system. The current estimate for program projects scheduled during 2025 is $622,021, which is about 4% of the beginning fund balance. The small change in the fund balance is a result of Tampa Bay Water focusing on two large water supply projects, the South Hillsborough Pipeline, and the Surface Water Treatment Plant Expansion.

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Capital Improvement Fund

Capital Improvement charges collected, or other funds received which are designated by the Board as Capital Improvement Funds are deposited to this fund. Investment earnings are deposited into the Revenue Fund and are available for any lawful purpose. The Capital Improvement Fund balance on October 1, 2024, is estimated at $14,419,148. The current estimate for Capital Improvement program projects scheduled during 2025 is $3,017,200, which is about 21% of the beginning fund balance.

Energy Fund

Funds generated from an agreement with Tampa Electric's (TECO) Commercial Demand Response Program Provider, Enel X, and reimbursement from Withlacoochee River Electric Cooperative (WREC) are used to fund projects which result in an energy savings to Tampa Bay Water. Investment earnings are deposited into the Revenue Fund and are available for any lawful purpose. The Energy Fund balance on October 1, 2024, is estimated at $1,378,073. No projects are scheduled during 2025 in the Energy fund.

Released Debt Service Fund

Upon the issuance of the Series 2022 Bonds, the maturity of the agency's total outstanding bonds was extended to Fiscal Year 2053. Therefore, the Debt Service Reserve account requirement changed from the Maximum Annual Debt Service for all outstanding bonds to 125% of the average Annual Debt Service for all outstanding bonds reducing the required balance of the Debt Service Reserve Fund and releasing reserve funds for funding the Capital Improvement Program. The Released Debt Service Fund balance on October 1, 2024, is estimated at $13,162,981. The current estimate for Capital Improvement program projects scheduled using Released Debt Service Funds during 2025 is $12,659,236, which is about 96% of the beginning fund balance.

Utility Reserve Fund

Tampa Bay Water is required to transfer any unexpended funds remaining at the end of each fiscal year to the Utility Reserve Fund. The fund balance must be sufficient to cover 10% of the yearly budgeted Gross Revenues and is maintained at balances sufficient to meet bond coverage requirements. The Utility Reserve Fund may be used for any lawful purpose relating to the System. Investment earnings more than the reserve requirement are deposited into the Revenue Fund and are available for any lawful purpose. The estimated account balance on October 1, 2024, is $30,148,170.

Sinking Fund – Interest and Principal Accounts

Funds collected to pay annual interest and principal on debt are deposited into the accounts and expended for debt service payments as they come due. Investment earnings more than the funding requirement are deposited into the Revenue Fund and are available for any lawful purpose. Funds in the account at the end of the fiscal year are used to pay debt due on October 1st of the new fiscal year. The estimated account balance on October 1, 2024, is $60,199,721.

Sinking Fund Debt Service Reserve Account

Tampa Bay Water is required to fund and maintain an amount equal to the lesser of maximum annual aggregate debt service coming due in any fiscal year or 125% of the average annual debt service over the life of the Bonds outstanding. These funds may be used only to satisfy an insufficiency in the Debt Service Reserve until such time as the Bonds are paid off. When the amount of cash in the Reserve Account together with other amounts in the Debt Service Accounts, are sufficient to fully pay all outstanding Bonds in accordance with their terms, the funds on deposit in the Reserve Account may be used for payment of the Bonds. This reserve is fully funded. Investment earnings more than the reserve requirement are deposited into the Revenue Fund and are available for any lawful purpose. The estimated account balance on October 1, 2024, is $48,411,045.

Rebate Fund

Interest earned on Construction Funds which exceeds allowable earnings under IRS arbitrage regulations may result in a rebate liability to the IRS. When a liability for arbitrage rebate is incurred, funds owing to the IRS are placed in the Rebate Fund. These funds and interest earned remain in the fund until the liability to the IRS is satisfied.

Rate Stabilization Account

The Rate Stabilization Account is funded from amounts established by the annual budget or approved by the Board. The fund is used to maintain changes in the Uniform Rate at more consistent levels. Investment earnings are deposited into the Revenue Fund and are available for any lawful purpose.

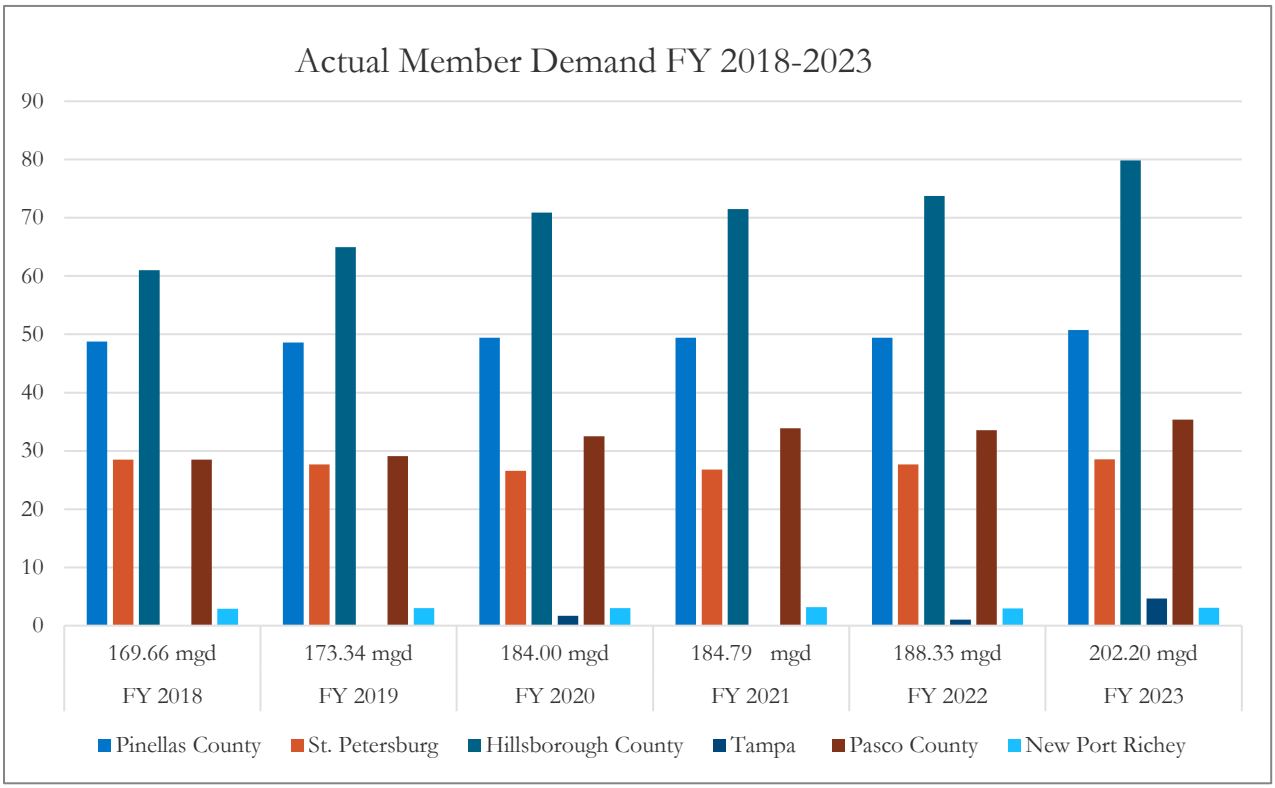
The Rate Stabilization account balance on October 1, 2024, is estimated at $34,603,080 and is available for reduction of current and future year rates to the extent that it has not been designated by the Board for specific purposes including unanticipated legal and mitigation costs. A transfer of $1,400,981 will be made to the Operating Reserve account to bring it equal to two months of the fiscal year 2025 variable costs. A withdrawal of $5,641,608, equal to the estimated amount of unexpended 2024 funds, will be withdrawn from the account and will carry-forward into fiscal year 2025. In addition, $766,476 will be transferred from the Rate Stabilization account into fiscal year 2025 as approved by the Board. The estimated fiscal year 2025 unencumbered funds of $6,010,721, will be transferred into the Rate Stabilization fund to be carried forward into fiscal year 2026. Unexpended funds available for carryforward are deposited into the Rate Stabilization account at year-end and then withdrawn from the account the following fiscal year.

Projected Changes in Fund Equity – Fiscal Year 2025 Budget

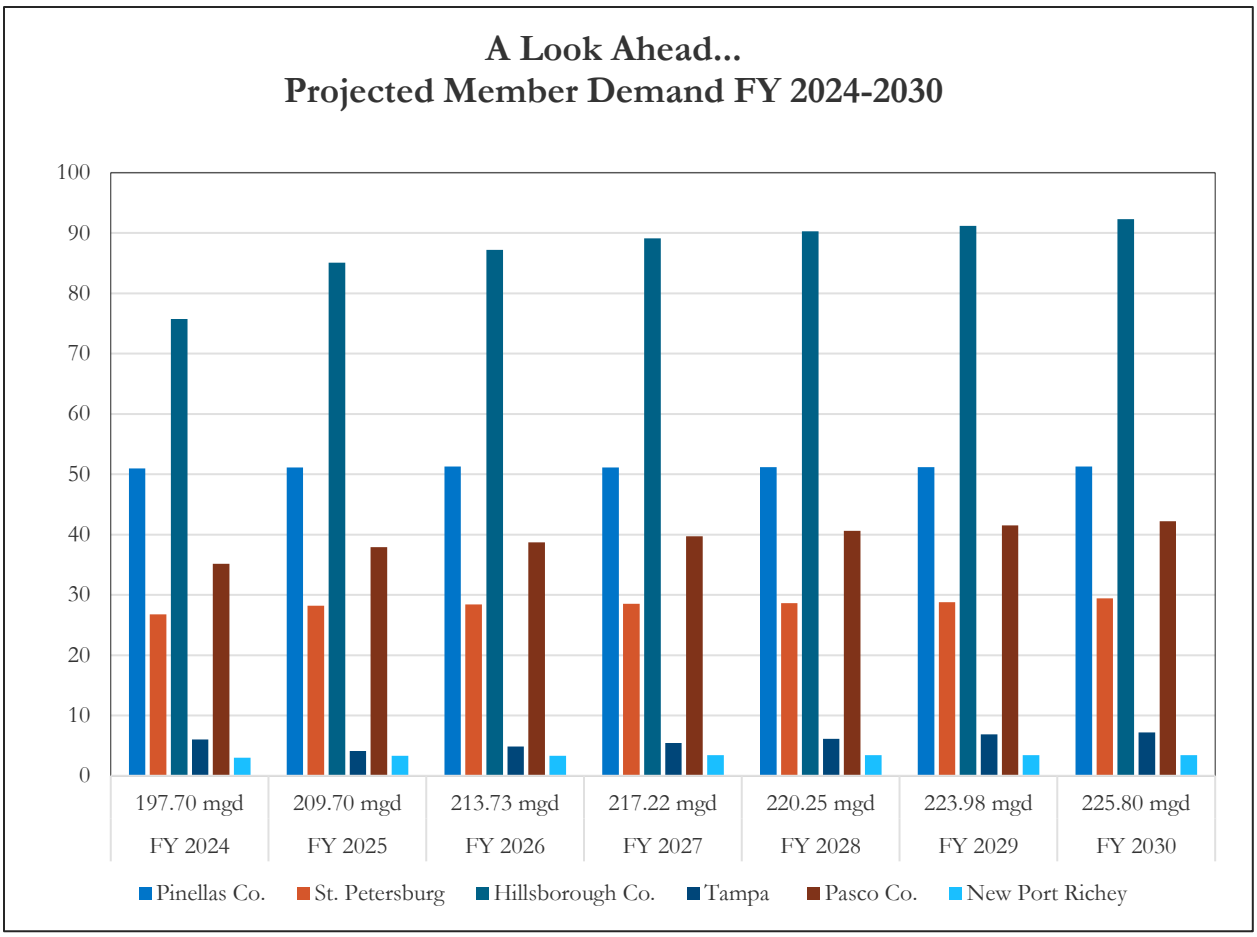
Estimated	Operations	Operating Reserve	Renewal & Replacement Fund	Capital Improvement Fund	Energy Fund	Released Debt Service Fund	Utility Reserve Fund	Sinking Fund (Interest/ Principal)	Sinking Fund (Debt Service Reserve)	Rebate Fund	Rate Stabilization Account	Total Enterprise Funds
Beginning Balance	$11,457,090	$6,163,862	$15,524,041	$14,419,148	$1,378,073	$13,162,981	$30,148,170	$60,199,721	$48,411,045	$ -	$34,603,080	$235,467,212
Revenues												
Water Sales	200,357,357											200,357,357
Water Sales – Tampa Bypass Canal	392,000											392,000
Interest Earned	5,033,012											5,033,012
Lake Bridge O&M – Pasco	42,000											42,000
Grants	398,000											398,000
Expenditures												
Fixed Costs	(83,929,804)											(83,929,804)
Variable Costs	(45,389,055)											(45,389,055)
Debt Service – Bonds								(74,956,740)				(74,956,740)
Debt Service – Acquisition Credits	(10,231,558)											(10,231,558)
Water Quality Credits	(48,000)											(48,000)
Capital Project Expenditures												
Capital Improvement Projects				(3,017,200)								(3,017,200)
Renewal & Replacement Projects			(622,021)									(622,021)
Energy Projects												-
Released Debt Service Projects						(12,659,236)						(12,659,236)
Interest/Principal Accounts	(73,032,037)							73,032,037				-
Rate Stabilization Account	397,363	1,400,981									(1,798,344)	-
Ending Balance	**$5,446,368**	**$7,564,843**	**$14,902,020**	**$11,401,948**	**$1,378,073**	**$503,745**	**$30,148,170**	**$58,275,018**	**$48,411,045**	**$ -**	**$32,804,736**	**$210,835,967**

Financial Planning and Trends

The Master Water Supply Contract requires Agency Members to annually provide a five-year estimate of projected water service demand for their respective service areas. Additionally, the Agency utilizes various demand forecasting tools to provide five-year water service demand projections for its Members' service areas. These projections take into consideration relevant factors such as historical rainfall patterns, demographics, population growth, and conservation measures. This information is utilized by management in developing the annual budget and five-year budget projections.



The Tampa Bay Region began to see an upturn in growth starting in 2016, largely within Hillsborough and Pasco County's service areas. Pinellas County's demand decreased slightly when the county lost wholesale water customers. In the past five years, the City of Tampa purchased an average of 1.48 million gallons per day from Tampa Bay Water. In 2018, the city was able to supply their service area without purchasing any water from Tampa Bay Water.



Tampa Bay Water provides regional water demand forecasts for its six-member governments to project the amount of water supply needed within Tampa Bay Water's service area. The agency's Long-term Demand Forecasting models are designed primarily for the purpose of long-term planning and forecasting over a 20-30-year horizon.

Member demand for fiscal year 2024 and future demand projections are based on average rainfall years. It is also projected that economic growth will be moderate resulting in gradual population growth and economic development for the Tampa Bay Region.

Below is the projected member government demands for fiscal year 2024 through fiscal year 2030 in million gallons per day (mgd) and in percentage of overall demand for the fiscal year.

	Hillsborough Co.	Tampa	Pasco Co.	New Port Richey	Pinellas Co.	St. Petersburg	Total
FY24-mgd	75.77	6.00	35.17	3.00	50.98	26.78	**197.70**
FY24-%	38.3%	3.0%	17.8%	1.5%	25.8%	13.5%	**100%**
FY25-mgd	85.10	4.10	37.90	3.30	51.10	28.20	**209.70**
FY25-%	40.6%	2.0%	18.1%	1.6%	24.4%	13.4%	**100%**
FY26-mgd	87.20	4.83	38.70	3.30	51.30	28.40	**213.73**
FY26-%	40.8%	2.3%	18.1%	1.5%	24.0%	13.3%	**100%**
FY27-mgd	89.10	5.42	39.70	3.40	51.10	28.50	**217.22**
FY27-%	41.0%	2.5%	18.3%	1.6%	23.5%	13.1%	**100%**
FY28-mgd	90.30	6.15	40.60	3.40	51.20	28.60	**220.25**
FY28-%	41.0%	2.8%	18.4%	1.5%	23.2%	13.0%	**100%**
FY29-mgd	91.20	6.88	41.50	3.40	51.20	28.80	**222.98**
FY29-%	40.9%	3.1%	18.6%	1.5%	23.0%	12.9%	**100%**
FY30-mgd	92.30	7.20	42.20	3.40	51.30	29.40	**225.80**
FY30-%	40.9%	3.2%	18.7%	1.5%	22.7%	13.0%	**100%**
FY24-FY30 Total mgd	610.97	40.58	275.77	23.20	358.18	198.68	**1,507.38**
FY24-FY30 Total %	40.5%	2.7%	18.3%	1.5%	23.8%	13.2%	**100%**

Long-term Master Water Plan

The Agency's original Master Water Plan was approved in December of 1995 and was ratified and confirmed as a planning document in the Amended & Restated Interlocal Agreement. The Tampa Bay Water Board of Directors approves projects for implementation that are environmentally sustainable, technically sound, and economically feasible. In November 1998, the Board approved System Configuration I of the Master Water Plan for implementation. This $680 million program was co-funded by the Southwest Florida Water Management District (District) in the amount of $183 million and included the addition of surface water and desalinated seawater to the Tampa Bay Water system.

In 2011 the System Configuration II of the Master Water Plan was completed. This program involved expanding the treatment and pumping capacity of Tampa Bay Water's Regional Surface Water Treatment system. The District, the Tampa Bay-area Basin Boards, and the State funded $122 million of the $226 million System Configuration II capital costs.

In August 2022, the Board selected the expansion of the existing Surface Water Treatment Plant from the Long-Term Master Water Plan update in 2018, for implementation by 2028, as the next water supply and treatment capacity project to meet the region's future water supply needs. This project will increase the Agency's annual average yield of existing surface water supplies by 10 to 12.5 million gallons per day. The expansion of the existing Surface Water Treatment Plant had the highest overall score and the highest score in both the environmental stewardship and cost criteria, along with the second highest score for the reliability criteria. This project helps achieve goal number one of the Agency's Strategic Plan, Water Supply – Delivery Quality Water and Enhance System Reliability and Sustainability.

The original Master Water Plan also included public information and involvement along with a demand management component to reduce anticipated potable demand across the region. Tampa Bay Water worked closely with its member governments to ensure that projected annual average potable demand was reduced by 10 million gallons per day by 2000, and that a total potable demand reduction of 18 mgd was achieved by 2005. Additional reduction of projected demand by 6 mgd due to active potable conservation programs was achieved through 2018, to a total of at least 24 mgd for the region (actual demand reductions can occur through both active and passive savings). In 2018, the Board approved the implementation of the regional 2018 Demand Management Plan. The Demand Management Plan identifies potential conservation initiatives of around 3.8 mgd that could further delay the need for new regional supply.

Every five years an update to the Long-Term Master Water Plan is conducted to identify when new water supplies will be needed over the next twenty years to meet the Member Government's projected demands. The Long-Term Master Water Plan helps achieve Goal one of the Agency's Strategic Plan. The latest update to the Long-Term Master Water Plan was completed in 2023 and included an updated assessment of Tampa Bay Water's demand projections versus the current and expanded 2028 water supply capacity. The 2023 update of the Plan identified that:

- Approximately 25 million gallons per day (mgd) of new supplies will be required by 2043, and
- Approximately 10 to 20 mgd of new supplies will be needed as early as Fiscal Year 2033.

By approving the Long-Term Master Water Plan 2023, the Board directed that the Agency conducts feasibility studies on the seven short-listed water supply concepts/projects identified in the Plan and recommended further study. Those concepts/projects are:

- Eastern Pasco Wellfield
- Consolidated Water Use Permit Increase
- North Pinellas Surface Water Treatment Plant and Reservoir
- Tampa Bay Seawater Desalination Expansion
- Surface Water Treatment Plant at the C.W. Bill Young Regional Reservoir
- South Hillsborough Surface Water Treatment Plant and Reservoir
- South Hillsborough Wellfield

Detailed feasibility evaluations on these projects will be conducted and multiple configurations will be evaluated and scored using the Board approved ranking framework and criteria: environmental stewardship, cost, and reliability. The next water supply project(s) will be selected no later than November 2027, and will follow with detailed design.

The approved Long-Term Master Water Plan 2023 update also included initiating the developmental alternatives program. Developmental alternatives are water supply options that may require sophisticated technologies, that do not have a current regulatory framework for permitting, or that require more long-term analysis and study. As technology advances and processes develop, the cost of an alternative may decline or permitting uncertainties may be resolved.

As concepts were developed and evaluated for the 2023 Long-term Master Water Plan update, and potable reuse was considered as a source, it was determined that potable reuse was a candidate for becoming a Developmental Alternative. Through the water supply concept coarse screening process, four reuse options scored highly for environmental sustainability, system integration and expansion potential, yield reliability, and regional system impacts, but did not advance to fine screening due to uncertainties related to regulation, permitting, public reception, lifecycle costs and cost risk factors.

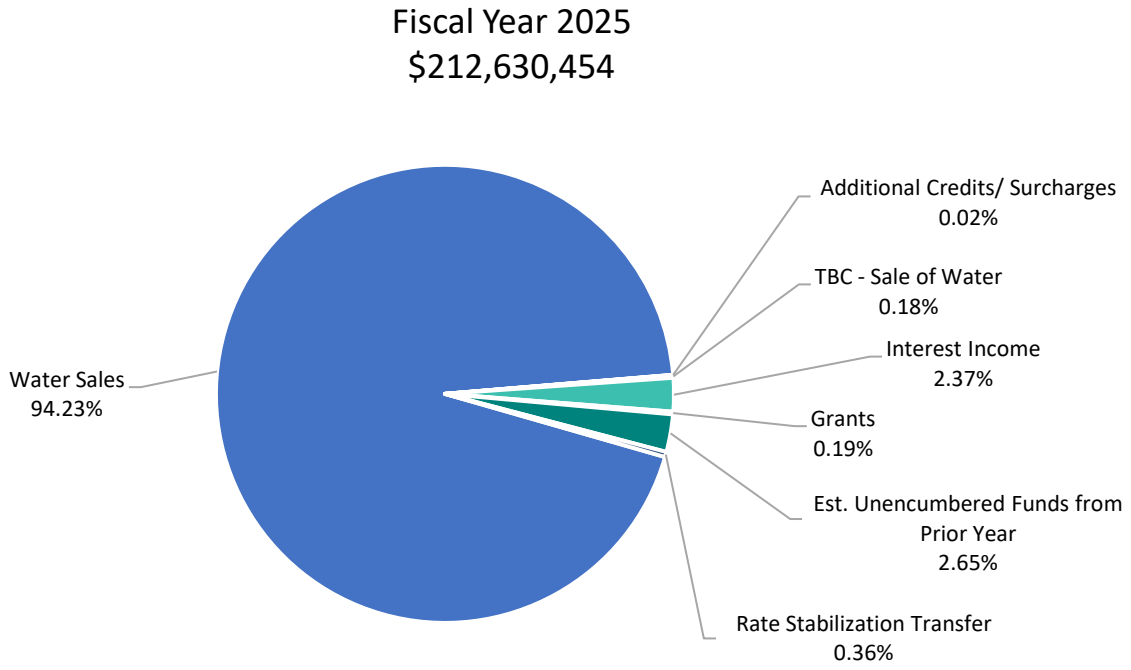
While these options did not receive high enough rankings to move forward to fine screening and feasibility assessments, with further development, their viability could increase, making them more feasible for consideration as future water supply options.

By adding reclaimed water project options to the current Long-term Master Water Plan as developmental alternatives, Tampa Bay Water can continue studying these options to meet future potable water demands. The agency and its consultants will continue to explore possible implementation strategies, which may include conducting pilot studies to further understand and confirm treatment requirements and water quality. This also allows time for new rules to be promulgated, so the current uncertainty surrounding options involving direct and indirect potable reuse can be resolved.

Revenues

The Agency's primary revenue source is sale of water to its six-member governments. The Master Water Supply Contract establishes a budget process through which the Agency establishes an annual Uniform Rate which is charged to the Members. A fixed cost component of the rate is established and billed monthly to recover the defined fixed costs of the Agency based on the Members' pro rata share of production. A variable cost component of the rate is established and billed monthly based on the current month's production to recover the defined variable operating costs: primarily power, chemicals, and purchased water. Contract terms require that rates collected be sufficient to pay the annual water system operating and maintenance costs, annual debt service, and purchase of operating equipment, net of other available revenue sources. Rates must also be sufficient to fund required reserves and to provide adequate levels of working capital through the Utility Reserve and Operating Reserve Funds.

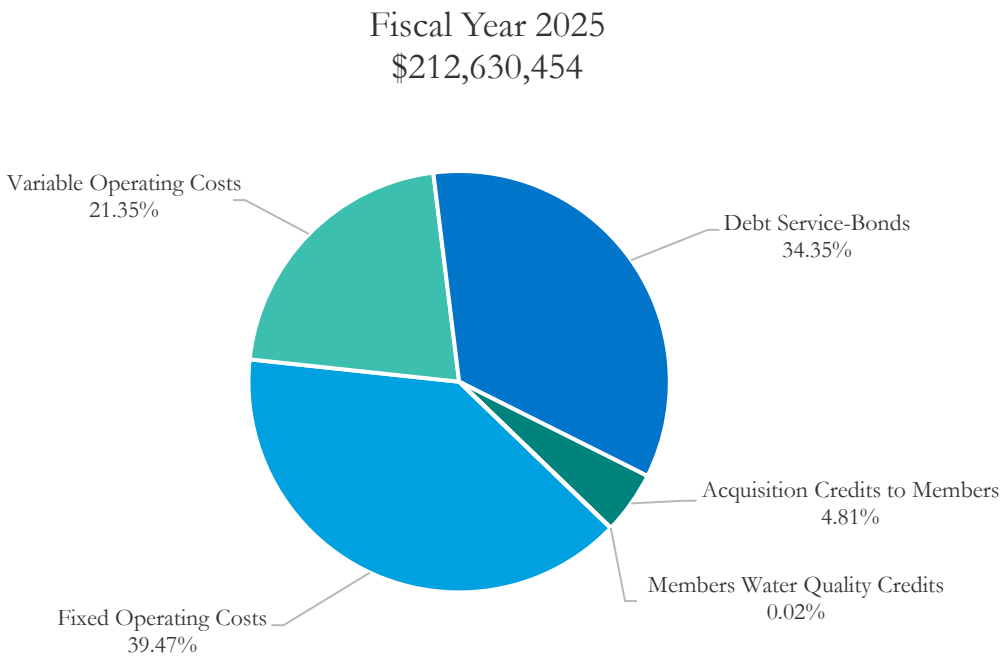
Where the Money Comes From …



Expenditures

Expenditure levels are established annually for operating and maintenance costs based on projected water service demands, permit and compliance requirements, and equipment needs. Expenditures are also budgeted to make debt service payments, to satisfy bond covenant and reserve funding requirements, and to fund capital improvement costs not funded by borrowing or grants. Purchasing is conducted in accordance with the Agency's purchasing policies which prescribe procedures to obtain competitive pricing when appropriate.

Where the Money Goes …



Balanced Budget

Tampa Bay Water's annual budget is balanced. Our projected revenue covers projected operating costs and other financial requirements for the ensuing fiscal year.

Sources and Uses of Funds – Actuals 2023, Approved 2024 and Approved 2025

Enterprise Funds	Actual 2023	Approved 2024	Approved 2025
Sources of Funds			
Water Sales	$ 186,608,205	$ 188,053,606	$ 200,357,357
Additional Credits/ Surcharges	53,205	42,000	42,000
TBC - Sale of Water	326,508	392,000	392,000
Interest Income	3,368,312	5,135,727	5,033,012
Litigation & Insurance Recoveries	12,682	-	-
Grants & Capital Contributions	146,973	398,000	398,000
Miscellaneous Income	506,111	-	-
Subtotal	$ 191.021.996	$ 194.021.333	$ 206.222.369
Transfers In from Rate Stabilization Account	20,453,326	-	766,476
Unencumbered Funds from Prior Year (Note 1)	4,046,205	5,575,433	5,641,609
Total Sources	**$ 215,521,527**	**$ 199,596,766**	**$ 212,630,454**
Uses of Funds			
Personnel Services	$ 23,249,639	$ 25,377,300	$ 26,888,100
Materials & Supplies	3,050,834	3,279,648	3,214,094
Professional Services	30,656,983	34,387,652	35,650,815
Repairs & Other Services	8,204,852	8,204,458	11,342,045
Rent, Leases & Insurance	2,509,929	3,311,226	4,016,750
Legal Services	345,132	750,000	725,000
Capital Expenditures	988,818	1,133,310	2,093,000
Debt Service-Bonds (Note 2)	76,009,062	75,890,443	73,032,037
Debt Service-Member Acquisition Credits	10,231,558	10,231,558	10,231,558
Member's Water Quality Credits	48,000	48,000	48,000
Water Treatment Chemicals -Variable Cost	21,077,915	23,431,064	25,679,820
Power / Electricity -Variable Cost	14,259,095	12,911,320	19,050,635
Water for Resale -Variable Cost	566,350	640,787	658,600
Subtotal	$ 191,198,168	$ 199,596,766	$ 212,630,454
Transfer Out to Capital Improvement Fund	$ 675,000	$ -	$ -
Transfer Out to Renewal & Replacement Fund	276,075	-	-
Transfer Out to Rate Stabilization Account	23,348,989	-	-
Transfer Out to Utility Reserve	23,295	-	-
Total Uses	**$ 215,521,527**	**$ 199,596,766**	**$ 212,630,454**

Note 1: Fiscal Year 2025 unencumbered funds from prior year, are estimated at 3% of the fiscal year 2024 revenue from water sales. Funds transfer through the rate stabilization account at year-end.

Note 2: Series 2024 bond issuance is anticipated to have at least one year of capitalized interest and is not forecasted to impact debt service-bonds for fiscal year 2025.

Sources and Uses of Funds – Budget Projections 2026 through 2030

Enterprise Funds	Budget Projections				
	2026	2027	2028	2029	2030
Sources of Funds					
Water Sales	$ 216,432,075	$ 232,878,554	$ 249,935,209	$ 254,060,523	$ 262,973,820
Additional Credits/ Surcharges	42,000	42,000	42,000	42,000	42,000
TBC - Sale of Water	392,000	392,000	392,000	392,000	392,000
Interest Income	5,094,532	5,110,194	5,139,138	4,863,463	4,964,328
Grants & Capital Contributions	500,000	500,000	500,000	500,000	500,000
Subtotal	$ 222,460,607	$ 238,922,748	$ 256,008,347	$ 259,857,986	$ 268,872,148
Transfer In from Rate Stabilization Account	12,500,000	1,500,000	7,500,000	-	-
Unencumbered Funds from Prior Year (Note 1)	6,010,721	6,492,962	6,986,357	7,498,056	7,621,816
Total Sources	**$ 240,971,328**	**$ 246,915,710**	**$ 270,494,704**	**$ 267,356,042**	**$ 276,493,964**
Uses of Funds (Note 2)					
Personnel Services	$ 28,232,504	$ 29,644,131	$ 31,126,337	$ 32,682,654	$ 34,316,786
Materials & Supplies	3,310,517	3,409,832	3,512,128	3,617,491	3,726,016
Professional Services	36,720,339	37,821,950	38,956,608	40,125,306	41,329,066
Repairs & Other Services	11,682,306	12,032,776	12,393,759	12,765,572	13,148,539
Rent, Leases & Insurance	4,137,253	4,261,370	4,389,211	4,520,888	4,656,514
Legal Services	746,750	769,153	792,227	815,994	840,474
Capital Expenditures	2,155,790	2,220,464	2,287,078	2,355,690	2,426,361
Debt Service-Bonds (Note 3)	95,092,889	95,098,141	110,889,423	111,397,986	114,532,351
Debt Service-Members Acquisition Credits	10,231,558	10,231,558	10,231,558	-	-
Member's Water Quality Credits	48,000	535,000	535,000	535,000	48,000
Water Treatment Chemicals - Variable Cost	27,128,388	28,470,107	31,530,915	33,330,346	34,880,859
Power / Electricity - Variable Cost	20,806,676	21,722,519	23,130,790	24,467,855	25,825,500
Water for Resale - Variable Cost	678,358	698,709	719,670	741,260	763,498
	$ 240,971,328	$ 246,915,710	$ 270,494,704	$ 267,356,042	$ 276,493,964
Transfer to Capital Improvement Fund	-	-	-	-	-
Transfer to Renewal & Replacement Fund	-	-	-	-	-
Transfer to Rate Stabilization Account	-	-	-	-	-
Total Uses	**$ 240,971,328**	**$ 246,915,710**	**$ 270,494,704**	**$ 267,356,042**	**$ 276,493,964**

Note 1: Unencumbered funds from prior year are estimated at 3.0% of prior year revenue from water sales. Funds transfer through the rate stabilization account at year end.
Note 2: An inflation rate range of 3% to 5% is used for future cost projections, except for debt service and water quality credits. Variable cost projections are also modified to include projected demand and supply source.
Note 3: Projections for Debt Service-Bonds incudes anticipated future debt issuances when appropriate.

Explanation of Significant Operating Expenditures Variances

Budget Category	Approved 2024	Approved 2025	Variance +/-	Explanation
Personnel Services	$ 25,377,300	$ 26,888,100	$1,510,800	Health Insurance Increase, FRS Increase, 3 new FTE, 3% COLA and up to 3% Merit increase
Materials & Supplies	3,379,648	3,214,094	(65,554)	
Professional Services	34,387,652	35,650,815	1,263,163	Algae Study Project, monitoring programs, management & performance audit, and operations & maintenance agreements
Repairs & Other Services	8,204,458	11,342,045	3,137,587	Repair & replacement tasks and increased costs
Rent & Insurance	3,311,226	4,016,750	705,524	Property insurance premiums increase
Legal Services	750,000	725,000	(25,000)	
Capital Expenditures	1,133,310	2,193,000	959,690	Recarpet & repaint IEM bldg., Lab bathroom remodel, and capital purchases detailed in the charts below
Debt Service-Bonds	75,890,443	73,032,037	(2,858,406)	
Member's Acquisition Credits	10,231,558	10,231,558	-	
Member's Water Quality Credits	48,000	48,000	-	
Water Treatment Chemicals -Variable Cost	23,431,064	25,679,820	2,248,756	Increase in demand and unit prices
Power / Electricity – Variable Cost	12,911,320	19,050,635	6,139,315	Increase in demand and increase usage of Desalination Plant
Water for Resale – Variable Cost	640,787	658,600	17,813	
Total Operating Expenses	$ 199,596,766	$212,630,454	$13,033,688	

The approved budget for 2025 operating expenses increased $13,033,688 from the approved 2024 budget.

The $1.5 million increase in Personnel Services is due to increases in health insurance and Florida Retirement System contributions, plus a 3% cost-of-living adjustments (COLA), performance-based merits, up to 3%, and the addition of three positions.

Professional Services increased by $1.3 million partially due to increases in the Operations & Maintenance Agreements for the Surface Water Treatment Plant and the Desalination Facility. Other expenditures contributing to the increase are the management and performance audit that is required every five years, some monitoring programs, and an algae study project.

The largest fixed cost increase is in Repairs and Other services for a total increase of $3.1 million. This is due to increased costs for fencing, tree trimming, HVAC repairs and painting. Plus, several repair and replacement tasks are being undertaken in fiscal year 2025. These include Cypress Creek Well Field Surface Water improvements, pipe storage maintenance, paving, security camera repairs, GST repairs, pipeline repairs and ERP remediation.

The increase in Rent and Insurance is due to an anticipated large increase in property insurance premiums.

Capital expenditures increase by $1 million and partially due to repainting and recarpeting the Cypress Creek IEM building, plus an increase in capital purchases which are detailed in the charts below.

The $2.2 million increase in Water Treatment Chemicals is due to the large increase in demand of 12.0 mgd and increases in unit costs for chemicals.

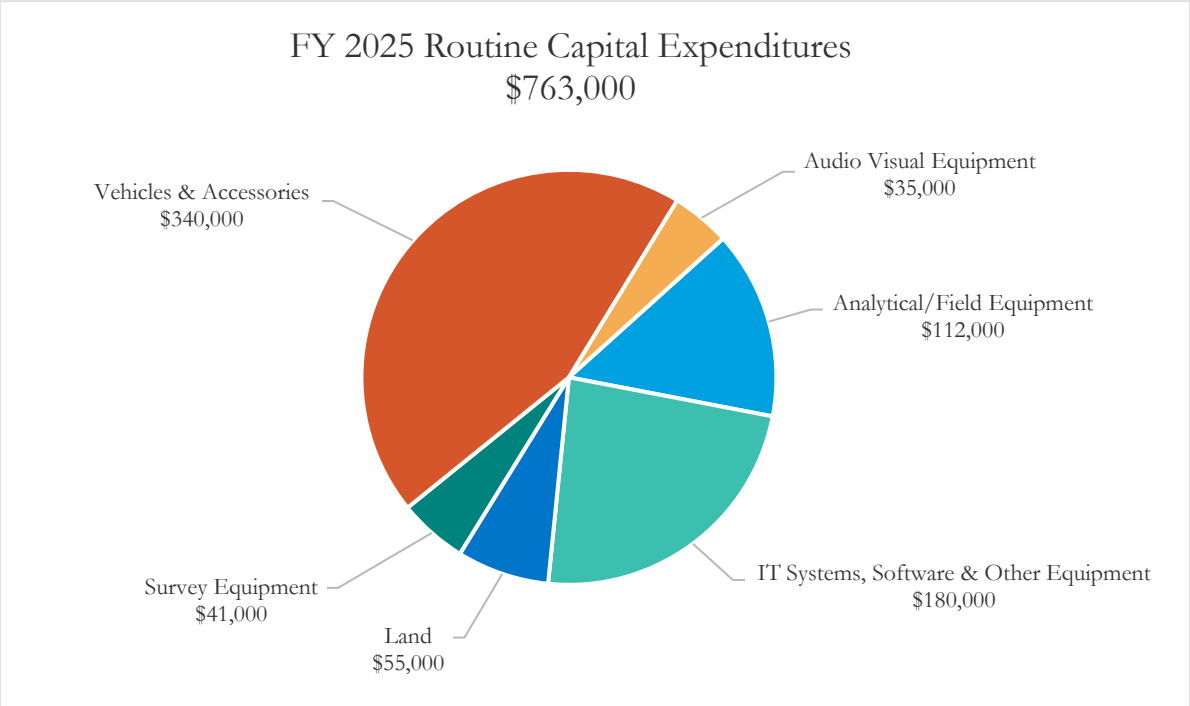
Electricity increases by $6.1 million due to the 12.0 mgd increase in demand and the increased usage of the Desalination Plant from 4.0 mgd in fiscal year 2024 to 12.0 mgd in fiscal year 2025.

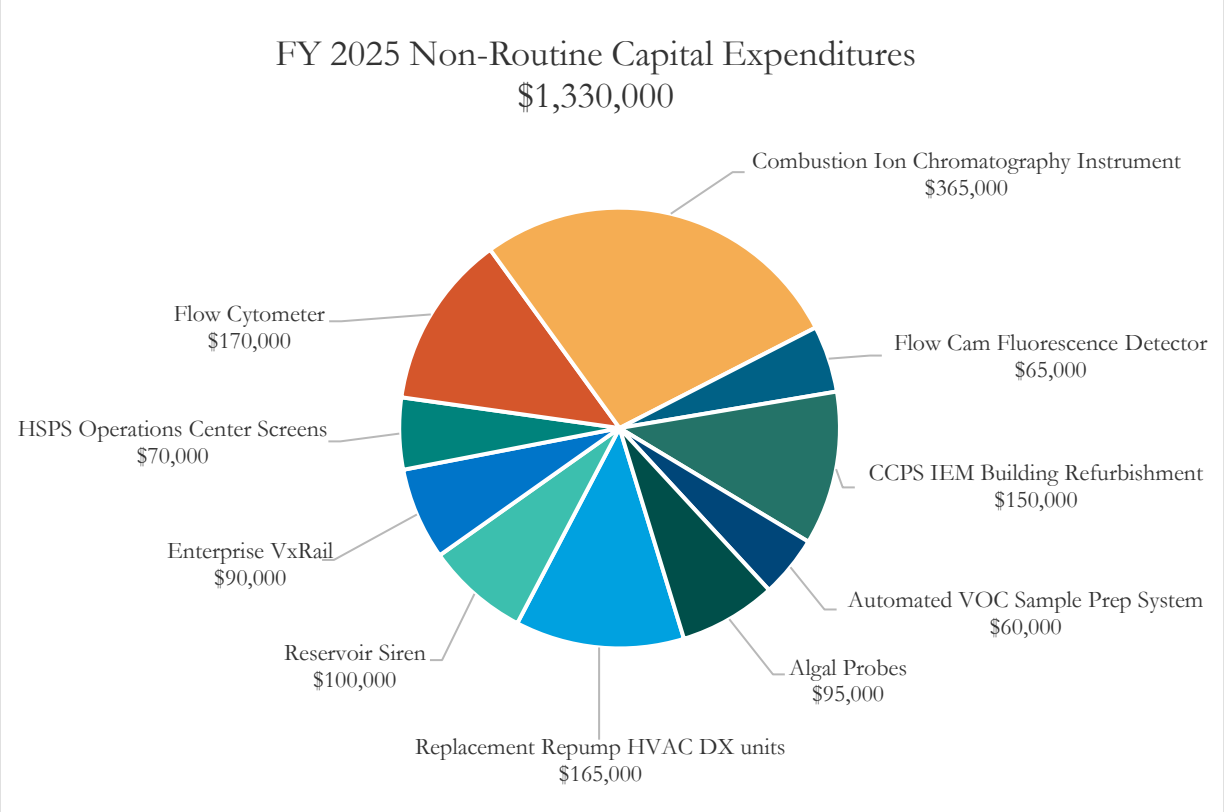
Capital Expenditures

It is Tampa Bay Water's policy to capitalize property and equipment having an original cost greater than $5,000 and an estimated useful life longer than one year. Property and equipment routinely capitalized includes land, buildings and their structural components, vehicles, machinery, electronic and communication equipment, tools, office equipment, and furniture.

The 2025 operating budget includes $2,093,000 for Capital Expenditures of which $763,000 is considered routine capital expenditures and $1,330,000 is considered non-routine capital expenditures.

The following charts summarize routine capital expenditures and non-routine capital expenditures budgeted for fiscal year 2025 through the Uniform Rate.





Annual Rate Setting & Member Costs

Fiscal Year 2025

The Annual Rate Setting and Member Costs section provides summarized information and schedules including current and projected rates and Member costs. Charts and graphs are provided that depict the components of the budget and the rate impacts. Separate charts and schedules are provided for each Member Government to assist them in the planning and coordination of their budgets and financial obligations associated with Tampa Bay Water's contracts.

This section presents a summary of the budgeted components which make up the approved Uniform Rate and the way each Member will be invoiced for water purchased in 2025.

Overview

The "Uniform Rate" is the uniform dollars per 1,000 gallons wholesale rate charged to the Member Governments for the supply of water through a Fixed Cost and Variable Cost component. The Uniform Rate is based upon the annual estimate and the projected quantity of water expected to be delivered to customers. The only exception to the Uniform Rate for water supply is the rate charged to the City of Tampa for water supplied from the Tampa Bypass Canal. The annual True-up required by the Master Water Supply Contract provides for a year end adjustment in the Fixed Costs component of bills paid during the fiscal year. Each member's pro-rata share of the Annual Estimate of Fixed Costs in effect during the fiscal year is adjusted based on the actual quantity of Quality Water delivered. Any adjustments are payable within sixty days of determination.

The Amended and Restated Interlocal Agreement includes provisions for two credits which are currently being applied against charges to Member Governments for water service. The annual credit for the debt service amortization for Tampa Bay Water's purchase of the Members' water supply facilities is the most significant credit. This credit is applied to the Member Governments' water bills. The credit is reflected in the budget as an annual debt service cost and is also reflected as a credit against the member's cost to purchase water. The annual debt service/credit is computed on a 30-year amortization of the net purchase price, compounded semiannually at 4.865%. The aggregate annual debt service cost/credit is $10,231,558. Additional annual credits consist of a credit for the actual direct costs of water treatment. In the event water delivered to Member Governments does not meet specifications for quality water in relation to hydrogen sulfide removal, a credit for hydrogen sulfide treatment is applied. Hydrogen sulfide was and remains an issue for the existing groundwater system, but not for the new supply sources. The water quality credit for hydrogen sulfide treatment affects the City of New Port Richey, and Hillsborough County. The total annual Water Quality credit for hydrogen sulfide for fiscal year 2025 is $48,000.

The primary source of revenue to Tampa Bay Water is the sale of quality water to our members. The projected revenue requirements must cover operation and maintenance expenses, debt service payments, bond coverage, required deposits to reserves, and capital expenditures. Revenue from sale of water and unrestricted interest income fund the operating and maintenance costs of Tampa Bay Water. Water sales for fiscal year 2025 are budgeted at $200,357,357. Interest income available for operations is estimated to be $5,033,012. It is estimated that $5,641,608 of unencumbered monies from fiscal year 2024 will be transferred through the Rate Stabilization account for use in fiscal year 2025 and $766,476 will be transferred from the Rate Stabilization Account to minimize the impact on the uniform rate. The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .195 per 1,000 gallons for 2025.

Rate Setting

Pursuant to the Master Water Supply Contract, Tampa Bay Water establishes an Annual Estimate based on Tampa Bay Water's budget for the ensuing fiscal year, which sets forth the expected cost of providing water service to Member Governments. Tampa Bay Water is required to develop the Rate ($/1,000 gallons), based on the Annual Estimate and the projected quantity of Quality Water to be delivered to Member Governments during the ensuing fiscal year. In accordance with the provisions of the Interlocal Agreement, a separate rate, based on actual costs incurred and allocated overhead, is charged to the City of Tampa for water supplied from the Tampa Bypass Canal.

The Uniform Rate to be charged in a fiscal year to the Member Governments for water service may include the following components:

Operation, Maintenance and Administrative Costs – These costs are the costs of operating, maintaining, and administering the system in such fiscal year.

Debt Service Charges – Debt Service Charges relating to any of Tampa Bay Water's Obligations are based on principle, redemption premium, if any, and interest coming due on debt in the fiscal year.

Renewal and Replacement Fund – Tampa Bay Water is required to maintain an amount equal to five (5) percent of the prior fiscal year's Gross Revenues or such other amount as is certified by the Consulting Engineer. These funds are available to be used for repair and replacement of the System.

Capital Improvement Charges – These charges are based on the amount identified for capital improvement charges in Tampa Bay Water's Annual Estimate for the fiscal year.

Operating Reserve Funds – These funds are provided in the annual budget to maintain a reserve balance equal to two times the monthly average variable costs as provided in the budget.

Rate Stabilization Fund – Operation, Maintenance and Administrative Costs may be utilized to fund a rate stabilization fund.

Uniform Rate Elements

The Uniform Rate consists of two components: a Fixed Cost component and a Variable Cost component. The Fixed Cost component is designed to recover annual costs and expenses associated with the operation, maintenance, management, security, development, and financing of the System, other than those included as part of the Variable Cost component. The Variable Cost component is designed to recover costs and expenses for the operation, maintenance and management of the System that change in direct proportion to changes in the volume of Quality Water produced by Tampa Bay Water. The Variable Cost component includes, but is not limited to, the costs of power, chemicals, and water purchases.

Fixed Costs

The Uniform Rate calculation is based on the total Net Annual Revenue Requirement for the fiscal year for which the rate is established and the projected amount of Quality Water, in millions of gallons per day, to be delivered to Member Governments during such fiscal year. For the purposes of the Uniform Rate calculation, the Fixed Costs for the fiscal year selected are defined as:

Fixed Costs = Net Annual Revenue Required – Budgeted Variable Costs

The Net Annual Revenue Requirement for the fiscal year selected (also referred to as Annual Estimate for purposes of rate computation) is calculated by making the necessary adjustments to the annual budget requirement. Such adjustments include, but are not limited to, estimated interest income, budgeted transfers from various funds (i.e., Rate Stabilization Account, Operating Reserve Fund, etc.), capitalized interest available for debt service, potential funding assistance from SWFWMD/EPA, and estimated revenues from the sale of surface water to the City of Tampa.

Variable Costs

Pursuant to the Master Water Supply Agreement, Tampa Bay Water is required to establish a variable rate to cover costs associated primarily with power, chemicals, and water purchases. The variable rate ($/1,000 gallons) is defined as the ratio of the total budgeted Variable Costs to the total Net Annual Revenue Requirement, applied to the Uniform Rate.

Variable Rate = (Budgeted Variable Costs/Net Annual Revenue Required) x Uniform Rate

Rate for City of Tampa from Tampa Bypass Canal (TBC)

Pursuant to Section 3.08(D) of the Interlocal Agreement, the rate charged for water delivered to the City of Tampa from the Tampa Bypass Canal (TBC) facility should be equal to Tampa Bay Water's direct cost of operating the TBC and allocated overhead. As part of its annual budget development process, Tampa Bay Water prepares an estimate of direct cost and allocated overhead associated with the Tampa Bypass Canal facility using the projected quantity of water to be delivered to the City of Tampa from the facility during the ensuing fiscal year.

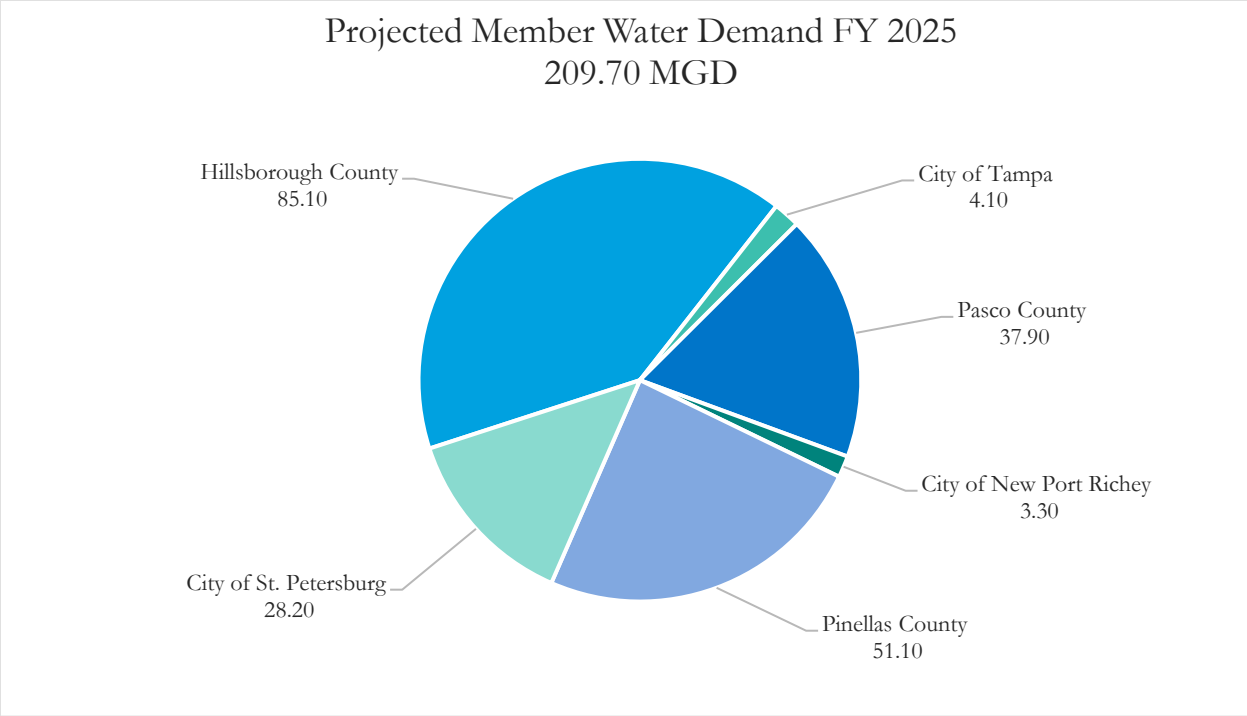
TBC Rate = (Allocated Overhead + Direct Costs) / Quantity of Surface Water (to be delivered)

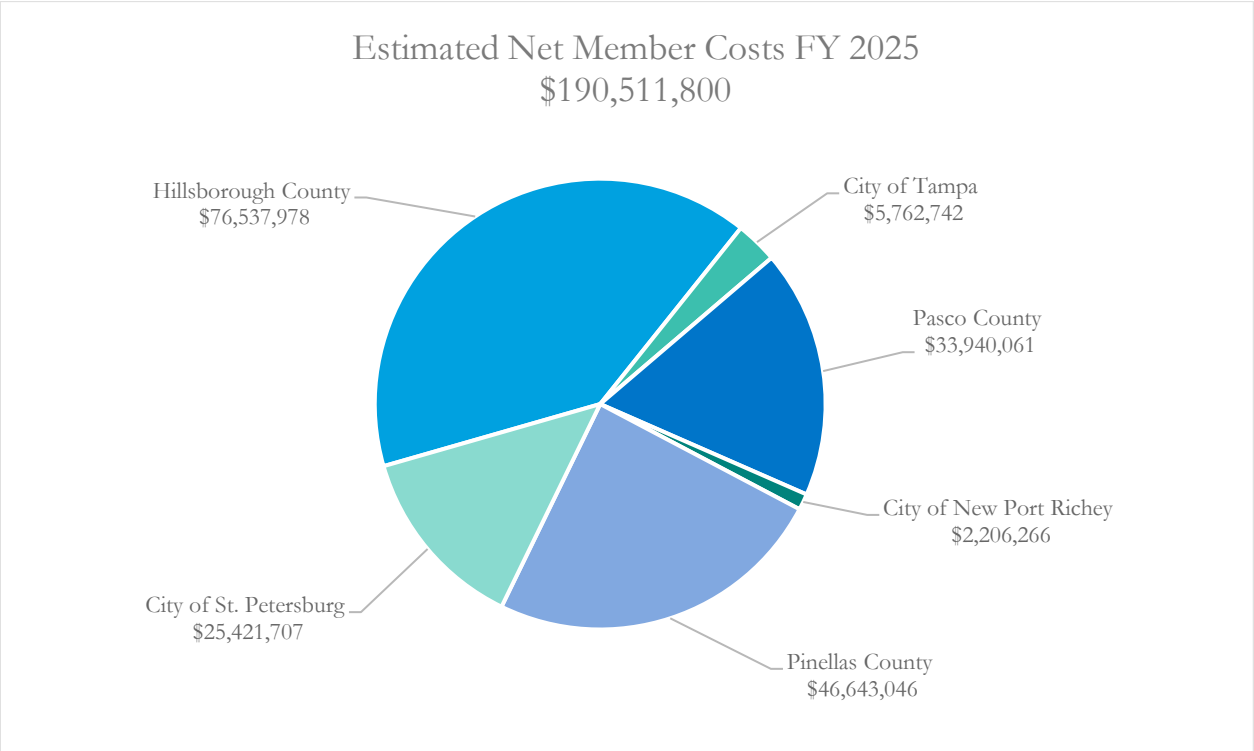
The unit rate for delivery of water to the City of Tampa from the Tampa Bypass Canal facility is presented to the Board for approval as part of the annual budget approval process for the ensuing fiscal year. The rate for 2025 is $.195 ($/1,000 gallons).

		Allocated Overhead		Direct Costs		Estimated MGD
$0.195 per 1,000 gallons	=	433,790	+	250,328	=	9.6 mgd x 365 x 1,000

Other Budget Factors

- For fiscal year 2025, $5,033,012 has been estimated for interest income. Interest income will be applied to offset projected expenditures, to the extent permitted.
- The fund balance in the Operating Reserve will be equal to two times the monthly average variable costs as provided in the budget. A deposit of an estimated $1,400,981 will be transferred from the Rate Stabilization account to the Operating Reserve account on 10/1/2024.
- The Uniform Rate is segregated into Fixed Costs (do not vary because of water production) and billed at 1/12 of total Fixed Costs monthly per Member. The Variable Costs (vary with water production); electricity, chemicals, and water for re-sale; are billed monthly based on actual production.
- Acquired Member facilities are included in this budget as Tampa Bay Water owned supply systems and are being paid for through debt issuance and facility acquisition credits back to Members.
- Water quality standards are established, and costs are budgeted to sustain the standards. Water Quality Credits related to hydrogen sulfide removal for fiscal year 2025 have been established and will be credited to Hillsborough County, and New Port Richey


Projected Member Water Demand FY 2025
209.70 MGD
Hillsborough County
85.10
City of Tampa
4.10
Pasco County
37.90
City of New Port Richey
3.30
City of St. Petersburg
28.20
Pinellas County
51.10


Estimated Net Member Costs FY 2025
$190,511,800
Hillsborough County
$76,537,978
City of Tampa
$5,762,742
Pasco County
$33,940,061
City of New Port Richey
$2,206,266
City of St. Petersburg
$25,421,707
Pinellas County
$46,643,046

Uniform Rates

Please review the notes below the table for important parameters regarding the budget projection amounts.

Cost Category	Approved	Budget Projections				
	2025	2026	2027	2028*	2029	2030
Fixed Operating Costs	$ 83,929,804	$ 86,985,459	$ 90,159,675	$ 93,457,348	$ 96,883,595	$ 100,443,755
Variable Operating Costs	45,389,055	48,613,422	50,891,336	55,381,375	58,539,461	61,469,857
Debt Service - Bonds **(Notes 1, 3)**	73,032,037	74,092,889	74,098,141	76,889,423	77,397,986	77,632,351
Estimated Future Debt Service - Bonds **(Notes 2, 3)**	-	21,000,000	21,000,000	34,000,000	34,000,000	36,900,000
Debt Service - Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	-	-
Water Quality Credits to Members	48,000	48,000	535,000	535,000	535,000	48,000
Total Costs	**$ 212,630,454**	**$ 240,971,328**	**$ 246,915,710**	**$ 270,494,704**	**$ 267,356,042**	**$ 276,493,963**
Adjustments						
Less: Unencumbered Funds from Prior Years **(Note 4)**	(5,641,609)	(6,010,721)	(6,483,207)	(6,986,667)	(7,498,064)	(7,621,833)
Less: Credits/ Surcharges	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)
Less: Revenues from TBC	(392,000)	(392,000)	(392,000)	(392,000)	(392,000)	(392,000)
Less: Interest Earned	(5,033,012)	(5,419,716)	(5,109,616)	(5,138,559)	(4,862,885)	(4,963,750)
Less: Transfer In from Rate Stabilization Account **(Note 5)**	(766,476)	(12,500,000)	(1,500,000)	(7,500,000)	-	-
Less: SWFWMD Grant	(398,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Subtotal	(12,273,097)	(24,864,437)	(14,026,823)	(20,559,226)	(13,294,949)	(13,519,583)
Total Net Revenues Required	**$ 200,357,357**	**$ 216,106,891**	**$ 232,888,887**	**$ 249,935,478**	**$ 254,061,093**	**$ 262,974,380**
Projected Water Demand (mgd) **(Note 6)**	209.70	213.73	217.22	220.25	222.98	225.80
Projected Uniform Water Rate ($/1000 gal.)	**$ 2.6177**	**$ 2.7702**	**$ 2.9374**	**$ 3.1005**	**$ 3.1216**	**$ 3.1908**
Projected Uniform Rate difference over prior fiscal year - $	**$ 0.0188**	**$ 0.1525**	**$ 0.1672**	**$ 0.1631**	**$ 0.0211**	**$ 0.0692**
Projected Uniform Rate difference over prior fiscal year - %	**0.72%**	**5.83%**	**6.03%**	**5.55%**	**0.68%**	**2.22%**
Projected Variable rate per 1,000 gallons	**$ 0.5930**	**$ 0.6232**	**$ 0.6419**	**$ 0.6870**	**$ 0.7193**	**$ 0.7458**
Percentage of uniform rate applied to variable costs	**22.65%**	**22.50%**	**21.85%**	**22.16%**	**23.04%**	**23.37%**

* - Leap Year - uniform rate calculated using 366 days

1 - Debt service reflects the current annual payment structure and **does not** include refunding or restructuring debt options that may be utilized.

2 - Based upon issuance of $420 million in 2024, $260 million in 2026 and $58 million in 2028, with each issuance having 5% interest, one year of capitalized interest, and interest only payments through 2038.

3 - Staff and consultants continually look at options to reduce existing and future debt service impacts on the uniform rate.

4 - The Unencumbered Funds from Prior Years are calculated at 3% of the prior year revenue from water sales and transfer through the rate stabilization account at year end.

5 - Transfers in from the Rate Stabilization Account in fiscal years 2026, 2027 and 2028 are to minimize the impact of the estimated future debt service, amounts may change based upon changes in bond debt service.

6 - Projected water demand is based on information obtained from the Member Governments and the Tampa Bay Water Demand Forecasting Model.

Estimated Net Member Costs Details – Fiscal Year 2025

Uniform Rate Budget	Hillsborough County	City of Tampa	Pasco County	City of New Port Richey	Pinellas County	City of St. Petersburg	Total
Uniform Water Rate ($/ 1000 gallons)	$ 2.6177	$ 2.6177	$ 2.6177	$ 2.6177	$ 2.6177	$ 2.6177	$ 2.6177
Member Water demand Projections (mgd) for FY 2025	85.10	4.10	37.90	3.30	51.10	28.20	209.70
Percentage of Total Water Sales	40.5818%	1.9552%	18.0734%	1.5737%	24.3681%	13.4478%	100.0000%
Member Water Purchase FY 2024	75.77	6.00	35.17	3.00	50.98	26.78	197.70
Percentage of FY 2024 Total Water Sales	38.3257%	3.0349%	17.7896%	1.5175%	25.7865%	13.5458%	100.0000%
Total Estimated Member Fixed Cost FY 2025	59,392,757.93	4,703,135.11	27,568,210.33	2,351,567.56	39,960,971.35	20,991,659.72	154,968,302.00
Total Estimated Member Variable Cost FY 2025	18,419,688.03	887,435.03	8,203,362.83	714,276.97	11,060,470.72	6,103,821.42	45,389,055.00
Total Estimated Member Cost FY 2025 (Before Credits/ Surcharges)	**$ 77.812.445.96**	**$ 5.590.570.14**	**$ 35,771,573.15**	**$ 3,065,844.53**	**$ 51,021,442.07**	**$ 27,095,481.14**	**$ 200,357,357.00**
Additional Credits/ Surcharges (Board Approved)	$ -	$ -	$ 42,000.00	$ -	$ -	$ -	$ 42,000.00
Sale of Surface Water (TBC)	-	392,000.00	-	-	-	-	392,000.00
Water Quality Credits to Member Governments for FY 2025	(36,000.00)	-	-	(12,000.00)	-	-	(48,000.00)
Acquisition Credits to Members Governments for FY 2025	(1,238,467.88)	(219,828.35)	(1,873,512.61)	(847,578.83)	(4,378,395.83)	(1,673,774.05)	(10,231,557.55)
Total Estimated Net Member Costs FY 2025	**$ 76,537,978.08**	**$ 5,762,741.79**	**$ 33,940,060.54**	**$ 2,206,265.70**	**$ 46,643,046.24**	**$ 25,421,707.09**	**$ 190,511,799.45**

Note 1: Variable costs are allocated based upon the Member Government's projected annual water demand (mgd) for FY 2025.

Note 2: Fixed costs are billed to Member Governments in FY 2025 based upon the actual FY 2024 purchase and at year-end a true-up to the actual FY 2025 is completed.

Hillsborough County		
Total Water Demand (mgd) through September 30, 2024		197.70
Hillsborough County Water Demand (mgd) through September 30, 2024		75.77
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		38.32%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		85.10
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 59,392,757.93	$ 4,949,396.49
Variable Rate ($/ 1000 gallons) = $0.5930	18,419,688.03	1,534,974.00
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2025	(36,000.00)	(3,000.00)
Annual Facilities Acquisition Credits	(1,238,467.88)	(103,205.66)
TOTAL	**$ 76,537,978.08**	**$ 6,378,164.84**

Pasco County		
Total Water Demand (mgd) through September 30, 2024		197.70
Pasco County Water Demand (mgd) through September 30, 2024		35.17
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		17.79%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		37.90
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 27,568,210.33	$ 2,297,350.86
Variable Rate ($/ 1000 gallons) = $0.5930	8,203,362.83	683,613.57
Additional Credits/ Surcharges	42,000.00	3,500.00
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2025	-	-
Annual Facilities Acquisition Credits	(1,873,512.61)	(156,126.05)
TOTAL	**$ 33,940,060.54**	**$ 2,828,338.38**

Pinellas County		
Total Water Demand (mgd) through September 30, 2024		197.70
Pinellas County Water Demand (mgd) through September 30, 2024		50.98
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		25.79%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		51.10
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 39,960,971.35	$ 3,330,080.95
Variable Rate ($/ 1000 gallons) = $0.5930	11,060,470.72	921,705.89
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2025	-	-
Annual Facilities Acquisition Credits	(4,378,395.83)	(364,866.32)
TOTAL	**$ 46,643,046.24**	**$ 3,886,920.52**

City of New Port Richey		
Total Water Demand (mgd) through September 30, 2024		197.70
City of New Port Richey Water Demand (mgd) through September 30, 2024		3.00
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		1.52%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		3.30
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 2,351,567.56	$ 195,963.96
Variable Rate ($/ 1000 gallons) = $0.5930	714,276.97	59,523.08
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2025	(12,000.00)	(1,000.00)
Annual Facilities Acquisition Credits	(847,578.83)	(70,631.57)
TOTAL	**$ 2,206,265.70**	**$ 183,855.48**

City of St. Petersburg		
Total Water Demand (mgd) through September 30, 2024		197.70
City of St. Petersburg Water Demand (mgd) through September 30, 2024		26.78
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		13.55%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		28.20
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 20,991,659.72	$ 1,749,304.98
Variable Rate ($/ 1000 gallons) = $0.5930	6,103,821.42	508,851.78
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2025	-	-
Annual Facilities Acquisition Credits	(1,673,774.05)	(139,481.17)
TOTAL	**$ 25,421,707.09**	**$ 2,118,475.59**

City of Tampa		
Total Water Demand (mgd) through September 30, 2024		197.70
City of Tampa Water Demand (mgd) through September 30, 2024		6.00
Percentage of FY 2024 Water Demand/ Total Water Demand (Applied to FY 2025 Fixed Costs)		3.03%
Variable Rate is Based on Percentage of Projected FY 2025 Water Demand (mgd)		4.10
	Annual Billing	**Monthly Billing**
Fixed Cost Summary	$ 4,703,135.11	$ 391,927.93
Variable Rate ($/ 1000 gallons) = $0.5930	887,435.03	73,952.92
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	392,000.00	32,666.67
Water Quality Credits FY 2025	-	-
Annual Facilities Acquisition Credits	(219,828.35)	(18,319.03)
TOTAL	**$ 5,762,741.79**	**$ 480,228.48**

Debt Service

Fiscal Year 2025

The Debt Service section provides a listing of the outstanding debt of the Agency, the Agency's bond ratings, and the details of the debt requirements shown in the Financial Plan section. The section also provides information on debt coverage requirements and future Debt Service.

Bonds

At the time of its reorganization in 1998, Tampa Bay Water issued the 1998A Bonds to refund all existing debt. In addition, the 1998B Bonds were issued to finance the cash component of the purchase of the members' wellfields. Of those proceeds, $71.8 million, $92.4 million, $31.7 million, and $3 million were paid to Pinellas County, City of St. Petersburg, City of Tampa and Pasco County, respectively. To address the increasing need to develop new water supplies, Tampa Bay Water and its member governments worked collectively to develop a Capital Improvement Program that would identify and develop new water sources capable of producing 111 million gallons per day (mgd) by December 31, 2007. With the development of the Capital Improvement Program came the necessity to incur debt as a means of financing the Board approved program. Accordingly, Tampa Bay Water adopted a long-term plan to accomplish the financing of the Capital Improvement Program. In furtherance of this plan, Tampa Bay Water has issued its revenue bonds Series 1999, 2001B, 2002, 2008, 2013 and 2022. Additional funds for the Capital Improvement Program were obtained from the Series 2001A, 2005 bond issues. Series 2011A, 2015A, 2015B, 2016A, 2016B, 2016C and the Master Bond: Tranche 1 (2020), Tranche 2 (2021) and Tranche 3 (2023) were only refunding bonds.

Tampa Bay Water's projected outstanding bonds at 9/30/25 will consist of the following.

Original Issue	Series	Projected Outstanding 9/30/25	All-In True Interest Cost	Final Maturity	Purpose
309,370,000	Refunding Revenue Bonds, Series 2001 A	50,000,000	5.13%	10/1/29	Partial defeasance of 1999 Bonds
180,835,000	Refunding Revenue Bonds, Series 2015A	180,835,000	3.07%	10/1/36	Partial defeasance of 2006 Bonds; partial defeasance of 2011A and 2011B Bonds
95,975,000	Refunding Revenue Bonds, Series 2015B	87,690,000	3.07%	10/1/31	Partial defeasance of 2011A and 2011B Bonds
96,630,000	Refunding Revenue Bonds, Series 2016A	96,630,000	3.52%	10/1/38	Defeasance of 2008 Bonds
32,785,000	Refunding Revenue Bonds, Series 2016B	30,630,000	3.54%	10/1/31	Partial defeasance of 2011B Bonds
55,345,000	Refunding Revenue Bonds, Series 2016C	55,345,000	2.12%	10/1/27	Partial defeasance of 2010 Bonds
6,709,000	Refunding Revenue Master Bond Tranche 1-2020	6,086,000	2.36%	10/1/25	Advance refund remaining balance of the outstanding Refunding Revenue Bonds, Series 2010
76,220,000	Refunding Revenue Master Bond Tranche 3-2022	74,823,000	2.36%	10/1/38	Advance refund remaining balance of the outstanding Refunding Revenue Bonds, Series 2013
122,075,000	Series 2022 Bonds	122,075,000	4.60%	10/1/52	Fund Capital Improvement Program
		704,114,000			

Rate Covenant

The Bond Resolution requires Tampa Bay Water to take all actions to collect Net Revenues in each fiscal year so that, together with Fund Balance, they equal at least 125% of the Annual Debt Service coming due in such fiscal year. Such Net Revenues must also be adequate in each fiscal year to pay at least 100% of:

- The Annual Debt Service coming due in such fiscal year;
- Any amounts required by the terms of the Bond Resolution to be deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy;
- Any amounts to be deposited in the Renewal and Replacement Fund in such fiscal year; and
- Any amounts to be repaid to the Capital Improvement Fund in such fiscal year.

For the purposes of the Rate Covenant compliance calculations, the Total Debt Service is calculated, in accordance with the Bond Resolution, net of any Capitalized Interest and release of Debt Service Reserve. The Finance and Administration Division is responsible for making sure that the Uniform Rate adopted for any fiscal year complies with the Rate Covenants.

For the purposes of calculating the Rate Coverage test, Debt Coverage test and the Renewal and Replacement Fund (R&R) coverage requirements, the Net Revenues are determined as shown below.

Net Revenues = Gross Revenues - Operating Expenses

Rate Coverage Test

The minimum requirement for the Rate Coverage Test is 125% (i.e., the sum of Net Revenues and the Utility Reserve Fund Balance, on the preceding September 30th, shall be greater than or equal to 125% of the total Debt Service due for the Fiscal Year).

$$\text{Rate Coverage Test} = \frac{\text{Net Revenues + Utility Reserve Fund Balance}}{\text{Total Debt Service}}$$

Debt Coverage Test

The minimum requirement for the Debt Coverage Test is 100% (i.e., the Net Revenues shall be equal to or greater than the sum of Total Debt Service + Required Annual Contribution to the Capital Improvement Fund + Required Annual Contribution to the Renewal and Replacement Fund for the fiscal year).

$$\text{Debt Coverage Test} = \frac{\text{Net Revenues}}{\text{Total Debt Service + Required Contribution to Capital Improvement Fund + Required Contribution to Renewal \& Replacement Fund}}$$

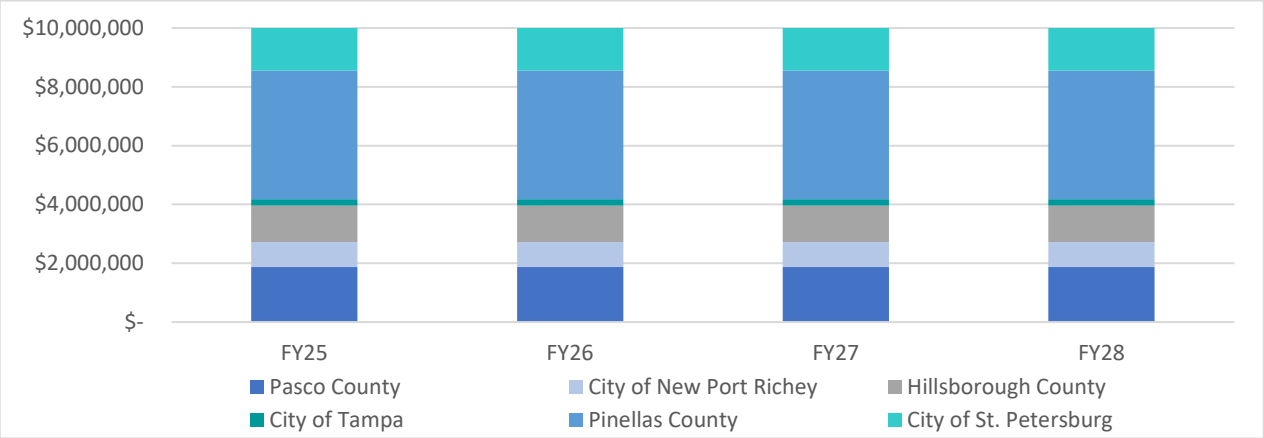
Facility Acquisition Credits

In 1998, pursuant to the Interlocal Agreement, the Member Governments sold certain wellfield and transmission facilities to Tampa Bay Water. A portion of the purchase price is being paid in the form of "Facility Acquisition Credits" payable over 30 years. The credits are applied to the Members' monthly bills.

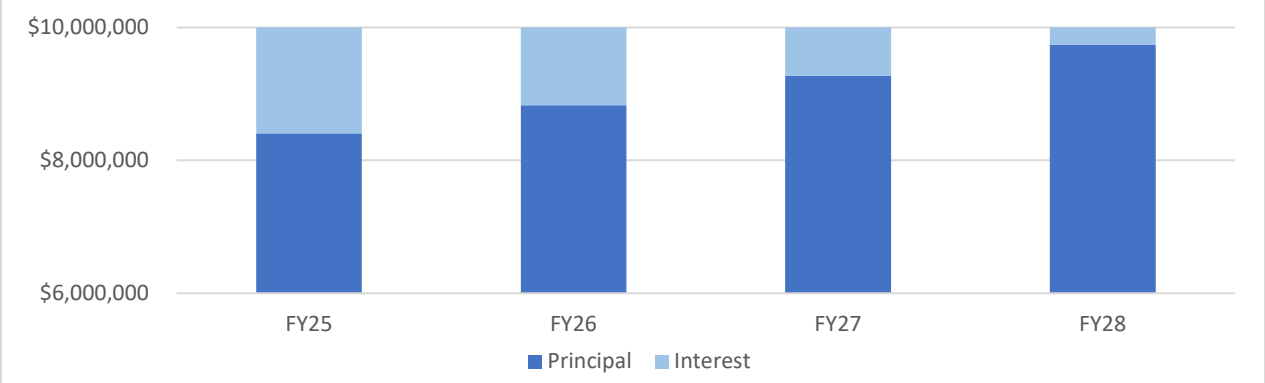
Member Government's Projected Outstanding Facility Acquisition Credit Balances

Member	Projected at 10/1/24	Projected at 9/30/25
Pasco County	$6,638,756	$5,099,173
City of New Port Richey	3,003,379	2,306,871
Hillsborough County	4,388,487	3,370,760
City of St. Petersburg	5,930,986	4,555,541
Pinellas County	15,514,762	11,916,758
City of Tampa	778,958	598,311
	$ 36,255,327	**$ 27,847,414**

The chart below shows Tampa Bay Water's annual acquisition credits by Member Government for the outstanding facility acquisition credits at 9/30/25.



The chart below shows the principal and interest breakdown of the annual acquisition credits for the outstanding facility acquisition credits at 9/30/25.



Summary of Fiscal Year 2025 Debt Service

Bonds	Principal	Interest	Total
Refunding Revenue Bond, Series 2001 A		$3,000,000	$3,000,000
Refunding Revenue Bond, Series 2015 A	9,200,000	7,611,150	16,811,150
Refunding Revenue Bond, Series 2015 B	9,010,000	2,674,930	11,684,930
Refunding Revenue Bond, Series 2016 A		4,356,688	4,356,688
Refunding Revenue Bond, Series 2016 B	275,000	1,065,522	1,340,522
Refunding Revenue Bond, Series 2016 C	17,790,000	2,767,250	20,557,250
Refunding Revenue Master Bond Tranche 1-2020	6,086,000	140,587	6,226,587
Refunding Revenue Master Bond Tranche 3-2023	1,157,000	1,728,411	2,885,411
Revenue Bond, Series 2022	-	6,169,500	6,169,500
Debt Service - Bonds	$43,518,000	$29,514,037	$73,032,037
Facility Acquisition Credits	Principal	Interest	Total
Pasco County	$1,539,583	$333,930	$1,873,513
City of New Port Richey	696,509	151,070	847,579
Hillsborough County	1,017,727	220,741	1,238,468
City of St. Petersburg	1,375,445	298,329	1,673,774
Pinellas County	3,598,003	780,393	4,378,396
City of Tampa	180,647	39,181	219,828
Debt Service - Facility Acquisition Credits	$8,407,914	$1,823,644	$10,231,558
TOTAL DEBT SERVICE FY 2025	**$51,925,914**	**$31,337,681**	**$83,263,595**

Rating Agency Analysis

Rating agencies provide an independent assessment of the relative credit worthiness of a municipal security. These agencies provide a letter grade that conveys their assessment of the ability of the borrower to repay the debt. These ratings are also a factor that is considered by the municipal bond market when determining the cost of borrowed funds (interest rate). The three nationally recognized rating agencies (Moody's Investor Services, Fitch Ratings, and Standard and Poor's) consider the following key factors when evaluating a debt offering:

- Economic environment - trend information/revenue to support debt
- Debt history - previous debt issued and current debt outstanding
- Debt management - debt planning and policies
- Administration- quality of Tampa Bay Water management and organizational structure
- Financial performance – Tampa Bay Water's current and historical operations

The rating agencies each utilize a different system to rate debt. Moody's uses modifiers 1 (higher end), 2 (mid-range) and 3 (lower end) to indicate ranking within each rating category. Both Fitch and Standard and Poor's use a plus (+) and minus (-) modifier to indicate status within rating category. The table below provides a comparison of their rating systems:

Description	Moody's	Fitch	Standard & Poor's
Highest Quality	Aaa	AAA	AAA
Very High Quality	Aa	AA	AA
High Quality	A	A	A
Medium Quality	Baa	BBB	BBB
Speculative Quality	Ba	BB	BB
Highly Speculative Quality	B	B	B
Substantial Risk	Caa	CCC	CCC
Very High Levels of Risk	Ca	CC	CC
Exceptionally High Levels of Risk	C	C	C
Default	N/A	D	D

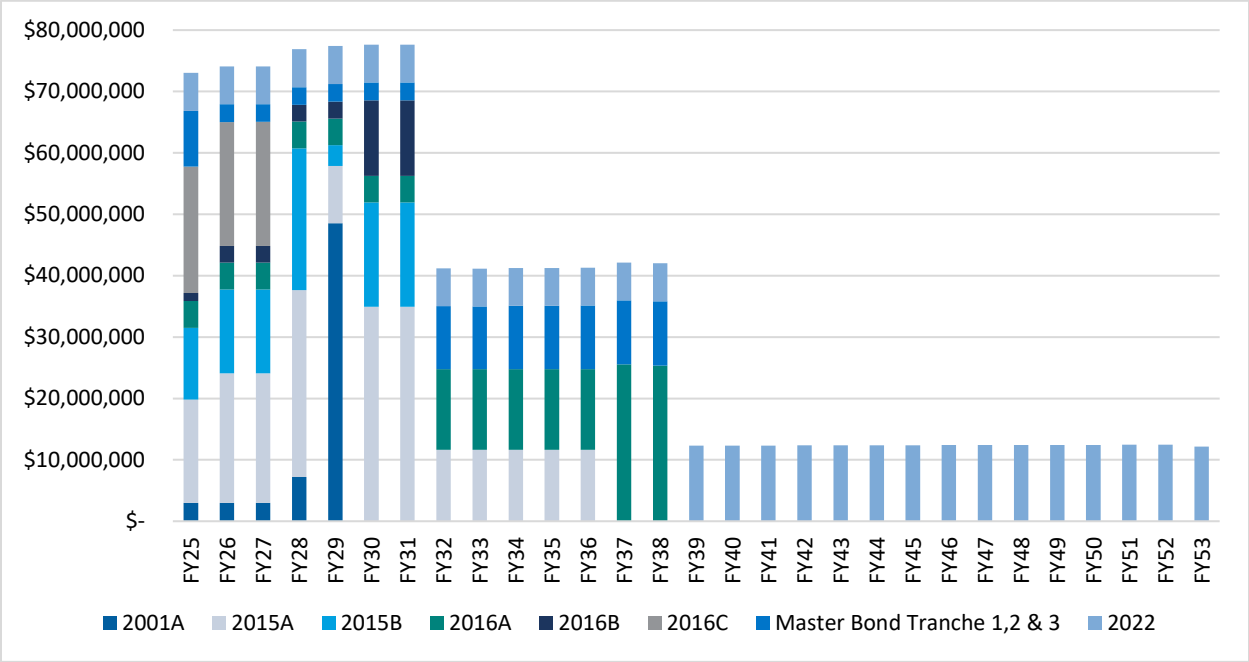
The following table summarizes the underlying ratings assigned to Tampa Bay Water's debt by the rating agencies at time of issuance based on the agency's credit. For the Master Bond, the agency will obtain a CUSIP number and credit rating any time after the funding of Tranche 3, at the request of the lender.

Outstanding Bond Issue	**Moody's**	**Fitch**	**Standard & Poor's**
2001A Bonds	A1	AA-	A+
2005 Bonds	Aa3	AA-	A+
2013 Bonds	Aa2	AA+	AA+
2015A Bonds	Aa1	AA+	AA+
2015B Bonds	Aa1	AA+	AA+
2016A Bonds	Aa1	AA+	AA+
2016B Bonds	Aa1	AA+	AA+
2016C Bonds	Aa1	AA+	AA+
Master Bond Tranche 1-2020	Not Yet Rated	Not Yet Rated	Not Yet Rated
Master Bond Tranche 2-2021	Not Yet Rated	Not Yet Rated	Not Yet Rated
Master Bond Tranche 3-2023	Not Yet Rated	Not Yet Rated	Not Yet Rated
Series 2022	Aa1	AA	AA+

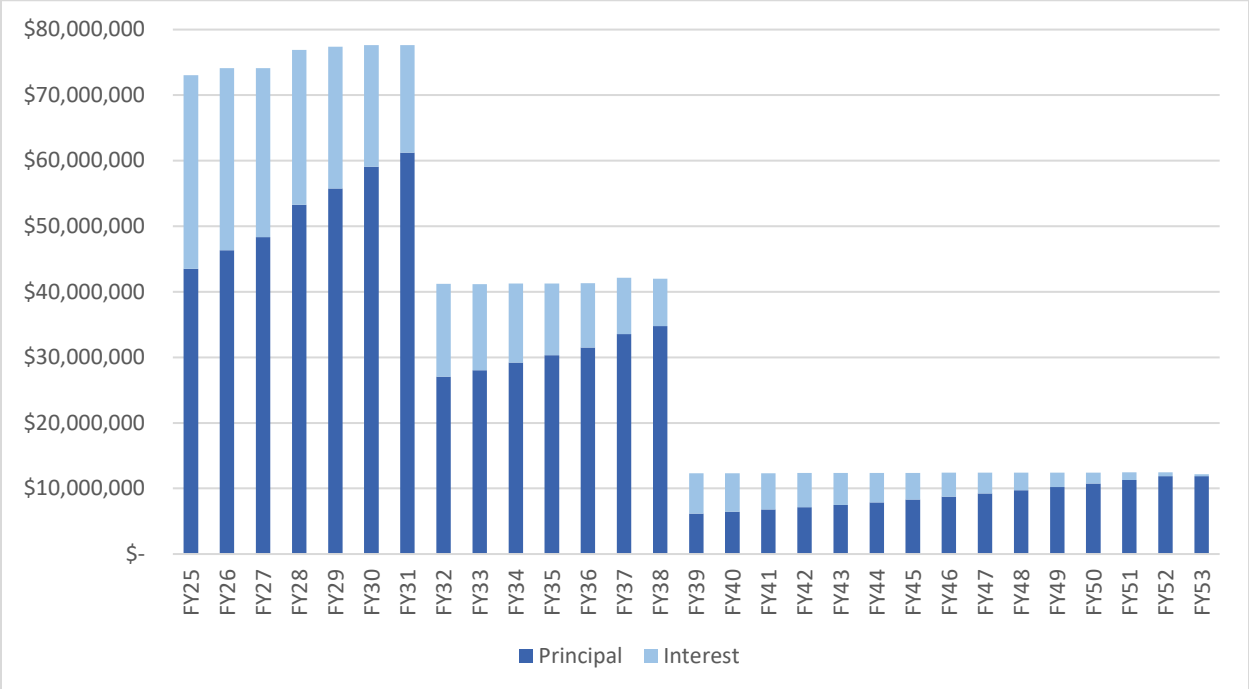
Tampa Bay Water's 2001A and 2005 Bonds are insured by Financial Guaranty Insurance Company (FGIC) and at the time of issuance the insured ratings were AAA rated by the three rating agencies. In early 2008, the insurer's financial strength and ratings were downgraded by Moody's, Fitch and Standard & Poor's to ratings below those of Tampa Bay Water. Due to Tampa Bay Water's increasingly strong ratings, we have not seen any impact on the agency's debt. The Series 2015A, 2015B, 2016A, 2016B, 2016C, 2022 and Master Bonds are uninsured.

Outstanding Debt Service

The chart below shows Tampa Bay Water's annual debt service payments by Bond Series for the existing outstanding bonds at 9/30/25.



The chart below shows the principal and interest breakdown of Tampa Bay Water's annual debt service payments for the existing outstanding bonds at 9/30/25.

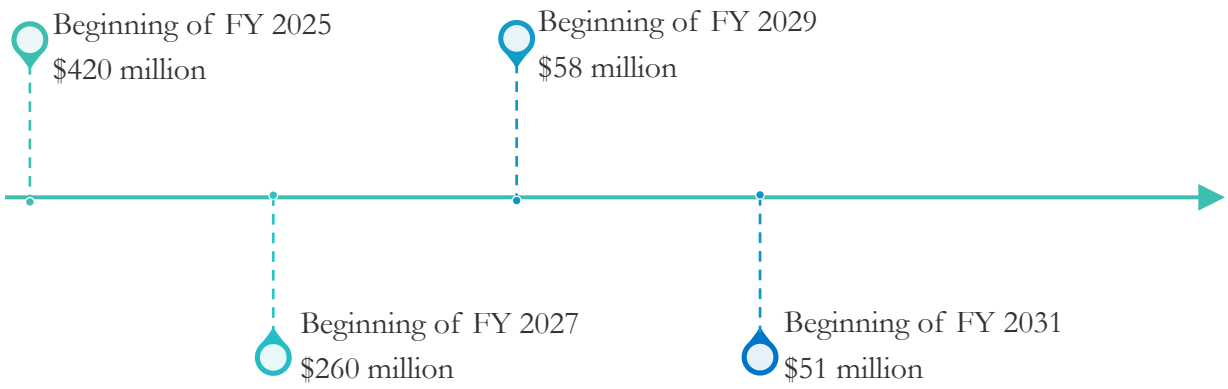


Future Borrowing

The Fiscal Year 2025 to Fiscal Year 2034 Capital Improvement Program includes 99 projects with an estimated $1.78 billion in total expenditures. This total does include 11 water quality improvement projects, for reducing total organic carbon, totaling $452 million that were previously put on hold pending the Environmental Protection Agency's final regulations regarding six per- and polyfluoroalkyl substances (PFAS) and the findings from the fifth Unregulated Contaminant Monitoring Rule (UCMR-5) study, which should be completed in the summer of 2024. Once the study is complete, the treatment, timing and costs of these projects will be re-evaluated and updated project recommendations will be brought to the Board for approval.

The remaining 88 projects with $1.33 billion in projected expenditures reflect a need for an estimated additional funding of $789 million by the end of 2030. The agency is anticipating issuing debt every couple of years to minimize the impact on the agency's annual debt service and uniform rate. An estimated $420 million by fiscal year 2025, will be largely needed for construction of the new transmission main to deliver water to the South Hillsborough County, and expansion of the Surface Water Treatment Plant to increase the region's drinking water supply. Additional funding needed for maintaining the agency's infrastructure, providing reliability and level of service and long-term master water planning is estimated at $260 million by fiscal year 2027, $58 million by fiscal year 2029, and $51 million by fiscal year 2031.

Estimated Timeline & Amounts of Future Borrowing



The Fiscal Year 2025 to Fiscal Year 2034 Capital Improvement Program also does not include the future water supply project that may be needed by 2033 to meet the regions increased demands. The timing and amounts of the future funding needs will likely change based upon future Board decisions related to water quality projects and the need for future water supply projects and the Capital Improvement Program will be updated to reflect the Board decisions. Tampa Bay Water will continue to evaluate various funding strategies, such as bonds, loans, grants and other state and federal programs to address the future funding needs of the Agency.

Capital Improvement Program

Fiscal Year 2025

The Capital Improvement Program section provides summary information about the Agency's current capital projects. This includes projects that are scheduled to be in the feasibility, design, and construction phases during fiscal year 2025.

Capital Improvement Planning and Financing

Planning

New water supply projects are developed through the long-term water supply planning process, which is performed to ensure that (1) the public has sufficient water supplies to meet its needs in an environmentally sustainable and cost-effective manner, and (2) Tampa Bay Water is compliant with its obligations under the Amended and Restated Interlocal Agreement. It can take as long as 10 years to plan, permit, design, and build drinking water facilities. Tampa Bay Water develops its Master Water Supply Plans through this long-term planning effort. This process is a multi-step process including determination of need, identification of potential projects, feasibility studies, review, and selection by the Board of projects to be studied further through preliminary design, and final selection by the Board of projects to be constructed. Long-term water supply planning is conducted at least every five years. As part of the planning process, demand projections are updated annually to identify the need for and timing of the development of new water sources. It is the Agency's goal to bring new water supplies on-line in a timely manner based on need, but not so far in advance as to unnecessarily burden the cost of water by overbuilding supply capacity. Projects identified through the Long-term Master Water Supply Plan (LTMWP) and selected for implementation become part of the Agency's Capital Improvement Program Plan.

Financing

Tampa Bay Water primarily finances its capital improvements program through the issuance of tax-exempt and taxable bonds. Bond proceeds are placed in a restricted Construction Fund until disbursed for their intended purpose. The remainder of the capital improvements program is funded with pay-as-you-go type accounts, joint project agreements with member governments and grant funding. The pay-as-you-go type accounts include the Uniform Rate, the Capital Improvement Fund, the Renewal and Replacement Fund, the Energy Fund, and the Released Debt Service Fund. The funds are retained in these accounts until disbursed for Board approved purposes. Some Member Government requested projects may be fully or partially funded by the requesting member government through a joint project agreement. The Agency also seeks and obtains available grant funding for its projects from SWFWMD, the State of Florida and the federal Environmental Protection Agency.

The Capital Improvement and the Released Debt Service Funds may be used to fund any Board approved Capital Project. The Renewal and Replacement Fund can fund projects where major repairs or replacement of specific components are needed to maintain the service level of the system. The Energy Fund can fund projects which result in energy savings. The Uniform Rate generally funds projects that improve existing facilities.

Capital Improvement Program Definition

A capital project is defined as planned activities that result in

- a new capital asset or improvements to an existing asset.
- major renovations or expansions that extend an existing asset's useful life and/or result in a significant improvement in its functionality or capacity.

Capital projects are recorded in Tampa Bay Water's financial records in accordance with generally accepted accounting principles and applicable Florida State statutes.

Approved projects can include projects constructed for the benefit of member governments or other government agencies. If Tampa Bay Water does not retain ownership of the completed project, it is accounted for as a contribution to the respective entity.

Tampa Bay Water's Capital Improvement Program (CIP) is a comprehensive ten-year plan and portfolio of previously approved and new proposed capital projects. The CIP is updated annually as the scope, needs and timing for specific projects change. The following goals are used by agency staff to update the Capital Improvements Program Plan:

- Identify and prioritize capital projects through a coordinated departmental effort that integrates planning and development, engineering, construction, financing requirements, and future operating and maintenance costs.
- Develop a timeline and budget for each project.
- Develop a funding scenario for each project that identifies a funding source, a projected cash flow, and future operating and maintenance costs estimates.

The Fiscal Year 2025 Capital Improvement Program Plan includes 36 active projects, from planning to close-out. The total planned expenditures for Fiscal Year 2025 are $174,266,807, with an estimated $4.96 million being reimbursed with district co-funding and grants. The Surface Water Treatment Plant expansion accounts for roughly 37% of the estimated fiscal year 2025 expenditures and around 32% is attributable to the South Hillsborough Pipeline.

Surface Water Treatment Plant Expansion	Cypress Creek WTP 72-inch Valve
South Hillsborough Pipeline	Lake Bridge WTP - Pump #5
Desalination Facility Intake Connection-Phase 3	Cypress Creek WF Surface Water Improvements
Cypress Creek WTP Chemical Piping Replacement	2045 System Hydraulic & Emergency Scenario Analysis Report
Desalination Facility Reverse Osmosis Trench Supports	Cypress Creek Wellfield Improvements
South Hillsborough Wellfield	Cypress Creek Generator Study
Desalination Facility VFDs Replacement	IT Network Uplift Study
New Groundwater Sources Feasibility Study	Information Technology R&R Program

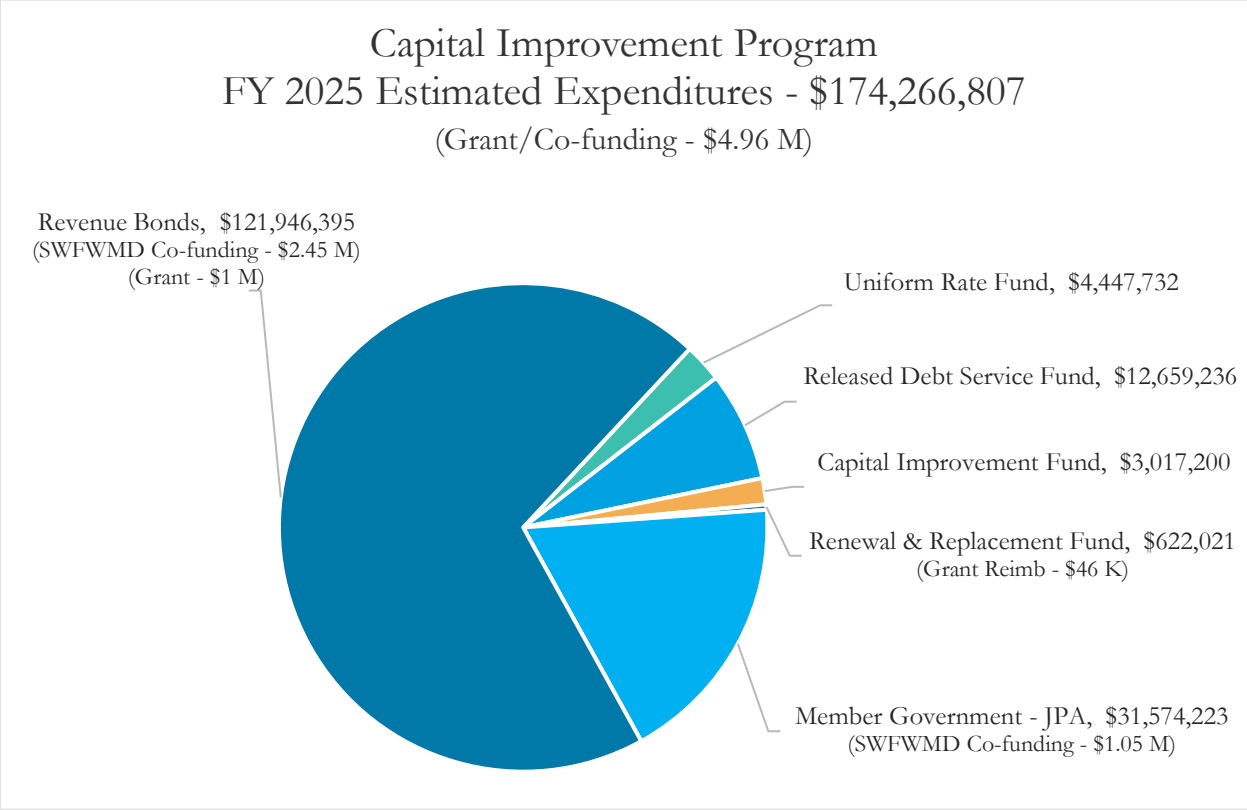
Surface Water Treatment Plant R&R Program
Integrated Program Management Consultation Services
Morris Bridge Wellfield Improvements
Clearwater Administration Parking Lot
Surface Water Sources Feasibility Study
Cosme WTP Yard Piping Improvements
Surface Water Treatment Plant SCADA Upgrade
Long-term Master Water Plan-Feasibility Mgmt.
Cypress Creek PS Variable Frequency Drives
HSPS Ball Valve Replacement
SWTP Source Water Quality & Business Case Evaluation
Cosme Collection Main -Utility Conflict
Developmental Alternatives - Phase 1
South Operations & Maintenance Building
Cypress Creek Lab Building Transformer Replacement
Cross Bar Ranch Wellfield TM - Utility Conflict
Eldridge-Wilde WF Water Quality Treatment
Cypress Creek Medium Voltage Generator Control Upgrade
Reservoir Compressors Replacement

Please refer to the full FY 2025 – FY 2034 Capital Improvements Program document for more detailed information.

https://www.tampabaywater.org/wp-content/uploads/FY-2025-2034-CIP.pdf

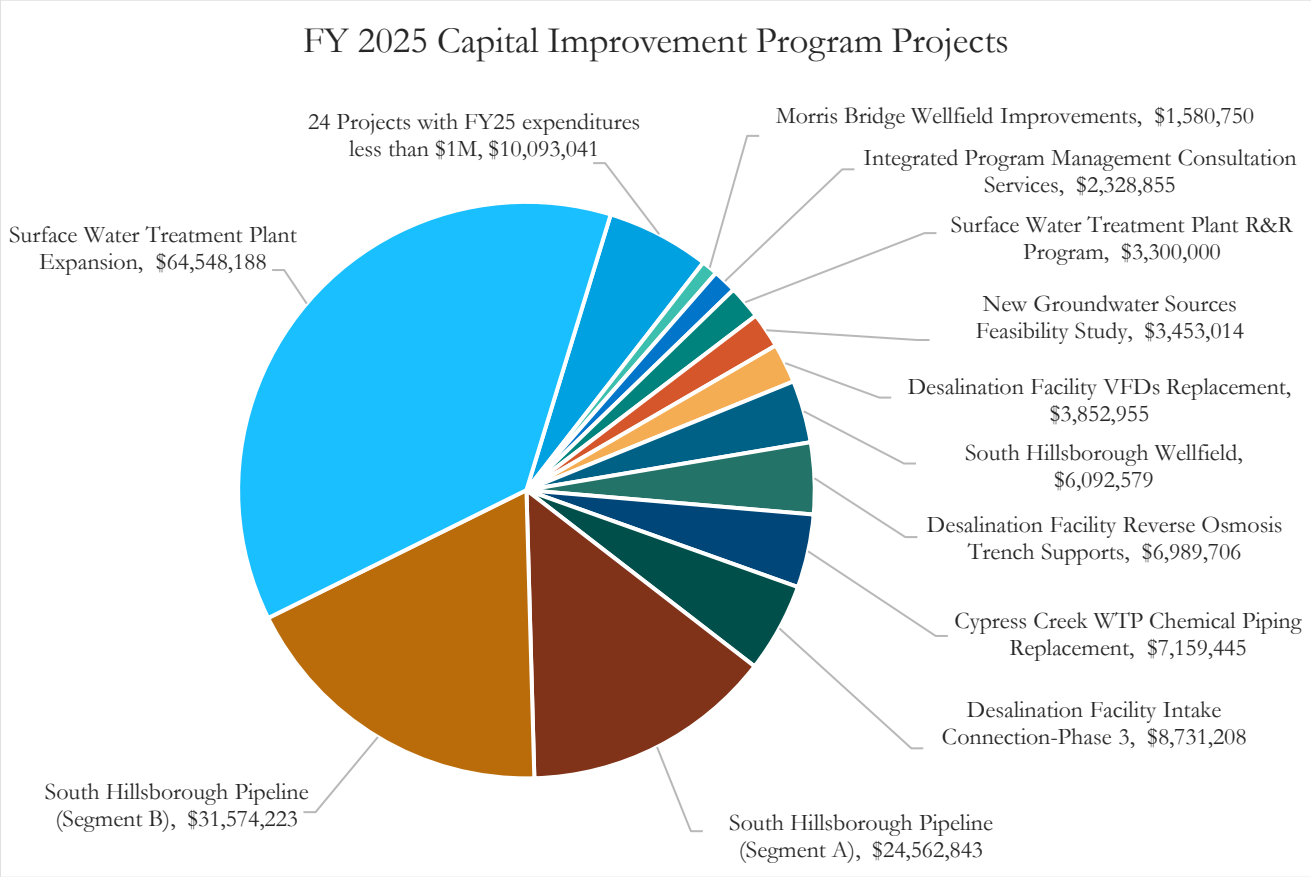
Capital Improvement Program Expenditures Fiscal Year 2025

The following chart summarizes the Capital Improvement Program estimated expenditures for fiscal year 2025 by funding source.



Capital Improvement Program Projects Fiscal Year 2025

The following chart summarizes the Capital Improvement Program estimated expenditures for fiscal year 2025 by project.



Divisional Operating Budget Detail

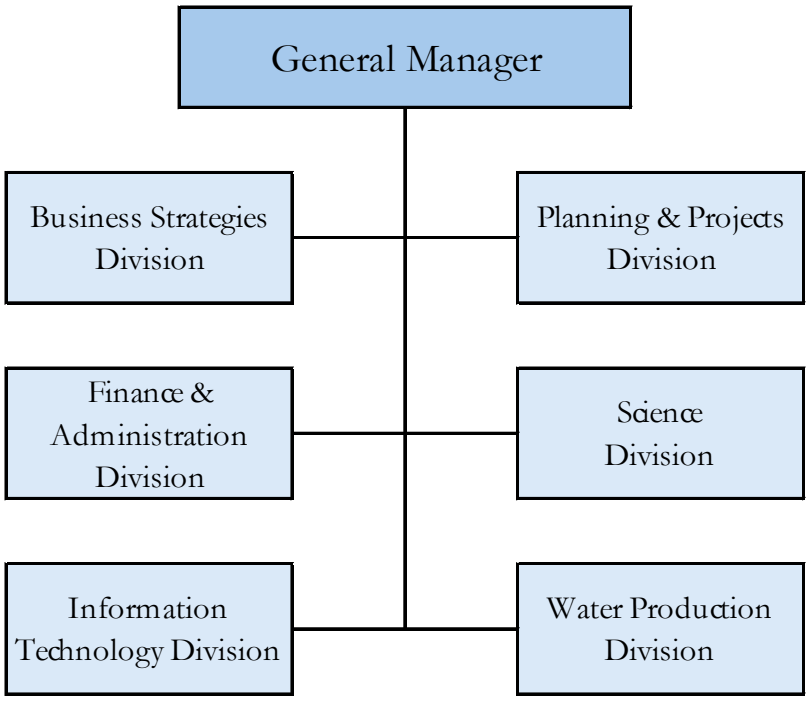
Fiscal Year 2025

The Divisional Operating Budget Detail section provides an overall view of the fiscal year 2025 operating budget and historical budget trends of the agency for the preceding four years. It also provides budget information at the divisional level along with each division's responsibilities, goals, and objectives.

Tampa Bay Water's Divisional Organization

This section provides summaries of Tampa Bay Water's divisional organizations, mission, and responsibilities, as well as historical budget trends.

As the Agency continues to focus on the efficient operation and timely maintenance of its robust and integrated regional supply system, it also concentrates on strategic business planning, plus the planning, design, and construction of new supplies and new delivery systems. The organizational design consists of six divisions: Business Strategies, Finance & Administration, Information Technology, Planning & Projects, Science and Water Production, which report directly to the General Manager. Each division focuses on the Agency's Mission, Vision and Value statements and better positions the agency to implement the Board's strategic Plan.



Staffing - Historical

The table below shows the number of agency full-time employees by area for fiscal years 2020 through 2024.

Area - Division	Approved FY 2020	Approved FY 2021	Approved FY 2022	Approved FY 2023	Approved FY2024
General Manager	2	2	2	2	2
General Counsel [1]	-	-	-	-	-
Business Strategies [2]	5	5	6	6	12
Finance & Administration	30	30	30	18	18
Information Technology [3]	-	-	-	13	13
Planning & Projects [4]	-	-	-	-	18
Science	41	41	41	40	34
Water Production	75	75	78	79	63
Full-time Employees	**153**	**153**	**157**	**158**	**160**

1 – General Counsel has been outsourced since May 2012.
2 – Business Strategies includes Public Affairs, Human Resources, Continuous Improvement & Safety Services starting in FY 2025.
3 – Information Technology was part of Science in FY 2018 and part of Finance & Administration in FY 2020 through FY 2022.
4 – Planning & Projects includes Engineering, Construction, Surveying, Real Estate, and Planning & Projects, in FY 2020 through FY 2024 these departments were part of the Science Division and the Water Production Division.

Staffing - Approved

In fiscal year 2025, personnel services equal $26,888,100 and is approximately 13% of the Operating Budget. Personnel Services includes the Agency's expenses for wages, payroll taxes, retirement contributions, employees' insurance, workers' compensation, unemployment compensation, other post-employee benefits, and the GASB Statement No. 68 retirement reporting requirements for the existing 160 full-time employees, 12 part-time co-op positions, plus 3 full-time equivalent positions approved in the Fiscal Year 2025 Approved Budget.

New Positions in Fiscal Year 2025

In December 2020, a formal succession strategy was presented to the Board. The strategy was designed to provide the foundation for the Agency to proactively respond to shifts in its staff attrition, address emerging recruitment challenges, and capitalize on development opportunities in a way that ensures its business continuity and supports both immediate and long-range agency priorities.

As Tampa Bay Water faces retirements, promotions, and other staff turnovers, the Executive Team has announced organizational changes to address succession planning and knowledge retention in the Agency. These changes provide the opportunity for the Agency to better organize and continue to meet the agency's strategic planning and operational needs while maintaining the current number of budgeted full-time equivalent positions.

Three full-time equivalent positions were approved in the Fiscal Year 2025 Budget to bring in-house some currently outsourced services, address increased activities, improve overall department function, and provide savings.

The following three positions were approved for fiscal year 2025.

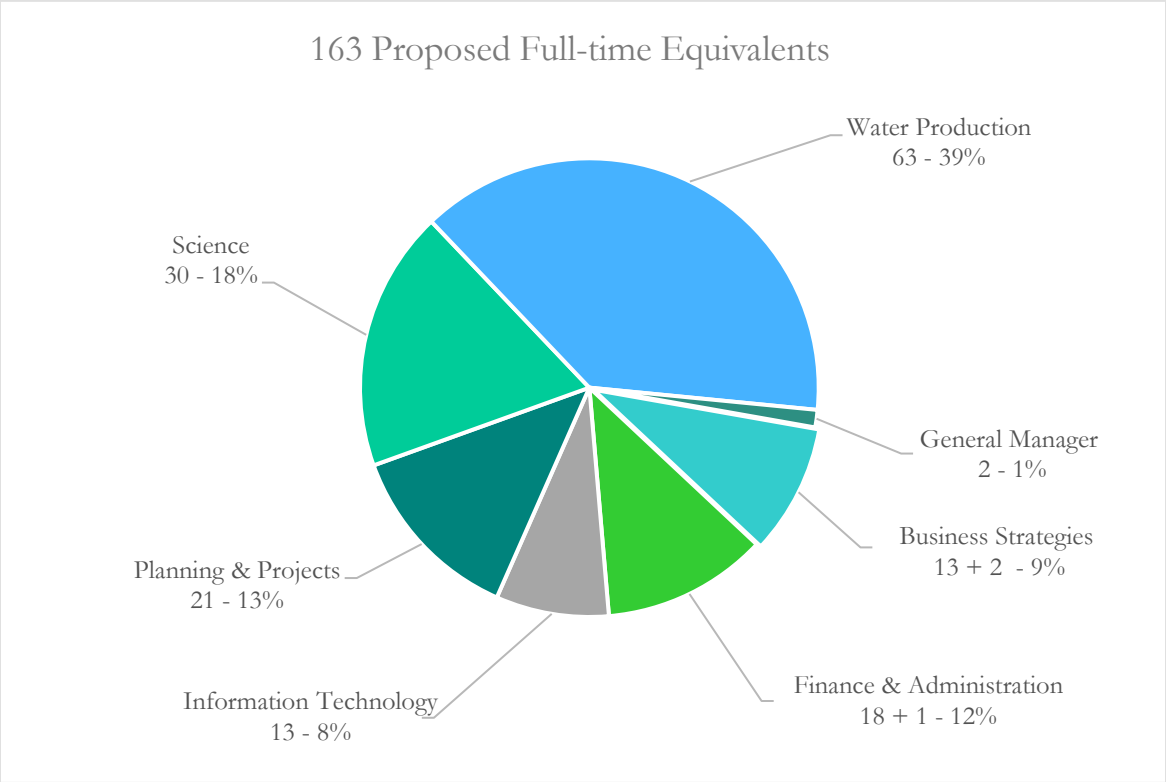
Business Strategies Division - 2

Safety Technicians (2): These positions will support with agency's security, safety, emergency response and management system. They will conduct facility patrols and inspections for breaches, needed maintenance, contractor performance and vulnerability assessments. They will also oversee hazard surveillance and respond to accidents and general incidents. These positions will assist in improving the agency's management system by performing policy, processes, and procedure audits.

Finance & Administration Division - 1

Purchasing Specialist I: Adding this position will bring outside consultant services in-house and provide the agency with multiple benefits, including cost savings. This position will help with the increased volume and complexity of the agency's procurement and provide needed support with the Energy Management Program. Other agency programs and activities that will also benefit by adding this position are, the P-card program, increased monitoring of purchase orders and contracts, increased software testing needs and supporting the contractor performance tracking implementation.

Fiscal Year 2025 Staffing by Division



Agency Operations by Category - Fiscal Years 2020 through 2023 Actuals, Fiscal Years 2024 and 2025 Approved

Operating Budget - Uniform Rate	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	12,622,898	12,490,703	12,862,555	13,749,994	15,321,000	16,338,600
41300 Other Salaries & Wages	13,958	7,380	13,791	15,118	16,100	17,000
41310 Employee Awards	1,285	1,383	1,103	1,100	2,700	1,500
41340 Auto Allowance	5,309	1,142	4,580	5,177	5,900	5,800
41410 Overtime	77,604	95,965	116,011	100,587	117,400	114,400
41420 Shift Differential	62,416	58,878	55,169	53,020	68,900	63,600
41430 On-Call Pay	64,536	65,245	68,921	84,755	80,400	93,900
42100 FICA	926,040	924,579	947,431	1,016,055	1,194,600	1,273,500
42200 FRS	3,406,963	814,602	2,356,384	5,182,446	4,473,100	4,707,600
42300 Life & Health Insurance	2,522,946	2,253,941	2,531,192	2,931,854	3,952,200	4,132,200
42305 FSA Health Care Med Excess	1,799	(3,593)	748	7,037	-	-
42400 Workers' Compensation	83,650	85,349	80,534	96,259	105,000	105,000
42500 Unemployment Compensation	-	3,812	(230)	-	5,000	5,000
42600 Other Post Employee Benefits	49,220	32,940	(33,759)	6,236	35,000	30,000
Total Personnel Services	**19,838,623**	**16,832,326**	**19,004,429**	**23,249,639**	**25,377,300**	**26,888,100**
55100 Office Supplies	29,833	25,558	36,388	35,540	34,650	34,800
55200 Operating Supplies	1,532,172	1,863,057	2,039,439	2,439,311	2,602,068	2,574,406
55260 Computer Software Expense	44,208	16,353	32,616	7,891	10,000	10,000
55400 Books, Publs, Subsc, Mbrshps	320,092	348,506	386,665	473,889	380,485	397,753
55500 Training	110,736	122,917	98,331	94,204	252,445	197,135
Total Materials & Supplies	**2,037,041**	**2,376,391**	**2,593,439**	**3,050,834**	**3,279,648**	**3,214,094**

Agency Operations by Category - Fiscal Years 2020 through 2023 Actuals, Fiscal Years 2024 and 2025 Approved

Operating Budget - Uniform Rate	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
63120 Engineering Services	2,331,297	4,025,717	3,927,869	4,297,259	4,087,000	4,492,517
63125 Engineering Services-Own All	138,946	157,223	20,000	56,655	-	-
63130 Hydrological Services	606,892	613,954	567,274	951,987	799,500	539,500
63140 Ecological Services	2,972,854	2,141,553	1,958,937	2,163,213	2,269,054	2,133,875
63181 Mitigation	1,953	7,448	3,467	3,699	50,000	86,000
63182 Augmentation	40,483	42,179	21,757	33,098	43,000	103,000
63190 Other Professional Services	5,098,807	6,102,418	4,238,040	3,706,096	5,304,366	5,797,705
63200 Accounting & Auditing	304,000	123,000	129,000	127,000	181,000	146,000
63400 Other Services	3,428,252	3,816,092	4,136,591	4,591,127	5,587,044	5,702,242
63410 O&M Agreements	12,539,695	13,903,088	14,407,366	14,726,849	16,066,688	16,649,976
Total Professional Services	**27,463,179**	**30,932,673**	**29,410,301**	**30,656,983**	**34,387,652**	**35,650,815**
64000 Travel & Per Diem	34,516	7,483	42,709	67,860	167,752	108,400
64005 Mileage & Tolls	12,074	6,594	12,311	17,402	26,703	23,353
64100 Communications Services	850,568	1,137,545	1,189,742	1,147,522	1,260,400	1,206,000
64120 Freight & Postage Services	63,173	67,264	63,854	64,665	78,175	84,125
64320 Water, Sewer & Other Utilities	254,845	228,234	246,755	218,752	254,000	279,500
64600 Repair & Maintenance	4,825,780	4,525,797	4,116,807	6,162,065	5,820,862	9,068,027
64605 Repair & Maintenance-Own All	-	43,383	-	-	-	-
64700 Printing & Binding	16,509	15,508	33,941	33,591	44,000	42,500
64800 Promotional Activities	38,300	31,100	58,504	73,283	102,250	103,250
64810 Advertising	67,457	28,807	89,738	91,085	122,068	76,190
64990 Other Current Charges	304,986	223,558	226,323	261,910	251,150	263,450
64991 Permits	75,503	76,391	87,060	63,910	77,098	84,250
64996 P-Card Fees	1,959	1,105	2,730	2,806	-	3,000
Total Repairs & Other Services	**6,545,669**	**6,392,770**	**6,170,474**	**8,204,852**	**8,204,458**	**11,342,045**

Agency Operations by Category - Fiscal Years 2020 through 2023 Actuals, Fiscal Years 2024 and 2025 Approved

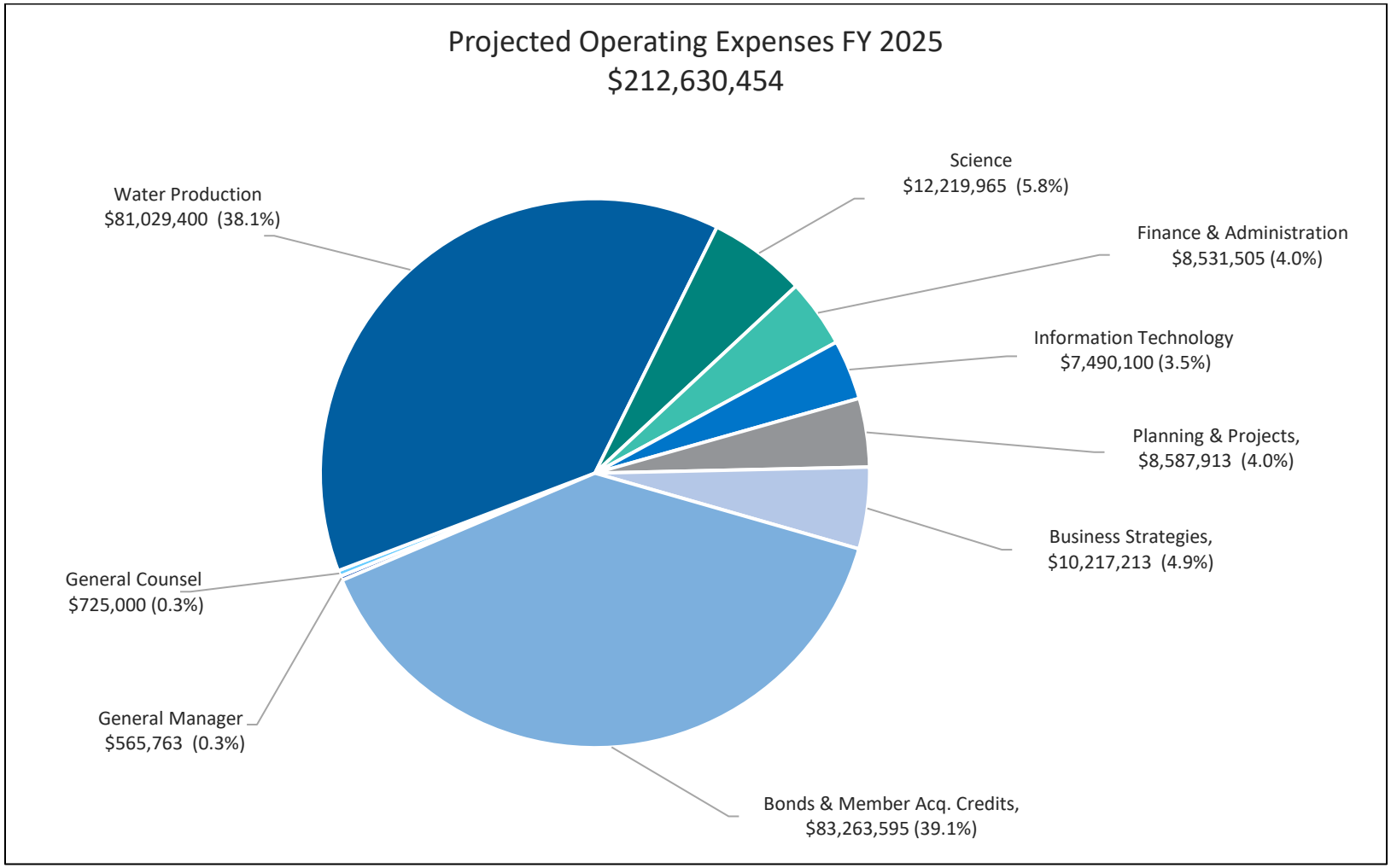
Operating Budget - Uniform Rate	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
64400 Rentals & Leases	299,424	215,543	184,206	(371,103)	262,630	252,130
64410 Lease Amortized Expense			50,955	431,702		75,000
64411 Lease Interest Expense			23,596	53,768		-
64500 Insurance	1,656,851	1,809,899	1,917,464	2,395,562	3,048,596	3,689,620
Total Rent & Insurance	1,956,275	2,025,442	2,176,221	2,509,929	3,311,226	4,016,750
63110 Legal Services	**301,613**	**363,802**	**369,220**	**345,132**	**750,000**	**725,000**
86100 Land Acq Cost-Purchase	527,291	-	-	-	30,000	25,000
86110 Land Acq Cost-Legal	-	-	-	-	5,000	5,000
86110 Land Acq Cost-Stlmnt Atty				-	20,000	20,000
86190 Land Acq Cost-Other	22,645	567	-	(246)	-	5,000
86300 Capital Improvement Facility	2,406,725	4,614,041	32,685	202,932	165,000	315,000
86305 Capital Improvement Facility-Own. All	32,937	344,351		-	-	-
86400 Machine & Equipment Purchase	878,739	2,283,309	675,305	786,132	913,310	1,723,000
86610 Software to Amortize	445,010	84,261	-	-	-	-
Total Capital Expenditures	**4,313,347**	**7,326,528**	**707,990**	**988,818**	**1,133,310**	**2,093,000**
86500 Construction in Progress	-	1,981,838	11,478	-	-	-
86505 Construction-Owners Allowance	-	152,967	8,459	-	-	-
Total Construction in Progress	**-**	**2,134,805**	**19,937**	**-**	**-**	**-**

Agency Operations by Category - Fiscal Years 2020 through 2023 Actuals, Fiscal Years 2024 and 2025 Approved

Operating Budget - Uniform Rate	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
77210 Interest Bonds	35,517,860	33,317,840	30,506,815	34,118,062	31,381,443	29,514,037
77310 Issue Costs Bonds	229,055	-	-	-	-	-
87116 Principal 2005 Bonds	21,140,000	22,290,000	23,530,000	24,820,000	26,180,000	-
87140 Principal 2011 Bonds	12,290,000	12,915,000	-	-	-	-
87141 Principal 2011A Bonds	35,000	40,000	910,000	-	-	-
87144 Principal 2015A Bonds	-	-	-	-	-	9,200,000
87145 Principal 2015B Bonds	870,000	890,000	250,000	930,000	955,000	9,010,000
87147 Principal 2016B Bonds	240,000	245,000	250,000	260,000	265,000	275,000
87148 Principal 2016C Bonds	-	-	-	-	-	17,790,000
87150 Principal Master Bond-Tranche 1	33,000	142,000	146,000	149,000	153,000	6,086,000
87151 Principal Master Bond-Tranche 2	-	254,000	15,117,000	15,466,000	15,825,000	-
87152 Principal Master Bond-Tranche 3	-	-	-	266,000	1,131,000	1,157,000
Total Bond Debt Service	**70,354,915**	**70,093,840**	**70,709,815**	**76,009,062**	**75,890,443**	**73,032,037**
77250 Interest Facility Acquisition	3,653,140	3,322,245	2,974,707	2,609,687	2,226,307	1,823,643
87125 Principal Facility Acquisition	6,578,418	6,909,312	7,256,851	7,621,870	8,005,250	8,407,915
Total Acquisition Credits to Members	**10,231,558**	**10,231,558**	**10,231,558**	**10,231,558**	**10,231,558**	**10,231,558**
55250 Water Quality Credit	**48,000**	**48,000**	**48,000**	**48,000**	**48,000**	**48,000**
82820 Renewal & Replacement Funding	4,988,288	3,333,679	3,195,310	276,075	-	-
82830 Rate Stabilization Funding	1,737,848	5,450,399	26,499,531	23,348,989	-	-
82844 Energy Funding	338,228	260,453	268,316	23,295	-	-
82870 Capital Improvement Funding	7,427,045	8,805,449	4,914,769	675,000	-	-
Total Reserve Funding	**14,491,410**	**17,849,980**	**34,877,927**	**24,323,359**	**-**	**-**
55210 Water Treatment Chemicals	9,935,948	10,579,523	14,392,959	21,077,915	23,431,064	25,679,820
64310 Power & Light	11,364,291	11,893,161	13,151,033	14,259,095	12,911,320	19,050,635
64380 Water For Resale	708,172	528,245	501,616	566,350	640,787	658,600
Total Variable Operating Costs	**22,008,410**	**23,000,929**	**28,045,608**	**35,903,360**	**36,983,171**	**45,389,055**
Grand Total	**179,590,040**	**189,609,042**	**204,364,919**	**215,521,527**	**199,596,766**	**212,630,454**

Fiscal Year 2025 Projected Operating Expenses by Division

The chart below shows each division's budgeted dollar amount and the percentage of the total projected operating expenses.



1 – Projected Operating Expenses FY 2025 does not include bond debt service, member acquisition credits, water quality credits, or reserve funding

Fiscal Year 2025 Projected Operating Expenses by Category and Division

FY 2025 Operating Budget	General Manager	General Counsel	Business Strategies	Finance & Admin. [1]	Information Technology	Planning & Projects	Science	Water Production
41000 Regular Salaries	371,600	-	1,886,300	1,725,900	1,529,800	2,204,900	3,346,100	5,274,000
41300 Other Salaries & Wages	17,000	-	-	-	-	-	-	-
41310 Employee Awards (FRS Exempt)	-	-	1,500	-	-	-	-	-
41340 Auto Allowance	5,800	-	-	-	-	-	-	-
41410 Overtime	-	-	1,500	1,200	1,000	-	2,100	108,600
41420 Shift Differential	-	-	-	-	-	-	-	63,600
41430 On-call pay	-	-	-		23,900	-	-	70,000
42100 FICA	28,500	-	145,000	132,500	119,100	168,900	256,600	422,900
42200 FRS	107,600	-	345,500	2,284,900	260,300	340,900	531,200	837,200
42300 Life & Health Ins	-	-	4,132,200	-	-	-	-	-
42400 Workers' Compensation	-	-	105,000	-	-	-	-	-
42500 Unemployment Comp	-	-	5,000	-	-	-	-	-
42600 Other Post Employment Benefits	-	-	30,000	-	-	-	-	-
Total Personnel Services	**530,500**	**-**	**6,652,000**	**4,144,500**	**1,934,100**	**2,714,700**	**4,136,000**	**6,776,300**
55100 Office Supplies	-	-	2,600	32,000	-	200	-	-
55200 Operating Supplies	400	-	96,868	264,500	176,000	26,300	391,264	1,619,074
55260 Computer Software Expense	-	-	-	-	10,000	-	-	-
55400 Books, Pubis, Subsc, Memberships	23,263	-	54,465	10,255	8,900	20,370	264,302	16,198
55500 Training	2,000	-	78,800	28,950	9,000	31,450	24,185	22,750
Total Materials & Supplies	**25,663**	**-**	**232,733**	**335,705**	**203,900**	**78,320**	**679,751**	**1,658,022**
63120 Engineering Services	-	-	-	-	-	3,052,000	870,000	570,517
63130 Hydrological Services	-	-	-	-	-	-	539,500	-
63140 Ecological Services	-	-	-	-	-	-	2,133,875	-
63181 Mitigation	-	-	-	-	-	-	86,000	-
63182 Augmentation	-	-	-	-	-	-	103,000	-
63190 Other Professional Services	-	-	1,093,000	230,600	1,106,000	710,000	2,333,105	325,000
63200 Accounting & Auditing	-	-	-	146,000	-	-	-	-
63400 Other Services	-	-	1,143,280	15,900	2,676,300	323,000	2,750	1,541,012
63410 O&M Agreements	-	-	-	-	-	-	-	16,649,976
Total Professional Services	**-**	**-**	**2,236,280**	**392,500**	**3,782,300**	**4,085,000**	**6,068,230**	**19,086,505**

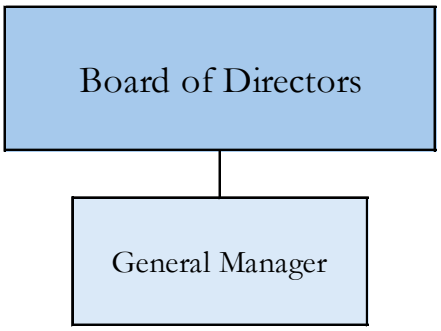
Fiscal Year 2025 Projected Operating Expenses by Category and Division

FY 2025 Operating Budget	General Manager	General Counsel	Business Strategies	Finance & Admin.[1]	Information Technology	Planning & Projects	Science	Water Production
64000 Travel & Per Diem	4,000	-	21,000	29,500	10,000	9,000	25,000	9,900
64005 Mileage & Tolls	750	-	6,800	2,750	3,000	1,453	4,500	4,100
64100 Communications Services	-	-	-	-	1,206,000	-	-	-
64120 Freight &Postage Services	-	-	8,800	46,825	800	3,200	10,500	14,000
64320 Water, Sewer, & Other Utilities	-	-	-	-	-	-	-	279,500
64600 Repair & Maint-Eq & Grounds	-	-	791,500	1,000	-	1,303,500	529,534	6,442,493
64700 Printing & Binding	-	-	25,500	15,000	-	2,000	-	-
64800 Promotional Activities	-	-	102,500	750	-	-	-	-
64810 Advertising	1,250	-	67,000	1,500	-	1,740	4,700	-
64990 Other Current Charges	3,600	-	41,100	15,750	-	183,000	-	23,000
64991 Permits	-	-	-	-	-	10,000	4,750	69,500
Total Repairs & Other Services	9,600	-	1,064,200	113,075	1,219,800	1,513,893	578,984	6,842,493
64400 Rentals & Leases	-	-	7,000	50,500	-	100,000	2,000	92,630
64410 Lease Amortization Expense	-	-	-	75,000	-	-	-	-
64500 Insurance	-	-	-	3,420,225	-	-	-	269,395
Total Rent & Insurance	**-**	**-**	**7,000**	**3,545,725**	**-**	**100,000**	**2,000**	**362,025**
63110 Legal Services	**-**	**725,000**	**-**	**-**	**-**	**-**	**-**	**-**
86100 Land Acq Cost-Purchase	-	-	-	-	-	25,000	-	-
86110 Land Acq Cost-Legal	-	-	-	-	-	5,000	-	-
86120 Land Acq Cost-Prop Settlement Atty	-	-	-	-	-	20,000	-	-
86190 Land Acq Cost-Other	-	-	-	-	-	5,000	-	-
86300 Capital Improve Facility	-	-	-	-	-	-	-	315,000
86400 Machinery & Equipment Purchase	-	-	25,000	-	350,000	41,000	755,000	552,000
Total Capital Expenditures	**-**	**-**	**25,000**	**-**	**350,000**	**96,000**	**755,000**	**867,000**
55250 Water Quality Credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48,000**
55210 Water Treatment Chemicals	-	-	-	-	-	-	-	25,679,820
64310 Power and Light	-	-	-	-	-	-	-	19,050,635
64380 Water for Resale-Variable	-	-	-	-	-	-	-	658,600
Total Variable Costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45,389,055**
GRAND TOTAL	**565,763**	**725,000**	**10,217,213**	**8,531,505**	**7,490,100**	**8,587,913**	**12,219,965**	**81,029,400**

1 – Finance & Admin. does not include bond debt service, member acquisition and credits or reserve funding.

Office of the General Manager

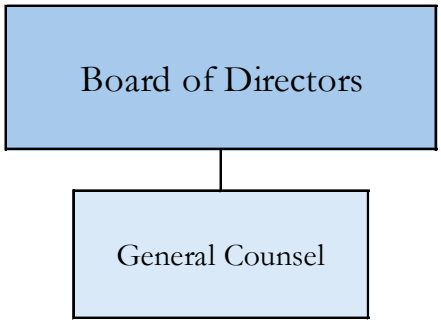
The General Manager is appointed by and serves at the pleasure of the Agency's Board of Directors and is responsible for providing the leadership to develop and expand the organization in a multitude of activities in the areas of business strategies, finance, administration, information technology, planning & projects, science, water production, and ensuring that Board policies and programs are implemented in accordance with the Board's direction. The General Manager oversees the six divisions of the agency.



The General Manager provides considerable interaction and coordination with members of the Board and members of other public agencies conducting business with the Agency. The General Manager promotes the overall mission and strategic planning of the Agency. He anticipates and keeps apprised of key issues of the Federal, State, and local governmental and municipal bodies as they relate to the Agency's interest. The General Manager assures the organization, and its mission, programs, products, and services are consistently presented in a strong, positive image to Agency stakeholders and are consistent with the policy direction of the Board of Directors. The General Manager also coordinates all legal matters for the agency with the agency's General Counsel.

Office of the General Counsel

The General Counsel is appointed by and serves at the pleasure of the Agency's Board of Directors and is responsible for a variety of legal matters including those relating to operations, permitting, contracts, property acquisition, construction-related services, human resource and fiscal matters and defense of legal matters. Since May 2012, the agency's general counsel duties have been performed through outside contracted services.



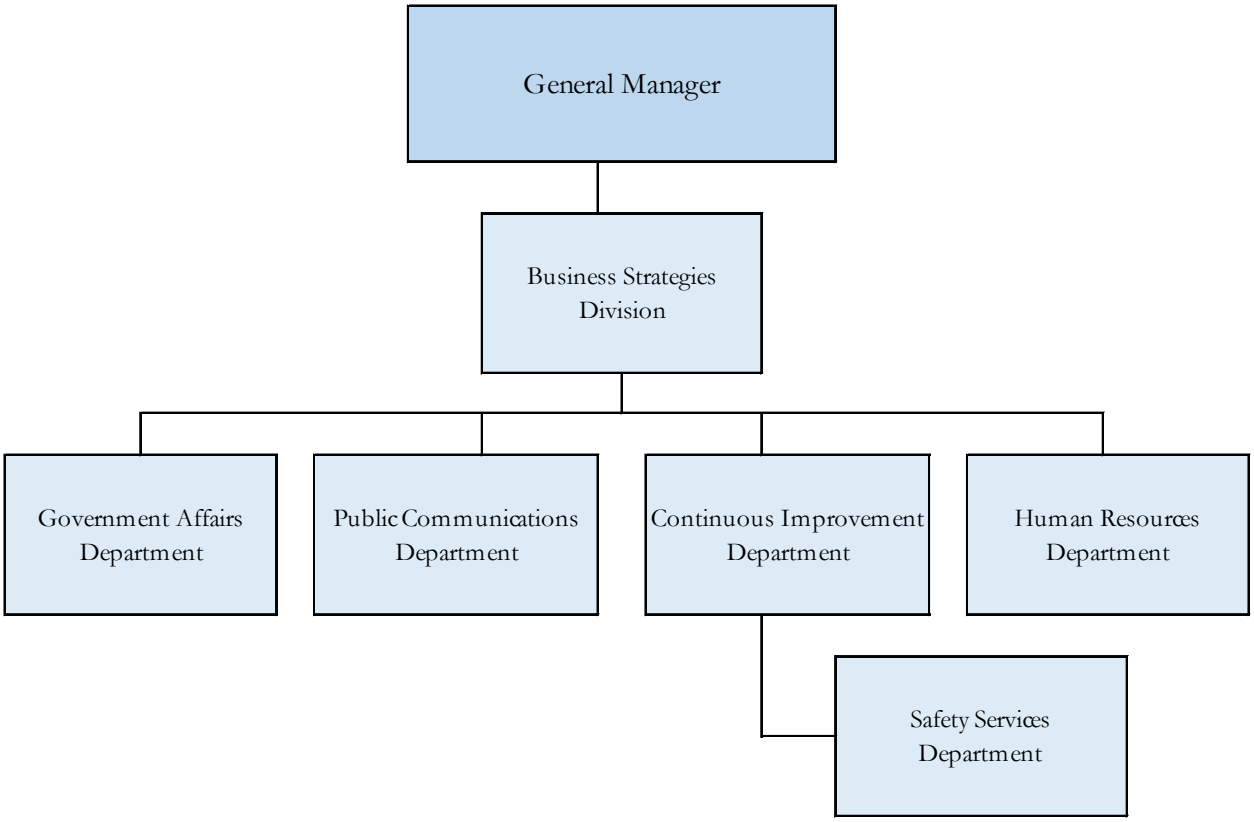
In January 2024, the Board approved a contract for General Counsel services with Persson Cohen Mooney Fernandez & Jackson, P.A. to begin on March 1, 2024. Outsource General Counsel services is included in the legal services of $725,000 in the Fiscal Year 2025 Budget.

Office of the General Manager (including Office of the General Counsel) Operations by Category

Office of the General Manager (Including Office of the General Counsel)	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	307,313	304,065	318,990	345,051	352,600	371,600
41300 Other Salaries & Wages	13,958	7,380	13,791	15,118	16,100	17,000
41340 Auto Allowance	5,309	1,142	4,580	5,177	5,900	5,800
42100 FICA	22,545	22,272	23,496	25,498	27,000	28,500
42200 FRS	34,025	36,656	42,468	53,532	101,800	107,600
42300 Life & Health Insurance	61,423	38,821	32,836	35,486	-	-
Total Personnel Services	**444,572**	**410,335**	**436,161**	**479,862**	**503,400**	**530,500**
55100 Office Supplies	40	-	514	1,029	-	-
55200 Operating Supplies	-	392	556	7	400	400
55400 Books, Publs, Subsc, Mbrshps	21,320	20,953	22,093	25,823	23,263	23,263
55500 Training	690	-	1,125	3,375	2,000	2,000
Total Materials & Supplies	**22,050**	**21,345**	**24,288**	**30,234**	**25,663**	**25,663**
63190 Other Professional Services	-	-	483	1,734	-	-
Total Professional Services	**-**	**-**	**483**	**1,734**	**-**	**-**
64000 Travel & Per Diem	1,421	-	1,559	1,661	5,000	4,000
64005 Mileage & Tolls	203	-	219	180	750	750
64120 Freight & Postage Services	-	12	-	12	-	-
64810 Advertising	855	988	912	2,005	1,250	1,250
64990 Other Current Charges	2,282	3,380	3,350	2,330	3,600	3,600
Total Repairs & Other Services	**4,760**	**4,380**	**6,040**	**6,188**	**10,600**	**9,600**
63110 Legal Services	**301,613**	**363,802**	**369,220**	**345,132**	**750,000**	**725,000**
Grand Total	**772,996**	**799,862**	**836,192**	**863,150**	**1,289,663**	**1,290,763**

Business Strategies Division

The Business Strategies Division oversees the agency's strategic and business planning; ensures employee and facility safety and security; trains and develops agency staff; directs change management throughout the agency; and builds and maintains relationships with stakeholders.



Business Strategies Division Departments

Government Affairs Department

Government Affairs advocates for agency legislative, funding, and regulatory initiatives through strategy development, relationship building, member government support, inter-agency coordination and community engagement.

Public Communications Department

Public Communications develops and executes strategic communications programs that support and promote agency projects, policies, and initiatives, and builds and maintains relationships with stakeholders.

Continuous Improvement Department

Continuous Improvement champions innovation and efficiency through developing, testing and coordinating the implementation of technologies, processes, and performance measurements agencywide.

Safety Services Department

The Safety Services Department oversees the safety, security and resilience of agency personnel and infrastructure.

Human Resources Department

Human Resources recruits, engages, trains and develops staff and establishes and administers human resources policies and procedures in accordance with federal, state, and local laws and requirements.

Business Strategies Division Operations by Category

Business Strategies	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	619,799	654,819	765,358	1,064,198	1,540,800	1,886,300
41310 Employee Awards	1,285	1,383	1,103	1,100	2,700	1,500
41410 Overtime	206	453	871	654	1,100	1,500
42100 FICA	45,470	47,965	56,375	78,639	118,400	145,000
42200 FRS	68,623	78,940	101,894	165,103	288,000	345,500
42300 Life & Health Insurance (Note 1)	123,880	144,141	112,227	238,490	3,952,200	4,132,200
42305 FSA Health Care Med Excess	1,799	(3,593)	-	7,037	-	-
42400 Workers' Compensation	83,650	85,349	80,534	96,259	105,000	105,000
42500 Unemployment Compensation	-	3,812	(230)	-	5,000	5,000
42600 Other Post Employee Benefits	49,220	32,940	(33,759)	6,237	35,000	30,000
Total Personnel Services	**993,931**	**1,046,208**	**1,084,371**	**1,657,717**	**6,048,200**	**6,652,000**
55100 Office Supplies	37	102	1,025	1,410	2,500	2,600
55200 Operating Supplies	29,077	21,529	30,497	118,444	95,260	96,868
55260 Computer Software Expense	3,749	-	154	-	-	-
55400 Books, Publs, Subsc, Mbrshps	15,304	30,541	60,416	166,137	45,831	54,465
55500 Training	10,758	10,502	6,491	19,853	77,050	78,800
Total Materials & Supplies	**58,925**	**62,673**	**98,582**	**305,844**	**220,641**	**232,733**
63190 Other Professional Services	286,560	413,962	503,637	641,360	867,000	1,093,000
63400 Other Services	106,534	134,914	82,716	1,521,015	1,759,832	1,143,280
Total Professional Services	**393,094**	**548,876**	**586,353**	**2,162,375**	**2,626,832**	**2,236,280**
64000 Travel & Per Diem	-	2,243	3,768	8,802	22,300	21,000
64005 Mileage & Tolls	2,196	611	2,840	4,416	6,300	6,800
64100 Communications Services	-	-	-	25,451	29,400	-
64120 Freight & Postage Services	3,487	2,221	2,520	5,558	4,300	8,800
64600 Repair & Maintenance	-	-	5,265	325,252	585,500	791,500
64700 Printing & Binding	6,018	10,148	24,202	21,591	27,000	25,500
64800 Promotional Activities	38,300	31,100	58,504	73,283	101,500	102,500
64810 Advertising	63,400	23,882	82,739	86,554	115,000	67,000
64990 Other Current Charges	28,216	19,632	29,220	50,578	38,700	41,100
64996 Employee Outing Fees	-	-	-	-	-	-
Total Repairs & Other Services	**141,616**	**89,837**	**209,059**	**601,485**	**930,000**	**1,064,200**
64400 Rentals & Leases	3,141	-	2,361	26,339	26,200	7,000
Total Rent & Insurance	**3,141**	**-**	**2,361**	**26,339**	**26,200**	**7,000**
86400 Machine & Equipment Purchase	14,279	-	15,209	-	-	25,000
Total Capital Expenditures	**14,279**	**-**	**15,209**	**-**	**-**	**25,000**
Grand Total	**1,604,986**	**1,747,593**	**1,995,936**	**4,753,760**	**9,851,873**	**10,217,213**

1 – Human Resources Department budgets for coverage for all agency staff, actual expenditures are coded directly to departments.

Business Strategies Division Performance

Strategic Goals and Objectives:

- Continually improve agency operations through benchmarking continuous improvement programs and best management practices in other utilities and government agencies.
- Promote open, collaborative relationships with stakeholders through increasing awareness of the agency as a water leader, increasing collaboration with member governments, and increasing awareness of agency projects and initiatives.
- Ensure an engaged, skilled and adaptable workforce by promoting workforce training and development, recruiting and retaining engaged and skilled staff, and prioritizing employee safety.
- Safeguard agency infrastructure by annually evaluating agency operational vulnerability, developing and implementing annual emergency management training, and creating a comprehensive business continuity plan.

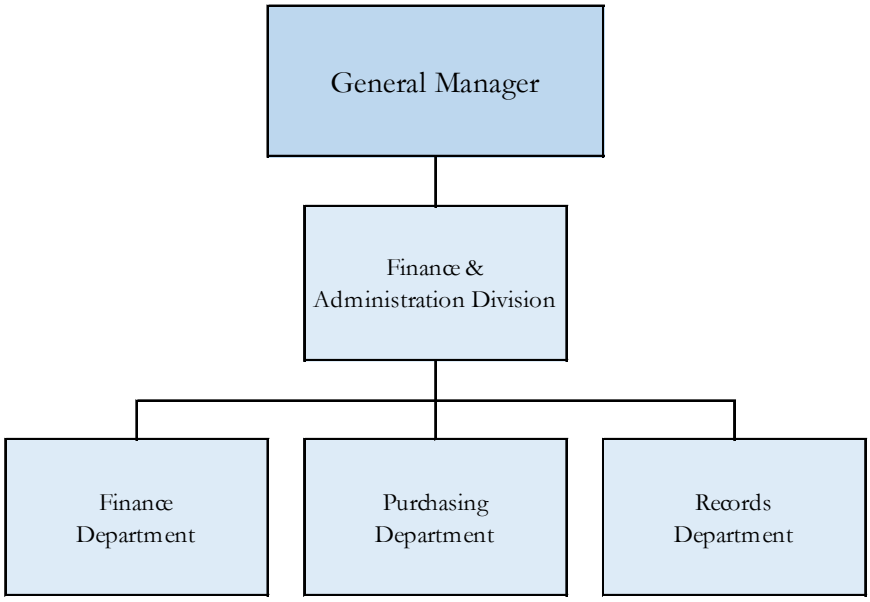
2025 Tactics
- Develop and implement a policy audit process.*
- Present annually to board to ensure alignment with and endorsement of strategic direction and goals.
- Partner with regional groups (member governments, environmental groups, schools, etc.) to bring further awareness of agency initiatives and regional water issues.
- Develop and implement proactive media relations program.
- Research, select and implement leadership development/training program.
- Develop and track individual training plans for employees based on classifications.
- Update and implement five-year succession plan.
- Develop a plan to promote safety awareness agencywide.
- Develop and implement annual emergency response training and exercise calendar.
- Design job site hazard checklist.

Performance Measure	2024 Target	2024 Actual	2025 Target
Number of policies/processes audited/updated	*	15	25
Employee Turnover	Under 4.6%	3.1%	Under 4.6%
Filled positions	160	155	163
Total in-person engagement meetings annually	150	175	180
Total digital reach annually	550,000 impressions	650,000 impressions	700,000 impressions
Number of safety suggestions*	*	*	10
Number of hours lost to workplace accidents	0	0	0

***** New for fiscal year 2025

Finance & Administration Division

The Finance & Administration Division oversees the Agency's finances, cash management, payroll, debt management, financial reporting, procurement, inventory, risk management, and records.



Finance and Administration Division Departments

Finance Department

The Finance Department provides financial accountability through delivering accurate financial reporting, safeguarding the agency's financial interests, upholding effective budgeting and budgetary controls, and preserving internal controls in conformance with all applicable federal, state, and local rules and regulations, generally accepted accounting procedures and the Government Accounting Standards Board.

Purchasing Department

The Purchasing Department oversees the ethical procurement of goods and services through strategic purchasing and operational procurement, in accordance with statutes and policies to provide efficient solutions and the best value for the Agency.

Records Department

The Records Department seeks to manage and control records throughout their life cycle and assists staff in complying with applicable public records laws regarding retention, management, and disposition of records.

Finance and Administration Division Operations by Category

Finance & Administration Division	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	2,710,703	2,424,511	1,460,574	1,691,260	1,591,900	1,725,900
41410 Overtime	763	1,287	-	774	900	1,200
41430 On-Call Pay	19,658	18,850	-	-	-	-
42100 FICA	198,862	187,245	107,583	124,976	122,000	132,500
42200 FRS	2,309,509	(403,445)	838,413	3,311,614	2,254,700	2,284,900
42300 Life & Health Insurance	541,790	413,589	336,701	335,073	-	-
Total Personnel Services	**5,781,285**	**2,642,037**	**2,743,272**	**5,463,697**	**3,969,500**	**4,144,500**
55100 Office Supplies	26,016	24,508	33,646	32,690	32,000	32,000
55200 Operating Supplies	337,633	391,415	202,843	185,626	319,700	264,500
55260 Computer Software Expense	40,459	16,353	-	-	-	-
55400 Books, Publs, Subsc, Mbrshps	21,411	10,984	7,522	7,474	10,140	10,255
55500 Training	40,348	38,986	19,947	22,761	30,650	28,950
Total Materials & Supplies	**465,867**	**482,246**	**263,959**	**248,551**	**392,490**	**335,705**
63190 Other Professional Services	1,171,330	1,253,594	125,306	176,573	391,750	230,600
63200 Accounting & Auditing	304,000	123,000	129,000	127,000	181,000	146,000
63400 Other Services	1,321,136	1,631,965	28,135	27,180	15,900	15,900
Total Professional Services	**2,796,466**	**3,008,559**	**282,440**	**330,753**	**588,650**	**392,500**
64000 Travel & Per Diem	7,529	-	11,846	26,068	32,000	29,500
64005 Mileage & Tolls	3,796	1,067	1,810	2,401	4,750	2,750
64100 Communications Services	844,456	1,118,666	-	-	-	-
64120 Freight & Postage Services	39,315	40,027	33,235	25,650	44,075	46,825
64600 Repair & Maintenance	275	25,869	1,776	778	1,000	1,000
64700 Printing & Binding	10,399	5,254	9,738	12,000	15,000	15,000
64800 Promotional Activities	-	-	-	-	750	750
64810 Advertising	495	1,269	1,356	1,356	1,500	1,500
64990 Other Current Charges	272,076	22,380	10,793	12,048	13,750	15,750
64995 P-Card Fees	1,959	1,105	2,730	2,806	-	-
64996 Employee Outing Fees	-	-	-	-	-	-
Total Repairs & Other Services	**1,180,300**	**1,215,638**	**73,283**	**83,107**	**112,825**	**113,075**

Finance and Administration Division Operations by Category

Finance & Administration Division	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
64400 Rentals & Leases	169,144	57,359	33,740	(519,101)	49,800	50,500
64410 Lease Amortization Expense	-	-	2,671	431,702	-	75,000
64411 Lease Interest Expense	-	-	43	53,768	-	-
64500 Insurance	1,437,512	1,608,660	1,723,001	2,151,442	2,830,563	3,420,225
Total Rent & Insurance	**1,606,655**	**1,666,018**	**1,759,455**	**2,117,811**	**2,880,363**	**3,545,725**
86190 Land Acq Cost-Other	159	75	-	(246)	-	-
86400 Machine & Equipment Purchase	33,150	1,502,742	7,736	-	-	-
86610 Software to Amortize	445,010	84,261	-	-	-	-
Total Capital Expenditures	**478,319**	**1,587,078**	**7,736**	**(246)**	**-**	**-**
77210 Interest Bonds	35,517,860	33,317,840	30,506,815	34,118,062	31,381,443	29,514,037
77310 Issue Costs Bonds	229,055	-	-	-	-	-
87114 Principal 2004 Bonds	-	-	-	-	-	-
87116 Principal 2005 Bonds	21,140,000	22,290,000	23,530,000	24,820,000	26,180,000	-
87140 Principal 2011 Bonds	12,290,000	12,915,000	-	-	-	-
87141 Principal 2011A Bonds	35,000	40,000	-	-	-	-
87144 Principal 2015A Bonds	-	-	-	-	-	9,200,000
87145 Principal 2015B Bonds	870,000	890,000	910,000	930,000	955,000	9,010,000
87147 Principal 2016B Bonds	240,000	245,000	250,000	260,000	265,000	275,000
87148 Principal 2016C Bonds	-	-	-	-	-	17,790,000
87150 Principal Master Bond-Tranche 1	33,000	142,000	146,000	149,000	153,000	6,086,000
87151 Principal Master Bond-Tranche 2	-	254,000	15,117,000	15,466,000	15,825,000	-
87152 Principal Master Bond-Tranche 3	-	-	-	266,000	1,131,000	1,157,000
Total Bond Debt Service	**70,354,915**	**70,093,840**	**70,459,815**	**76,009,062**	**75,890,443**	**73,032,037**
77250 Interest Facility Acquisition	3,653,140	3,322,245	2,974,707	2,609,687	2,226,307	1,823,643
87125 Principal Facility Acquisition	6,578,418	6,909,312	7,256,851	7,621,870	8,005,250	8,407,915
Total Acquisition Credits to Members	**10,231,558**	**10,231,558**	**10,231,558**	**10,231,557**	**10,231,558**	**10,231,558**
82820 Renewal & Replacement Funding	4,988,288	3,333,679	3,195,310	-	-	-
82830 Rate Stabilization Funding	1,737,848	5,450,399	26,499,531	23,348,989	-	-
82844 Energy Funding	338,228	260,453	268,316	-	-	-
82870 Capital Improvement Funding	7,427,045	8,805,449	4,914,769	-	-	-
Total Reserve Funding	**14,491,410**	**17,849,980**	**34,877,927**	**23,348,989**	**-**	**-**
Grand Total	**107,386,775**	**108,776,953**	**120,699,444**	**117,833,281**	**94,065,829**	**91,795,100**

Agency FRS (GASB 68), bond debt service, member acquisition credits and reserve funding expenditures are budgeted in the Finance and Administration Division.

Finance and Administration Division Performance

Strategic Goals and Objectives:

- Optimize the agency's future financial stability.
- Maintain uniform rate predictability.
- Optimize the agency's future debt structure and preserve the agency's strong bond rating to ensure affordable interest rates and financing for capital projects.
- Pursue outside funding opportunities and alternative funding methods to reduce capital and operating costs.
- Operate within the annual budget as forecasted.
- Ensure compliance with all records laws and regulations.

2025 Tactics

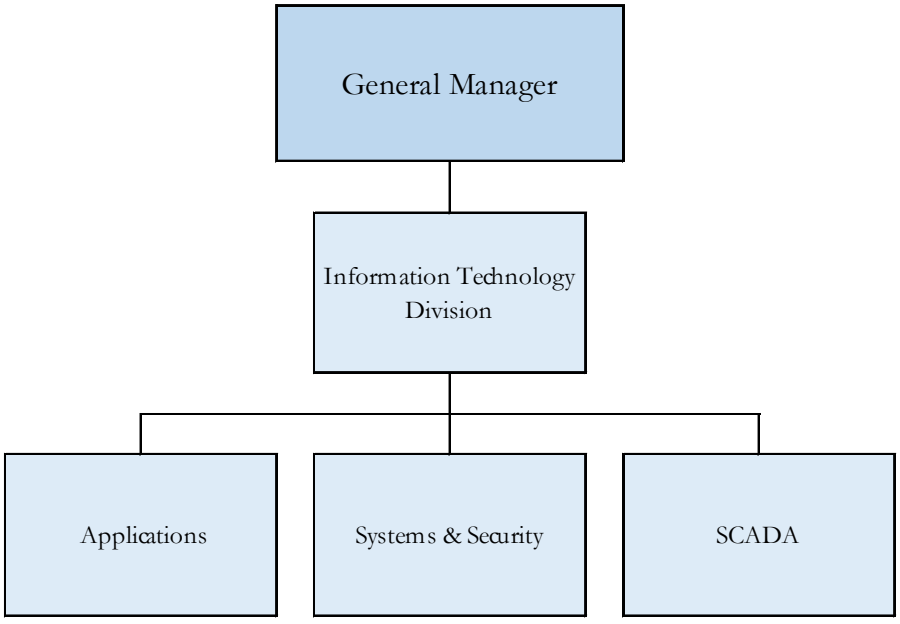
- Integrate new Financial Forecasting and Rate models with current financial systems to improve rate analysis and planning.
- Create a framework and process for conducting cost-benefit analyses of outsourced agency services.
- Communicate annually with rating agencies about change methodologies.
- Analyze market opportunities and recommend debt financing strategies to minimize rate impacts.
- Analyze alternative funding strategies and grant opportunities to minimize rate impacts.
- Conduct semi-annual budget reviews with each department.
- Evaluate procurement savings opportunities.
- Evaluate procurement processes for efficiencies and schedule reduction opportunities.
- Increase vendor awareness and engagement with agency solicitations.*

Performance Measure	2024 Target	2024 Actual	2025 Target
GFOA Rating Score for the Agency's Budget Document	*	269	271
Days Cash on Hand	250	***	250
Debt Service Ratios in accordance with Bond Resolution	Yes	***	Yes
Number of successful solicitations	*	26**	30
Number of vendors joined in Bonfire****	*	374**	350
Records requests filled successfully	100%	100%**	100%

***** New for fiscal year 2025
** As of May 31, 2024
*** Information calculated at year-end
**** New e-procurement system implemented in FY23

Information Technology Division

The Information Technology Division oversees the efficient management and security of the Agency's data and digital technologies.



Information Technology Division Departments

Applications Team

The Applications Team manages a diverse portfolio of Agency data and software systems. This includes the development and maintenance of custom applications and databases, in addition to the support and procurement of third-party software serving key business functions such as Financials, Asset Management, Capital Improvement, Geospatial Information Systems (GIS), and Reporting/Analytics.

Systems & Security Team

The Systems & Security Team manages an enterprise technology infrastructure portfolio that encompasses enterprise applications, personal computers, mobile devices, peripherals, servers, networks, data centers, cloud environments, and telecommunication systems.

SCADA Team

The SCADA Team is responsible for the ongoing development, maintenance, and security of the SCADA system, including managing dedicated hardware, software, networks, and telecommunications.

Information Technology Division Operations by Category

Information Technology Division [1]	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	-	-	1,197,331	1,329,676	1,458,000	1,529,800
41410 Overtime	-	-	533	761	800	1,000
41430 On-Call Pay	-	-	21,108	21,649	23,900	23,900
42100 FICA	-	-	88,193	98,256	113,600	119,100
42200 FRS	-	-	159,403	206,290	237,900	260,300
42300 Life & Health Insurance	-	-	196,634	247,356	-	-
Total Personnel Services	**-**	**-**	**1,663,203**	**1,903,988**	**1,834,200**	**1,934,100**
55200 Office Supplies	-	-	64	-	-	-
55200 Operating Supplies	-	-	127,749	187,304	166,000	176,000
55260 Computer Software Expense	-	-	30,368	7,541	10,000	10,000
55400 Books, Publs, Subsc, Mbrshps	-	-	12,866	7,522	9,400	8,900
55500 Training	-	-	6,326	14,197	12,000	9,000
59999 P-Card Suspense	-	-	94	(94)	-	-
Total Materials & Supplies	**-**	**-**	**177,468**	**216,470**	**197,400**	**203,900**
63190 Other Professional Services	-	-	841,721	836,695	1,128,371	1,106,000
63400 Other Services	-	-	1,889,563	1,942,305	2,322,670	2,676,300
Total Professional Services	**-**	**-**	**2,731,284**	**2,779,000**	**3,451,041**	**3,782,300**
64000 Travel & Per Diem	-	-	5,319	10,378	10,000	10,000
64005 Mileage & Tolls	-	-	1,066	2,087	3,000	3,000
64100 Communications Services	-	-	1,167,412	1,122,071	1,231,000	1,206,000
64120 Freight & Postage Services	-	-	152	190	800	800
64600 Repair & Maintenance	-	-	300	-	220,000	-
Total Repairs & Other Services	**-**	**-**	**1,174,248**	**1,134,726**	**1,464,800**	**1,219,800**
64400 Rentals & Leases	-	-	37,246	35,231	8,000	-
Total Rent & Insurance	**-**	**-**	**37,246**	**35,231**	**8,000**	**-**
86400 Machine & Equipment Purchase	-	-	22,150	-	80,000	350,000
Total Capital Expenditures	**-**	**-**	**22,150**	**-**	**80,000**	**350,000**
Grand Total	**-**	**-**	**5,805,599**	**6,069,415**	**7,035,441**	**7,490,100**

1 - Information Technology Division was previouly a department and part of the Finance & Administration Division in FY 2020 - FY 2021

Information Technology Division Performance

Strategic Goals and Objectives:

- Safeguard the agency's information technology infrastructure.
- Improve the agency's data management strategy to empower data-driven decision making.
- Enhance comprehensive cybersecurity program measures and protocols to promote diligence and safeguards against threats.
- Update information technology strategic planning to assure organizational efficiency and performance.
- Align physical and cybersecurity initiatives to protect agency infrastructure.
- Tighten control of information technology infrastructure to protect availability and resiliency of agency assets.

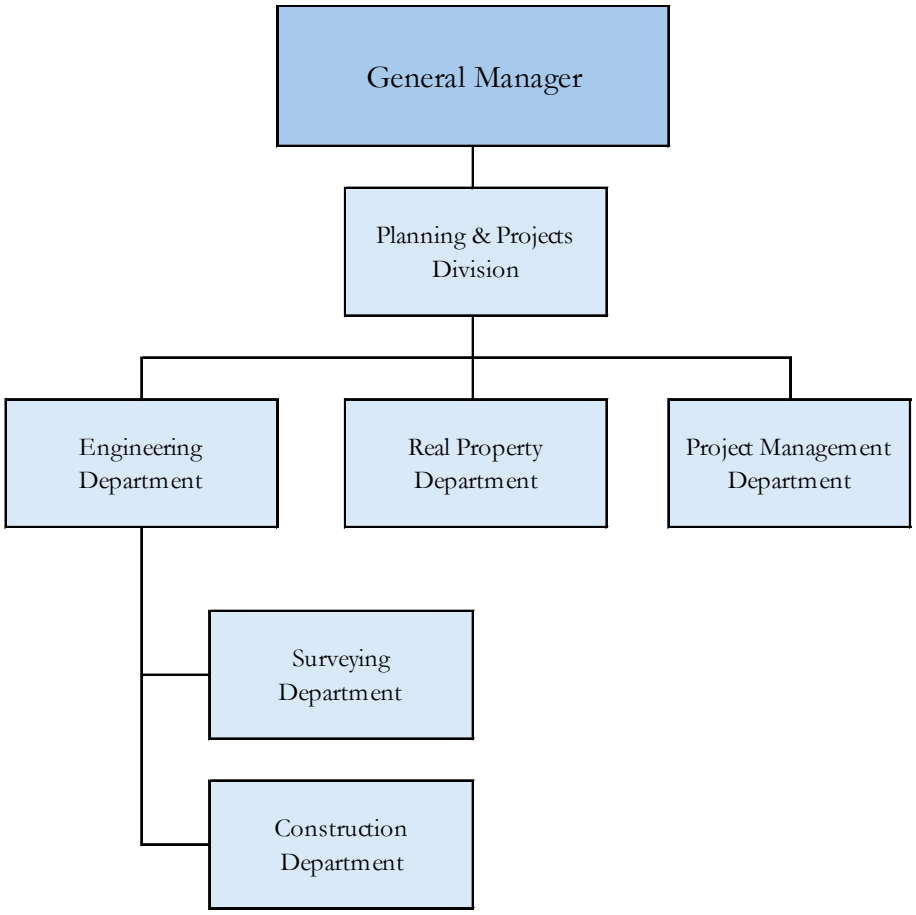
2025 Tactics
- Establish change management procedures for updates to IT asset inventory system and expand program to include software and virtual services.
- Standardize network documentation and diagrams.
- Evaluate previous IT strategic plans for remaining recommendations and prioritize implementation.
- Develop and implement cyber/physical security recommendations and implement through Cyber/Physical security working group.*
- Create a Data Management and Use Committee to develop program framework.
- Conduct gap analysis to evaluate current state versus desired future state of data environment and capabilities.

Performance Measure	2024 Target	2024 Actual	2025 Target
NIST Cybersecurity Framework Maturity Score	Complete baseline scoring.	Complete baseline scoring.	+30% increase to baseline
IT controlled documents reviewed, revised and distributed	*	*	10
SCADA System Availability Annual Percentage	*	<99.95%	<99.95%
Employee Cybersecurity Awareness training program participation rate	*	95%	100%
Phish Prone Percentage	4.4%	4.6%	>4%

* New for fiscal year 2025

Planning & Projects Division

The Planning & Projects Division oversees the planning and delivery of projects to ensure reliability of our existing and future water supply infrastructure.



Planning & Projects Division Departments

Engineering Department

The Engineering Department conducts engineering studies and limited in-house design, ensures adherence to agency design standards and specifications, administers the cathodic protection program, and provides quality review of projects designed by outsourced services.

Surveying Department

The Surveying Department conducts land surveys, provides quality review of outsourced land surveys, manages the utility conflicts program, and maintains computer-aided design standards and record drawings.

Construction Department

The Construction Department manages construction contracts to provide quality construction projects within budget and on schedule.

Real Property Department

The Real Property Department secures and maintains property rights to ensure agency's control of property facilities, pipelines, and monitoring locations.

Project Management Department

The Project Management Department updates the agency's Capital Improvements Program and Long-term Master Water Plan; manages projects and develops processes, policies, and training to support a standardized project management capability within the agency.

Planning and Projects Division Operations by Category

Planning & Projects Division [1]	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	-	-	-	1,616,044	1,962,400	2,204,900
42100 FICA	-	-	-	119,417	150,300	168,900
42200 FRS	-	-	-	250,718	291,700	340,900
42300 Life & Health Insurance	-	-	-	285,278	-	-
Total Personnel Services	**-**	**-**	**-**	**2,271,457**	**2,404,400**	**2,714,700**
55100 Office Supplies	-	-	-	28	-	200
55200 Operating Supplies	-	-	-	21,120	36,300	26,300
55400 Books, Publs, Subsc, Mbrshps	-	-	-	8,683	18,403	20,370
55500 Training	-	-	-	14,940	50,195	31,450
Total Materials & Supplies	**-**	**-**	**-**	**44,771**	**104,898**	**78,320**
63120 Engineering Services	-	-	-	3,534,422	2,750,000	3,052,000
63125 Engineering Services-Own All	-	-	-	56,655	-	-
63190 Other Professional Services	-	-	-	326,340	1,037,500	710,000
63400 Other Services	-	-	-	191,521	363,000	323,000
Total Professional Services	**-**	**-**	**-**	**4,108,938**	**4,150,500**	**4,085,000**
64000 Travel & Per Diem	-	-	-	7,015	23,880	9,000
64005 Mileage & Tolls	-	-	-	1,610	1,803	1,453
64120 Freight & Postage Services	-	-	-	115	3,500	3,200
64600 Repair & Maintenance	-	-	-	231,284	337,500	1,303,500
64605 Repair & Maintenance-Own All	-	-	-	-	-	-
64700 Printing & Binding	-	-	-	-	2,000	2,000
64810 Advertising	-	-	-	255	1,740	1,740
64990 Other Current Charges	-	-	-	175,584	173,100	183,000
64991 Permits	-	-	-	5,700	1,500	10,000
Total Repairs & Other Services	**-**	**-**	**-**	**421,563**	**545,023**	**1,513,893**
64400 Rentals & Leases	-	-	-	52,166	100,000	100,000
64500 Insurance	-	-	-	-	-	-
Total Rent & Insurance	**-**	**-**	**-**	**52,166**	**100,000**	**100,000**
86100 Land Acq Cost-Purchase	-	-	-	-	30,000	25,000
86110 Land Acq Cost-Legal	-	-	-	-	5,000	5,000
86120 Land Acq Cost-Prop. Sttlmt. Atty	-	-	-	-	20,000	20,000
86190 Land Acq Cost-Other	-	-	-	-	-	5,000
86300 Capital Improvement Facility	-	-	-	-	-	-
86305 Capital Improvement Facility-Own. All	-	-	-	-	-	41,000
86400 Machine & Equipment Purchase	-	-	-	21,197	27,000	-
Total Capital Expenditures	**-**	**-**	**-**	**21,197**	**82,000**	**96,000**
Grand Total	**-**	**-**	**-**	**6,920,092**	**7,386,821**	**8,587,913**

1 - Planning and Projects Division is a newer Division which began in FY 2024

Planning and Projects Division Performance

Strategic Goals and Objectives:

- Ensure the continued reliability and sustainability of the regional water supply system through planning and capital project management.
- Plan for future supply through the Long-term Master Water Planning process.
- Develop the agency project management methodology across the agency.
- Ensure projects are delivered on time and on budget and capital project output closely matches projections.

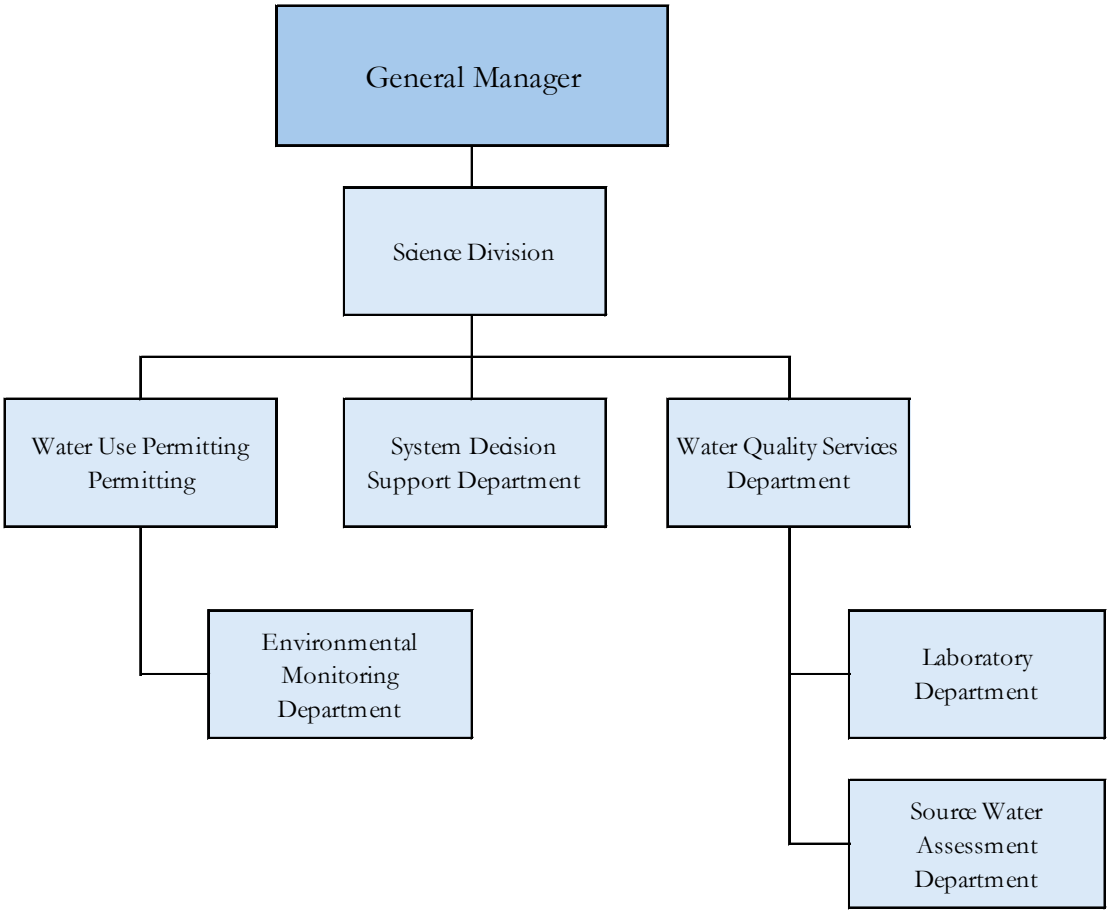
2025 Tactics
- Negotiate contracts and start feasibility studies for all potential 2033 water supply projects.
- Complete design activities and negotiate guaranteed maximum price packages on Surface Water Treatment Plant expansion and begin construction activities.
- Complete property and easement acquisition activities for South Hillsborough Pipeline.
- Complete agreement negotiations and start design on South Hillsborough Wellfield.
- Refine Capital Improvement Program planned expenditure projects to match incurred expenses more closely.
- Investigate potential utility conflicts and resolve successfully.
- Continue 2045 System Hydraulic and Emergency Scenario Study.*
- Negotiate guaranteed maximum price packages and begin early construction activities on South Hillsborough Pipeline.

Performance Measure	2024 Target	2024 Actual	2025 Target
Capital Improvement Program expenditures by fiscal year.	$86.5 mm	$25.9 mm**	$174.2mm
Number of capital projects started on scheduled.	16	16	8
Number of capital projects completed on schedule, on budget.	10	6	15

***** New for fiscal year 2025
****** As of May 31, 2024

Science Division

The Science Division oversees and supports environmental and water quality data collection and analysis, permit compliance, systems modeling to support agency decision-making, and coordinates water conservation activities and implements water saving rebate programs to reduce water demands across the region.



Science Division Departments

Water Use Permitting Department

The Water Use Permitting Department maintains compliance with and acquires Water Use and Environmental Permits, manages lands controlled by the agency, and provides technical analyses and guidance for supply infrastructure, sources, planning, and environmental sustainability.

Environmental Monitoring Department

The Environmental Monitoring Department collects hydrologic and environmental data for permit compliance, environmental analyses, and to support agency operations and planning decisions.

System Decision Support Department

The System Decision Support Department designs, implements, and maintains models for environmental sustainability and water resources optimization, forecasting tools for long-term supply and financial planning, and guidance of agency operations. The department conducts climate change, variability, and sea level rise impact assessments for agency supply sources, infrastructure, and other resources to develop adaptation actions.

Water Quality Services Department

The Water Quality Services Department provides technical and regulatory advice and support on agency projects, assignments, and research activities involving the delivery of Quality Water.

Laboratory Department

The Laboratory Department monitors, collects, analyzes, and reports for water quality compliance, and completes studies for monitoring source waters, regional delivery system performance and future water quality requirements.

Source Water Assessment Department

The Source Water Assessment Department directs the study, planning, and implementation of the agency's initiatives to protect our water supply sources and leads the hydrobiological monitoring programs.

Science Division Operations by Category

Science Division		Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000	Regular Salaries	3,672,165	3,600,848	2,949,168	3,046,229	3,331,400	3,346,100
41410	Overtime	1,874	1,974	1,276	1,619	2,400	2,100
41430	On-Call Pay	-	-	76	-	200	-
42100	FICA	269,397	263,757	217,230	225,101	255,600	256,600
42200	FRS	406,573	438,633	392,629	472,602	506,300	531,200
42300	Life & Health Insurance	733,958	595,600	540,228	605,698	-	-
Total Personnel Services		**5,083,966**	**4,900,813**	**4,100,607**	**4,351,249**	**4,095,900**	**4,136,000**
55100	Office Supplies	44	-	73	-	-	-
55200	Operating Supplies	138,957	175,229	310,753	434,880	377,581	391,264
55260	Computer Software Expense	-	-	-	-	-	-
55400	Books, Publs, Subsc, Mbrshps	230,048	236,777	248,580	246,441	258,264	264,302
55500	Training	7,763	6,937	18,778	9,947	35,730	24,185
Total Materials & Supplies		**376,812**	**418,944**	**578,185**	**691,268**	**671,575**	**679,751**
63120	Engineering Services	747,148	911,637	1,054,858	419,817	960,000	870,000
63130	Hydrological Services	522,059	416,580	557,986	951,987	799,500	539,500
63140	Ecological Services	2,808,002	2,068,099	1,958,937	2,163,213	2,269,054	2,133,875
63181	Mitigation	1,953	7,448	3,467	3,699	50,000	86,000
63182	Augmentation	40,483	42,179	21,757	33,098	43,000	103,000
63190	Other Professional Services	3,185,124	3,610,396	1,805,330	1,637,175	1,554,745	2,333,105
63400	Other Services	232,200	17,599	57,422	76,822	2,750	2,750
Total Professional Services		**7,536,967**	**7,073,939**	**5,459,757**	**5,285,811**	**5,679,049**	**6,068,230**
64000	Travel & Per Diem	15,868	1,615	9,763	13,291	48,190	25,000
64005	Mileage & Tolls	2,653	1,477	2,392	2,922	6,000	4,500
64100	Communications Services	399	-	-	-	-	-
64120	Freight & Postage Services	4,778	5,474	7,686	7,656	9,500	10,500
64320	Water, Sewer & Other Utilities	-	-		-	-	-
64600	Repair & Maintenance	63,887	156,086	83,909	339,911	259,484	529,534
64700	Printing & Binding	92	106	-	-	-	-
64810	Advertising	2,037	2,240	4,586	916	2,578	4,700
64990	Other Current Charges	796	-	1,359	1,578	-	-
64991	Permits	70,295	63,767	87,060	58,210	75,598	4,750
Total Repairs & Other Services		**160,804**	**230,765**	**196,755**	**424,484**	**401,350**	**578,984**
64400	Rentals & Leases	-	-	-	-	1,000	2,000
Total Rent & Insurance		**-**	**-**	**-**	**-**	**1,000**	**2,000**
86400	Machine & Equipment Purchase	416,682	223,336	96,053	149,048	250,000	755,000
86610	Software to Amortize	-	-	-	-	-	-
Total Capital Expenditures		**416,682**	**223,336**	**96,053**	**149,048**	**250,000**	**755,000**
Grand Total		**13,575,232**	**12,847,796**	**10,431,356**	**10,901,860**	**11,098,874**	**12,219,965**

Science Division Performance

Strategic Goals and Objectives:

- Deliver quality water and enhance system reliability and sustainability.
- Achieve 100% compliance with regional contract requirements and permit limitations.
- Evaluate options to enhance water quality and public health protection.
- Ensure resilience of infrastructure and supplies.
- Conserve water and manage demands through savings to offset capital project needs.

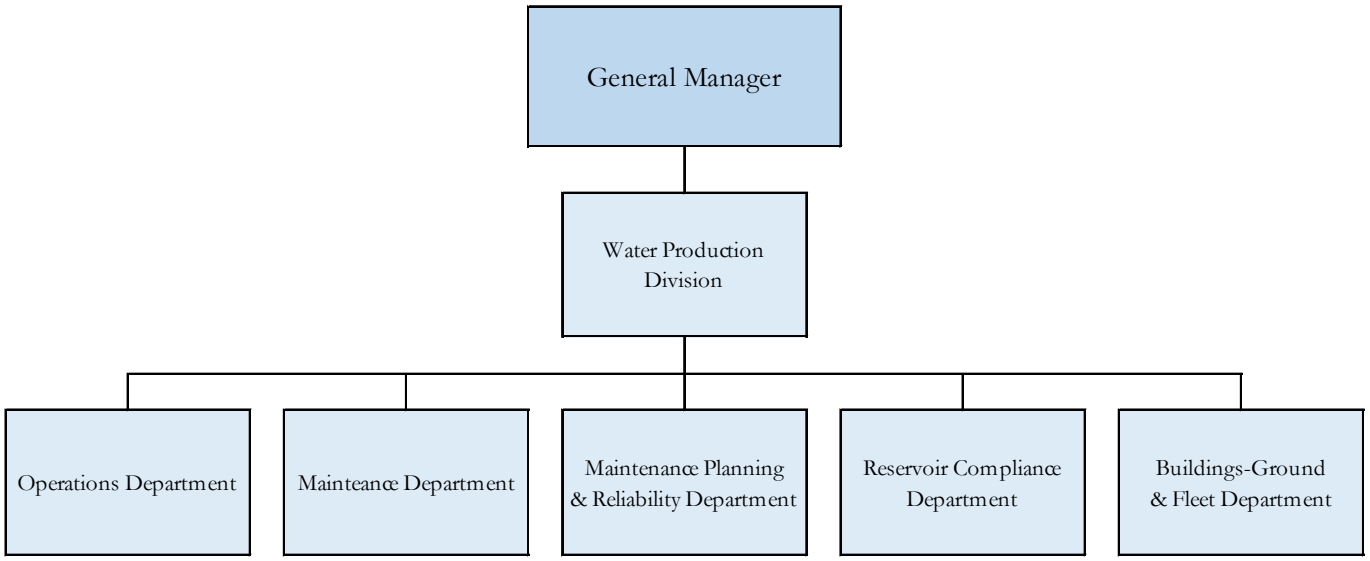
2025 Tactics

- Complete update to regional water quality study recommendations and gain approval from board for PFAS and TOC treatment options and schedule.
- Implement Optimized Regional Operations Plan weekly source rotation scheduled.
- With Planning & Projects, integrate climate change and sea level rise analysis into capital planning process.
- Complete annual regional demand forecast.
- Commence modeling analyses to support groundwater, surface water feasibility study program for future water supply sources.
- Continue to investigate and acquire unused groundwater permits and quantities, specifically in the South Hillsborough and Pasco County services areas.
- Prioritize high water user accounts, large facilities and new developments for demand management through Tampa Bay Water Wise.

Performance Measure	2024 Target	2024 Actual	2025 Target
Total annual water savings through Tampa Bay Water Wise in gallons per day (gpd)	150,000-380,000 gpd	162,685 gpd	153,160-559,149 gpd
Safe Drinking Water Act Compliance	100%	100%	100%
Exhibit D Compliance	100%	100%	100%
Consolidated Permit Running Average	90 mgd	87.48 mgd	90 mgd
South Central Hillsborough Regional Wellfield Running Average	24.95 mgd	25.52 mgd	24.95 mgd

Water Production Division

The Water Production Division operates, supports, monitors, and maintains Agency facilities to continuously provide high-quality drinking water to our members.



Water Production Division Departments

Operations & Maintenance Departments

The Operations and Maintenance Departments are responsible for ensuring the Agency's production assets are maintained and operated in a sustainable and resilient manner to fulfill the drinking water needs of the member governments.

Maintenance Planning & Reliability Department

The Maintenance Planning & Reliability Department is responsible for overseeing the Agency's Asset Management System, including the MAXIMO CMMS system and the Renewal & Replacement Program.

Reservoir Compliance Department

The Reservoir Compliance Department is responsible for the oversight, monitoring, maintenance, reporting, and regulatory compliance related to the C.W. "Bill" Young Regional Reservoir.

Building, Grounds & Fleet Department

The Building, Grounds & Fleet Department is responsible for maintaining the primary physical plants of each facility, including HVAC systems, roadways, fire safety systems and roofing and coating systems.

Water Production Division Operations by Category

Water Production Division	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
41000 Regular Salaries	5,312,921	5,506,461	6,171,393	4,657,537	5,083,900	5,274,000
41410 Overtime	74,760	92,250	113,332	96,780	112,200	108,600
41420 Shift Differential	62,416	58,878	55,169	53,020	68,900	63,600
41430 On-Call Pay	44,878	46,395	47,737	63,106	56,300	70,000
42100 FICA	389,766	403,340	454,573	344,168	407,700	422,900
42200 FRS	588,233	663,818	821,611	722,586	792,700	837,200
42300 Life & Health Insurance	1,061,896	1,061,791	1,312,461	1,184,472	-	-
Total Personnel Services	**7,534,870**	**7,832,933**	**8,976,275**	**7,121,669**	**6,521,700**	**6,776,300**
55100 Office Supplies	3,697	948	1,066	384	150	-
55200 Operating Supplies	1,026,505	1,274,492	1,367,343	1,491,930	1,606,827	1,619,074
55260 Computer Software Expense	-	-	2,095	-	-	-
55400 Books, Publs, Subsc, Mbrshps	32,008	49,252	35,187	12,158	15,184	16,198
55500 Training	51,178	66,492	45,664	9,227	44,820	22,750
Total Materials & Supplies	**1,113,387**	**1,391,183**	**1,451,355**	**1,513,699**	**1,666,981**	**1,658,022**
63120 Engineering Services	1,584,150	3,114,080	2,873,011	343,021	377,000	570,517
63125 Engineering Services-Own All	138,946	157,223	20,000	-	-	-
63130 Hydrological Services	84,833	197,374	9,288	-	-	-
63140 Ecological Services	164,852	73,454	-	-	-	-
63190 Other Professional Services	455,794	824,466	961,564	86,220	325,000	325,000
63400 Other Services	1,768,383	2,031,614	2,078,755	832,284	1,122,892	1,541,012
63410 O&M Agreements	12,539,695	13,903,088	14,407,366	14,726,849	16,066,688	16,649,976
Total Professional Services	**16,736,652**	**20,301,299**	**20,349,984**	**15,988,374**	**17,891,580**	**19,086,505**
64000 Travel & Per Diem	9,699	3,625	10,455	646	26,382	9,900
64005 Mileage & Tolls	3,226	3,440	4,018	3,787	4,100	4,100
64100 Communications Services	5,713	18,879	22,330	-	-	-
64120 Freight & Postage Services	15,592	19,529	20,262	25,484	16,000	14,000
64320 Water, Sewer & Other Utilities	254,845	228,234	246,755	218,752	254,000	279,500
64600 Repair & Maintenance	4,761,618	4,343,842	3,926,770	5,264,841	4,417,378	6,442,493
64605 Repair & Maintenance-Own All	-	43,383	-	-	-	-
64700 Printing & Binding	-	-	-	-	-	-
64800 Promotional Activities	-	-	-	-	-	-
64810 Advertising	670	428	144	-	-	-
64990 Other Current Charges	1,617	178,166	181,601	19,791	22,000	23,000
64991 Permits	5,208	12,624	-	-	-	69,500
Total Repairs & Other Services	**5,058,188**	**4,852,150**	**4,412,334**	**5,533,301**	**4,739,860**	**6,842,493**

Water Production Division Operations by Category

Water Production Division	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Approved FY 2024	Approved FY 2025
64400 Rentals & Leases	127,139	158,185	116,101	34,263	77,630	92,630
64410 Lease Amortization Expense	-	-	(13,218)	-	-	-
64411 Lease Interest Expense	-	-	23,511	-	-	-
64500 Insurance	219,340	201,239	194,463	244,120	218,033	269,395
Total Rent & Insurance	**346,479**	**359,424**	**320,857**	**278,383**	**295,663**	**362,025**
86100 Land Acq Cost-Purchase	527,291	-	-	-	-	-
86110 Land Acq Cost-Legal	-	-	-	-	-	-
86190 Land Acq Cost-Other	22,486	492	-	-	-	-
86300 Capital Improvement Facility	2,406,725	4,614,041	32,685	202,932	165,000	315,000
86305 Capital Improvement Facility-O	32,937	344,351	-	-	-	-
86400 Machine & Equipment Purchase	414,628	557,231	534,157	615,886	556,310	552,000
Total Capital Expenditures	**3,404,067**	**5,516,114**	**566,842**	**818,818**	**721,310**	**867,000**
86500 Construction in Progress	-	1,981,838	11,478	-	-	-
86505 Construction-Owners Allowance	-	152,967	8,459	-	-	-
Total Construction in Progress	**-**	**2,134,805**	**19,937**	**-**	**-**	**-**
55250 Water Quality Credit	**48,000**	**48,000**	**48,000**	**48,000**	**48,000**	**48,000**
55210 Water Treatment Chemicals	9,935,948	10,579,523	14,392,959	21,077,915	23,431,064	25,679,820
64310 Power & Light	11,364,291	11,893,161	13,151,033	14,259,095	12,911,320	19,050,635
64380 Water For Resale	708,172	528,245	501,616	566,350	640,788	658,600
Total Variable Operating Costs	**22,008,410**	**23,000,929**	**28,045,608**	**35,903,360**	**36,983,172**	**45,389,055**
Grand Total	**56,250,053**	**65,436,837**	**64,191,192**	**67,205,604**	**68,868,266**	**81,029,400**

Water Production Division Performance

Strategic Goals and Objectives:

- Provide high quality water to the region every day, all day, that meets all governing and regulatory requirements.
- Ensure regional water supply system facilities are maintained and equipment is fixed replaced as needed for optimal operating performance.
- Manage supply to meet daily and peak demands at all member government points of connection.
- Continually evaluate water supply system for enhancements to improve source delivery and service to member governments.
- Develop, implement and continuously improve agency asset management program.

2025 Tactics

- Implement Optimized Regional Operations Plan (OROP) weekly source rotation schedule.
- Identify system constraints and with Planning & Projects Division, develop plans to alleviate constraints for optimum operations.
- Develop controlled documents to ensure consistency in operations, maintenance, facility, instrumentation and controls, and asset management processes.
- Create implementation plan to adopt OSIsoft PI tools.
- With information technology and science, develop plan to integrate SCADA with Decision Support tools through data management project.
- Assess existing asset management structure; develop comprehensive asset management program framework and implementation plan.*

Performance Measure	2024 Target	2024 Actual	2025 Target
Forecasted vs actual reservoir levels in billions of gallons (bg)	15.5 bg***	14.1 bg	15.5 bg
Planned maintenance time	80%	94%**	85%
Annual Delivery to Member Governments in millions of gallons per day (mgd)	197.7 mgd	201.1 mgd**	209.7 mgd
Alternative Water Source: Surface Water Treatment Plant	79.6 mgd	87.1 mgd**	79.2 mgd
Alternative Water Source: Seawater Desalination Plant	7.4 mgd	0 mgd****	12.3 mgd

* New for Fiscal Year 2025
** As of May 31, 2024
*** At beginning of each fiscal year
**** Under repair until Fiscal Year 2025

Summary of Contracts and Resolutions

Fiscal Year 2025

The Summary of Contracts and Resolutions section provides key contractual requirements of the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and the Master Bond Resolution.

Tampa Bay Water activities are governed primarily by two agreements with the Member Governments:

- The Amended and Restated Interlocal Agreement and
- The Master Water Supply Contract

Activities and budgetary considerations are further influenced by the Master Bond Resolution.

The fiscal year 2025 budget is developed within the framework of these agreements. This section provides key terms and conditions of the agreements.

Amended and Restated Interlocal Agreement

Section 2.08 - Annual Budget

(A) Prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for Tampa Bay Water covering its operating and other financial requirements for the ensuing fiscal year. The tentative budget shall identify (1) the rate at which Quality Water will be sold to Members Governments' during such fiscal year, and (2) the rate to be charged to Tampa for water provided through the Tampa Bypass Canal pumping facility during such fiscal year.

(B) The Board shall publish a notice of its intention to adopt the budget and shall provide copies of the notice and tentative budget to each Member Government on or before the first publication date. The notice shall be published once a week for two consecutive weeks within thirty days of the public hearing, the last insertion of which shall appear not less than one week prior to the date set by the Board for the hearing on the budget and rates.

(C) At the time, date and place specified in the notice, the Board shall conduct a public hearing and thereafter may consider adoption of the budget and rates with any amendments it deems advisable. Unless otherwise authorized by the Board, the final budget and rates shall be adopted by August 1.

Section 3.03 - Obligation to meet Water Needs

This section includes the following key requirements:

(A) The Agency has the absolute and unequivocal obligation to meet the Quality Water needs of the Member Governments.

(B) The Agency shall oppose any permit, order, rule, or other regulatory effort to reduce or limit the permitted capacity of its Water Supply Facilities, unless the reduction or limitation results from an agreement to which all Member Governments are parties, or the reduction or limitation will not become effective until adequate Replacement Capacity has been placed in service.

(C) The General Manager shall actively monitor the relationship between the quantity of Quality Water actually delivered by the Authority to the Member Governments and the aggregate permitted capacity of the Agency's production facilities.

1. If the actual delivery of Quality Water to the Members exceeds 75 percent of the aggregate permitted capacity of the Agency's production facilities, the General Manager shall report to the Board and recommend that the Agency initiate preparation of Primary Environmental Permit applications necessary to ensure an adequate supply.
2. If the actual delivery of Quality Water to the Members exceeds 85 percent of the aggregate permitted capacity of the Agency's production facilities, the General Manager shall report to the Board and recommend that the Agency file Primary Environmental Permit applications necessary to ensure an adequate supply.

(D) It is acknowledged and agreed that the Water delivered by the Authority (1) from the South Central Hillsborough Wellfield to the Lithia Water Treatment Plant, (2) from the Starkey and North Pasco Wellfields to the Maytum Water Treatment Plant, (3) from the Starkey and North Pasco Wellfields to the Little Road Water Treatment Plant, (4) from the Eldridge-Wilde Wellfield to the Keller Water Treatment Plant, (5) from the Cosme-Odessa Wellfield to the Cosme Water Treatment Plant, (6) from the Morris Bridge Wellfield to the Morris Bridge Water Treatment Plant, and (7) from the Tampa Bypass Canal to the Hillsborough River Reservoir, will not meet the standards for Quality Water……the Member Governments receiving such water….will be entitled to a credit against the uniform rate.

Section 3.04 - Uniform Rate

Tampa Bay Water shall establish a single uniform rate for the sale of quality water to Member Governments subject to the following adjustments:

(1) Actual direct costs to perform the additional treatment required to meet the standard for quality water;

(2) If a Member Government requests Tampa Bay Water provide other treatment beyond what is necessary to meet quality water standards;

(3) Credits for transferred assets assuming each Member has elected to receive a credit, inclusive of interest, shall be applied against the water rate over 30 years;

The rate for the sale of quality water to Member Governments shall be established for each fiscal year in Tampa Bay Water's annual budget.

Section 3.08(D) - Surface Water Sources

Notwithstanding the provisions of Section 3.04 hereof, the rate charged to City of Tampa for water provided through the Tampa Bypass Canal Pumping Facility will be equal to Tampa Bay Water's direct cost and allocated overhead.

Master Water Supply Contract

Section 8 - Authority's Agreement to Provide Water Service

This section of the contract provides that:

(A) The Agency shall sell and deliver sufficient Quality Water to the Member Governments to meet their needs and the Member Governments shall purchase and receive the Quality Water delivered.

(B) The Agency shall be in default under the contract if it fails to supply the Quality Water needs of the Member Governments, except when due to force majeure.

Section 13-Rate

The following excerpts are fundamental to the budget process.

(B) Rates in effect each fiscal year shall be sufficient to pay the annual estimate established by Tampa Bay Water. Monthly charges for such water service are based on the rate approved by Tampa Bay Water and total volume of quality water delivered to such Member Governments by Tampa Bay Water.

(C) The rate to be charged may include the following components:

- Operation, Maintenance, and Administrative costs;
- Debt service charges;
- Renewal and Replacement charges;
- Bond coverage costs;
- Capital Improvement charges;
- Operating Reserve Funds;

(D) The Member Governments agree that Tampa Bay Water may establish a rate stabilization fund. Operation, Maintenance and Administrative costs and/or Operating Reserve Funds may be utilized by Tampa Bay Water to fund such Rate Stabilization Fund.

(E) Annual True-up: Following the end of each fiscal year, an annual adjustment in the fixed costs component of bills paid during that fiscal year shall be computed on the basis of:

- The fixed costs which are provided in the Annual Estimate in effect during the fiscal year then ended
- The actual amount of quality water delivered to each of the Member Governments during the fiscal year then ended

(F) Carry Forward: Any unencumbered monies of Tampa Bay Water present at the end of the fiscal year shall be budgeted by Tampa Bay Water for the succeeding fiscal year and shall be utilized for the same purposes for which rates are charged by Tampa Bay Water.

Monthly Billing

In accordance with the Master Water Supply Contract provisions, Tampa Bay Water bills the Member Governments for the Quality Water delivered to them on a monthly basis. The monthly bill could include Fixed costs, Variable costs, annual credits to Member Governments for the purchase of water supply facilities by Tampa Bay Water, water quality credits for treatment of Hydrogen Sulfide, and any other credit(s)/surcharge(s) as authorized by the Board.

A brief discussion of how the Fixed Costs, Variable Costs, and the costs associated with the water delivered to Tampa from the Tampa Bypass Canal are calculated and billed to the Member Governments is presented below:

Fixed Costs

Each Member Government is required to pay monthly an amount equal to one-twelfth of the Fixed Costs provided in the Annual Estimate times "A" divided by "B", where "A" equals the amount of Quality water delivered to such Member Government during the previous fiscal year and "B" equals the total amount of Quality Water delivered to all Member Governments during such fiscal year.

$$\text{Monthly Fixed Costs Billed to the Member Government} = \frac{\text{Total Fixed Costs}}{12} \times \frac{\text{Amount of Quality Water consumed by Member Government during the prior Fiscal Year (A)}}{\text{Total Amount of Quality Water consumed by all Member Governments during the prior Fiscal Year (B)}}$$

As indicated above, Tampa Bay Water allocates the Fixed Costs to each Member Government based on that Member Government's share of the total Quality Water delivered to all Member Governments during the prior fiscal year. The annual Fixed Costs allocated to the Member Government is billed in twelve equal monthly installments. Following the end of each fiscal year, Tampa Bay Water is required to perform an annual true-up of the budgeted Fixed Costs components of bills paid during that fiscal year based on the actual amount of Quality Water delivered to each Member Government during the fiscal year then ended.

Variable Costs

Each Member Government is required to pay monthly an amount equal to the amount of Quality Water consumed by the Member Government during the prior month times the Uniform Rate ($/1,000 gallons) then in effect times "C" divided by "D", where "C" equals the Variable Costs and "D" equals the Annual Estimate (the net annual revenue requirements for the purposes of billing) then in effect.

Monthly Variable Costs Billed to the Member Government	=	Amount of Monthly Quality Water Consumed Prior Month	X	Uniform Rate	X	Total Variable Costs (C) [total variable costs included in the approved annual budget for the current fiscal year] / Total Annual Estimate (D) [the net annual revenue required for the current fiscal year]

Since the budgeted Variable Costs are allocated to the Member Governments based on their actual consumption of Quality Water, there is no requirement in the Interlocal Agreement or the Master Water Supply Contract to perform an annual true-up of Variable Costs at the end of the fiscal year. Tampa Bay Water recognizes that the actual annual revenues (Variable Costs element only) may be different from the budgeted Variable Costs, if the actual amount of Quality Water delivered to the Member Governments for the given fiscal year is different from the projected amount of Quality Water used for the rate calculation for such fiscal year. Any overage or shortage in actual revenues as a result of this contractual provision is not expected to be material since the Variable Costs are expected to change in direct proportion to changes in the volume of Quality Water delivered to the Member Governments.

Surface Water Source(s)

In accordance with Section 3.08(D) of the Interlocal Agreement, Tampa Bay Water is required to charge a separate rate for water delivered to the City of Tampa from the Tampa Bypass Canal facility. The rate charged to the City of Tampa is equal to Tampa Bay Water's direct cost plus Allocated Overhead associated with the Tampa Bypass Canal facility and is established as part of the annual budget development process. A unit rate ($/1,000 gallons) is determined for the water delivered to the City of Tampa from the Tampa Bypass Canal facility, based on the projected quantity of water to be delivered to the City of Tampa from the Tampa Bypass Canal facility during the fiscal year. Tampa Bay Water bills the City of Tampa on a monthly basis for the actual amount of water consumed from the Tampa Bypass Canal facility for the prior month.

In summary, a wholesale water rate is calculated as part of the annual estimate. Each Member pays their pro-rata share of Fixed and Variable Costs based on their water usage. Those Member Governments facing reductions in permitted supply or rapid population growth will share regionally the cost of developing new water supplies. Voting rights are equitably balanced among the three counties.

Master Bond Resolution 98-07TBW

Section 1.01 Definitions

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds, (2) 125% of the average Annual Debt Service for all Outstanding Bonds, or (3) the maximum amount allowed to be funded from proceeds of tax-exempt obligations and invested at an unrestricted yield pursuant to the Code; provided, however, the Issuer may establish by Supplemental Resolution a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a Series of Bonds pursuant to Section 4.05(B)(4) hereof. In computing the Reserve Account Requirement in respect of a series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of calculation, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The time of calculation for Variable Rate Bonds shall be each March 1.

Section 1.04. Findings

(L) That the estimated Gross Revenues to be derived in each year hereafter from the operation of the System will be sufficient to pay all the Operating Expenses, the principal of and interest on the Bonds to be issued pursuant to this Resolution, as the same become due and all other payments provided for in this Resolution.

Section 4.04. Creation of Funds and Accounts

The Issuer covenants and agrees to establish with a bank, trust company or such other entity in the State, which is eligible under the laws of the State to be a depository for its funds the following funds and accounts:

(A) The "Tampa Bay Water Utility System Revenue Fund." The Issuer shall maintain two separate accounts in the Revenue Fund: The "Revenue Account" and the "Rate Stabilization Account."

(B) The "Tampa Bay Water Utility System Operation, Maintenance and Administration Fund."

(C) The "Tampa Bay Water Utility System Sinking Fund." The Issuer shall maintain four separate accounts in the Sinking Fund: the "Interest Account," the "Principal Account," the "Term Bonds Redemption Account" and the "Reserve Account."

(D) The "Tampa Bay Water Utility System Renewal and Replacement Fund."

(E) The "Tampa Bay Water Utility System Capital Improvement Fund."

(F) The "Tampa Bay Water Utility System Utility Reserve Fund."

(G) The "Tampa Bay Water System Rebate Fund."

Section 4.06 Capital Improvement Fund

The Issuer shall deposit into the Capital Improvement Fund all Capital Improvement Charges as received and such Capital Improvement Charges shall be accumulated in the Capital Improvement Fund and applied by the Issuer in the following manner and order of priority:

(A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment date) into the Interest account, the Principal Account and the Term Bonds Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Utility Reserve Fund, the Reserve Account, the Renewal and Replacement Fund and the Rate Stabilization Account for such purpose pursuant to Section 4.05(B)(7), 4.05(B)(4), 40.5(B)(5) and 4.08, respectively, hereof shall be inadequate to fully provide for such insufficiency. Any moneys transferred to the aforementioned accounts described above shall be repaid from Gross Revenues and described in Section 4.05(B)(7) hereof on or prior to the date such amounts are needed for the purposes described in Sections 4.06(B) hereof.

Section 5.03. Annual Budget

The issuer shall prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with any applicable law. No expenditure for Operating Expenses of the System shall be made in any Fiscal Year in excess of the aggregate amount provided for Operating Expenses in the Annual Budget, (A) without a written finding and recommendation by an Authorized Issuer Officer, which finding, and recommendation shall state in detail the purpose of and necessity for such increased expenditures, and (B) until the Governing Body shall have approved such finding and recommendation by resolution.

Section 5.04. Rates

For the Fiscal Year commencing October 1, 1998, and for each Fiscal Year thereafter, the Issuer shall fix, establish, maintain, and collect such rates, fees and charges for the product, services, and facilities of its System, and revise the same from time to time, whenever necessary, so as always to provide in each Fiscal Year:

(A) Net Revenues, together with the Fund Balance, equal to at least 125% of the Annual Debt Service becoming due in such Fiscal Year; provided

(B) Such Net Revenues shall be adequate at all times to pay in each Fiscal Year at least 100% of (1) the Annual Debt Service becoming due in such Fiscal Year, (2) any amounts required by the terms hereof to be deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, (3) any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund in such Fiscal Year, and (4) any amounts required by the terms of Section 4.06(A) hereof to be repaid to the Capital Improvement Fund in such Fiscal Year.

Such rates, fees or other charges shall not be so reduced so as to be insufficient to provide adequate Net Revenues for the purposes provided therefore by this Resolution.

Section 5.11. Enforcement of Charges

The Issuer shall promptly bill the Member Governments for water consumed by such Member Governments in accordance with the terms of the Master Water Supply Contract. The Issuer shall compel the prompt payment of rates, fees and charges imposed in connection with the System, and to that end will vigorously enforce all of the provisions of the Master Water Supply Contract and any other agreement in may enter into for the supply of water.

Section 5.12. Amendments to Interlocal Agreement and Master Water Supply Contract

The Issuer agrees that it will not make any amendment or modification to the Master Water Supply Agreement which, in its judgment, will materially adversely affect the rights or security of the Holders of the Bonds. The Issuer acknowledges that the Member Governments agreed in the Master Water Supply Contract not to make any amendment to the Interlocal Agreement which would materially adversely affect the rights or security of the Holders of the Bonds. The Issuer agrees to enforce the aforementioned provisions in order to protect the rights and security of the Bondholders.

Section 5.14. Consulting Engineers

The Issuer shall at all times employ Consulting Engineers, whose duties shall be to make any certificates and perform any other acts required or permitted of the Consulting Engineers under this Resolution, and also to review the construction and operation of the System, to make an inspection of the System at least once every three years, and to submit to the Issuer a report with respect to each such inspection with recommendations as to the proper maintenance, repair and operation of the System during the ensuing Fiscal Year(s), including recommendations for expansion and additions to the System to meet anticipated service demands and an estimate of the amount of money necessary for such purposes. The Consulting Engineers shall annually recommend the amount of the Renewal and Replacement Fund Requirement. Copies of such reports, recommendations and estimates made as herein above provided shall be filed with the Issuer for inspection by Bondholders, if such inspection is requested, and shall be mailed to any Member Government requesting the same.

Appendix

Fiscal Year 2025

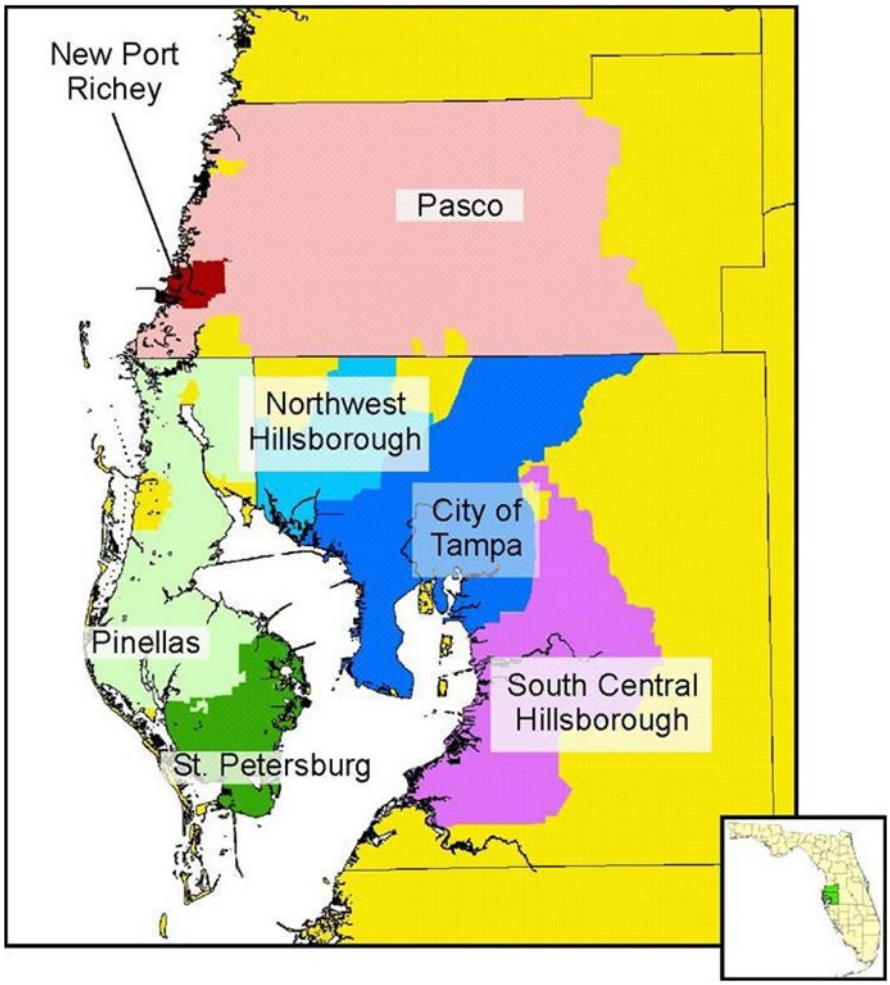
The Appendix includes a schedule of key dates for the budget process for fiscal year 2025. It also provides demographic and statistical information for Tampa Bay Water's service area, and information to assist the Member Governments in the planning of their annual budgets.

Tampa Bay Water Service Area Demographics and Statistical Information

Development of Tampa Bay Water's annual budget is largely based on member annual and monthly water demand forecasts. Demographic and statistical information is used to forecast annual and long-term water demand for the Tampa Bay Water service area.

Tampa Bay Water currently divides its service area into seven geographic sub-areas associated with distinct members:

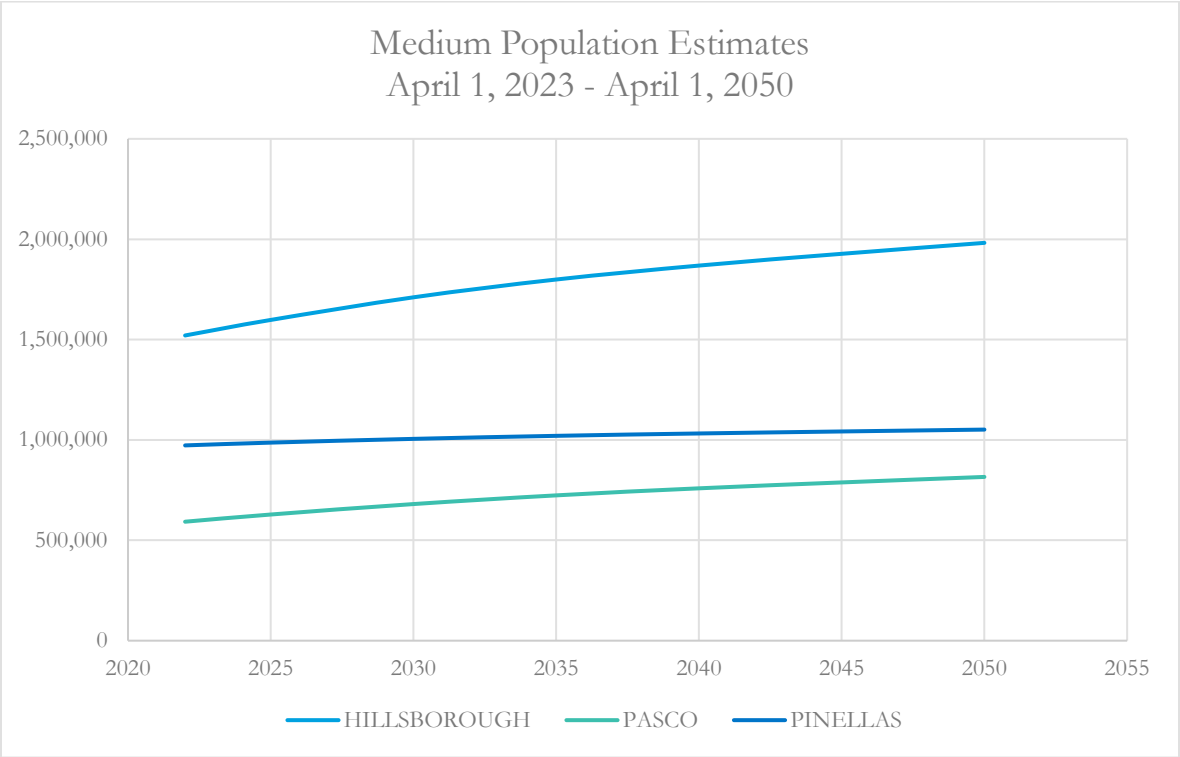
- City of New Port Richey
- Pasco County
- Pinellas County
- City of St. Petersburg
- Northwest Hillsborough and South-Central Hillsborough[1]
- City of Tampa



[1] Northwest Hillsborough and South-Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

Population

Part of forecasting water demand for Tampa Bay Water's service area involves obtaining population growth projections for the region.



Source: B.E.B.R.

The medium county-level population projection from the Bureau of Economic and Business Research (BEBR) at the University of Florida, show relatively high population growth in Pasco and Hillsborough Counties and no significant growth in Pinellas County, which affects regional water demand forecasts.

Households

Tampa Bay Water also utilizes housing information to estimate growth and to determine drivers of residential users. Census and housing information obtained from BEBR further illustrates the high growth in Hillsborough and Pasco Counties, while growth in Pinellas has declined.

	Census, April 1, 2010		Census, April 1, 2020		Estimates, April 1, 2023	
	Households	Average Household Size	Households	Average Household Size	Households	Average Household Size
FLORIDA	7,420,802	2.48	8,529,067	2.47	8,986,250	2.47
Hillsborough	474,030	2.55	559,949	2.55	591,387	2.55
Pasco	189,612	2.42	225,214	2.46	244,737	2.46
Pinellas	415,876	2.16	442,789	2.12	449,919	2.12

Numerical Change

	Households		Average Household Size	
	2010–20	2020–23	2010–20	2020–23
FLORIDA	1,108,265	457,183	-0.01	0.00
Hillsborough	85,919	31,438	0.00	0.00
Pasco	35,602	19,523	0.04	0.00
Pinellas	26,913	7,130	-0.04	0.00

Percentage Change

	Households		Average Household Size	
	2010–20	2020–22	2010–20	2020–23
FLORIDA	14.9	5.4	-0.4	0.0
Hillsborough	18.1	5.6	0.0	0.0
Pasco	18.8	8.7	1.7	0.0
Pinellas	6.5	1.6	-1.9	0.0

Source: B.E.B.R.

Climate Data

One of the many elements used in determining long term demand forecasts is meteorological information. Tampa Bay Water uses historical weather data, including daily rainfall totals and maximum daily temperatures that are collected from multiple National Oceanic and Atmospheric Administration (NOAA), United States Geological Survey (USGS), and Tampa Bay Water weather recording stations dispersed across the Tampa Bay Water service area. The chart below shows the points that were used to develop Tampa Bay Water's Long-Term Demand Forecast Model.

Weather Stations Used in Modeling

Station	Owner	County	Beginning of Period of Record	Rainfall Data Used for Modeling Period?	Temperature Data Used for Modeling Period?	Rainfall Data Used for Long-term Weather?	Temperature Data Used for Long-term Weather?
S21-21-10	TBW	Hillsborough	10/1/1984	✓			
CYB-CY-7 RAIN	TBW	Pasco	10/4/1988	✓			
CYB-TOT RAIN	TBW	Pasco	2/21/1986	✓			
CYC-C-3 RAIN	TBW	Pasco	9/1/1976	✓			
CYC-N. GATE RAIN	TBW	Pasco	11/1/1985	✓			
CYC-PLANT RAIN	TBW	Pasco	5/2/1976	✓			
NEB-DAYS INN RAIN	TBW	Hillsborough	10/1/1988	✓			
NON-NP-RAIN	TBW		4/9/1990	✓			
NWH-NW-5 RAIN	TBW	Hillsborough	10/1/1983	✓			
SCH-SC-1 RAIN	TBW	Hillsborough	3/1/1985	✓			
STK-14 RAIN	TBW	Pasco	10/4/1988	✓			
STK-RAIN EAST	TBW	Pasco	2/13/1986	✓			
STK-WEST-STK PLANT	TBW	Pasco	7/1/1982	✓			
KPIE (St. Pete/Clearwater Airport)*	NOAA	Pinellas	1-1-1893	✓			
KSPG (Albert Whitted Airport)	NOAA	Pinellas	7-1-196	✓	✓	✓	✓
KTPA (Tampa International Airport)	NOAA	Hillsborough	1/2/1933	✓	✓	✓	✓
MB RN USGS	USGS	Hillsborough	10/15/1933	✓			
St Leo Rainfall	NOAA	Pasco	1/1/1902	✓	✓	✓	✓
Ruskin NWS	NOAA	Hillsborough	11/1/2001	✓			
Tarpon Springs Rainfall	NOAA	Pinellas	7/3/1948	✓	✓	✓	✓
Plant City #	NOAA	Hillsborough	2/1/1903^		✓		✓

* Despite the long period-of record, KPIE could not be used as a long-term station because of a significant gap of missing records spanning 6/30/1966 to 10/23/2002**.**

Plant City was not used in developing modeling-period and long-term rainfall estimations because it was located outside the service area, while other rainfall stations were available within the eastern service area. However, Plant City was used in developing modeling-period and long-term temperature estimations because it was the only station near the southeastern service area with temperature data covering both the modeling period and the long-term weather period.

^ The earliest month with complete temperature data for Plant City was February 2003.

The following climatic information is based on data collected from weather stations used in Tampa Bay Water's Long-Term Demand Forecast Model.

Long-term National Weather Values by Water Demand Planning Area (WDPA) and Month

	Mean Maximum Daily Temperature						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	70.919	70.346	70.000	70.249	70.049	69.849	68.810
Feb	73.800	72.969	72.606	72.944	72.672	72.454	71.422
Mar	78.113	77.328	76.947	77.201	76.993	76.783	75.669
Apr	82.844	81.799	81.585	81.817	81.655	81.397	80.425
May	88.518	87.216	87.270	87.447	87.387	87.009	86.096
Jun	90.968	90.340	90.078	90.138	90.068	89.993	89.366
Jul	91.795	91.409	90.863	90.972	90.784	90.913	90.477
Aug	91.624	91.471	90.838	90.800	90.717	90.858	90.155
Sep	90.013	89.878	89.357	89.268	89.260	89.308	88.448
Oct	85.036	84.905	84.477	84.395	84.410	84.385	83.456
Nov	79.133	78.945	78.543	78.516	78.507	78.412	77.351
Dec	73.035	72.871	72.357	72.498	72.328	72.295	71.382
Annual Avg.	82.983	82.456	82.077	82.187	82.069	81.971	81.088

	Mean Number of 0.01-inch Rainy Days						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	7.542	7.877	6.869	6.627	6.590	6.945	6.164
Feb	4.994	6.394	5.532	5.378	5.343	5.741	5.211
Mar	6.420	6.794	6.156	5.952	5.982	6.180	5.495
Apr	4.104	4.543	4.158	3.997	4.066	4.140	3.521
May	4.566	4.112	4.364	4.329	4.437	4.159	3.790
Jun	12.191	10.572	10.721	10.587	10.705	10.393	9.803
Jul	15.096	14.548	14.088	13.893	13.930	13.993	13.288
Aug	15.340	14.302	14.562	14.411	14.611	14.246	13.515
Sep	11.745	11.527	11.364	11.352	11.302	11.39	11.409
Oct	5.462	5.594	5.264	5.123	5.174	5.243	4.733
Nov	4.653	5.288	4.592	4.400	4.419	4.662	4.003
Dec	5.265	5.309	5.045	4.976	4.973	5.024	4.680
Annual	97.378	96.860	92.715	91.025	91.532	92.116	85.612

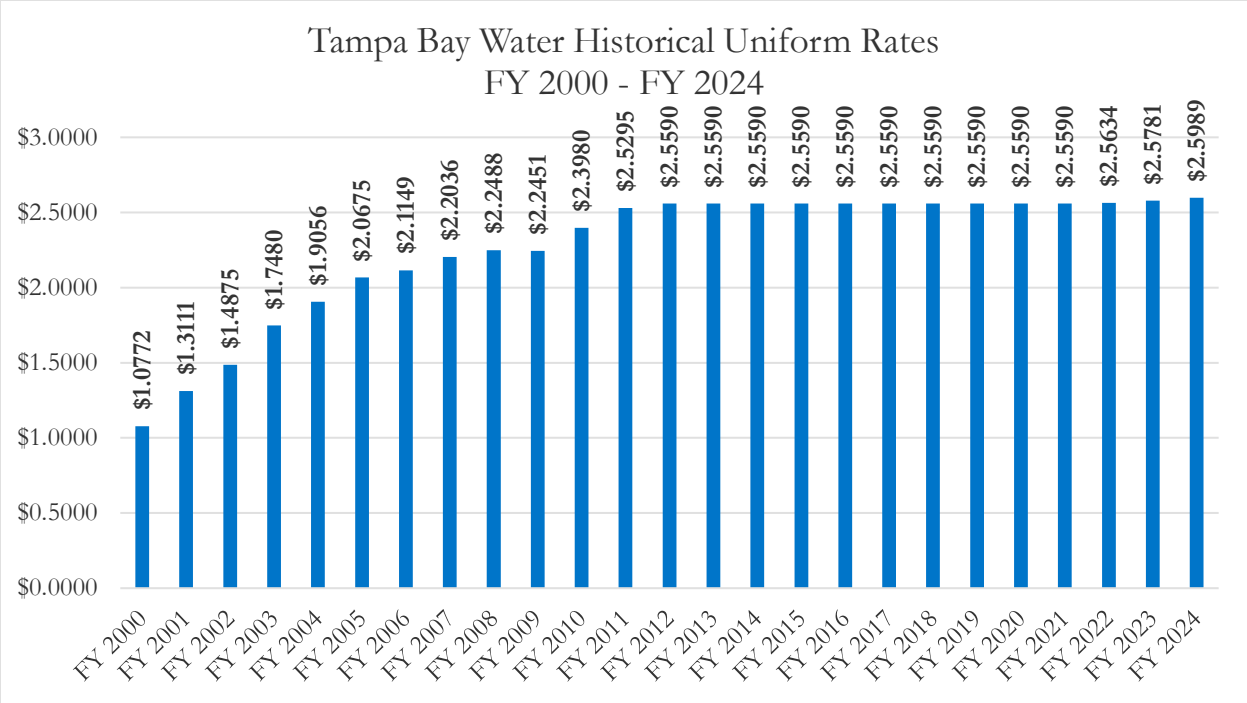
	Mean Number of 1-inch Rainy Days						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	0.847	0.768	0.652	0.626	0.615	0.646	0.547
Feb	0.737	0.616	0.636	0.642	0.636	0.623	0.644
Mar	1.156	1.247	0.980	0.947	0.905	1.028	0.949
Apr	0.517	0.454	0.408	0.405	0.392	0.405	0.386
May	0.559	0.580	0.538	0.534	0.526	0.550	0.547
Jun	1.949	1.550	1.530	1.524	1.511	1.485	1.426
Jul	1.748	1.949	1.694	1.619	1.628	1.720	1.474
Aug	2.288	2.155	2.244	2.328	2.264	2.297	2.691
Sep	1.508	1.703	1.703	1.753	1.709	1.776	2.030
Oct	0.612	0.641	0.608	0.582	0.600	0.594	0.488
Nov	0.312	0.385	0.325	0.309	0.310	0.335	0.283
Dec	0.396	0.437	0.382	0.369	0.366	0.391	0.356
Annual	12.629	12.485	11.700	11.638	11.462	11.850	11.821

	Total Monthly Rainfall						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	3.145	3.011	2.687	2.644	2.585	2.713	2.580
Feb	2.235	2.277	2.150	2.108	2.112	2.156	2.025
Mar	3.388	3.322	2.973	2.962	2.864	3.040	3.053
Apr	1.704	1.720	1.580	1.550	1.539	1.585	1.471
May	2.085	1.960	1.940	1.946	1.931	1.920	1.891
Jun	6.435	5.336	5.451	5.457	5.447	5.293	5.210
Jul	6.873	6.931	6.532	6.454	6.415	6.580	6.338
Aug	7.534	7.498	7.435	7.471	7.412	7.501	7.715
Sep	5.982	6.367	6.183	6.328	6.132	6.435	7.249
Oct	2.130	2.315	2.009	1.964	1.926	2.077	1.973
Nov	1.700	1.799	1.496	1.458	1.410	1.552	1.464
Dec	1.681	1.875	1.710	1.703	1.667	1.768	1.778
Annual	44.892	44.411	42.146	42.045	41.440	42.620	42.747

POTENTIAL TRUE UP FOR FY 2024 AS OF 5/31/2024

	Monthly Demand								
MONTH-YEAR	ST PETE	PINELLAS	TAMPA (Morris Br)	HILLSBOROUGH	PASCO	NEW PORT RICHEY	TOTALS		
Oct-23	903.50	1,645.72	340.14	2,548.62	1,179.48	116.84	6,734.30		
Nov-23	856.94	1,557.90	72.53	2,431.56	1,132.65	108.51	6,160.09		
Dec-23	836.42	1,510.57	213.44	2,196.76	1,069.81	98.74	5,925.74		
Jan-24	820.80	1,491.64	255.51	2,085.45	1,046.01	90.58	5,789.99		
Feb-24	762.42	1,425.59	148.08	2,035.58	1,012.41	84.13	5,468.21		
Mar-24	839.06	1,560.45	-	2,254.01	1,115.13	91.55	5,860.20		
Apr-24	829.56	1,557.46	-	2,385.10	1,222.16	92.30	6,086.58		
May-24	935.87	1,744.07	29.67	2,808.47	1,448.79	105.98	7,072.85		
Jun-24							-		
Jul-24							-		
Aug-24							-		
Sep-24							-		
FY 23 FYE	10,420.34	18,517.30	1,699.18	29,139.71	12,908.00	1,119.76	73,804.29	202.20	MGD
FY 24 YTD	6,784.57	12,493.40	1,059.37	18,745.55	9,226.44	788.63	49,097.96	201.22	MGD
+ / -	(3,635.77)	(6,023.90)	(639.81)	(10,394.16)	(3,681.56)	(331.13)	(24,706.33)	0.98	MGD

FY24 YTD MGD	27.81	51.20	4.34	76.83	37.81	3.23	201.22
% of YTD	13.82%	25.45%	2.16%	38.18%	18.79%	1.61%	100.00%
FY 23 MGD	28.55	50.73	4.66	79.83	35.36	3.07	202.20
% of FY 23	14.12%	25.09%	2.30%	39.48%	17.49%	1.52%	100.00%
Fixed billed FY24	21,330,667.17	37,902,092.67	3,481,643.05	59,643,683.38	26,418,647.68	2,293,700.46	151,070,434.41
Actual fixed based on % of ytd	$ 20,875,570.74	$ 38,441,176.89	$ 3,259,595.43	$ 57,678,534.54	$ 28,389,006.36	$ 2,426,550.45	$ 151,070,434.41
Potential True-up	$ (455,096.43)	$ 539,084.22	$ (222,047.62)	$ (1,965,148.84)	$ 1,970,358.68	$ 132,849.99	$ (0.00)


Tampa Bay Water Historical Uniform Rates
FY 2000 - FY 2024
$3.0000
$2.5000
$2.0000
$1.5000
$1.0000
$0.5000
$0.0000
$1.0772
$1.3111
$1.4875
$1.7480
$1.9056
$2.0675
$2.1149
$2.2036
$2.2488
$2.2451
$2.3980
$2.5295
$2.5590
$2.5590
$2.5590
$2.5590
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$2.5989
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
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FY 2011
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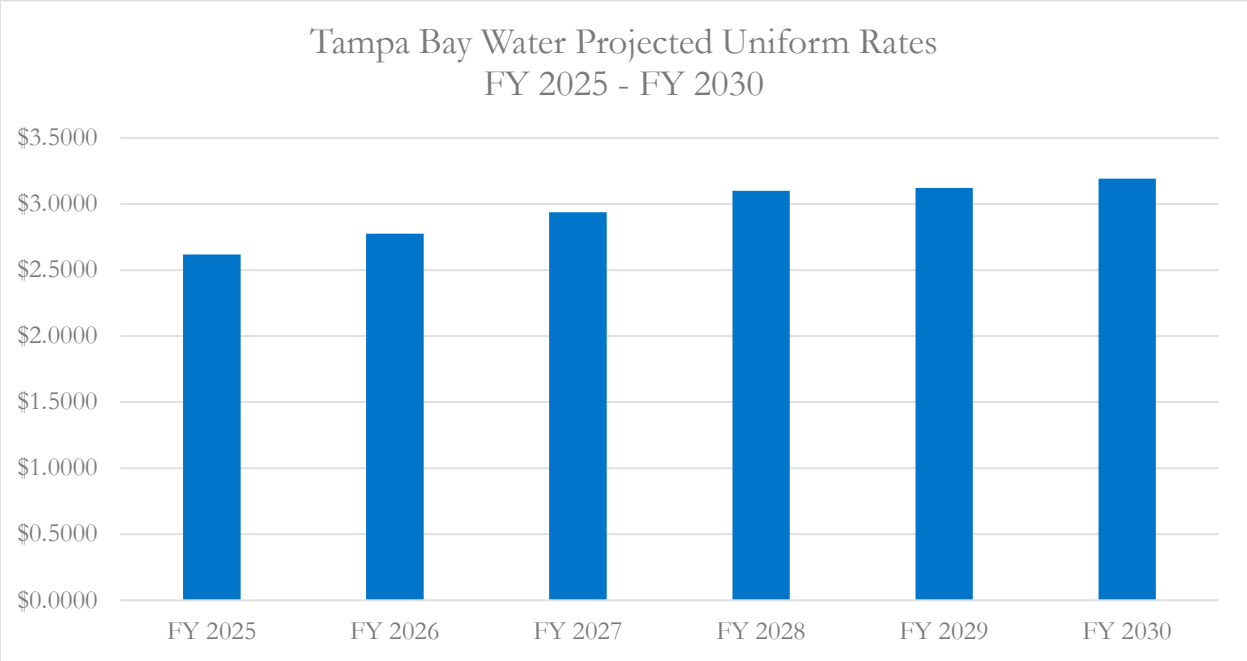
FY 2021
FY 2022
FY 2023
FY 2024


Tampa Bay Water Projected Uniform Rates
FY 2025 - FY 2030
$3.5000
$3.0000
$2.5000
$2.0000
$1.5000
$1.0000
$0.5000
$0.0000
FY 2025
FY 2026
FY 2027
FY 2028
FY 2029
FY 2030

Glossary

Fiscal Year 2025

The Glossary includes an alphabetical list of terms used in the budget document and defined largely by the Amended and Restated Interlocal Agreement, the Master Water Supply Contract, and/or the Master Bond Resolution.

Definitions

The following definitions were derived from the Interlocal Agreement, the Master Water Supply Contract, and/or the Master Bond Resolution. Unless otherwise specifically set forth, the following words and phrases used in the 2025 Budget document shall have the following meanings:

"Actual Direct Cost" means with respect to Water Treatment, the total capital and operating cost of providing such treatment, excluding any indirect cost.

"Allocated Overhead" means that portion of the overhead that is allocated to the Water Supply Facility by dividing the estimated quantity of Quality Water to be produced at that facility by the total estimate of Quality Water to be produced by all facilities.

"Annual Budget" means the operating and fiscal guide for the Authority for the ensuing Fiscal Year. It shall identify the rate at which Quality Water will be sold to the Member Governments during such Fiscal Year and the rate to be charged to Tampa for water provided through the Tampa Bypass Canal pumping facility during such Fiscal Year.

"Annual Estimate" means the estimate of Tampa Bay Water Costs for a Fiscal Year, including the estimated amount thereof to be payable by each Member Government, and submitted to each Member Government on an annual basis, as required by Section 13 of the Master Water Supply Contract. The Annual Estimate shall be based upon Tampa Bay Water's proposed annual budget and estimated rate and shall consider the Annual Reports in determining the estimated amounts to be payable by each Member Government. (Is equivalent to Net Annual Revenue Requirement for establishing the Uniform Rate).

"Annual Report" means the report setting forth the next five (5) Fiscal Years of anticipated Water Service within the Water Service Areas for each of the Member Governments to be prepared by each such Member Government and submitted to Tampa Bay Water as required by Section 12 of the Master Water Supply Contract.

"Audit" means an independent objective examination and evaluation of the financial statements of an organization to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent.

"Balanced Budget" means the projected revenue covers the projected operating costs and other financial requirements for the ensuing fiscal year.

"Bond Coverage Costs" means the costs of providing the coverage requirements established by the Financing Documents.

"Capital Improvement Charge" means the costs identified by Tampa Bay Water for planning, designing, acquiring and constructing capital improvements to the System; provided such costs are

not payable from proceeds of the Obligations (other than costs which are to be reimbursed from such proceeds) or from moneys received in relation to the Renewal and Replacement Charges.

"Capital Improvement Program Expenditures" means funds used by Tampa Bay Water maintain and improve Tampa Bay Water's infrastructure through the maintenance, repair and replacement of existing assets, and to identify and implement short and long-term infrastructure needs/projects to meet the region's future water demands.

"Debt Service Charges" means the principal, redemption premium, if any, and interest coming due on the Obligations and any recurring costs and expenses relating to the Obligations, including, but not limited to, paying agent, registrar and escrow agent fees, credit enhancement fees and other charges, but only to the extent such costs and expenses are not otherwise reflected in Operation, Maintenance and Administrative Costs.

"Enterprise Fund" means a type of fund used in governmental accounting to account for activities that provide goods or services to the public for a fee that is meant to make the entity self-sustaining and is a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities.

"Environmental Permit" means all permits, licenses, or other third-party approvals necessary for the acquisition, construction or operation of a Tampa Bay Water Supply Facility, including but not limited to Primary Environmental Permits.

"Financing Documents" means any resolution or resolutions of Tampa Bay Water, as well as any indenture of trust, trust agreement or similar document relating to the issuance or security of the Obligations.

"Fiscal Year" means a twelve (12) month period which commences on October 1 of each year and ends on the next succeeding September 30th, or such other period as may be prescribed by law as the fiscal year for Tampa Bay Water.

"Fixed Costs" means all costs and expenses incurred by Tampa Bay Water for the operation, maintenance, management, security, development, and financing of the System other than Variable Costs.

"Fund" means a pool (or sum) of money that is allocated for a specific purpose that may be restricted or unrestricted.

"Fund Balance" means an amount of money equal to the unencumbered moneys on deposit in the Utility Reserve Fund as of September 30th of the immediately preceding Fiscal Year. Moneys

shall be considered unencumbered to the extent such moneys may be used for purposes relating to the System.

"Government Grant", when used with respect to the System, means any sum of money heretofore or hereafter received by Tampa Bay Water from the United States of America or any agency thereof or from the State of Florida or any agency or political subdivision thereof as or on account of a grant or contribution, not repayable by Tampa Bay Water, for or with respect to the construction, acquisition or other development of an addition, extension or improvement to any part of the System or any costs of any such construction, acquisition or development. Government Grant shall not include any grants or contributions received by Tampa Bay Water for purposes of (1) funding Operating Expenses or (2) paying debt service on obligations of Tampa Bay Water that are payable in whole or in part from moneys received by Tampa Bay Water from the Southwest Florida Water Management District pursuant to the Northern Tampa Bay New Water Supply and Ground Water Withdrawal Reduction Agreement or any funding agreements related thereto. Any grants or contributions described in the preceding sentences shall be considered "Gross Revenues".

"Gross Revenues" means all income and moneys received by Tampa Bay Water from the rates, fees, rentals, charges and other income to be made and collected by Tampa Bay Water for the use of the products, services and facilities to be provided by the System, or otherwise received by Tampa Bay Water or accruing to Tampa Bay Water in the management and operation of the System, calculated in accordance with generally accepted accounting principles applicable to public utility systems similar to the System, including without limiting the generality of the foregoing (1) moneys deposited from the Rate Stabilization Fund Account into the Revenue Account in accordance with the terms hereof, provided any moneys transferred from the Rate Stabilization Account into the Revenue Account within 90 days following the end of a Fiscal Year may be designated by Tampa Bay Water as Gross Revenues, and (3) Investment Earnings. "Gross Revenues" shall include all moneys received by Tampa Bay Water pursuant to the terms of the Master Water Supply Contract. "Gross Revenues" shall not include (A) Government Grants, to the extent prohibited or restricted as to its use by the terms of Government Grant, (B) proceeds of Bonds or other Tampa Bay Water debt, (C) moneys deposited to the Rate Stabilization Account from the Utility Reserve Fund, including any moneys transferred from the Utility Reserve Fund to the Rate Stabilization Account within 90 days following the end of a Fiscal Year which Tampa Bay Water determines not to be Gross Revenues of such Fiscal Year, and (D) any moneys received by Tampa Bay Water as part of True-Up. Gross Revenues may include other revenues related to the System which are not enumerated in the definition of "Gross Revenues" if and to the extent the same shall be approved for inclusion by Tampa Bay Water of the Bonds (provided all Bonds are insured as to payment of principal and interest at the time of such inclusion).

"Net Assets" means the value of Tampa Bay Water's assets minus liabilities.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Non-Routine Capital Purchases" means property and equipment Tampa Bay Water does not regularly purchase on an annual basis.

"Obligations" means a series of bonds or other evidence of indebtedness including but not limited to, notes, commercial paper, capital leases or any other obligations of Tampa Bay Water heretofore or hereafter issued or incurred.

"Operating Reserve Fund" means those funds, which are deemed by Tampa Bay Water as necessary to meet any cash flow and revenue collection shortfalls due to inaccuracies in the Annual Reports or Annual Estimates or due to the requirements of the Financing Documents. The amount of Operating Reserve Fund shall be established by Tampa Bay Water policy; provided such amount should not exceed an amount equal to two times the monthly average Variable Costs as provided in Tampa Bay Water's preliminary budget.

"Operation, Maintenance and Administrative Costs" (also referred to as **Operating Expenses**) means any and all costs incurred by Tampa Bay Water in operating, maintaining and administering the System, including, but not limited to, the general administrative and legal costs of Tampa Bay Water related to operation, maintenance, management, security and development of the System; costs associated with tools, equipment, vehicles, supplies, materials, services and support for the operation, maintenance, management, security and development of the System; any costs of litigation or a legal judgment against Tampa Bay Water; costs relating to Water conservation and public education activities; costs of purchasing any Water; development expenses relating to expansion of the System; all costs incurred in planning or applying for, obtaining, maintaining and defending Environmental Permits which shall not be paid from the Capital Improvement Charge; accounting, legal and engineering expenses; ordinary and current rentals of equipment or other property; refunds of moneys lawfully due to others; pension, retirement, health and hospitalization funds; payments in lieu of taxes and facility impact fees; moneys to be deposited to a rate stabilization fund; and fees for management of the System or any portion thereof.

"Overhead" means the administrative and general expenses of Tampa Bay Water that are not directly attributable to ownership of any specific Water Supply Facility, as established in the approved budget.

"Production Failure" means (1) the occurrence of a Shortfall, provided however, that a Shortfall that results from a mechanical, equipment or other facility failure shall not constitute a "Production Failure," or (2) following December 31, 2002, the actual delivery by the Authority to the Member Governments during any twelve-month period of Quality Water that exceeds 94 percent of the aggregate permitted capacity of the Authority's production facilities on an annual basis, provided however, that if the Authority has received a Primary Environmental Permit for additional production facilities and the Authority has entered into a contract for final design and has bid construction of the facilities, the additional production quantity specified in the Primary Environmental Permit shall be added to the actual production capacity for purposes of

determining if a "Production Failure" has occurred.

"Project Cost" means all expenses associated with the acquisition, construction, installation, reconstruction, renewal or replacement of Water Supply Facilities, including without limitation: (1) land and interests therein, property rights, and easements of any nature whatsoever; (2) physical construction, reconstruction, renewal, replacement or completion; (3) acquisition and installation of machinery, equipment and other tangible personal property; (4) planning, architectural, engineering, surveying, legal, environmental and other consultant services; (5) fees and expenses associated with the issuance of Obligations, including but not limited to bond counsel, disclosure counsel, financial advisor, underwriters' discount, rating agencies, bond insurance, credit or liquidity facilities, and printing the Obligations and supporting documentation; (6) interest accruing on the Obligations for such period of time as Tampa Bay Water deems appropriate; (7) the debt service reserve fund or account, if any, established for the Obligations; and (8) all other expenses that are properly attributable thereto under generally accepted accounting principles, including reimbursement to Tampa Bay Water for any moneys advanced for such purposes and interest on any interfund loan for such purposes.

"Quality Water" means Water which (1) meets State and federal drinking water regulations and standards as defined in Rule 62-550, Florida Administrative Code, as it may be amended or superseded from time to time, including regulations pertaining to surface water or groundwater under the direct influence of surface waters, but excluding regulations pertaining to disinfection and corrosivity, and
(2) would not cause a particular Member Government utility to adopt new treatment techniques beyond modified chemical dosages and/or optimization of existing unit processes to meet a moderately altered source of Water. Except as otherwise provided in the Master Water Supply Agreement, the provisions of this definition are not intended as permission for a Member Government to reject the type of Quality Water to be provided by Tampa Bay Water to such Member Government; provided, however, Tampa Bay Water shall pay for any additional treatment costs required to meet the standards for Quality Water as described in the Master Water Supply Agreement.

"Renewal and Replacement Charges" means those certain charges to be deposited to any renewal and replacement fund or account established pursuant to the Financing Documents.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds, (2) 125% of the average Annual Debt Service for all Outstanding Bonds, or (3) the maximum amount allowed to be funded from proceeds of tax-exempt obligations and invested at an unrestricted yield pursuant to the Code; provided, however, the Issuer may establish by Supplemental Resolution a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a Series of Bonds pursuant to Section 4.05(B)(4) hereof. In

computing the Reserve Account Requirement in respect of a series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of calculation, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The time of calculation for Variable Rate Bonds shall be each March 1. (Resolution 98-07TBW, Section 1.01

"Routine Capital Purchases" means property and equipment Tampa Bay Water regularly purchases annually.

"Sinking Funds" includes four separate accounts maintained four outstanding bonds: Interest Account, Principal Account, Term Bonds Redemption Account, and the Reserve Account.

"Sinking Funds-Interest Account" monthly deposits or credit into the Interest Account the sum which, together with the balance in the account, shall equal the interest on all Bonds Outstanding accrued and unpaid and to accrue to the end of the then current calendar month. The amount shall be adjusted not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date.

"Sinking Funds-Principal Account" commencing no later than the month which is one year prior to the first principal due date, monthly deposits or credit into the Principal Account the sum which, together with the balance in the account, shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each) in equal amounts from the next preceding principal payment due date, or, if there be no such preceding payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied for deposit with the Paying Agents to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose.

"Sinking Funds-Term Bonds Redemption Account" commencing in the month which is one year prior to the first Sinking Fund Installment due date, there shall be deposited or credited into the Term Bonds Redemption Account the sum which, together with the balance in the account, shall equal the Sinking Fund Installments on all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Sinking Fund Installments were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each) in equal amounts from the next preceding Sinking Fund Installment due date, or, if there be no such preceding Sinking Fund Installment due date, from a date one year preceding the due date of such Sinking Fund Installment. Moneys in the Term Bonds Redemption Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose.

"Sinking Funds-Reserve Account" deposited into the Reserve Account an amount which would enable to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether the shortfall was caused by decreased market value or withdrawal.

"System" means Tampa Bay Water's water production, transmission and treatment facilities, as they currently exist and as they may be modified or expanded in the future from time to time, which are owned, leased, licensed, operated and/or used by Tampa Bay Water to provide Water.

"Tampa Bay Water Costs" shall mean Bond Coverage Costs, Capital Improvement Charges, Debt Service Charges, Operation, Maintenance and Administrative Costs, Operating Reserve Funds and Renewal and Replacement Charges.

"Variable Costs" means all costs and expenses of Tampa Bay Water for the operation, maintenance and management of the System that change in direct proportion to changes in the volume of Water produced by Tampa Bay Water, including, but not limited to, power, chemical and Water purchases.

"Water" means Quality Water and any other water to be used by a Member Government in its public water supply system.

"Water Supply Facilities" means Water production, treatment and/or transmission facilities and related real property. The term "Water Supply Facilities" does not include facilities for local distribution.

"Water Service" means the provision of Water as required in the Interlocal Agreement to any and all of the Member Governments at the locations described in Exhibit C of the Master Water Supply Contract and provision of Water by the Member Governments to their customers.

"Water Service Areas" means, collectively, the Hillsborough Water Service Area, the New Port Richey Water Service Area, the Pasco Water Service Area, the Pinellas Water Service Area, the St. Petersburg Water Service Area, and the Tampa Water Service Area.

Acronyms

ACFR – Annual Comprehensive Financial Report

BEBR – Bureau of Economic and Business Research

BUDW – Brandon Urban Dispersed Wells CBIR – Community Budget Issuance Request CCA – Construction Completion Agreement CFS – Cubic Feet per Second

CAD – Computer-aided Design

CARR – Comprehensive Annual Reservoir Report

CIF – Capital Improvement Fund

CIP – Capital Improvement Program

CMMS – Computerized Maintenance Management System

COLA – Cost of Living Adjustment

CPAR – Correction/Prevention Action Report

CWUP – Consolidated Water Use Permit

DBP – Disinfection By-Product

DE – Diatomaceous Earth

ERP – Environmentally Resource Permit

FAQ – Frequently Asked Questions

FASB – Financial Accounting Standards Board

FDEP – Florida Department of Environmental Protection

FGIC – Financial Guaranty Insurance Company

FTE – Full Time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board (GASB)

GFOA – Government Finance Officers Association

GIS – Geographic Information System

H2S – Hydrogen Sulfide

HSPS – High Service Pump Station

IRS – Internal Revenue Service

IT – Information Technology

IW – Injection Well

LTMWP – Long-term Master Water Plan

MCC – Motor Control Center

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

NPDES – National Pollutant Discharge Elimination System Permit

NWH – Northwest Hillsborough

O&M – Operations and Maintenance

OM&M – Operate, Manage & Maintain

OROP – Optimized Regional Operational Plan

POC – Point of Connection

PWS – Public Water Supply

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

SHARP – South Hillsborough Aquifer Recharge Project

SIPC – Securities Investor Protection Corporation

SOC – Service Organization Control

SWFWMD – Southwest Florida Water Management District

SWTP – Surface Water Treatment Plant

TBC – Tampa Bypass Canal

TECO – Tampa Electric Company

UCMR – Unregulated Contaminant Monitoring Rule

UID – Unique Identifiers

USEPA – United States Environmental Protection Agency

USGS – United States Geological Survey

VFD – Variable Frequency Drive VOC – Volatile Organic Compounds

WREC – Withlacoochee River Electric Cooperative

WTP – Water Treatment Plant

WUP – Water Use Permit

TAMPA BAY WATER

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