City of Oviedo, FL

Stormwater Rate Study

December 2024

WILLDAN

December 16, 2024

Mr. Jerry Boop, CPA, CGFO
Finance Director
City of Oviedo
400 Alexandria Blvd.
Oviedo, FL 32765

Subject: Stormwater Rate Study

Dear Mr. Boop,

WILLDAN FINANCIAL SERVICES is pleased to submit the Stormwater Rate Study (Study) to the City of Oviedo, Florida (City) for your consideration. Willdan has completed the Study of the City's Stormwater rates and charges as well as the development of a five-year projected operating results. A summary of the analyses, assumptions, and conclusions are set forth in this Study.

We appreciate the opportunity to be of service to the City in this matter. In addition, we would like to thank you and the other members of the City staff for the valuable assistance and cooperation provided during the preparation of the Study. We look forward to collaborating with you on future projects and continuing a successful professional relationship.

Respectfully Yours,

WILLDAN FINANCIAL SERVICES

Tara Hollis

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Principal Consultant

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Section 1 - Introduction

1.1. General

The City of Oviedo, Florida (City) retained Willdan Financial Services (Willdan) to prepare a Stormwater Rate Study (Study) to review and update the current stormwater rates and charges. The City requested that Willdan provide professional utility consulting services concerning the Stormwater Utility (Utility), including recommendation of multi-year rate adjustments to provide for full cost recovery; with the goal to allow the Utility to maintain revenue sufficiency in support of the operations and maintenance and capital improvement initiatives of the Stormwater Management Program. This Study provides the City with the information and data necessary for implementation of a just and equitable revenue generation and cost recovery process to support the activities of the Utility.

1.2. Goals and Objectives

Prior to commencement of this Study, Willdan met with the City's staff to discuss and identify the goals and objectives of the Study and to review a preliminary data request. The primary goals and objectives of the Study are to review the existing rate methodology for cost recovery and provide the necessary rate structure modifications and user rate adjustments that result in: (i) just and equitable rates; (ii) operating revenues sufficient to meet the fiscal requirements of the Utility; and (iii) rates that are administratively compatible and publicly understandable.

The Study, to the extent practical, utilizes a cost-of-service approach to establish user rates and charges based on the needs of the community and the Utility. The Study, pursuant to available data: (i) identifies the number of customers and associated service characteristics; (ii) delineates fiscal requirements by category; and (iii) calculates the appropriate levels of rates and charges based on the assumed fiscal year ending September 30, 2024 (Test Year). The analysis includes projections of operating results for the period of October 1, 2024 through September 30, 2033 (Projection Period).

In addressing the study needs, a Microsoft Excel-based comprehensive rate model was developed and utilized. The computer rate model has the capability to analyze and project the salient attributes and criteria associated with the review and development of comprehensive rates, including but not limited to customer statistics, operating and capital budgets, fiscal requirements, existing user rates, proforma statements, and utility fund balances. The computer model is a dynamic tool that was also used to identify the effects of various alternatives with respect to changes in fiscal requirements, customer growth, rate structure modifications, and rate adjustments on user rates and operating results.

1.3. Report Layout

This Rate Study Report presents an overview of the rate-making concepts employed in the development of the analysis contained herein. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Rate Study. The report is organized as follows:

Section 1 – Introduction

Section 2 – Stormwater and Stormwater Management

Section 3 – Existing Rates and Customers

Section 4 – Fiscal Requirements

Section 5 – Rate Design, Modifications, and Adjustments

Section 6 – Findings, Conclusions, and Recommendations

Exhibits

1.4. Reliance on Data

During the course of this project, the City (and/or its representatives) provided Willdan with a variety of technical information, including current and projected cost and revenue data. Willdan relied on this data in collaboration with the City in the formulation of our findings and subsequent recommendations, as well as in the preparation of the Study. The results of Willdan's recommendations for optimum rate strategies are based on this information. However, there will be differences between actual and projected data, as they are based on the best available data and assumptions at the time of analysis.

Section 2 - Stormwater and Stormwater Management

2.1. General

In general, stormwater is surface water runoff from public and private lands in urban areas. Stormwater runoff is often characterized as having two components – quality and quantity (quantity includes both rate of flow and volume attributes). Typically, within a municipal system, stormwater is collected in separate storm sewer systems consisting of drains, pipes, and ditches, and conveyed to nearby stormwater ponds, streams, rivers, lakes, estuaries, basins, wetlands, and oceans carrying with it a variety of urban pollutants. The nature of stormwater runoff from a given rainfall event changes as a community urbanizes and more impervious surface area is created, and the landscape and drainage patterns are modified. The volume of runoff, rate of flow, and quality of runoff all change as a result of such urbanization.

2.2. Nature of Stormwater and Run-off

Stormwater system costs are typically recovered through monthly fees or non-ad valorem assessments. Any systematic approach to developing an assessment methodology must examine the question of whether the assessment methodology can meet the special assessment criteria of "special benefit to property" and "fair and reasonable apportionment" for both the quantitative and qualitative aspects of stormwater management as required by the State.

The methodology used in this Study meets both criteria for quantitative and qualitative aspects. The impact of the runoff is the key to this conclusion. While the quantity of runoff is distinctly different in nature from the quality, the two aspects have a fundamental common link: runoff from the first inch of rainfall is generally recognized as containing over 80 percent of the contaminant load from any given parcel. This initial runoff is termed "first flush". While the different aspects of stormwater runoff call for different, but complimentary engineering solutions, the impact of each aspect for assessment purposes can be reasonably viewed as inextricably interrelated and derived from the same vehicle – runoff passing from a parcel.

The City's costs attributable to any given parcel are directly related to the amount of stormwater runoff passed by that parcel into the City's stormwater facilities. Just as in water or electric service, the more service consumed (measured in terms of stormwater passed), the greater the share of the costs incurred. Certain site-specific characteristics (i.e., impervious area, presence of mitigating facilities) constitute a general framework for apportioning program costs to a parcel.

The key to the special benefit of stormwater management is the concept of overall impact of the runoff. Properties contributing to the need for stormwater facilities and services are deemed to

benefit specifically from the provision of such facilities and services. Virtually all properties generate stormwater runoff. The aggregation of this runoff must be managed if owners are to enjoy the use of their property with some degree of reliability. The costs of a stormwater management program are the tangible, aggregate measure of the management of overall impact of runoff generated by each parcel.

Parcels generally receive special benefit in one of two ways:

- Hydrologic Connection: Parcels that pass water directly or indirectly to an existing or proposed stormwater facility are said to be hydrologically connected.
- Comprehensive Management Area: Those parcels within the hydrologically defined area, such as a basin, where a comprehensive capital project and operations program is implemented to correct existing deficiencies with respect to a defined level of service.

2.3. Stormwater Management Program

Stormwater management for local governments has evolved over time from an urban flood control function to a water and resource management function, and ultimately to an environmental protection and regulatory function. All three functions now co-exist as responsibilities of the local governments. This evolution has forced changes in how stormwater systems are planned, designed, constructed, operated, and financed.

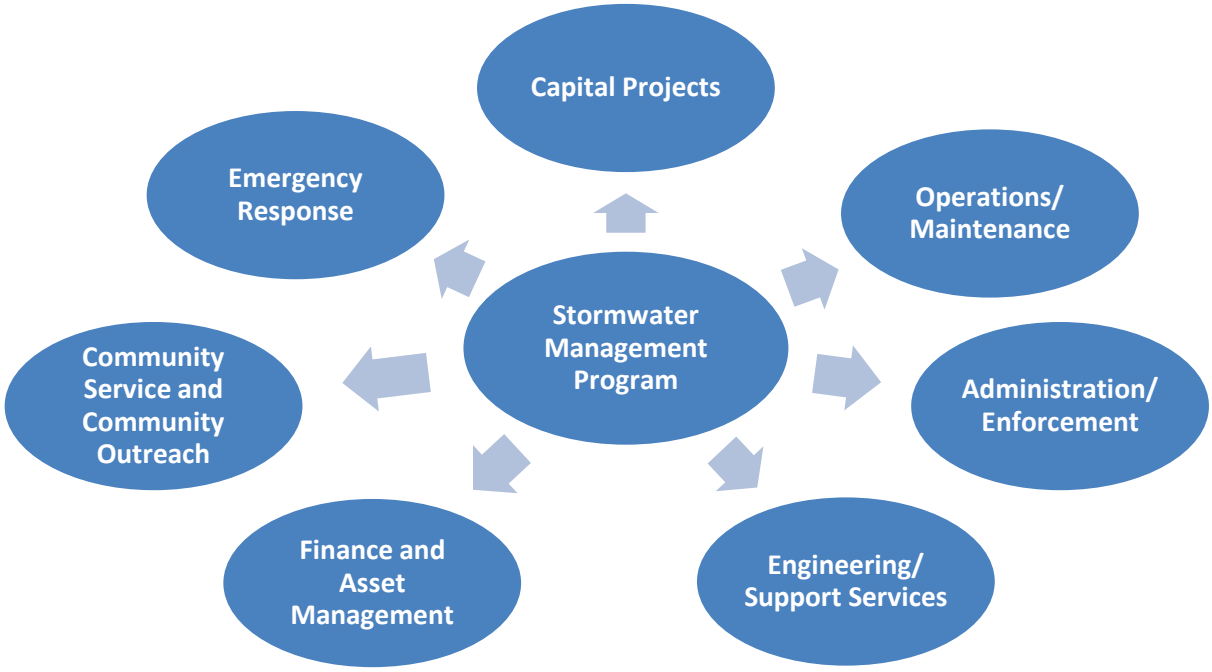
Stormwater management involves controlling the quantity and quality of runoff resulting from rainfall. Urbanization dramatically changes the runoff response characteristics of natural land surfaces, and a variety of problems can result when stormwater systems and facilities are not properly managed. Stormwater problems are most evident in areas that are prone to chronic flooding or erosion, but less discernible are the long-term impacts to water quality, stream stability, and the environment in general.

The Stormwater management system is the component of the Stormwater Management Program that represents valuable public assets that provide several benefits for many users. A municipality's stormwater management system may include storm sewers, pumping stations, watercourses, municipal drains, culverts, bridges, swales, catch basins, inlets, outfalls, ponds, and other water quality treatment devices. By controlling floodwaters and preventing pollutants from reaching our streams, rivers and lakes, stormwater management systems protect the health and safety of the public and the environment as well as minimize flooding and erosion threats to public and private property.

Furthermore, clean, and healthy water resources support recreational activities, tourism, business, and manufacturing, as well as aquatic and terrestrial habitats that rely on water. Municipal stormwater management refers to all the services provided by a local unit of government to manage stormwater properly and effectively within the community (i.e., collect, convey, transport, store, treat, and discharge to a downstream receiving waterbody or waterbodies). A typical municipal stormwater management program includes several components as illustrated in **Figure 1 – Components of a Municipal Stormwater Management Program**, including:

- Design, permitting, and construction of new capital improvement projects;
- Operation and maintenance of stormwater management facilities;
- Rehabilitation, renewal, retrofit, reconstruction, or upgrade of existing facilities;
- Emergency response, recovery, and clean-up for flooding events, system failures (e.g., pipe collapses, streambank slope instabilities), spills and other water quality violations;
- Engineering and support services for review and regulation of proposed developments, inspection, monitoring, environmental compliance programs, record maintenance and document management;
- Financial components of asset management, valuation, and planning;
- Support for public education and community involvement programs; and
- Administration, staffing, computer resources, equipment, etc., including enforcement of by-laws and detection of illicit discharges and cross-connections.

Figure 1 – Components of a Municipal Stormwater Management Program



In general, municipalities are responsible for managing all aspects of stormwater within their jurisdiction, including operations and maintenance of stormwater management facilities located within the public rights-of-way and easements. The City does not typically maintain facilities that are located on private property or that fall under the jurisdiction of another governmental authority, however, the City does maintain some facilities on private property where there is an existing easement. Municipal ownership and operation of stormwater management facilities constructed by a developer are typically included as part of the formal assumption process of a subdivision.

2.4. Stormwater Management Needs and Issues

Typical municipal stormwater management problems can generally be classified into the following categories:

- **Flooding.** This is probably the most visible of stormwater problems. Serious flooding presents a threat to public safety and can damage public and private property, disrupt business, result in insurance increases or loss of coverage, and otherwise hamper normal activities within a community. Stormwater management facilities are designed to safely collect, convey, or store runoff as a result of rainfall events. However, the recurrence

frequency of these events is subject to change as a result of climate variability. During frequent rainfall events, runoff is collected in the minor system of storm sewers, swales, and roadside ditches. During the rare events in which the minor system capacity is exceeded, runoff is also conveyed through the major system that includes curb and gutter drainage in the public road right-of-way and other surface overland flow routes and storage in detention facilities or floodplain areas.

- **Water Quality.** Chemical spills, sediment, and organic debris can degrade water quality, impacting the natural environment including aquatic and terrestrial habitat as well as affecting drinking water supplies. Stormwater management systems are designed to improve the water quality of discharge of urban runoff to receiving waterbodies, but need to be properly planned, constructed, operated, and maintained in order to do so.

- **Erosion.** Water traveling over a bare or unprotected surface will erode the soil material, increasing sediment loads discharged to the watercourse and also threatening the stability of the streambank, which can jeopardize both public and private property if not addressed properly. Stormwater management systems are also designed to control the movement of stormwater in such a way as to minimize the erosion of streambanks, adjacent hill slopes, and exposed structures.

- **Debris.** During rainfall events, debris, trash, and other deleterious material on land surfaces can be transported through the stormwater management system. As a result, this material may create a barrier to flow and increase the flooding potential, or it may flow to downstream watercourses and impact water quality. Routine inspection and maintenance of the stormwater collection system and other facilities, as well as an appropriate emergency response/recovery program is necessary to minimize these problems.

Despite substantial investments in municipal stormwater management systems and facilities, there will always be a need to invest in new capital improvement projects and to reinvest in the operation, maintenance, planning, and management of the stormwater program.

Existing stormwater management systems may be inadequate for a variety of reasons, including:

- **Urbanization.** Growth and development add new impervious areas to landscapes, which alters the amount of runoff and pollution discharged to the stormwater management system. Additional impacts may include the alteration of natural drainage patterns and stormwater management system characteristics.

- **Aging Infrastructure.** Pipes, culverts, bridges, pond control structures, hardened

streambanks, and outfalls have a limited life expectancy and must be repaired or replaced eventually. Structural deficiencies result when aging infrastructure has exceeded its anticipated service life. Performance issues exist as systems and use expands, and the maximum hydraulic capacity of the systems is exceeded.

- **Regulatory Requirements and Design Standards.** Regulatory requirements are always changing (i.e., revised design standards due to more stringent regulatory requirements, new and improved technologies, etc.). As a result, systems designed to previously accepted criteria may be inadequate with respect to current standards. Also, the level of protection provided by stormwater management facilities is often dictated through studies and governing agencies for water quality and habitat protection.

- **Planning.** To avoid problems, the utility must proactively plan its stormwater management program to ensure the appropriate resources, measures, and improvement projects address needs and problems. In addition, facilities and stormwater assets must be inventoried and evaluated at regular intervals, in keeping with good municipal asset management principles.

- **Design and Construction.** Development site plans must be properly reviewed by the management and adequately inspected during construction to minimize the potential for hazards.

- **Maintenance.** To avoid problems, the utility must actively and routinely inspect and operate facilities, maintain watercourses, clean catch basins and inlets, sweep streets/gutters, collect leaves/debris in and around stormwater management systems, for example.

Like other public works, stormwater management facilities have a specific design capacity and service life, regular O&M needs, and their performance decreases with age and additional demands placed on the system. As a result, stormwater facilities and related infrastructure must be inventoried, assessed, valued, and managed according to sound asset management principles in order to plan an appropriate schedule for replacement, renewal, and rehabilitation.

Of all the public works provided by a municipality, stormwater management services are often the least understood by members of the community. Storm pipes are underground and out of sight, stormwater facilities and ponds are presumed to be natural features, and the function of stormwater management facilities and practices are not easily recognized. As a result, there is little public awareness of a municipality's stormwater management services, program needs, and expenditures. Stormwater management systems often only attract attention during periods of rainfall, particularly when systems fail, or rainfall exceeds the design capacity resulting in

property or road flooding. Furthermore, property owners have widely varying perceptions concerning how their properties generate stormwater runoff and pollution, since usage of the municipal stormwater management system is not based on demand like water and sewer systems (e.g., turning on a tap, flushing a toilet). This may result in the misconception that property owners cannot control the discharge of stormwater runoff from their property into the municipal stormwater management system.

Unlike other public works, particularly in comparison to wastewater and potable water systems, stormwater management regulations and design standards are relatively new and evolving, resulting in many existing stormwater management systems and facilities that do not meet current federal or provincial requirements for the construction of new facilities and/or long-term maintenance. More stringent federal and provincial requirements for water quality and quantity control are also being proposed, further widening the gap to bring these publicly owned systems into compliance.

2.5. Stormwater Utility Management and Funding

The stormwater management service area includes all parcels and portions within the City that are hydrologically tied to the existing stormwater management system and benefit from the system addressing ponding, flooding, and pollution of lakes, ponds, and waterways. All properties within the City are understood to drain through the City's stormwater facilities to other receiving bodies.

The costs of the City's stormwater management infrastructure and operations are desired to be funded through stormwater user rates and charges or assessments, as discussed herein, and applied to benefitting properties in a just and equitable manner. As with many communities in Florida, the City's need for infrastructure improvements and operating services that address both regulatory and environmental concerns necessitates an updating of the current revenue generation system for the Utility.

The choice between using stormwater user fees or special assessments is best identified by the projects, services, operations, and goals of the City's stormwater management program. As an example, funding for general operations and maintenance of the City's facilities throughout the City is best obtained through either user fees or assessments, whereas certain capital improvements that only benefit specific properties may be best obtained through special assessments. Other important items involved in the selection of a funding mechanism are billing, collection, and enforcement of collection concerns.

The process utilized to achieve the goals of this Study relies on information and data provided by the City and other entities which are believed to be materially representative and accurate for

the period indicated and the purposes used. Additionally, it is inevitable that actual future events will affect much of the data and information shown and used herein; however, unless there are material changes, the results and findings should remain valid for the purpose proposed.

Section 3 - Existing Rates and Customers

3.1. Existing Rates

The Utility is structured as an enterprise activity and, therefore, is expected to generate revenues sufficient to meet the fiscal requirements approved by the City. The City's current rate structure bills those properties that receive a water and/or wastewater utility bill based on Equivalent Residential Units (ERUs). The ERUs are determined based on the customer classification and impervious area of the parcel. The current customer classifications include:

- **Residential Properties** - each detached single-family residential dwelling unit are billed one ERU
- **Multi-Family Properties** - each multi-unit residential homes, or apartments, each dwelling unit billed one ERU per dwelling unit
- **Commercial Properties** - All nonresidential properties (i.e., business establishments, enterprises, government establishments, buildings, etc. shall be billed based on the total impervious area of the property divided by the single-family equivalent and then multiplied by the rate established for a residential unit. The total impervious area of the property and the number of single-family equivalent units shall be updated by the public works department based on any additions to the impervious area as approved through the permit process. For nonresidential properties that are not individually metered, the total bill is sent to the account holder of the master meter.

Based on the average impervious area derived from a statistically valid sample of single-family parcels, the City has calculated an ERU Value of 2,464 square feet. This ERU value is included in the current rate structure and is used to calculate the number of ERUs attributable to each property.

For Fiscal Year 2024, the annual Stormwater Rate per ERU is **$11.49** monthly. It should be noted that due to timing and implementation of this Report, the City adopted a 2.0% increase to the Stormwater Rate per ERU to **$11.72** effective October 1, 2024.

3.2. Customers

3.2.1 Billing Frequency Analysis

The Study approach used herein to identify the number of customers and ERUs relies upon a Billing Frequency Analysis. The Billing Frequency Analysis was prepared utilizing billing information provided by the City in January 2024 by customer class.

Table 1 – Billing Frequency Analysis, presents the Customers and ERUs by customer class for fiscal year (FY) 2024. The City currently bills those properties that receive a water and/or wastewater utility bill, the stormwater rate on a monthly basis via the water/sewer bill.

Table 1 – Billing Frequency Analysis

Customer Class	Accounts		ERUs	
	Number	Percent	Number	Percent
Residential	12,996	94.04%	12,996	62.55%
Multi-Family	45	0.33%	1,428	6.87%
Commercial	779	5.64%	6,352	30.57%
Total	**13,820**	**100.00%**	**20,776**	**100.00%**

3.2.2 Customer Growth

The City has continued to see growth in residential, multi-family, and commercial customers. For purposes of this Study and the Ten-Year Proforma Operating Analysis, Willdan assumes ERU growth of approximately 1.3% per year, with the majority of growth being in Multi-Family customers.

Section 4 - Fiscal Requirements

4.1. General

Fiscal requirements can generally be separated into three primary categories consisting of: (i) operating and maintenance expenses (O&M); (ii) debt service; and (iii) other expenditures and transfers. O&M expenses consist of those re-occurring expenses associated with labor, materials, supplies, services, etc. that are required to manage and operate the system while maintaining a dependable and desirable level of service. O&M expenses consisting primarily of labor, materials, supplies, utilities, and contract services are directly related to the level of service provided to customers and therefore, are appropriately recovered through the user rates and charges. Debt service is the required principal and interest payments on bonds, loans, or other debt instruments and pledged security of the debt instruments. Other expenditures and transfers, also referred to as below-the-line-items, include expenses and costs not associated with O&M expenses or debt service and can include such items as capital needs from rates, transfers in lieu of taxes, Renewal and Replacement requirements and/or other funding per covenants in resolutions adopted pursuant to outstanding bond issues.

The fiscal requirements to be recovered through the stormwater rate consist of the net amount of O&M expenses, debt services, and other requirements after deduction of other budgeted non-user rate revenue sources. The net fiscal requirements, which are the fiscal requirements less non-user rate revenue sources such as interest income, transfers from other accounts, and miscellaneous charges, associated with the Test Year were identified using the adopted budget for Fiscal Year 2024. For the purposes of this Study, the Test Year is assumed to be FY 2024.

The Test Year net fiscal requirements were developed with consideration of: (i) findings on existing and projected customers and development; (ii) analysis of past and current O&M expenses, (iii) existing debt service payments, (iv) planned transfers; and (v) conversations with City staff.

4.2. Projected Fiscal Requirements

The projected Test Year revenue requirements, as well as the requirements for the remaining years of the Projection Period are estimated by utilizing the adjusted Budget as a basis and making annual escalation adjustments for each line-item in accordance with historical cost escalation trends, as well as assumed future activities and events that may impact the system. Such projections include increasing applicable O&M expenses by inflationary and/or customer growth factors depending upon the nature of the expense, utilizing actual debt service requirements as provided in the applicable debt service schedules, using capital outlay estimates

as provided by the City, and tying non-operating transfers to revenues or O&M expenses as applicable.

Projections of the net fiscal requirements for fiscal years 2025 through 2033 reflect the anticipated impacts of inflation and increases in labor and supply costs. To address the items subject to inflation, escalation factors were developed and applied for each adjusted budget line item. This process results in fiscal requirements that reflect anticipated future expenditures.

In the preparation of this Study, certain assumptions were made with respect to conditions that may occur in the future. While it is believed that the assumptions are reasonable for the purpose of this Study, they are dependent upon future events and actual conditions may differ from those assumed. In addition to the projections, estimates, and studies, certain information and assumptions provided or prepared by others have been used and relied upon. While believed to be reasonable for the purpose of this Study, no further assurances with respect thereto are offered, other than for the purpose of this Study. To the extent that actual conditions differ from those assumed herein or from information or assumptions provided or prepared by others, the actual results will vary from those estimated and projected herein. Such projections are, therefore, subject to adjustment and there are no assurances that the projections will be realized.

The principal considerations and assumptions used in projecting the operating results include the following:

1. The projected Stormwater revenues are based on current parcel characteristics by customer class, which anticipates no significant change in the 10-year Projection Period.

2. Projected fiscal requirements for the 10-year Projection Period are based on the Fiscal Year 2024 budget with adjustments based on historical trends and discussions with City staff. These requirements include escalation factors for customer growth, inflation, labor, supply costs, etc. The following escalation factors shown in **Table 2 – Escalation Factors**, were used in projecting the O&M expenses, operating revenues, and other miscellaneous revenues:

Table 2 – Escalation Factors

Category	Projected for Fiscal Year Ending September 30,				
	2025	2026	2027	2028	2029
General Inflation	5.00%	5.00%	5.00%	5.00%	5.00%
Labor Escalator	5.00%	53.38%	5.00%	5.00%	5.00%
Customer Growth Factor	2.33%	2.33%	2.33%	2.33%	2.33%
Customer Growth/Inflation Factor	7.33%	7.33%	7.33%	7.33%	7.33%
Insurance	10.00%	53.38%	10.00%	10.00%	10.00%

These escalation factors were applied at a detailed level to obtain the net fiscal requirements and proforma presented at the end of this Report. The increase in the labor escalator in FY 2026 is as a result of the addition of a new stormwater crew.

3. The City has currently adopted a 10-Year Capital Improvement Plan (CIP). Additionally, the Utility Department has prepared a list of infrastructure improvements based on the most recent Stormwater Master Plan. Willdan has worked with the City to identify sources of funding for these projects. Certain procurements (primarily vehicle and equipment) will be included in the annual capital and funded from rates. Additionally, the City is anticipating two debt borrowings to fund capital improvement projects during the Projection Period. These borrowings will be a combination of short-term and long-term debt. Information regarding these financings has been provided by the City and its Financial Advisor. The initial short-term debt will be at a rate of 5.0%. This short-term debt will be drawn down as needed to fund the City's Stormwater CIP in FY 2025 and FY 2026. Thereafter, as provided by the City, it is assumed that the City will refinance this short-term debt with longer term debt. In addition, the City will borrow additional funds to use towards the CIP. This long-term debt will have a term of fifteen (15) years with an assumed interest rate of 5.5%. For the purposes of these projections, these borrowings are anticipated for the first quarter of FY 2025 and the first quarter of FY 2027. The 10-Year CIP with projected funding sources is shown in **Exhibit 1** at the end of this Study.

4. Existing and anticipated debt service is based on information provided by the City and its Financial Advisor. The City's current debt service coverage requirement is based on a combined utility system revenue pledge that includes water, sewer, and stormwater revenues. Projected debt service is assumed to follow the same debt service coverage requirements and pledged revenues.

4.3. Revenue Sufficiency Analysis Projections

Projected revenues in the sufficiency analysis are based on existing user rates and charges throughout the projection period. The result of the revenue sufficiency analysis, as summarized in **Table 3 – Projected Operating Results: Under Current Rates**, confirms the need for revenue increases in future years to fund operations.

Table 3 – Projected Operating Results: Under Current Rates

Category	Projected for Fiscal Year Ending September 30,				
	2025	2026	2027	2028	2029
Rates					
Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%
Per ERU(Monthly)	$ 11.72	$ 11.72	$ 11.72	$ 11.72	$ 11.72
Revenues					
Stormwater Service Charges	$ 2,959,206	$ 2,997,178	$ 3,036,137	$ 3,075,796	$ 3,116,302
Other Revenues	20,586	20,586	20,586	20,586	20,586
Total Revenues	**$ 2,979,792**	**$ 3,017,764**	**$ 3,056,723**	**$ 3,096,382**	**$ 3,136,888**
Expenses					
Personnel Expenses	$ 940,179	$ 1,294,551	$ 1,373,931	$ 1,458,745	$ 1,549,408
Operating Expenses	589,982	615,926	637,722	660,440	684,130
Debt Service	676,118	2,477,462	1,998,341	1,997,713	1,994,566
Transfers	995,994	1,109,150	1,143,392	1,179,047	1,216,178
Total Expenses	**$ 3,202,273**	**$ 5,497,089**	**$ 5,153,385**	**$ 5,295,946**	**$ 5,444,282**
Revenue Available for Capital Projects	**$ (222,481)**	**$ (2,479,325)**	**$ (2,096,662)**	**$ (2,199,564)**	**$ (2,307,394)**
Add: Available Fund Balance (Fund 410)	673,265	756,672	(1,407,590)	(3,179,736)	(5,045,048)
Add: Transfer from Vehicle Replacement Fund	367,500	385,875	405,169	425,427	446,699
Add: Transfer from R&R Fund	150,000	154,500	159,135	163,909	168,827
Add: Transfer from Contingency Reserve Fund	155,887	160,564	165,381	170,342	175,452
Less: Capital Projects/Equipment from CIP	(367,500)	(385,875)	(405,169)	(425,427)	(3,794,135)
Ending Fund Balance	**$ 756,672**	**$ (1,407,590)**	**$ (3,179,736)**	**$ (5,045,048)**	**$ (10,355,600)**
Days Cash on Hand	180	(269)	(577)	(869)	(1,692)
Targeted Minimum Days Cash on Hand	**120**	**120**	**120**	**120**	**120**
Projected Debt Service Coverage	2.14	0.45	0.52	0.49	0.45

4.4. Summary

During analysis of the City's current Utility budget, it was determined that adjustments were required before projecting future operating conditions. After discussions and input from City staff, the adjusted fiscal requirements were developed and projected based on escalation criteria for the remaining fiscal years. Fiscal requirements contribute not only to just and equitable recovery of costs, but also provide a significant level of revenue stability for the Utility. The CIP is also critical to the future success and cost effectiveness of the Utility, and thus it is critical that these improvements are properly funded and scheduled.

Section 5 - Rate Design, Adjustments, and Modifications

5.1. General

Based on surveys conducted by the Florida Stormwater Association, the preferred method utilized by Stormwater Utilities in Florida is the Impervious Area Method, which is the method currently utilized by the City. Since implementing this methodology, the City has worked to identify the impervious area for each commercial parcel within the City limits. As such, the current rate structure provides equity between customer classes and parcels. As part of this Study, Willdan reviewed information provided by the City. While average impervious areas for each customer class is an accepted method of assigning ERUs, parcel specific data typically results in greater equity and increased public understanding and acceptance.

5.2. Adjustments and Modifications

After presenting alternative scenarios for multiple funding terms to the City Council at a workshop on September 30, 2024, it was determined that the City would continue with the existing billing method and implement rate adjustments needed to maintain projected debt service coverage and a targeted days cash on hand. Therefore, to continue to maintain revenue sufficiency and fund the current and anticipated capital improvements, the annual rate increases shown on **Table 4 – Proposed Rate Adjustments,** were recommended. The FY 2025 adjustment will be effective February 1, 2025. All other adjustments are effective on October 1 of each respective fiscal year, beginning October 2025 for FY 2026.

Table 4 – Proposed Rate Adjustments

Fiscal Year	Rate Adjustment	Monthly Rate Per ERU
2025	25.00%	$ 14.65
2026	25.00%	$ 18.31
2027	15.00%	$ 21.06
2028	15.00%	$ 24.22
2029	15.00%	$ 27.85
2030	12.00%	$ 31.19
2031	10.00%	$ 34.31
2032	10.00%	$ 37.74
2033	10.00%	$ 41.51

The results of implementing the recommended rate adjustments are shown in **Exhibit 2**, as summarized in **Table 5 – Projected Operating Results: Recommended Rate Adjustments**, on the following page. The results demonstrate that the proposed rates and charges along with the other system revenues and estimated future rate adjustments are anticipated to be sufficient to

satisfy the projected revenue requirements, capital and operating fund balances, and capital needs of the Utility system throughout the Projection Period.

Table 5 – Projected Operating Results: Recommended Rate Adjustments

Category	Projected for Fiscal Year Ending September 30				
	2025	2026	2027	2028	2029
Rates					
Adjustment	25.00%	25.00%	15.00%	15.00%	15.00%
Per ERU(Monthly)	$ 14.65	$ 18.31	$ 21.06	$ 24.22	$ 27.85
Revenues					
Stormwater Service Charges	$ 3,452,407	$ 4,682,453	$ 5,455,719	$ 6,356,296	$ 7,405,204
Other Revenues	20,586	20,586	20,586	20,586	20,586
Total Revenues	**$ 3,472,993**	**$ 4,703,039**	**$ 5,476,305**	**$ 6,376,882**	**$ 7,425,790**
Expenses					
Personnel Expenses	$940,179	$1,294,551	$1,373,931	$1,458,745	$1,549,408
Operating Expenses	589,982	615,926	637,722	660,440	684,130
Debt Service	676,118	2,477,462	1,998,341	1,997,713	1,994,566
Transfers	995,994	1,109,150	1,143,392	1,179,047	1,216,178
Total Expenses	**$ 3,202,273**	**$ 5,497,089**	**$ 5,153,385**	**$ 5,295,946**	**$ 5,444,282**
Revenue Available for Capital Projects	**$ 270,721**	**$ (794,050)**	**$ 322,920**	**$ 1,080,936**	**$ 1,981,508**
Add: Available Fund Balance (Fund 410)	673,265	1,249,873	770,887	1,418,322	2,833,510
Add: Transfer from Vehicle Replacement Fund	367,500	385,875	405,169	425,427	446,699
Add: Transfer from R&R Fund	150,000	154,500	159,135	163,909	168,827
Add: Transfer from Contingency Reserve Fund	155,887	160,564	165,381	170,342	175,452
Less: Capital Projects/Equipment from CIP	(367,500)	(385,875)	(405,169)	(425,427)	(3,794,135)
Ending Fund Balance	**$ 1,249,873**	**$ 770,887**	**$ 1,418,322**	**$ 2,833,510**	**$ 1,811,860**
Days Cash on Hand	298	147	257	488	296
Targeted Minimum Days Cash on Hand	**120**	**120**	**120**	**120**	**120**
Projected Debt Service Coverage	2.87	1.13	1.73	2.13	2.60

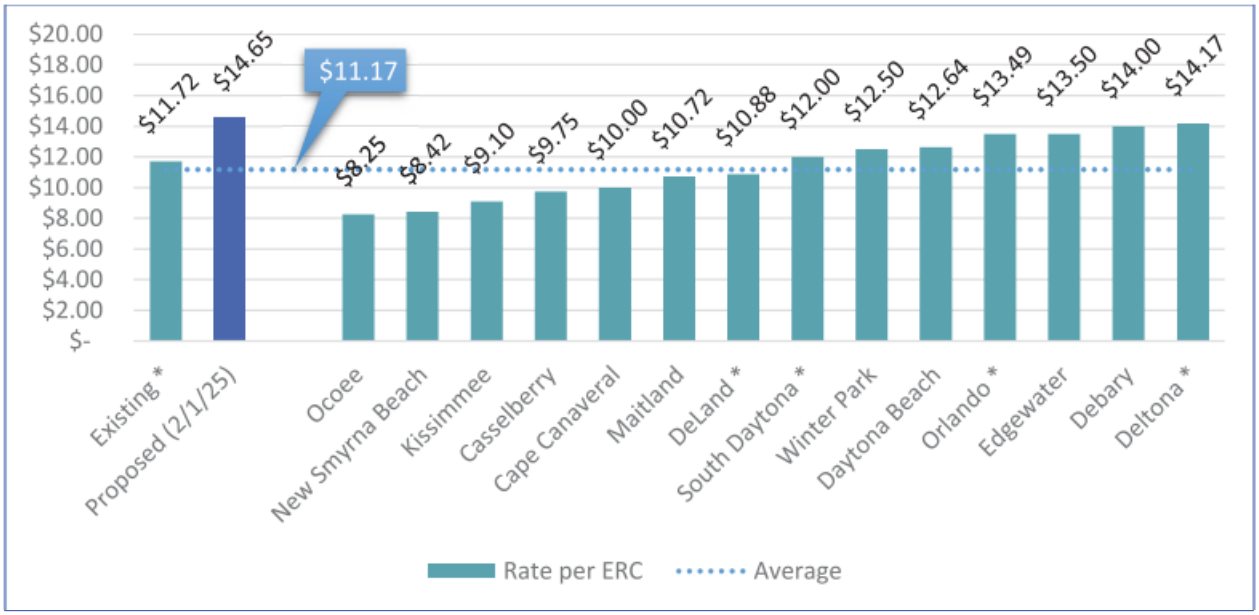
Note: Projected debt service coverage shown on the above table is based on stormwater revenue only. Actual debt service coverage calculations will be based on combined water, sewer, and stormwater revenue and total debt service. The combined pledge in each year of the proforma period is projected to exceed the requirements of the existing and projected debt service.

5.3. Rate Comparison with Neighboring Utilities

Comparisons of stormwater rates between the City and other comparable utilities provide an overview that management and customers generally use when evaluating the relative cost of services. However, caution should be used in interpreting the comparisons because costs of stormwater services are difficult to accurately compare in that different systems do not have similar costs, service areas, resources, facilities, capitalization, financing, rate structures and customers. Comparisons of residential stormwater rates for other communities can be seen in

Figure 2 – Typical Monthly Stormwater Bill Comparison: Residential (ERU). No analysis has been performed for the utilities included in this comparison, regarding these or any other rates or issues. As shown in the table, the average of the other utilities is **$11.17** per ERU.

Figure 2 – Typical Monthly Stormwater Bill Comparison: Residential (ERU)



Note: * denotes the adopted rate as of 10/1/2024. All others are current as of 8/1/2024.

Section 6 - Findings, Conclusions, and Recommendations

6.1. General

The stormwater rates presented herein are developed in consideration of the Utility's goals of equitable cost recovery, as well as financial stability, capital requirements and fiscal strength of the system.

6.2. Findings and Conclusions

As previously addressed, the purpose of this Study is to provide a review of the City's existing stormwater utility rates and determine if rate adjustments are necessary to meet the budgeted and/or projected financial needs in future years. This Study is the result of the collaborative efforts of representatives from both the City and Willdan. The City staff was diligent and cooperative in their efforts to ensure the availability and quality of source data on financial and operating matters. Based on the reviews, analyses and assumptions discussed herein, it is concluded that:

1. The Utility is a well-run organization with management that continues to look for ways of improving service and reducing costs.

2. The City's current CIP for FY 2024 – FY 2033 includes approximately $43.4 million in infrastructure projects and equipment, which will be funded through rates and reserves, FEMA reimbursements, Bond Anticipation Notes (BANs) and future revenue bonds.

3. The City is anticipating the use of a combination of short-term and long-term debt to finance approximately $17.5 million of the current CIP. The related principal and interest payments on this assumed debt are included in the financial results presented in this Study and the resulting rate adjustment recommendations discussed in the following section.

4. Labor cost includes additional staffing needed, as provided by the City, for the Utility over the next 10 years, beginning in FY 2026.

5. Current and projected conditions require that certain adjustments be considered to meet the growing stormwater management needs of the community and provide for the projected system net revenue requirements for Fiscal Years 2025 through 2033.

6. The City's current rate methodology (Impervious Area Method) is the methodology used by the majority of Florida stormwater utilities as surveyed by the Florida Stormwater Association.

7. The City currently uses the utility-bill method for its stormwater charges where the stormwater charge is placed on the water/sewer bill.

8. The City's current rate structure methodology and collection method provide for rate equity among customer classes as well as cost effectiveness. Other methods are available to the City for billing and collection that could provide a higher degree of collection enforcement, however, there may be some trade-offs including, timing of revenue collection, saturation, etc. that the City would need to weigh the benefits of implementation.

6.3. Recommendations

Based on the reviews, analyses and assumptions discussed herein, as well as the resulting conclusions provided above, it is respectfully recommended that the City:

1. Adopt and implement the proposed rates shown herein based on annual adjustments of:

   - 25.0% for FY 2025 and FY 2026
   - 15.0% for FY 2027, FY 2028, and FY 2029
   - 12.0% for FY 2030
   - 10.0% for FY 2031, FY 2032, and FY 2033

   The rate adjustment for FY 2025 is anticipated to be effective on February 1, 2025. All other rate adjustments will be on October 1 of each respective fiscal year, beginning October 1, 2025, for FY 2026.

2. Monitor annual changes in the Consumer Price Index. The proposed rate adjustments for FY 2025 through FY 2033 include a provision for inflation. To the extent that annual changes in the Consumer Price Index exceed 5.0%, it is recommended that the City perform a stormwater revenue sufficiency evaluation to ensure that the current rate adjustments remain sufficient to cover projected fiscal requirements; and

3. Adopt provisions for a comprehensive review of the stormwater rates every 5 years, or whenever significant changes occur in operating and maintenance costs, debt service requirements, utility regulations, technical aspects, customer characteristics, permit requirements, etc. **Note: if a new rate study is not yet completed and adopted before FY 2030, it is recommended the City continue with the rate plan adjustments identified in No. 1 above until such time as a new rate study is adopted.**

The expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historical data or projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed rates and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

Exhibits

Line	Description	Projected for Year Ending September 30,										10-Year Total
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Inflation Rate	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
	Stormwater Capital Projects											
1	Panther Street Ditch Piping-Ph 3	$ -	$ -	$ -	$ 347,288	$ -	$ -	$ -	$ -	$ -	$ -	$ 347,288
2	Allendale Drainage Improvements	$ -	$ 52,500	$ 220,500	$ 115,763	$ 546,978	$ -	$ -	$ -	$ -	$ -	$ 935,740
3	Mckinnon Ditch Piping Project	$ -	$ 934,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 934,500
4	Stormwater Masterplan Improvement Projects	$ 110,150	$ -	$ -	$ -	$ -	$ -	$ 469,033	$ -	$ -	$ 542,965	$ 1,122,148
5	Live Oak/Raywood Pond Improvements	$ -	$ -	$ -	$ -	$ 121,551	$ 292,958	$ -	$ -	$ -	$ -	$ 414,508
6	Alafaya Woods-Mckinnon-Sugarberry Flood Repair (Ian)	$ 1,928,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,928,000
7	Little Creek Flooding And Drainage Repair (Ian)	$ 310,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 310,000
8	N. Lake Jesup Basin Regional Pond	$ -	$ -	$ -	$ -	$ -	$ -	$ 134,010	$ 562,840	$ -	$ -	$ 696,850
9	Twin Rivers Golf Course Drainage Repairs	$ -	$ 78,750	$ 82,688	$ 86,822	$ 91,163	$ 95,721	$ 100,507	$ 105,533	$ 110,809	$ 116,350	$ 868,342
10	Willa Lake Circle Drainage Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Boston Hill Park Drainage Improvements	$ -	$ 105,000	$ 385,875	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 490,875
12	Pipelining	$ 150,000	$ 525,000	$ 551,250	$ 578,813	$ 607,753	$ 638,141	$ 670,048	$ 703,550	$ 738,728	$ 775,664	$ 5,938,946
13	Stephen Ave Drainage Retrofit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 118,196	$ -	$ 118,196
14	Best Management Practice Improvements	$ 30,200	$ -	$ 275,625	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 305,825
15	Sweetwater Creek Restoration Master Plan	$ 75,000	$ 210,000	$ 330,750	$ 347,288	$ 364,652	$ 382,884	$ -	$ -	$ -	$ -	$ 1,710,574
16	Doctors Drive	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,746	$ 465,398	$ 613,144
17	Lake Charm Nutrient Reduction	$ -	$ 105,000	$ 143,325	$ 173,644	$ -	$ -	$ -	$ -	$ -	$ -	$ 421,969
18	Flood Forecasting - Big And Little Econ Rivers	$ 98,500	$ 66,675	$ 33,075	$ 34,729	$ 36,465	$ 38,288	$ 40,203	$ 42,213	$ 44,324	$ 46,540	$ 481,012
19	Alafaya Woods Pond 90 Retrofit	$ -	$ -	$ 220,500	$ 694,575	$ -	$ -	$ -	$ -	$ -	$ -	$ 915,075
20	S Lake Jessup And Clark Street Flood Abatement	$ -	$ -	$ -	$ -	$ 121,551	$ 638,141	$ -	$ -	$ -	$ -	$ 759,691
21	Riverside Park Shoreline (Little Econlockhatchee River) Protection - Engineering & Design	$ -	$ 157,500	$ 214,988	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 372,488
22	Riverside Park Shoreline (Little Econlockhatchee River) Protection - Construction	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	Riverside Park Shoreline (Little Econlockhatchee River) Protection - New Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Sandalwood Court Stormwater Improvements	$ -	$ 94,500	$ 187,425	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 281,925
25	Lake Charm Drive Ditch Retrofit	$ -	$ 325,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 325,500
26	Willa Lake Circle Drainage Improvements	$ -	$ -	$ 165,375	$ -	$ 1,154,731	$ -	$ -	$ -	$ -	$ -	$ 1,320,106
27	Magnolia Street Bmp - DELETE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	Reed Avenue/Washington Street Drainage Improvements	$ -	$ -	$ -	$ 35,886	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,886
29	S Lake Jessup Avenue Drainage Improvements	$ -	$ -	$ -	$ -	$ 440,840	$ -	$ -	$ -	$ -	$ -	$ 440,840
30	Mission Road Area Drainage Improvements	$ -	$ -	$ 110,250	$ 150,491	$ -	$ 633,036	$ 301,522	$ 281,420	$ 36,936	$ 387,832	$ 1,901,487
31	Mitchell Hammock Road (East) Stormwater Improvements	$ -	$ -	$ -	$ 92,610	$ -	$ -	$ 739,733	$ 388,360	$ 407,778	$ 428,167	$ 2,056,647
32	Mitchell Hammock Road (West) Stormwater Improvements	$ -	$ -	$ -	$ 237,313	$ -	$ -	$ -	$ 562,840	$ 590,982	$ 1,241,063	$ 2,632,198
33	Terrace Drive Drainage Improvements	$ -	$ -	$ -	$ 86,822	$ -	$ -	$ -	$ -	$ 687,017	$ -	$ 773,839

Line	Description	Projected for Year Ending September 30,										10-Year Total
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
34	Mead Manor Stormwater Improvements	$ -	$ -	$ -	$ -	$ 115,473	$ -	$ 623,379	$ -	$ -	$ -	$ 738,852
35	Division Street (North) Bmp And Drainage Improvements	$ -	$ -	$ -	$ -	$ 103,318	$ 243,813	$ -	$ -	$ -	$ -	$ 347,131
36	Alafaya Wood Boulevard/Mitchell Hammock Road Culvert Improvement	$ -	$ -	$ -	$ -	$ 116,689	$ -	$ -	$ -	$ 709,179	$ -	$ 825,867
37	King Street Pond Stormwater Improvements	$ -	$ -	$ -	$ -	$ -	$ 213,139	$ -	$ -	$ -	$ -	$ 213,139
38	Lightwood Knox Canal Bmp	$ -	$ -	$ -	$ -	$ -	$ -	$ 368,526	$ 881,762	$ -	$ -	$ 1,250,289
39	Shady Lane Bmp	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 205,366	$ -	$ 205,366
40	High Street, Lindsay Ave And Lawn Street Bmps	$ -	$ -	$ -	$ -	$ 23,474	$ -	$ -	$ -	$ -	$ -	$ 23,474
41	E Artesia Street Culvert/Road Repair	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000
42	Pond 384 Live Oak Repair	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,000
43	Pond 141 Lake Rogers Repair	$ -	$ 56,251	$ 116,080	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 172,331
44	Pond 139 Lake Rogers Repair	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000
45	Pinehurst Court Pipe Repair	$ 57,213	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 57,213
46	Sweetwater Creek Maintenance-Phase 1	$ 139,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 139,000
47	Town and Country Road Culvert Repair	$ 68,116	$ -	$ 275,625	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 343,741
48	Pond 3 McKinleys Mill Repair	$ -	$ 78,750	$ 275,625	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 354,375
49	Sweetwater Creek Maintenance-Phase 2	$ -	$ 113,873	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 113,873
50	Sweetwater Creek Erosion - Sweetwater Creek Subdivision	$ -	$ 63,000	$ 214,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 277,300
51	South Lockwood Blvd Pipe Lining	$ -	$ 176,022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 176,022
52	Ponds 189, 190, 191, and 193 Riverside Subdivision	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000
53	Inlet Repairs - Alafaya Woods and Twin Rivers	$ -	$ -	$ -	$ 167,812	$ -	$ -	$ -	$ -	$ -	$ -	$ 167,812
54	Orange Avenue Pipe Rehabilitation	$ 99,000	$ -	$ 323,123	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 422,123
55	Solary Park Berm Correction	$ -	$ -	$ 44,100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,100
56	Lift Station 520 Ditch and Access Road Culvert Repair	$ -	$ -	$ 99,225	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,225
57	Windy Pine Way Culvert Repair	$ -	$ -	$ -	$ 121,805	$ -	$ -	$ -	$ -	$ -	$ -	$ 121,805
58	Twin Rivers Golf Course Drainage Repairs - DELETE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
59	Alafaya Woods Blvd Culvert at Sugarberry Pond	$ -	$ -	$ 63,945	$ 54,663	$ -	$ -	$ -	$ -	$ -	$ -	$ 118,608
60	Franklin Street Box Culvert	$ -	$ -	$ -	$ 17,364	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,364
61	Alafaya Woods Ditch 30 Erosion Protection	$ -	$ -	$ 63,945	$ 111,624	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,569
62	Twin Oaks Pond xx Repair	$ -	$ -	$ -	$ 53,549	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,549
63	Stormwater Basin Studies	$ -	$ 262,500	$ 275,625	$ 289,406	$ 303,877	$ 319,070	$ 335,024	$ 351,775	$ 369,364	$ 387,832	$ 2,894,473
64	**Total Stormwater Capital Projects Improvements**	**$ 3,285,179**	**$ 3,405,320**	**$ 4,673,218**	**$ 3,798,265**	**$ 4,148,513**	**$ 3,495,192**	**$ 3,781,984**	**$ 3,880,293**	**$ 4,166,424**	**$ 4,391,810**	**$ 39,026,199**
	Capital Outlay											
65	Sandbagging machine	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 84,426	$ -	$ -	$ 84,426
66	**Total Stormwater System Improvements**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 84,426**	**$ -**	**$ -**	$ 84,426
	Vehicles											
67	Annual Allocation	$ 293,000	$ 367,500	$ 385,875	$ 405,169	$ 425,427	$ 446,699	$ 469,033	$ 492,485	$ 517,109	$ 542,965	$ 4,345,262
68	**Total Vehicles Improvements**	**$ 293,000**	**$ 367,500**	**$ 385,875**	**$ 405,169**	**$ 425,427**	**$ 446,699**	**$ 469,033**	**$ 492,485**	**$ 517,109**	**$ 542,965**	**$ 4,345,262**
69	**Grand Totals Includes Inflation**	**$ 3,578,179**	**$ 3,772,820**	**$ 5,059,093**	**$ 4,203,434**	**$ 4,573,940**	**$ 3,941,891**	**$ 4,251,017**	**$ 4,457,204**	**$ 4,683,533**	**$ 4,934,775**	**$ 43,455,887**

Line	Description	Projected for Year Ending September 30,										10-Year Total
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Stormwater Capital System Improvements											
70	Total Stormwater System Improvements	$ 3,578,179	$ 3,772,820	$ 5,059,093	$ 4,203,434	$ 4,573,940	$ 3,941,890	$ 4,251,018	$ 4,457,204	$ 4,683,534	$ 4,934,775	$ 43,455,887
71	Total Funded Through Prioritization Process	$ 3,578,179	$ 3,772,820	$ 5,059,093	$ 4,203,434	$ 4,573,940	$ 3,941,891	$ 4,251,017	$ 4,457,204	$ 4,683,533	$ 4,934,775	$ 43,455,886
72	Unfunded Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
73	Cumulative Unfunded Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Funding Sources											
74	Stormwater Fund (410)	$ -	$ -	$ -	$ -	$ -	$ 3,347,437	$ 3,781,984	$ 3,964,719	$ 4,166,424	$ 4,391,810	$ 19,652,375
75	Renewal & Replacement Fund (406)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
76	Vehicle Repl Fund (407)	$ 293,000	$ 367,500	$ 385,875	$ 405,169	$ 425,427	$ 446,699	$ 469,033	$ 492,485	$ 517,109	$ 542,965	$ 4,345,262
77	FEMA Reimburse	$ 1,958,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,958,250
78	5-Year Loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
79	10-Year Loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
80	15-Year Loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
81	BANs/Future Revenue Bonds	$ 1,326,929	$ 3,405,320	$ 4,673,218	$ 3,798,265	$ 4,148,513	$ 147,755	$ -	$ -	$ -	$ -	$ 17,500,000
82	**Total Funding Sources**	**$ 3,578,179**	**$ 3,772,820**	**$ 5,059,093**	**$ 4,203,434**	**$ 4,573,940**	**$ 3,941,890**	**$ 4,251,018**	**$ 4,457,204**	**$ 4,683,534**	**$ 4,934,775**	**$ 43,455,887**

CITY OF OVIEDO, FLORIDA

EXHIBIT 2

STORMWATER SYSTEM

PROJECTED OPERATING RESULTS - STORMWATER

Line	Description	Proposed 2024	Projected For scal Year Ending September 30, 2025	2026	2027	2028	2029
	REVENUES						
	Operating Revenues						
1	Stormwater Service Charges	$ 2,864,595	$ 3,452,407	$ 4,682,453	$ 5,455,719	$ 6,356,296	$ 7,405,204
2	Stormwater Charge - Percentage Rate Adjustment	0.00%	25.00%	25.00%	15.00%	15.00%	15.00%
	Other Non-Operating Revenues						
3	Interest	20,586	20,586	20,586	20,586	20,586	20,586
4	**Total Revenues**	**$ 2,885,181**	**$ 3,472,993**	**$ 4,703,039**	**$ 5,476,305**	**$ 6,376,882**	**$ 7,425,790**
	Operating Expenses						
5	Personnel Expenditures	$ 886,447	$ 940,179	$ 1,294,551	$ 1,373,931	$ 1,458,745	$ 1,549,408
6	Professional and Contractual	233,308	244,973	254,772	262,415	270,287	278,396
7	Communication and Utilities	14,496	15,222	15,831	16,305	16,794	17,296
8	Insurance	20,404	22,445	24,689	27,158	29,874	32,862
9	Repairs and Maintenance	212,903	221,049	230,891	239,407	248,275	257,511
10	Operating Supplies	82,184	86,293	89,743	92,437	95,210	98,065
11	**Total Operating Expenses**	**$ 1,449,742**	**$ 1,530,161**	**$ 1,910,477**	**$ 2,011,653**	**$ 2,119,185**	**$ 2,233,538**
12	**Income Available for Debt Service**	**$ 1,435,439**	**$ 1,942,832**	**$ 2,792,562**	**$ 3,464,652**	**$ 4,257,697**	**$ 5,192,252**
	Senior Indebtedness						
13	Utility Revenue Note Series 2017	$ 435,157	$ 435,118	$ 434,787	$ 434,166	$ 434,238	$ 433,991
14	**Total Senior Indebtedness**	**$ 435,157**	**$ 435,118**	**$ 434,787**	**$ 434,166**	**$ 434,238**	**$ 433,991**
	Subordinate Indebtedness						
15	Additional Subordinate Debt Service #1	$ -	$ -	$ -	$ -	$ -	$ -
16	**Total Subordinate Indebtedness**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	New Debt						
17	Stormwater Capital System Improvements - 10-Year Loan	$ -	$ -	$ -	$ -	$ -	$ -
18	Stormwater Capital System Improvements - 15-Year Loan	-	-	-	-	-	-
19	Stormwater Capital System Improvements - BANs	-	241,000	480,000	-	-	-
20	Stormwater Capital System Improvements - Future Revenue Bonds	-	-	1,562,675	1,564,175	1,563,475	1,560,575
21	**Total New Debt**	**$ -**	**$ 241,000**	**$ 2,042,675**	**$ 1,564,175**	**$ 1,563,475**	**$ 1,560,575**
22	**Total Indebtedness**	**$ 435,157**	**$ 676,118**	**$ 2,477,462**	**$ 1,998,341**	**$ 1,997,713**	**$ 1,994,566**
23	**Net Results of Operations**	**$ 1,000,282**	**$ 1,266,715**	**$ 315,100**	**$ 1,466,312**	**$ 2,259,984**	**$ 3,197,686**
	DEBT SERVICE COVERAGE						
	Income Available for Debt Service						
24	From Operations	$ 1,435,439	$ 1,942,832	$ 2,792,562	$ 3,464,652	$ 4,257,697	$ 5,192,252
25	System Development Charges Available for Coverage	$ -	-	-	-	-	-
26	**Total Income Available for Debt Service**	**$ 1,435,439**	**$ 1,942,832**	**$ 2,792,562**	**$ 3,464,652**	**$ 4,257,697**	**$ 5,192,252**
	Senior Lien Debt Service						
27	Existing	$ 435,157	$ 435,118	$ 434,787	$ 434,166	$ 434,238	$ 433,991
28	Future	-	241,000	2,042,675	1,564,175	1,563,475	1,560,575
29	**Total Senior Lien Debt Service**	**$ 435,157**	**$ 676,118**	**$ 2,477,462**	**$ 1,998,341**	**$ 1,997,713**	**$ 1,994,566**
	SENIOR LIEN DEBT SERVICE						
	Test 1 - Net Revenues						
30	Calculated	3.30	2.87	1.13	1.73	2.13	2.60
31	Targeted	1.20	1.20	1.20	1.20	1.20	1.20
32	Required	1.10	1.10	1.10	1.10	1.10	1.10
	OR						
	Test 2 - Net Revenues						
33	Calculated	3.30	2.87	1.13	1.73	2.13	2.60
34	Targeted	1.25	1.25	1.25	1.25	1.25	1.25
35	Required	1.00	1.00	1.00	1.00	1.00	1.00
	AND						
	Debt Service Coverage - Total Indebtedness						
	Test 3 - Net Revenues Including System Development Charges						
36	Calculated	3.30	2.87	1.13	1.73	2.13	2.60
37	Targeted	1.35	1.35	1.35	1.35	1.35	1.35
38	Required	1.25	1.25	1.25	1.25	1.25	1.25

CITY OF OVIEDO, FLORIDA

EXHIBIT 2

STORMWATER SYSTEM

PROJECTED OPERATING RESULTS - STORMWATER

Line	Description	Proposed 2024	Projected For Fiscal Year Ending September 30, 2025	2026	2027	2028	2029
	SUBORDINATE LIEN DEBT SERVICE COVERAGE						
39	Net Revenues	$ 1,435,439	$ 1,942,832	$ 2,792,562	$ 3,464,652	$ 4,257,697	$ 5,192,252
40	Less Senior Lien Debt Service	(435,157)	(676,118)	(2,477,462)	(1,998,341)	(1,997,713)	(1,994,566)
41	Less Senior Lien Debt Service Coverage Req't (10%)	(43,516)	(67,612)	(247,746)	(199,834)	(199,771)	(199,457)
42	Net Revenues Available for Subordinate Debt Service Coverage	**$ 956,766**	**$ 1,199,103**	**$ 67,354**	**$ 1,266,477**	**$ 2,060,212**	**$ 2,998,229**
	Subordinate Debt Service						
43	Existing	$ -	$ -	$ -	$ -	$ -	$ -
44	Future	-	-	-	-	-	-
45	**Total Subordinate Debt Service**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	Test 4 - Net Revenues Available for Subordinate Debt Service Coverage						
46	Calculated	N/A	N/A	N/A	N/A	N/A	N/A
47	Targeted	1.25	1.25	1.25	1.25	1.25	1.25
48	Required	1.15	1.15	1.15	1.15	1.15	1.15
49	Transfers Out	$ (533,364)	$ (995,994)	$ (1,109,150)	$ (1,143,392)	$ (1,179,047)	$ (1,216,178)
50	Capital Outlay	-	-	-	-	-	-
51	Transfers In	-	-	-	-	-	-
52	**Net Results**	**$ 466,918**	**$ 270,721**	**$ (794,050)**	**$ 322,920**	**$ 1,080,936**	**$ 1,981,508**
	RESERVE FUND BALANCE ACTIVITY						
	Stormwater Fund (410)						
53	**Beginning**	**$ 55,000**	**$ 673,265**	**$ 1,249,873**	**$ 770,887**	**$ 1,418,322**	**$ 2,833,510**
54	Transfer In / (Out) Operations	466,918	270,721	(794,050)	322,920	1,080,936	1,981,508
55	Transfer In Other Funds (Contingency Reserve Fund)	151,347	155,887	160,564	165,381	170,342	175,452
56	Used	-	150,000	154,500	159,135	163,909	(3,178,610)
57	**Ending**	**$ 673,265**	**$ 1,249,873**	**$ 770,887**	**$ 1,418,322**	**$ 2,833,510**	**$ 1,811,860**
	R&R Fund (406)						
58	**Beginning**	**$ -**	**$ -**	**$ 150,000**	**$ 304,500**	**$ 463,635**	**$ 627,544**
59	Transfer In	-	300,000	309,000	318,270	327,818	337,653
60	Used	-	(150,000)	(154,500)	(159,135)	(163,909)	(168,827)
61	**Ending**	**$ -**	**$ 150,000**	**$ 304,500**	**$ 463,635**	**$ 627,544**	**$ 796,371**
	Vehicle Replacement (407)						
62	**Beginning**	**$ 300,000**	**$ 137,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**
63	Transfer In	130,725	287,500	385,875	405,169	425,427	446,699
64	Used	(293,000)	(367,500)	(385,875)	(405,169)	(425,427)	(446,699)
65	**Ending**	**$ 137,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**
66	**Stormwater Fund Balance (Fund 410)**	**$ 673,265**	**$ 1,249,873**	**$ 770,887**	**$ 1,418,322**	**$ 2,833,510**	**$ 1,811,860**
67	**Targeted Minimum Fund Balance**	**$ 119,157**	**$ 125,767**	**$ 157,026**	**$ 165,341**	**$ 174,180**	**$ 183,578**
68	**Diffrerence Between Targeted Minimum and Actual Fund Balance**	**$ 554,108**	**$ 1,124,106**	**$ 613,861**	**$ 1,252,981**	**$ 2,659,330**	**$ 1,628,281**
69	**Days Cash on Hand**	**170**	**298**	**147**	**257**	**488**	**296**
70	**Targeted Days Cash on Hand**	**120**	**120**	**120**	**120**	**120**	**120**

CITY OF OVIEDO, FLORIDA

EXHIBIT 2

STORMWATER SYSTEM

PROJECTED OPERATING RESULTS - STORMWATER

Line	Description	Projected For Fiscal Year Ending September 30, 2030	2031	2032	2033
	REVENUES				
	Operating Revenues				
1	Stormwater Service Charges	$ 8,403,709	$ 9,368,276	$ 10,444,319	$ 11,645,050
2	Stormwater Charge - Percentage Rate Adjustment	12.00%	10.00%	10.00%	10.00%
	Other Non-Operating Revenues				
3	Interest	20,586	20,586	20,586	20,586
4	**Total Revenues**	**$ 8,424,295**	**$ 9,388,862**	**$ 10,464,905**	**$ 11,665,636**
	Operating Expenses				
5	Personnel Expenditures	$ 1,646,377	$ 1,750,146	$ 1,861,252	$ 1,980,269
6	Professional and Contractual	286,748	295,350	304,211	313,338
7	Communication and Utilities	17,816	18,351	18,903	19,471
8	Insurance	36,149	39,764	43,740	48,114
9	Repairs and Maintenance	267,129	277,152	287,594	298,478
10	Operating Supplies	101,007	104,035	107,159	110,375
11	**Total Operating Expenses**	**$ 2,355,226**	**$ 2,484,798**	**$ 2,622,859**	**$ 2,770,045**
12	**Income Available for Debt Service**	**$ 6,069,069**	**$ 6,904,064**	**$ 7,842,046**	**$ 8,895,591**
	Senior Indebtedness				
13	Utility Revenue Note Series 2017	$ 434,410	$ 433,493	$ 434,227	$ -
14	**Total Senior Indebtedness**	**$ 434,410**	**$ 433,493**	**$ 434,227**	**$ -**
	Subordinate Indebtedness				
15	Additional Subordinate Debt Service #1	$ -	$ -	$ -	$ -
16	**Total Subordinate Indebtedness**	**$ -**	**$ -**	**$ -**	**$ -**
	New Debt				
17	Stormwater Capital System Improvements - 10-Year Loan	$ -	$ -	$ -	$ -
18	Stormwater Capital System Improvements - 15-Year Loan	-	-	-	-
19	Stormwater Capital System Improvements - BANs	-	-	-	-
20	Stormwater Capital System Improvements - Future Revenue Bonds	1,560,475	1,562,900	1,562,575	1,564,500
21	**Total New Debt**	**$ 1,560,475**	**$ 1,562,900**	**$ 1,562,575**	**$ 1,564,500**
22	**Total Indebtedness**	**$ 1,994,885**	**$ 1,996,393**	**$ 1,996,802**	**$ 1,564,500**
23	**Net Results of Operations**	**$ 4,074,185**	**$ 4,907,671**	**$ 5,845,244**	**$ 7,331,091**
	DEBT SERVICE COVERAGE				
	Income Available for Debt Service				
24	From Operations	$ 6,069,069	$ 6,904,064	$ 7,842,046	$ 8,895,591
25	System Development Charges Available for Coverage	$ -	$ -	$ -	$ -
26	**Total Income Available for Debt Service**	**$ 6,069,069**	**$ 6,904,064**	**$ 7,842,046**	**$ 8,895,591**
	Senior Lien Debt Service				
27	Existing	$ 434,410	$ 433,493	$ 434,227	$ -
28	Future	1,560,475	1,562,900	1,562,575	1,564,500
29	**Total Senior Lien Debt Service**	**$ 1,994,885**	**$ 1,996,393**	**$ 1,996,802**	**$ 1,564,500**
	SENIOR LIEN DEBT SERVICE				
	Test 1 - Net Revenues				
30	Calculated	3.04	3.46	3.93	5.69
31	Targeted	1.20	1.20	1.20	1.20
32	Required	1.10	1.10	1.10	1.10
	OR				
	Test 2 - Net Revenues				
33	Calculated	3.04	3.46	3.93	5.69
34	Targeted	1.25	1.25	1.25	1.25
35	Required	1.00	1.00	1.00	1.00
	AND				
	Debt Service Coverage - Total Indebtedness				
	Test 3 - Net Revenues Including System Development Charges				
36	Calculated	3.04	3.46	3.93	5.69
37	Targeted	1.35	1.35	1.35	1.35
38	Required	1.25	1.25	1.25	1.25

CITY OF OVIEDO, FLORIDA

EXHIBIT 2

STORMWATER SYSTEM

PROJECTED OPERATING RESULTS - STORMWATER

Line	Description	Projected For Fiscal Year Ending September 30, 2030	2031	2032	2033
	SUBORDINATE LIEN DEBT SERVICE COVERAGE				
39	Net Revenues	$ 6,069,069	$ 6,904,064	$ 7,842,046	$ 8,895,591
40	Less Senior Lien Debt Service	(1,994,885)	(1,996,393)	(1,996,802)	(1,564,500)
41	Less Senior Lien Debt Service Coverage Req't (10%)	(199,488)	(199,639)	(199,680)	(156,450)
42	**Net Revenues Available for Subordinate Debt Service Coverage**	**$ 3,874,696**	**$ 4,708,032**	**$ 5,645,563**	**$ 7,174,641**
	Subordinate Debt Service				
43	Existing	$ -	$ -	$ -	$ -
44	Future	-	-	-	-
45	**Total Subordinate Debt Service**	**$ -**	**$ -**	**$ -**	**$ -**
	Test 4 - Net Revenues Available for Subordinate Debt Service Cover				
46	Calculated	N/A	N/A	N/A	N/A
47	Targeted	1.25	1.25	1.25	1.25
48	Required	1.15	1.15	1.15	1.15
49	Transfers Out	$ (1,254,847)	$ (1,295,122)	$ (1,337,075)	$ (1,380,781)
50	Capital Outlay	-	-	-	-
51	Transfers In	-	-	-	-
52	**Net Results**	**$ 2,819,337**	**$ 3,612,549**	**$ 4,508,168**	**$ 5,950,310**
	RESERVE FUND BALANCE ACTIVITY				
	Stormwater Fund (410)				
53	**Beginning**	**$ 1,811,860**	**$ 1,203,820**	**$ 1,216,894**	**$ 1,934,840**
54	Transfer In / (Out) Operations	2,819,337	3,612,549	4,508,168	5,950,310
55	Transfer In Other Funds (Contingency Reserve Fund)	180,716	186,137	191,721	197,473
56	Used	(3,608,093)	(3,785,611)	(3,981,943)	(4,201,795)
57	**Ending**	**$ 1,203,820**	**$ 1,216,894**	**$ 1,934,840**	**$ 3,880,829**
	R&R Fund (406)				
58	**Beginning**	**$ 796,371**	**$ 970,262**	**$ 1,149,370**	**$ 1,333,851**
59	Transfer In	347,783	358,216	368,962	380,031
60	Used	(173,892)	(179,108)	(184,481)	(190,016)
61	**Ending**	**$ 970,262**	**$ 1,149,370**	**$ 1,333,851**	**$ 1,523,867**
	Vehicle Replacement (407)				
62	**Beginning**	**$ 57,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**
63	Transfer In	469,033	492,485	517,109	542,965
64	Used	(469,033)	(492,485)	(517,109)	(542,965)
65	**Ending**	**$ 57,725**	**$ 57,725**	**$ 57,725**	**$ 57,725**
66	**Stormwater Fund Balance (Fund 410)**	**$ 1,203,820**	**$ 1,216,894**	**$ 1,934,840**	**$ 3,880,829**
67	**Targeted Minimum Fund Balance**	**$ 193,580**	**$ 204,230**	**$ 215,577**	**$ 227,675**
68	**Diffrerence Between Targeted Minimum and Actual Fund Balance**	**$ 1,010,240**	**$ 1,012,664**	**$ 1,719,263**	**$ 3,653,154**
69	**Days Cash on Hand**	**187**	**179**	**269**	**511**
70	**Targeted Days Cash on Hand**	**120**	**120**	**120**	**120**

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