

CITY OF
ZEPHYRHILLS

2023 Utility Revenue Sufficiency Study

August 8, 2023



August 8, 2023

Mr. John Bostic
Utilities Director
City of Zephyrhills
5335 8th Street
Zephyrhills, FL 33542

Subject: 2023 Utility Revenue Sufficiency Study

Dear Mr. Bostic,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this 2023 Utility Revenue Sufficiency Study Report (Report) for the City of Zephyrhills (City) to address the revenue sufficiency needs of the utility system over the next six years. We have summarized the results of our analysis in this Report for your consideration. This Report provides a forecast for the period of October 1, 2022 through September 30, 2028.

In our analysis, we have relied upon certain information and data compiled by the City including, but not limited to capital improvement programs, annual Financial Statements; the budgets; periodic reports; customer data; financing documents; and other information and data provided by the City. To the extent we have performed our analyses using the data and information obtained from the City and others in the preparation of this report, we have relied upon such information to be accurate and no assurances are intended and no representation or warranties are made with respect thereto or the use made herein.

Following this letter is an executive summary and report outlining the assumptions and considerations used in developing the utility system financial projections and our observations regarding future rate levels.

It has been a pleasure working with you, and we thank you and City staff for the support provided during the course of this study.

Sincerely,

A handwritten signature in blue ink that reads 'Tony Hairston'.

Tony Hairston
Vice President

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- Exhibit 3: Projected Water Revenue from Existing Rates
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- Exhibit 6: Operating Budget
- Exhibit 7: Water Operating Budget Projections
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- Exhibit 9: Capital Improvement Program - Inflated
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- Exhibit 12: Combined System Projected Debt Service Coverage
- Exhibit 13: Utility Fund Balance Projections

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Executive Summary

Introduction

The City of Zephyrhills (City) provides a full range of utility services, including potable water and sewer service to properties located within the City limits and certain unincorporated areas in Pasco County. As of Fiscal Year (FY) 2022, utility service was provided to approximately 12,900 water customers and 9,300 sewer customers throughout the City's service area. The City's utility system is established as a utility Enterprise Fund where the user fees and charges established for water and sewer services must generate the necessary revenues to recover the full cost of providing service. The primary source of user fee revenue for the Enterprise Fund is earned from the monthly user rates, therefore it is prudent to review these rate levels periodically to ensure that revenues are sufficient to meet future expenditure needs.

The City retained Raftelis Financial Consultants, Inc. (Raftelis) to conduct a utility revenue sufficiency study to ensure water and sewer rate sustainability and equity for the next six-year period. The major components of this study include:

1. Ensure the utility system recovers its operation and maintenance costs;
2. Ensure the utility system can fund the existing and proposed debt service;
3. Ensure sufficient funding for capital improvement projects;
4. Identify any rate adjustments needed to support the water and sewer systems; and
5. Maintain adequate utility operating reserves and exceed minimum debt service coverage requirements.

The remainder of the executive summary provides an overview of the study and includes our findings for the City.

Capital Improvement Funding

During the fiscal year ending September 30, 2023 through September 30, 2028 (Forecast Period), the City's capital improvement program (CIP) contains over \$53 million of capital expenditures. There are several large projects in the CIP including water main extensions, new wells, construction of a new building for the water department, major lift station and force main improvements, water quality improvements, and other capital improvements. Planned funding sources for the CIP include existing reserves, capacity fees, grants, and the issuance of new debt. The following table summarizes the projected funding sources for the City's CIP during the Forecast Period.

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Table ES- 1: Projected Six-Year CIP Funding Sources

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Revenues	\$1,213,000	\$927,000	\$1,108,700	\$973,900	\$1,164,600	\$1,250,700	\$6,637,900
Sewer Revenues	1,295,000	1,488,500	1,499,300	1,347,200	1,386,500	1,421,200	8,437,700
Utility Operating Reserves	1,450,000	154,500	316,700	0	0	284,200	2,205,400
Capacity Fees	5,100,000	257,500	2,111,500	0	0	0	7,469,000
Water SRF Debt	0	5,459,000	0	0	0	0	5,459,000
Sewer SRF Debt [2]	1,650,000	4,995,500	1,055,800	4,328,600	2,218,400	1,136,900	15,385,200
Grants	8,150,000	1,030,000	1,055,800	0	0	0	10,235,800
Total Funding Sources	\$18,858,000	\$14,312,000	\$7,147,800	\$6,649,700	\$4,769,500	\$4,093,000	\$55,830,000

[1] Full 6-year CIP with project descriptions shown on Exhibit 9.

[2] Sewer SRF debt includes the issuance of two separate loans as detailed in the assumptions below.

Utility Revenue Sufficiency

Utility cash revenue requirements is the term that defines the various components of cost associated with operating and maintaining a utility system. The sum of these cost components, less other income and miscellaneous utility revenues, represents the net revenue requirements to be funded from the utility rates. The revenues generated from the monthly user rates and the revenue requirements are presented in detail in the body of the report. The tables and discussion below are provided to illustrate the overall revenue sufficiency of the adopted user rates.

Table ES- 2: Water Revenue Sufficiency Forecast at Existing Rates

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Existing Rates [1]	\$4,248,400	\$4,310,700	\$4,372,400	\$4,435,900	\$4,499,400	\$4,565,100
Net Revenue Requirements [2]	4,987,970	4,866,870	5,289,070	5,265,870	5,143,380	5,348,680
Surplus/(Deficiency)	(\$739,570)	(\$556,170)	(\$916,670)	(\$829,970)	(\$643,980)	(\$783,580)

[1] Obtained from Table 7.

[2] Obtained from Table 12.

As shown above, revenues generated by the existing water rates are expected to not be sufficient to meet the projected net revenue requirements throughout the Forecast Period. At these rates, the water system is projected to generate a deficiency up to \$900,000 per year. As a result of the deficiencies, water rate adjustments are needed as shown later in this section.

The table below provides the sewer rate revenue deficiency over the next six-year period under the existing rates:

Table ES- 3: Sewer Revenue Sufficiency Forecast at Existing Rates

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Existing Rates [1]	\$7,649,800	\$7,742,400	\$7,835,000	\$7,927,700	\$8,020,200	\$8,118,000
Net Revenue Requirements [2]	7,814,633	7,756,148	7,729,448	8,217,148	8,096,224	8,801,424
Surplus/(Deficiency)	(\$164,833)	(\$13,748)	\$105,552	(\$289,448)	(\$76,024)	(\$683,424)

[1] Obtained from Table 8.

[2] Obtained from Table 13.

The sewer system is also forecast to be deficient for the majority of the Forecast Period. The annual deficiency significantly increases in FY 2028 due to the increased annual debt service requirements associated with the proposed Clean Water SRF Loans, as discussed further in the body of this report. Due to the projected deficiencies expected, inflationary sewer rate adjustments are needed as shown in Table ES- 4 below.

Sufficiency of Projected Utility Rate Revenues

As previously discussed, the existing rates are projected to not be sufficient to support the net revenue requirements forecast. Additionally, if these rates are not sufficient to support the net revenue requirements, then the fund balances and funding available to complete the CIP will not be sufficient. Based on conversations with staff, consumer price index (CPI) level adjustments are being considered for the monthly water and sewer rates over the Forecast Period. The table below illustrates these rate adjustments:

Table ES- 4: Annual Rate Adjustments

Fiscal Year	Water [1]	Sewer [1]
2023	0.0%	0.0%
2024	3.0%	3.0%
2025	2.5%	2.5%
2026	2.5%	2.5%
2027	2.5%	2.5%
2028	2.5%	2.5%

[1] Overall rate revenues to increase by percentages shown above.

Assuming the rate adjustments as shown on Table ES- 4 are implemented beginning October 1, 2023, and then each ensuing October 1, the following tables provide an illustration of the projected revenue sufficiency for each of the utility systems during the Forecast Period.

Table ES- 5: Water Revenue Sufficiency Forecast under Projected Rate Adjustments

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Projected Rates	\$4,248,400	\$4,440,000	\$4,616,200	\$4,800,300	\$4,990,700	\$5,190,200
Net Revenue Requirements	4,987,970	4,866,870	5,289,070	5,265,870	5,143,380	5,348,680
Surplus/(Deficiency)	(\$739,570)	(\$426,870)	(\$672,870)	(\$465,570)	(\$152,680)	(\$158,480)

[1] The detailed projected revenue sufficiency for the water system over the Forecast Period can be found in Exhibit 10.

Table ES- 6: Sewer Revenue Sufficiency Forecast under Projected Rate Adjustments

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Projected Rates	\$7,649,800	\$7,974,700	\$8,271,900	\$8,578,900	\$8,896,000	\$9,229,600
Net Revenue Requirements	7,814,633	7,756,148	7,729,448	8,217,148	8,096,224	8,801,424
Surplus/(Deficiency)	(\$164,833)	\$218,552	\$542,452	\$361,752	\$799,776	\$428,176

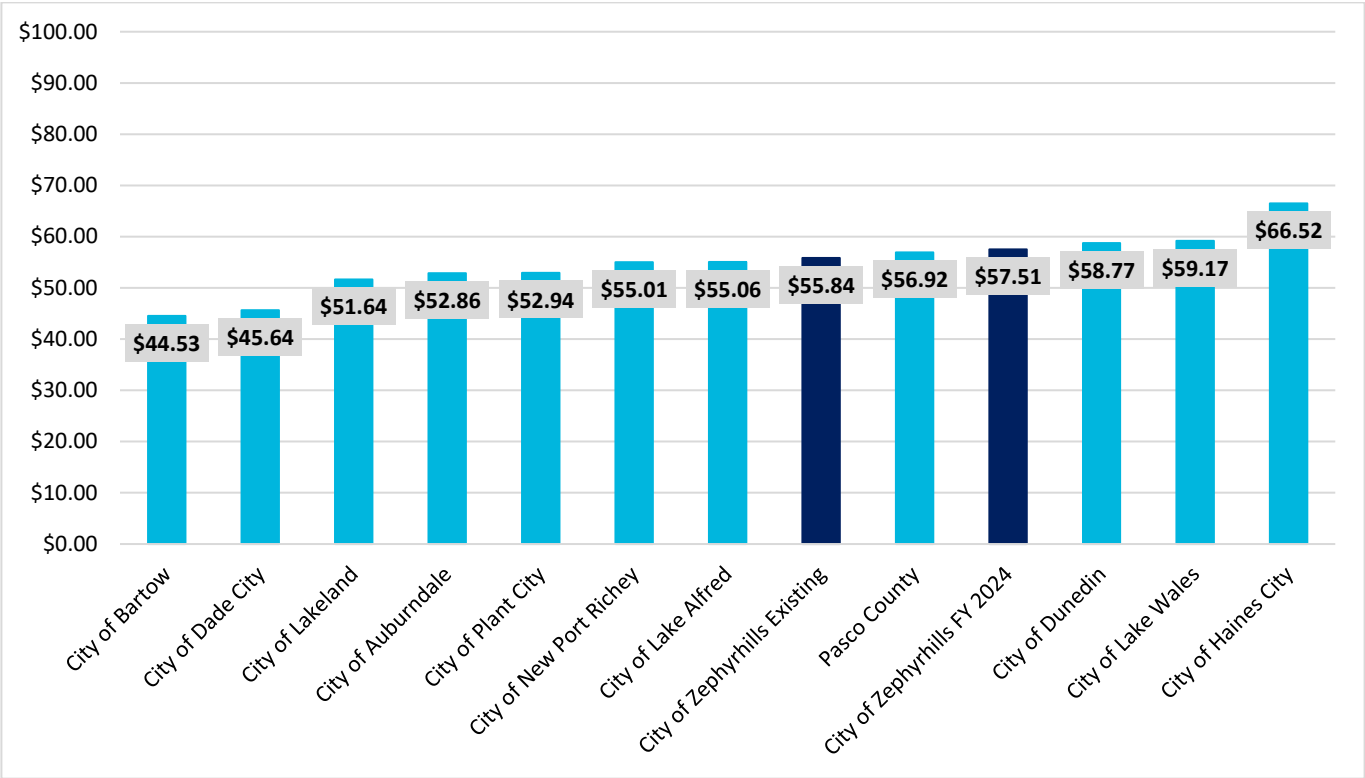
[1] The detailed projected revenue sufficiency for the sewer system over the Forecast Period can be found in Exhibit 11.

Comparison to Other Utility Providers

The figure below provides an illustration of the City's existing and proposed FY 2024 water and sewer bill at 3,000 gallons compared to that of other neighboring utilities. Since the inside City 3/4-inch single family residential customer class represents a majority of the City's customer base, the comparison below will focus on this class. As shown below, a single family residential customer using 3,000 gallons will see an increase in their combined water

and sewer monthly bill of \$1.67 from \$55.84 to \$57.51. The City’s combined bills are slightly higher than the average bill (\$54.46) of the other neighboring utilities surveyed.

**Figure ES- 1: 3/4-Inch Inside City Single Family Residential Water & Sewer Rate Comparison
(3,000 Gallons)**



Findings and Conclusions

As set forth herein, our findings and conclusions are summarized below:

1. The CPI-level adjustments to the monthly water and sewer rates over the Forecast Period should provide the City with adequate funding for the operating expenses, debt service, and planned capital improvements while maintaining adequate reserves during this period.
2. The projected rate adjustments, identified on Table ES- 4, are designed to fund approximately \$53.6 million in capital projects through FY 2028. Significant projects include water main extensions, new wells, construction of a new building for the water department, major lift station and force main improvements, water quality improvements, and other capital improvements.
3. Under the proposed FY 2024 rates, the combined water and sewer bill for a single family residential customer using 3,000 gallons a month is slightly higher than the average bill of the other nearby utilities surveyed.
4. The City should consider reviewing its utility rates and adequacy during or before Fiscal Year 2026 to verify that the projected CPI-level rate adjustments will be sufficient through the next five-year period.

Section 1. Introduction

Background

The City of Zephyrhills (City) provides water and sewer service to properties located within the City limits and certain unincorporated areas in Pasco County. As of Fiscal Year (FY) 2022, utility service was provided to approximately 12,900 water customers and 9,300 sewer customers throughout the City's service area. The City accounts for its utility operations through an Enterprise Fund where the revenues, expenditures, and other financial information are maintained as a separate business enterprise supported by the user rates and fees charged for utility services.

Scope of Services

In an effort to ensure adequate funding for utility operations and capital improvements necessary to continue the provision of adequate service to existing customers and meet the requirements of growth, regulatory requirements, and utility system replacement and upgrades, the City has engaged Raftelis Financial Consultants, Inc. (Raftelis) to perform a utility revenue sufficiency study (Study). The utility revenue sufficiency study will include an evaluation of revenue sufficiency by service based on an allocation of costs among each service. Costs include operating expenses, utility debt service, and the funding of future capital improvements including the renewal and replacement of existing assets. This report utilizes a model built by Raftelis which includes a financial forecast that includes the capability to model specific utility rate adjustments to achieve the City's financial objectives through Fiscal Year 2028.

Summary of Report

In addition to Section 1, this report is subdivided into two (2) other sections. The following is a brief discussion of the remaining sections included in this report.

Section 2: Customer, Sales, and Revenues from Existing Rates – This section summarizes the historical and projected water and sewer customers and sales. Projections are primarily based on recent historical trends and expected future sales with a conservative outlook. Also included are the revenue forecasts at existing user rates.

Section 3: Utility Revenue Sufficiency – This section summarizes the City Utility Fund's forecast of revenue requirements, which serves as the basis for the revenue sufficiency analysis. Included in this section is a discussion of the assumptions utilized in the forecast of utility operating expenditures, debt service, other operating revenues, capital improvement needs and reserve fund balances. In addition, this section provides a comparison of rates to other nearby utility providers.

Acknowledgements

This report was prepared with the cooperation and assistance of City staff. Raftelis would like to thank the following individuals in particular for their valuable assistance during the course of the study: Mr. John Bostic, Utilities Director, Mr. Ted Beason, Finance Director, and the rest of City staff that provided support during this project.

Section 2. Customer, Sales, and Revenues from Existing Rates

General

A major component to determine sustained revenue sufficiency for utility service is the development of a forecast of customers and sales. The City provided historical customer billing statistics which will serve as the basis for the recent historical trends and as the forecast of customers through FY 2028.

Historical Water Customer Statistics

The City provided detailed customer billing data for the 12 consecutive months ending February 28, 2022. The information contained in the detailed customer billing data included the account number, service address, service location (i.e., inside City, outside City), service type (i.e., water, sewer), customer type, meter size, number of dwelling units, the metered monthly usage, and the corresponding billed amount. A billing frequency analysis was performed on the customer billing data to substantiate the number of accounts, units, and the corresponding usage characteristics for each customer classification. To verify the results of the bill frequency analysis, revenues were first calculated based on the resulting customer data findings and the existing monthly user rates. This information was then compared to the revenues shown in the billing data itself. The calculated revenues from the bill frequency analysis were within 1% different from the revenues within the billing data. This revenue test validates the customer and characteristics of the data.

A review of the water customer data from the bill frequency analysis indicates that the City provides service to four distinctive customer groups as shown below:

- Single Family Residential;
- Master Metered Residential;
- Commercial; and
- Irrigation.

The following table provides a summary of the bill frequency analysis, including the number of customer accounts, units, annual metered consumption, and the average monthly consumption by customer group. The table also separates the customers by location.

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Table 1: FY 2022 Water Customer Statistics

Description [1]	Inside City	Outside City	Total
Single Family Residential			
Customer Accounts	7,147	2,902	10,049
Units/ERUs [2]	7,177	2,910	10,087
Annual Metered Gallons (1,000s)	253,332	99,984	353,316
Average Monthly Use (gallons)	2,900	2,900	2,900
Master Metered Residential			
Customer Accounts	41	18	59
Units/ERUs [2]	1,787	498	2,285
Annual Metered Gallons (1,000s)	62,399	12,620	75,019
Average Monthly Use (gallons)	2,900	2,100	2,700
Commercial			
Customer Accounts	811	61	872
Units/ERUs [2]	2,002	159	2,161
Annual Metered Gallons (1,000s)	248,338	11,433	259,771
Average Monthly Use (gallons)	10,300	6,000	10,000
Irrigation			
Customer Accounts	1,737	158	1,895
Units/ERUs [2]	2,178	180	2,358
Annual Metered Gallons (1,000s)	131,857	3,268	135,125
Average Monthly Use (gallons)	5,000	1,500	4,800
Total			
Customer Accounts	9,736	3,139	12,875
Units/ERUs [2]	13,144	3,747	16,891
Annual Metered Gallons (1,000s)	695,926	127,305	823,231
Average Monthly Use (gallons)	4,400	2,800	4,100

[1] Based on detailed customer billing data for the 12 consecutive months ending February 28, 2022.

[2] Amounts represent dwelling units for master metered residential customers and 3/4-inch meter equivalents for all other customers.

As shown on the table above, the City served over 12,800 customer accounts during FY 2022 with an average monthly consumption of 4,100 gallons per unit/equivalent residential unit (ERU). The single family residential class, which represents the largest number of customer accounts for the water system, had an average monthly consumption of just under 3,000 gallons. Commercial customers used significantly more than the other customer classes within the water system, with an average monthly use per ERU of 10,000 gallons.

In addition to the review of historical customer statistics, the existing water rates were applied to these customer statistics in order to calculate historical water revenue by customer class. The table below distinguishes between the monthly base charges and the volumetric portion of water revenues. The revenues derived from the base charges comprise approximately 29% of total water system revenues. The remaining 71% of water revenues are derived from metered usage which can vary month to month due to a variety of circumstances including seasonal demand, weather, economic conditions, and other factors. The City's largest customer class, single family residential, generated approximately \$1.8 million in annual water revenues during the period analyzed which is approximately 44% of the total water system rate revenues.

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Table 2: FY 2022 Water Rate Revenues

Description	Inside City	Outside City	Total
Single Family Residential			
Base Charges	\$490,900	\$249,000	\$739,900
Volumetric Charges	709,600	368,300	1,077,900
Total Charges	\$1,200,500	\$617,300	\$1,817,800
Master Metered Residential			
Base Charges	\$91,800	\$32,000	\$123,800
Volumetric Charges	159,100	40,300	199,400
Total Charges	\$250,900	\$72,300	\$323,200
Commercial			
Base Charges	\$136,900	\$13,600	\$150,500
Volumetric Charges	715,200	41,200	756,400
Total Charges	\$852,100	\$54,800	\$906,900
Irrigation			
Base Charges	\$149,000	\$15,400	\$164,400
Volumetric Charges	895,200	24,200	919,400
Total Charges	\$1,044,200	\$39,600	\$1,083,800
Total			
Base Charges	\$868,600	\$310,000	\$1,178,600
Volumetric Charges	2,479,100	474,000	2,953,100
Total Charges	\$3,347,700	\$784,000	\$4,131,700

Note: Based on detailed customer billing data for the 12 consecutive months ending February 28, 2022.

Historical Sewer Customer Statistics

For the sewer system, detailed customer billing data for the 12 consecutive months ending February 28, 2022 was also relied on to establish the foundation of customers and average consumption characteristics. Based on the results of the billing frequency analysis, the following customer groups were identified as the City's sewer customers:

- Single Family Residential;
- Master Metered Residential;
- RV Park; and
- Commercial.

The table below provides the number of customers, units/ERUs, consumption, and the average monthly consumption by customer group for the period analyzed.

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Table 3: FY 2022 Sewer Customer Statistics

Description [1]	Inside City	Outside City	Total
Single Family Residential			
Customer Accounts	6,991	1,450	8,441
Units/ERUs [2]	6,999	1,454	8,453
Annual Metered Gallons (1,000s)	246,574	39,877	286,451
Average Monthly Use (gallons)	2,900	2,300	2,800
Master Metered Residential			
Customer Accounts	40	3	43
Units/ERUs [2]	1,964	95	2,059
Annual Metered Gallons (1,000s)	71,352	1,580	72,932
Average Monthly Use (gallons)	3,000	1,400	3,000
RV Park			
Customer Accounts	N/A	1	1
Units/ERUs [2]	N/A	358	358
Annual Metered Gallons (1,000s)	N/A	8,560	8,560
Average Monthly Use (gallons)	N/A	2,000	2,000
Commercial			
Customer Accounts	754	20	774
Units/ERUs [2]	1,823	61	1,884
Annual Metered Gallons (1,000s)	222,316	7,086	229,402
Average Monthly Use (gallons)	10,200	9,700	10,100
Total			
Customer Accounts	7,785	1,474	9,259
Units/ERUs [2]	10,786	1,968	12,754
Annual Metered Gallons (1,000s)	540,242	57,103	597,345
Average Monthly Use (gallons)	4,200	2,400	3,900

[1] Based on detailed customer billing data for the 12 consecutive months ending February 28, 2022.

[2] Amounts represent dwelling units for master metered residential customers and 3/4-inch meter equivalents for all other customers.

For the sewer system, the City provided service to approximately 9,300 customer accounts and the average monthly use per unit/ERU for the entire sewer system was 3,900 gallons. The single family residential class, which is also the largest customer class for the sewer system, comprises approximately 91% of the customer accounts, 48% of the annual consumption, and the class averaged 2,800 gallons on a monthly basis during the period analyzed. Master metered residential represented over 40 customers accounts and approximately 2,100 dwelling units. Their average monthly usage during FY 2022 was slightly higher, relative to single family residential, at 3,000 gallons per unit.

The table below provides the revenues that were calculated based on the resulting customer data findings from the billing frequency analysis and the existing sewer rates.

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Table 4: FY 2022 Sewer Rate Revenues

Description	Inside City	Outside City	Total
Single Family Residential			
Base Charges	\$1,852,800	\$481,200	\$2,334,000
Volumetric Charges	1,679,200	339,400	2,018,600
Total Charges	\$3,532,000	\$820,600	\$4,352,600
Master Metered Residential			
Base Charges	\$390,100	\$23,600	\$413,700
Volumetric Charges	485,900	13,400	499,300
Total Charges	\$876,000	\$37,000	\$913,000
RV Park			
Base Charges	N/A	\$59,200	\$59,200
Volumetric Charges	N/A	72,800	72,800
Total Charges	N/A	\$132,000	\$132,000
Commercial			
Base Charges	\$482,600	\$20,200	\$502,800
Volumetric Charges	1,514,000	60,300	1,574,300
Total Charges	\$1,996,600	\$80,500	\$2,077,100
Total			
Base Charges	\$2,725,500	\$584,200	\$3,309,700
Volumetric Charges	3,679,100	485,900	4,165,000
Total Charges	\$6,404,600	\$1,070,100	\$7,474,700

Note: Based on detailed customer billing data for the 12 consecutive months ending February 28, 2022.

As shown on the table above, approximately 44% of total sewer system rate revenues were derived from the monthly fixed base charges. The single family residential customer class generated approximately \$4.4 million in annual revenue during the period analyzed which represents 58% of the total annual sewer system rate revenue. Master metered residential sewer revenue was just under \$1 million, or 12% of the total sewer rate revenue.

Customer and Sales Forecast

The development of a forecast of sales, units/ERUs, and customers is necessary in the evaluation of the adequacy of water and sewer system rate levels. The billing frequency analysis provides historical actual data associated with the number of accounts and units together with the total metered consumption by customer class which will serve as the basis for the forecast of customers through FY 2028.

Pursuant to discussions with staff, reviewing historical growth, and maintaining a conservative approach to forecasting customer growth, an average annual growth rate of 2.2% is assumed for the water system through FY 2028. This growth rate equates to an average of 293 new customer accounts per year. A summary of the forecasted growth in customer accounts, units/ERUs, and total metered consumption for the water system is provided in Table 5 below with more detailed information provided in Exhibit 1.

(Remainder of page intentionally left blank)

Table 5: Water Customer Forecast

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Accounts	13,355	13,605	13,855	14,105	14,365	14,635
Units/ERUs	17,391	17,651	17,911	18,181	18,451	18,731
Annual Metered Consumption (1,000 gallons)	843,050	853,420	863,810	874,550	885,270	896,360
Avg. Monthly Consumption per Unit (gallons)	4,000	4,000	4,000	4,000	4,000	4,000

As shown in the table above, with an average annual increase of 2.2% per year, it is projected that the City will provide water service to over 14,600 customer accounts by FY 2028.

Table 6 below provides a summary of the forecast of customers and sales for the sewer system. Further detail on the sewer customer projections can be found in Exhibit 2 at the end of this report.

Table 6: Sewer Customer Forecast

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Accounts	9,599	9,779	9,959	10,139	10,319	10,509
Units/ERUs	13,094	13,274	13,454	13,634	13,814	14,004
Annual Metered Consumption (1,000 gallons)	608,860	614,970	621,080	627,180	633,290	639,750
Avg. Monthly Consumption per Unit (gallons)	3,900	3,900	3,800	3,800	3,800	3,800

Revenue from Existing Rates

The projection of customers, units/ERUs and consumption discussed in this section serves as the basis for the water and sewer revenue forecast. By applying the adopted monthly user rates to the customer statistics, the expected operating revenue from existing rates for each year can be calculated. The forecast schedule of operating revenue from rates for the water and sewer systems are shown on Table 7 and Table 8 below.

Table 7: Water Revenue Forecast at Existing Rates

Fiscal Year [1]	Base Charge Revenue	Volumetric Charge Revenue	Total Revenue
2023	\$1,214,700	\$3,033,700	\$4,248,400
2024	\$1,233,700	\$3,077,000	\$4,310,700
2025	\$1,252,500	\$3,119,900	\$4,372,400
2026	\$1,271,900	\$3,164,000	\$4,435,900
2027	\$1,291,500	\$3,207,900	\$4,499,400
2028	\$1,311,800	\$3,253,300	\$4,565,100

[1] The revenue projections shown above are based on the existing water rates. Projected revenue under the proposed rates is summarized in Table 17 and Exhibit 10 at the end of this report.

Table 8: Sewer Revenue Forecast at Existing Rates

Fiscal Year [1]	Base Charge Revenue	Volumetric Charge Revenue	Total Revenue
2023	\$3,403,700	\$4,246,100	\$7,649,800
2024	\$3,453,300	\$4,289,100	\$7,742,400
2025	\$3,502,900	\$4,332,100	\$7,835,000
2026	\$3,552,600	\$4,375,100	\$7,927,700
2027	\$3,602,200	\$4,418,000	\$8,020,200
2028	\$3,654,500	\$4,463,500	\$8,118,000

[1] The revenue projections shown above are based on the existing sewer rates. Projected revenue under the proposed rates is summarized in Table 18 and Exhibit 11 at the end of this report.

Based on the forecasted customer growth and usage trends, the water and sewer revenues are projected to increase between 1.2 and 1.4% annually during the Forecast Period.

Section 3. Utility Revenue Sufficiency

General

The various components of cost associated with operating and maintaining a utility system, as well as the cost of financing the renewal and replacement of facilities and capital improvements for upgrades and expansion, are generally referred to as the utility revenue requirements and are accounted for on a cash basis. The sum of these cost components, after adjusting for other income and miscellaneous utility revenues, represents the net revenue requirements that must be funded from the utility rates. The projected revenue requirements include the various generalized cost components described below:

- Operating Expenses: These expenses include the cost of labor, insurance, electricity, chemicals, materials, supplies, administration, and other items necessary for the operation and maintenance of the utility system.
- Debt Service: Debt service includes the principal and interest on the City's current outstanding BB&T loan, state revolving fund (SRF) loans, and any other debt obligations payable from the net operating revenues of the utility system. As discussed further below, the projected revenue requirements also include the assumption that the City will issue additional debt during the six-year period to fund certain capital improvements.
- Other Revenue Requirements: This component of cost includes, in general, any ongoing capital improvements to be funded from rate revenue, transfers to reserves for future infrastructure rehabilitation, funding of certain capital projects on a pay-as-you-go basis, transfers to the City's General Fund, and other revenue requirements.

Principal Assumptions and Considerations

The projected revenue requirements are summarized in this section and are provided in more detail in the exhibits at the end of this report. The major assumptions, considerations and analyses that are included in the development of the projected revenue requirements are as follows:

1. The City Utility Fund's operating budget for FY 2023, and the actual historical expenditures from prior fiscal years served as the basis for expenditure projections. The various divisions in the budget are allocated between the water and sewer system based on a variety of factors including direct allocations to water and sewer, number and type of personnel, and allocations based on the number of customer accounts in each system. Unless otherwise noted, the underlying assumptions and expenditure amounts included therein are assumed to be reasonable and reflect anticipated operations. Such budgetary amounts are incorporated into the revenue requirements component of the study, except for adjustments and assumptions as noted below.
2. The operating and maintenance expenditures budgeted for FY 2023 are projected for the remaining five years of the Forecast Period (i.e., through September 30, 2028). Non-operating expenditures have been adjusted to account for operating and other capital, debt service, and other expenditures separately. Schedules providing budget line-item detail of projected operating expenses are shown on Exhibits 7 and 8 at the end of this report. The primary assumptions associated with the projected operating expenses as developed for the Forecast Period are as follows:
 - a. Salaries and wages for existing budgeted positions are increased above budgeted amounts by 3.0% annually to reflect wage adjustments resulting from promotions and merit increases as well as cost

of living adjustments due to inflationary pressures. Health care expenditures (i.e., group health) are projected to increase by 5.0% annually, much faster than salaries and taxes due to recent trends in the industry.

- b. There are two additional personnel assumed to be hired in FY 2024: Distribution Operator and Collections Technician. The salaries and benefits for the new personnel have been factored into the forecast of operating and maintenance expenses. By FY 2028, these additional employees account for a total budget impact of approximately \$122,000. For forecast purposes, the costs for the Distribution Operator have been allocated to the water system, and the costs for the Collections Technician have been allocated to the sewer system.
 - c. Operating expenditures such as purchased power (electricity) and chemicals that generally correlate to water and wastewater flow levels are projected using a factor that accounts for both increases in annual flows as well as unit cost increases. The objective of this factor is to account for increases in demand, in addition to inflationary cost adjustments, that are the primary cost drivers for expenditures of this nature. During the Forecast Period, these expenditures are escalated between 3.5 – 4.3% per year.
 - d. Repair and maintenance related expenses are projected to increase above the budgeted levels by 3.0% per year. This factor is based on the historical annual increases derived from the Engineering News Record (ENR) construction cost index. The ENR index provides an annual average index of construction and material costs which can be measured year after year. The five and ten-year historical annual compound growth rate, based on the ENR index, was 4.0% and 3.5%, respectively.
 - e. Other expenditures such as professional services, supplies, telephone, uniforms, miscellaneous tools and equipment, and other operating costs are projected to increase above the budgeted levels by 2.5-3.0% per year to reflect anticipated general inflation. Assumptions for inflation were based on the Consumer Price Index as projected by the Congressional Budget Office as contained in *The Budget and Economic Outlook: 2023 to 2033* report published in February 2023 (the most recent update published at the time of this analysis).
 - f. The FY 2023 budget included \$500,000 of professional services within the Sewer Division. According to information obtained from the budget, these services are related to manhole geolocating and renewal of a wastewater treatment plant operating permit. Based on discussions with staff, some of the services are more one-time in nature and non-recurring. Therefore, the projected costs for this line item have been reduced to historical levels beyond FY 2023.
3. The Utility Fund transfers a portion of rate revenues to the City's General Fund which represents a financial return to the City's general government for the operation of the utility enterprise. Currently, the Utility Fund transfers 10.0% of annual rate revenues to the General Fund. For the forecast, these appropriations to the General Fund will continue at this same percentage. The total transfer from the water and sewer systems ranges between \$1.2 million - \$1.4 million per year over the Forecast Period. The transfer from each individual utility system is summarized on Exhibits 7 and 8.
 4. The capital expenditures planned over the next six years are based on the City Utility Fund's capital improvement program (CIP) provided by staff. The CIP identifies \$53.6 million in project expenditures through FY 2028 and comprises a variety of major additions, extensions, improvements, and rehabilitations of the utility systems. The costs of the CIP, as provided by staff, were reflected in today's dollar value for all six years of the plan. For the purposes of this analysis, the capital costs after FY 2023 were escalated by approximately 2.5% per year to account for rising costs and inflation. As shown in Exhibit 9 at the end of this report, the inflated CIP totals \$55.8 million in project expenditures through FY 2028.

With average expenditures of over \$9.3 million per year, a variety of funding sources will be needed for the CIP as the yearly average exceeds the revenues available from user rates after paying for operating expenses and existing debt service. There are several large projects in the CIP including water main extensions, new wells, construction of a new building for the water department, major lift station and force main improvements, water quality improvements, and other capital improvements. Table 9 below illustrates the

anticipated funding sources for the CIP, which is fully funded from a combination of rate revenues (pay-as-you-go capital) and reserves, capacity fees, grants, and the issuance of new debt.

Table 9: Projected Six-Year CIP Funding Sources

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Revenues	\$1,213,000	\$927,000	\$1,108,700	\$973,900	\$1,164,600	\$1,250,700	\$6,637,900
Sewer Revenues	1,295,000	1,488,500	1,499,300	1,347,200	1,386,500	1,421,200	8,437,700
Utility Operating Reserves	1,450,000	154,500	316,700	0	0	284,200	2,205,400
Capacity Fees	5,100,000	257,500	2,111,500	0	0	0	7,469,000
Water SRF Debt	0	5,459,000	0	0	0	0	5,459,000
Sewer SRF Debt [2]	1,650,000	4,995,500	1,055,800	4,328,600	2,218,400	1,136,900	15,385,200
Grants	8,150,000	1,030,000	1,055,800	0	0	0	10,235,800
Total Funding Sources	\$18,858,000	\$14,312,000	\$7,147,800	\$6,649,700	\$4,769,500	\$4,093,000	\$55,830,000

[1] Full 6-year CIP with project descriptions shown on Exhibit 9.

[2] Sewer SRF debt includes the issuance of two separate loans as detailed in the assumptions below.

- As of September 30, 2022, the City had five outstanding debt obligations payable from the net revenues of the utility system. The Clean Water SRF Loan WW805020 (SRF Loan WW805020) and the Clean Water SRF Loan WW805030 (SRF Loan WW805030) relate to the 2008 expansion of the wastewater treatment plant. Both debt issuances are set to mature in FY 2028. The Series 2016 BB&T Lease (Series 2016 Lease) is related to the upgrade of the City's AMI metering system and is set to mature in FY 2026. The City recently issued the Clean Water SRF Loan WW510531 (SRF Loan WW510531) and the Clean Water SRF Loan WW510550 (SRF Loan WW510550). The SRF Loan WW510531 funded advanced wastewater treatment plant upgrades and the SRF Loan WW510550 funded a reclaimed water main extension. The total annual debt service requirement on the outstanding debt is approximately \$2.3 million through FY 2026, and approximately \$1.6 million annually through the end of the Forecast Period. Each of the outstanding debt obligations is allocated between water and sewer for forecasting purposes. The SRF loans are allocated entirely to the sewer system, while the Series 2016 Lease is allocated based on the number of water and sewer customer accounts.
- A portion of the six-year CIP is assumed to be funded from proceeds obtained from the issuance of additional debt. Debt funding can provide significant advantages by spreading out the cost of major capital programs over ten or more years, which reduces the burden on existing customers and shares the debt repayment on future customers that benefit from such improvements or expansions. This study assumes one Drinking Water SRF loan and two Clean Water SRF loans. The loan costs, funding assumptions and annual debt service requirements are provided on the table below. To accurately review the revenue sufficiency for the water and sewer systems separately, each of the new debt obligations have been allocated based on the use of project funds for each obligation.

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Table 10: New Debt Assumptions

Description	2023 Clean Water SRF Loan	2024 Drinking Water SRF Loan	2026 Clean Water SRF Loan
Project Funds Available from Loan Proceeds	\$7,701,300	\$5,459,000	\$7,683,900
Issuance Cost [1]	158,600	110,700	157,400
Capitalized Interest [2]	228,900	75,700	186,900
Total Loan Principal	\$8,088,800	\$5,645,400	\$8,028,200
Term of Issue (Years)	20	20	20
Interest Rate	2.00%	3.00%	2.50%
Assumed Issue Date	April 1, 2023	October 1, 2023	October 1, 2025
Assumed First Payment Date	October 1, 2025	October 1, 2024	October 1, 2027
Annual Debt Service Requirement	\$494,700	\$379,500	\$515,000

[1] Issuance costs calculated as 2.0% of Project Funds plus Capitalized Interest.

[2] Three years of capitalized interest is assumed on the 2023 Clean Water SRF Loan, one year of capitalized interest is assumed on the 2024 Drinking Water SRF Loan, and two years of capitalized interest is assumed on the 2026 Clean Water SRF Loan. Capitalized interest delays the date of the first debt service payment.

- An important component of the evaluation of the utility system is the resulting liquidity and cash reserve balance of the utility. Available operating reserves represent the cash that is considered unrestricted and available to meet day-to-day funding needs as well as to be able to provide funds to meet any unexpected emergencies requiring immediate financial resources. Based on prudent utility business principles and discussions with City staff, the equivalent of six months (180 days) of operation and maintenance expenses is targeted as the minimum levels of unrestricted utility operating reserves to be maintained during the Forecast Period. As shown on the table below, the unrestricted utility operating reserves are slightly below the minimum target balance by the end of the Forecast Period. The water and sewer capacity fee fund fluctuates throughout the six-year period as they are being increased by new growth paying capacity fees and decreased as it is being used to fund certain growth-related CIP projects.

Table 11: Projected Fund Balances

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Utility Operating Reserve [2]	\$4,532,079	\$4,169,260	\$3,722,141	\$3,618,323	\$4,265,419	\$4,250,914
<i>Minimum Target Balance (6 months O&M)</i>	<i>\$4,044,100</i>	<i>\$4,000,600</i>	<i>\$3,912,300</i>	<i>\$4,040,700</i>	<i>\$4,172,900</i>	<i>\$4,310,300</i>
Water & Sewer Utility Capacity Fees [3]	\$1,989,655	\$2,413,555	\$983,455	\$1,664,855	\$2,357,655	\$3,085,855

[1] Detailed utility fund balance projections provided on Exhibit 13.

[2] Amounts represent balance at the end of each fiscal year and include revenues from projected rate increases discussed further below.

[3] Amounts represent balance at the end of each fiscal year.

- The City collects other operating revenues from miscellaneous charges for specific customer services such as reclaimed water charges, scrap sales, and other miscellaneous revenues. These miscellaneous revenues are available to reduce the amount of revenue requirements needed to be collected from the monthly water and sewer user rates. The miscellaneous revenues are projected to remain constant at the FY 2023 budget level for the remainder of the Forecast Period. Interest income is also recognized as an available revenue source to fund utility expenditures. These miscellaneous utility revenues are provided in the FY 2023 budget and are projected to remain at the 2023 budget level for the remainder of the Forecast Period.
- Capacity fees are a one-time charge to new development for growth-related capital investment. The residential water capacity fee is currently \$1,140 and the residential sewer capacity fee is \$2,400. Revenue from capacity fees is typically used to directly fund capital expansion related to growth or to fund the debt

service for growth-related capital projects. Based on the customer forecast outlined in Section 2 of this report, the collection of water and sewer capacity fees during the Forecast Period is anticipated to average approximately \$783,000 per year. Since such revenues are not recurring, the utility system should not be too reliant on these fees to meet its capital expansion costs.

Revenue Requirements Summary

The projected net revenue requirements for the water system during the Forecast Period, less miscellaneous revenues, are summarized on the following table.

Table 12: Projected Water Net Revenue Requirements

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Operating Expenses	\$3,374,100	\$3,539,000	\$3,400,000	\$3,511,600	\$3,626,400	\$3,745,600
Debt Service	427,990	427,990	807,490	807,490	379,500	379,500
Capital from Rates	1,213,000	927,000	1,108,700	973,900	1,164,600	1,250,700
Gross Revenue Requirements	\$5,015,090	\$4,893,990	\$5,316,190	\$5,292,990	\$5,170,500	\$5,375,800
Less: Miscellaneous Revenues	27,120	27,120	27,120	27,120	27,120	27,120
Net Revenue Requirements	\$4,987,970	\$4,866,870	\$5,289,070	\$5,265,870	\$5,143,380	\$5,348,680

[1] The projected revenue requirements for the water system over the Forecast Period is detailed on Exhibit 10 at the end of this report.

As can be seen on the table above, the water net revenue requirements fluctuate throughout the Forecast Period. Operating expenses are increasing primarily due to inflationary pressures and additional staffing. Existing annual debt service requirements allocated to the water system are reduced after FY 2026 with the maturity of the Series 2016 Lease. The remaining debt service is related to the projection of new debt from the 2024 Drinking Water SRF Loan. Water pay-as-you-go for capital improvements (i.e., Capital from Rates) depend on the timing and costs of the CIP.

The projected net revenue requirements for the sewer system, net of miscellaneous revenue sources, are summarized on the table below:

Table 13: Projected Sewer Net Revenue Requirements

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Operating Expenses	\$4,714,100	\$4,462,100	\$4,424,600	\$4,569,700	\$4,719,400	\$4,874,900
Debt Service	1,871,628	1,871,628	1,871,628	2,366,328	2,056,404	2,571,404
Capital from Rates	1,295,000	1,488,500	1,499,300	1,347,200	1,386,500	1,421,200
Gross Revenue Requirements	\$7,880,728	\$7,822,228	\$7,795,528	\$8,283,228	\$8,162,304	\$8,867,504
Less: Miscellaneous Revenues	66,095	66,080	66,080	66,080	66,080	66,080
Net Revenue Requirements	\$7,814,633	\$7,756,148	\$7,729,448	\$8,217,148	\$8,096,224	\$8,801,424

[1] The projected revenue requirements for the sewer system over the Forecast Period is detailed on Exhibit 11 at the end of this report.

In similar context to the operating expenses for the water system, the sewer system is also anticipated to experience cost escalations due to inflationary pressures. The decrease shown in FY 2024 is primarily due to the reduction in professional services costs within the Sewer Division. Annual debt service on the sewer system includes both existing and projected new debt. Sewer pay-as-you-go for capital improvements (i.e., Capital from Rates) depend on the timing and costs of the CIP.

Sufficiency of Existing Utility Rate Revenues

As shown in the table below, the projected revenues from existing water rates calculated in Section 2 above are compared to the water net revenue requirements outlined on Table 12. Under existing water rate levels, the revenues

generated are anticipated to not meet the net revenue requirements throughout the Forecast Period. As a result of the deficiencies, water rate adjustments are projected as shown later in this section.

Table 14: Water Revenue Sufficiency Forecast at Existing Rates

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Existing Rates [1]	\$4,248,400	\$4,310,700	\$4,372,400	\$4,435,900	\$4,499,400	\$4,565,100
Net Revenue Requirements [2]	4,987,970	4,866,870	5,289,070	5,265,870	5,143,380	5,348,680
Surplus/(Deficiency)	(\$739,570)	(\$556,170)	(\$916,670)	(\$829,970)	(\$643,980)	(\$783,580)

[1] Obtained from Table 7.

[2] Obtained from Table 12.

The existing sewer rates are also forecast to be deficient for the majority of the Forecast Period. The annual deficiency ranges from approximately \$13,000 to over \$600,000 during the forecast. As a result of these deficiencies, sewer rate adjustments are projected as shown in Table 16 below.

Table 15: Sewer Revenue Sufficiency Forecast at Existing Rates

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Existing Rates [1]	\$7,649,800	\$7,742,400	\$7,835,000	\$7,927,700	\$8,020,200	\$8,118,000
Net Revenue Requirements [2]	7,814,633	7,756,148	7,729,448	8,217,148	8,096,224	8,801,424
Surplus/(Deficiency)	(\$164,833)	(\$13,748)	\$105,552	(\$289,448)	(\$76,024)	(\$683,424)

[1] Obtained from Table 8.

[2] Obtained from Table 13.

Sufficiency of Projected Utility Rate Revenues

As previously discussed, the existing rates will not be sufficient to support the net revenue requirements forecast. Additionally, if the rates are not sufficient to support the net revenue requirements, then the fund balances and funding available to complete the CIP will not be sufficient. Based on conversations with staff, consumer price index (CPI) level adjustments are being considered for the monthly water and sewer rates. The table below illustrates the projected CPI percentages that are based on data provided in *The Budget and Economic Outlook: 2023 to 2033* report published by the Congressional Budget Office:

Table 16: Annual Rate Adjustments

Fiscal Year	Water [1]	Sewer [1]
2023	0.0%	0.0%
2024	3.0%	3.0%
2025	2.5%	2.5%
2026	2.5%	2.5%
2027	2.5%	2.5%
2028	2.5%	2.5%

[1] Overall rate revenues to increase by percentages shown above.

Assuming the rate adjustments as shown on Table 16 are implemented beginning October 1, 2023, and then each ensuing October 1, the following tables provide an illustration of the projected revenue sufficiency for each of the utility systems over the Forecast Period.

Table 17: Water Revenue Sufficiency Forecast under Projected Rate Adjustments

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Projected Rates	\$4,248,400	\$4,440,000	\$4,616,200	\$4,800,300	\$4,990,700	\$5,190,200
Net Revenue Requirements	4,987,970	4,866,870	5,289,070	5,265,870	5,143,380	5,348,680
Surplus/(Deficiency)	(\$739,570)	(\$426,870)	(\$672,870)	(\$465,570)	(\$152,680)	(\$158,480)

[1] The detailed projected revenue sufficiency for the water system over the Forecast Period can be found in Exhibit 10.

Table 18: Sewer Revenue Sufficiency Forecast under Projected Rate Adjustments

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenue from Projected Rates	\$7,649,800	\$7,974,700	\$8,271,900	\$8,578,900	\$8,896,000	\$9,229,600
Net Revenue Requirements	7,814,633	7,756,148	7,729,448	8,217,148	8,096,224	8,801,424
Surplus/(Deficiency)	(\$164,833)	\$218,552	\$542,452	\$361,752	\$799,776	\$428,176

[1] The detailed projected revenue sufficiency for the sewer system over the Forecast Period can be found in Exhibit 11.

Debt Service Coverage

Financial indicators are useful tools and metrics that can be used by a utility system to evaluate operational performance, monitor trends, and can provide staff and management with decision-making tools. Many cash flow and liquidity ratios are generally used by bond rating agencies when evaluating a utility for a bond rating. It should be stressed that financial indicators do not tell the whole story when it comes to utility operations and performance but provide specific data points to be used in conjunction with many other factors. When reviewing utility statistics, it is prudent to also consider the age of a utility's assets, the major capital needs of the system, the stability of rate revenues, etc. The section below provides a brief discussion on the appropriate debt service coverage ratios required along with a review of the debt service coverage levels achieved during the Forecast Period.

Debt service coverage is a key financial indicator and a minimum ratio that is typically required as a covenant established with the issuance of utility debt. Most utilities have some form of borrowed money that they are required to repay at an agreed upon interest rate. To ensure that a system can handle the repayment amount with interest and continue to operate normally, a loan issuer will establish a coverage ratio whereby net revenue divided by annual debt service requirements will yield a number higher than 1.00 (usually ranging from 1.15 to 1.25). The minimum annual debt service coverage requirement set forth in the City's Clean Water SRF Loan agreements is 1.15x. As shown on the table below, and detailed on Exhibit 12, under the projected rate increases and the issuance of new debt outlined earlier in this section, the projected debt service coverages exceed the minimum requirement each year of the Forecast Period.

Table 19: Projected Debt Service Coverage

Description [1]	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Net Revenue	\$3,903,215	\$4,506,800	\$5,156,700	\$5,391,100	\$5,634,100	\$5,892,500
Capacity Fees	1,283,400	671,400	671,400	671,400	682,800	718,200
Available for Debt Service	\$5,186,615	\$5,178,200	\$5,828,100	\$6,062,500	\$6,316,900	\$6,610,700
Debt Service Requirement	\$1,561,704	\$1,561,704	\$1,941,204	\$2,435,904	\$2,435,904	\$2,950,904
Coverage Ratio Achieved (Min. Required = 1.15x)	3.32	3.32	3.00	2.49	2.59	2.24

[1] The detailed projected debt service coverage for the utility system over the Forecast Period can be found in Exhibit 12.

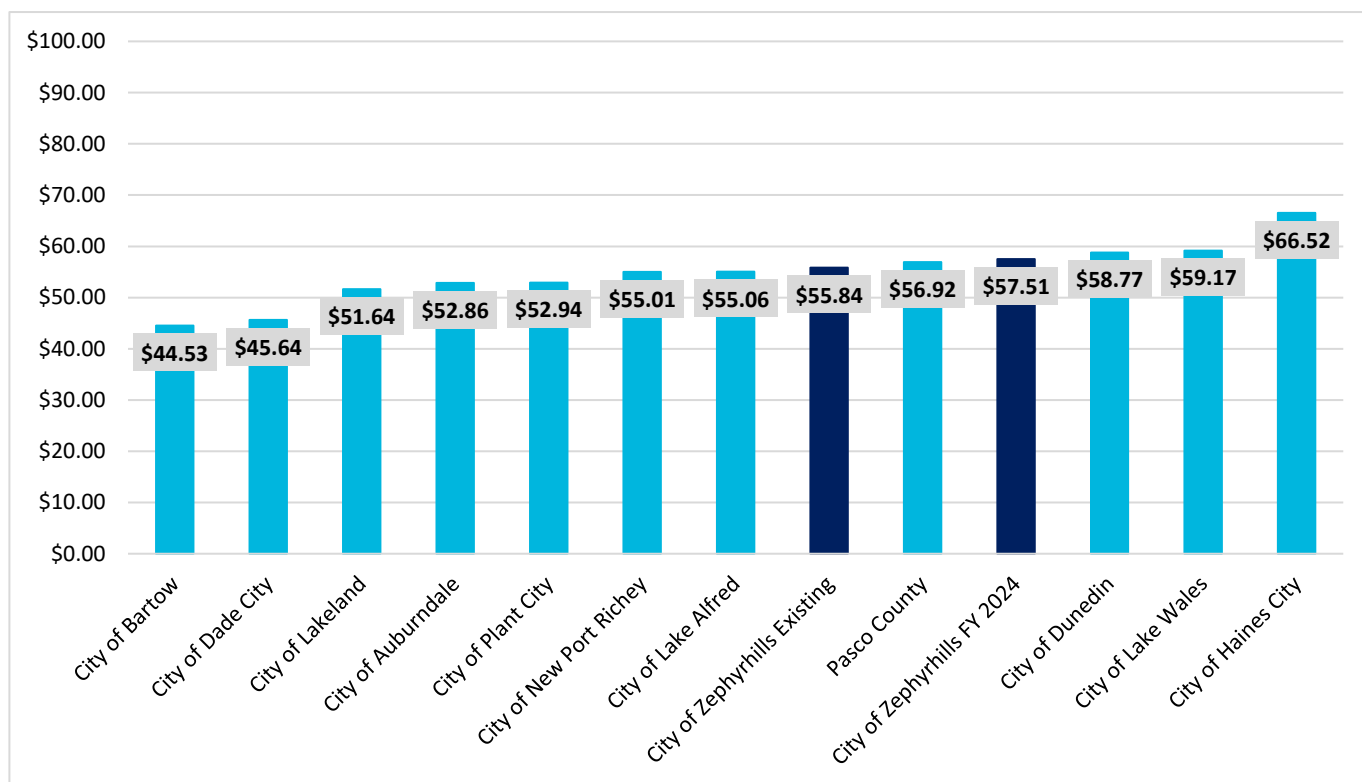
Comparison to Other Local Utilities

A common analysis reviewed by utility providers is how their rates compare to those of other neighboring utilities. The following figure compares the City's existing and proposed FY 2024 water and sewer bill to that of other local utility providers. When making comparisons of rates between different utilities, several factors may influence the rate levels being charged. These factors include but are not limited to:

- Size of customer base or overall economies of scale with other utility services;
- Level of treatment and effluent disposal methods;
- Plant age, capacity utilization, grant and other outside funding sources;
- General fund and administrative fee transfers to municipal or County governments;
- Bond covenants and funding requirements of the rates; and
- Specific rate structure attributes for each customer class and usage level.

Since the inside City 3/4-inch single family residential customer class represents a majority of the City's customer base, the comparison below will focus on this class. At 3,000 gallons of consumption, the City's water and sewer bills for this customer class are slightly above the average of the other local communities' bill of \$54.46. Under the proposed FY 2024 rates, the customer will see an increase of \$1.67 from \$55.84 to \$57.51.

Figure 1: 3/4-Inch Inside City Single Family Residential Water & Sewer Rate Comparison (3,000 Gallons)



EXHIBITS

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Customer Projections

Description	Estimated	Growth	Projected Fiscal Year					
	2022	Scenario	2023	2024	2025	2026	2027	2028
Single Family Residential (Inside City)								
Customer Growth		Normal	290	150	150	150	160	160
ERU Growth			290	150	150	160	160	160
Average Monthly Customers	7,147		7,437	7,587	7,737	7,887	8,047	8,207
Average Monthly ERUs	7,177		7,467	7,617	7,767	7,927	8,087	8,247
Annual Metered Gallons (000s)	253,332		263,570	268,860	274,160	279,810	285,450	291,100
Average Metered per Unit	2.9	Normal	2.9	2.9	2.9	2.9	2.9	2.9
Single Family Residential (Outside City)								
Customer Growth		Normal	120	60	60	60	60	70
ERU Growth			120	60	60	60	60	70
Average Monthly Customers	2,902		3,022	3,082	3,142	3,202	3,262	3,332
Average Monthly ERUs	2,910		3,030	3,090	3,150	3,210	3,270	3,340
Annual Metered Gallons (000s)	99,984		104,110	106,170	108,230	110,290	112,350	114,760
Average Metered per Unit	2.9	Normal	2.9	2.9	2.9	2.9	2.9	2.9
Master Metered Residential (Inside City)								
Customer Growth		No Growth	0	0	0	0	0	0
Unit Growth			0	0	0	0	0	0
Average Monthly Customers	41		41	41	41	41	41	41
Average Monthly Units	1,787		1,787	1,787	1,787	1,787	1,787	1,787
Annual Metered Gallons (000s)	62,399		62,400	62,400	62,400	62,400	62,400	62,400
Average Metered per Unit	2.9	Normal	2.9	2.9	2.9	2.9	2.9	2.9
Master Metered Residential (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
Unit Growth			0	0	0	0	0	0
Average Monthly Customers	18		18	18	18	18	18	18
Average Monthly Units	498		498	498	498	498	498	498
Annual Metered Gallons (000s)	12,620		12,620	12,620	12,620	12,620	12,620	12,620
Average Metered per Unit	2.1	Normal	2.1	2.1	2.1	2.1	2.1	2.1
Commercial (Inside City)								
Customer Growth		No Growth	0	0	0	0	0	0
ERU Growth			0	0	0	0	0	0
Average Monthly Customers	811		811	811	811	811	811	811
Average Monthly ERUs	2,002		2,002	2,002	2,002	2,002	2,002	2,002
Annual Metered Gallons (000s)	248,338		248,340	248,340	248,340	248,340	248,340	248,340
Average Metered per Unit	10.3	Normal	10.3	10.3	10.3	10.3	10.3	10.3
Commercial (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
ERU Growth			0	0	0	0	0	0
Average Monthly Customers	61		61	61	61	61	61	61
Average Monthly ERUs	159		159	159	159	159	159	159
Annual Metered Gallons (000s)	11,433		11,430	11,430	11,430	11,430	11,430	11,430
Average Metered per Unit	6.0	Normal	6.0	6.0	6.0	6.0	6.0	6.0
Subtotal Inside City Excluding Irrigation								
Customer Growth			290	150	150	150	160	160
Unit Growth			290	150	150	160	160	160
Average Monthly Customers	7,999		8,289	8,439	8,589	8,739	8,899	9,059
Average Monthly Units	10,966		11,256	11,406	11,556	11,716	11,876	12,036
Annual Metered Gallons (000s)	564,069		574,310	579,600	584,900	590,550	596,190	601,840
Average Metered per Unit	4.3		4.3	4.2	4.2	4.2	4.2	4.2

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Customer Projections

	Estimated	Growth	Projected Fiscal Year					
Description	2022	Scenario	2023	2024	2025	2026	2027	2028
Subtotal Outside City Excluding Irrigation								
Customer Growth			120	60	60	60	60	70
Unit Growth			120	60	60	60	60	70
Average Monthly Customers	2,981		3,101	3,161	3,221	3,281	3,341	3,411
Average Monthly Units	3,567		3,687	3,747	3,807	3,867	3,927	3,997
Annual Metered Gallons (000s)	124,037		128,160	130,220	132,280	134,340	136,400	138,810
Average Metered per Unit	2.9		2.9	2.9	2.9	2.9	2.9	2.9
Irrigation (Inside City)								
Customer Growth		Normal	70	40	40	40	40	40
ERU Growth			90	50	50	50	50	50
Average Monthly Customers	1,737		1,807	1,847	1,887	1,927	1,967	2,007
Average Monthly ERUs	2,178		2,268	2,318	2,368	2,418	2,468	2,518
Annual Metered Gallons (000s)	131,857		137,310	140,330	143,360	146,390	149,410	152,440
Average Metered per Unit	5.0	Normal	5.0	5.0	5.0	5.0	5.0	5.0
Irrigation (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
ERU Growth			0	0	0	0	0	0
Average Monthly Customers	158		158	158	158	158	158	158
Average Monthly ERUs	180		180	180	180	180	180	180
Annual Metered Gallons (000s)	3,268		3,270	3,270	3,270	3,270	3,270	3,270
Average Metered per Unit	1.5	Normal	1.5	1.5	1.5	1.5	1.5	1.5
Total Water System								
Customer Growth			480	250	250	250	260	270
Unit Growth			500	260	260	270	270	280
Average Monthly Customers	12,875		13,355	13,605	13,855	14,105	14,365	14,635
Average Monthly Units	16,891		17,391	17,651	17,911	18,181	18,451	18,731
Annual Metered Gallons (000s)	823,231		843,050	853,420	863,810	874,550	885,270	896,360
Average Metered per Unit	4.1		4.0	4.0	4.0	4.0	4.0	4.0
Water Production								
Annual Water Production Gallons (000s)	880,347		902,000	913,000	924,000	935,000	947,000	959,000
Millions of Gallons per day (MGD)	2.412		2.471	2.501	2.532	2.562	2.595	2.627
Unbilled Annual Gallons (000s)	57,116		58,950	59,580	60,190	60,450	61,730	62,640
Unbilled Water Percentage	6.49%	Normal	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Customer Projections

	Estimated	Growth	Projected Fiscal Year					
Description	2022	Scenario	2023	2024	2025	2026	2027	2028
Single Family Residential (Inside City)								
Customer Growth		Normal	280	150	150	150	150	160
ERU Growth			280	150	150	150	150	160
Average Monthly Customers	6,991		7,271	7,421	7,571	7,721	7,871	8,031
Average Monthly ERUs	6,999		7,279	7,429	7,579	7,729	7,879	8,039
Annual Metered Gallons (000s)	246,574		256,440	261,720	267,010	272,290	277,580	283,210
Average Metered per Unit	2.9	Normal	2.9	2.9	2.9	2.9	2.9	2.9
Single Family Residential (Outside City)								
Customer Growth		Normal	60	30	30	30	30	30
ERU Growth			60	30	30	30	30	30
Average Monthly Customers	1,450		1,510	1,540	1,570	1,600	1,630	1,660
Average Monthly ERUs	1,454		1,514	1,544	1,574	1,604	1,634	1,664
Annual Metered Gallons (000s)	39,877		41,520	42,350	43,170	43,990	44,810	45,640
Average Metered per Unit	2.3	Normal	2.3	2.3	2.3	2.3	2.3	2.3
Master Metered Residential (Inside City)								
Customer Growth		No Growth	0	0	0	0	0	0
Unit Growth			0	0	0	0	0	0
Average Monthly Customers	40		40	40	40	40	40	40
Average Monthly Units	1,964		1,964	1,964	1,964	1,964	1,964	1,964
Annual Metered Gallons (000s)	71,352		71,350	71,350	71,350	71,350	71,350	71,350
Average Metered per Unit	3.0	Normal	3.0	3.0	3.0	3.0	3.0	3.0
Master Metered Residential (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
Unit Growth			0	0	0	0	0	0
Average Monthly Customers	3		3	3	3	3	3	3
Average Monthly Units	95		95	95	95	95	95	95
Annual Metered Gallons (000s)	1,580		1,580	1,580	1,580	1,580	1,580	1,580
Average Metered per Unit	1.4	Normal	1.4	1.4	1.4	1.4	1.4	1.4
RV Park (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
Unit Growth			0	0	0	0	0	0
Average Monthly Customers	1		1	1	1	1	1	1
Average Monthly Units	358		358	358	358	358	358	358
Annual Metered Gallons (000s)	8,560		8,560	8,560	8,560	8,560	8,560	8,560
Average Metered per Unit	2.0	Normal	2.0	2.0	2.0	2.0	2.0	2.0
Commercial (Inside City)								
Customer Growth		No Growth	0	0	0	0	0	0
ERU Growth			0	0	0	0	0	0
Average Monthly Customers	754		754	754	754	754	754	754
Average Monthly ERUs	1,823		1,823	1,823	1,823	1,823	1,823	1,823
Annual Metered Gallons (000s)	222,316		222,320	222,320	222,320	222,320	222,320	222,320
Average Metered per Unit	10.2	Normal	10.2	10.2	10.2	10.2	10.2	10.2
Commercial (Outside City)								
Customer Growth		No Growth	0	0	0	0	0	0
ERU Growth			0	0	0	0	0	0
Average Monthly Customers	20		20	20	20	20	20	20
Average Monthly ERUs	61		61	61	61	61	61	61
Annual Metered Gallons (000s)	7,086		7,090	7,090	7,090	7,090	7,090	7,090
Average Metered per Unit	9.7	Normal	9.7	9.7	9.7	9.7	9.7	9.7

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Customer Projections

	Estimated	Growth	Projected Fiscal Year					
Description	2022	Scenario	2023	2024	2025	2026	2027	2028
Subtotal Inside City								
Customer Growth			280	150	150	150	150	160
Unit Growth			280	150	150	150	150	160
Average Monthly Customers	7,785		8,065	8,215	8,365	8,515	8,665	8,825
Average Monthly Units	10,786		11,066	11,216	11,366	11,516	11,666	11,826
Annual Metered Gallons (000s)	540,242		550,110	555,390	560,680	565,960	571,250	576,880
Average Metered per Unit	4.2		4.1	4.1	4.1	4.1	4.1	4.1
Subtotal Outside City								
Customer Growth			60	30	30	30	30	30
Unit Growth			60	30	30	30	30	30
Average Monthly Customers	1,474		1,534	1,564	1,594	1,624	1,654	1,684
Average Monthly Units	1,968		2,028	2,058	2,088	2,118	2,148	2,178
Annual Metered Gallons (000s)	57,103		58,750	59,580	60,400	61,220	62,040	62,870
Average Metered per Unit	2.4		2.4	2.4	2.4	2.4	2.4	2.4
Total Sewer System								
Customer Growth			340	180	180	180	180	190
Unit Growth			340	180	180	180	180	190
Average Monthly Customers	9,259		9,599	9,779	9,959	10,139	10,319	10,509
Average Monthly Units	12,754		13,094	13,274	13,454	13,634	13,814	14,004
Annual Metered Gallons (000s)	597,345		608,860	614,970	621,080	627,180	633,290	639,750
Average Metered per Unit	3.9		3.9	3.9	3.8	3.8	3.8	3.8
Annual Treated Gallons at WRF (000s)	611,740		623,530	629,790	636,050	642,300	648,560	655,180
Million Gallons per Day	1.676		1.708	1.725	1.743	1.760	1.777	1.795

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Projected Water Revenue from Existing Rates

Description	Estimated	Projected Fiscal Year					
	2022	2023	2024	2025	2026	2027	2028
Base Charge Revenue							
Single Family - Inside City	\$490,900	\$510,700	\$521,000	\$531,300	\$542,200	\$553,200	\$564,100
Single Family - Outside City	249,000	259,200	264,400	269,500	274,600	279,800	285,800
Master Metered - Inside City	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Master Metered - Outside City	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Commercial - Inside City	136,900	136,900	136,900	136,900	136,900	136,900	136,900
Commercial - Outside City	13,600	13,600	13,600	13,600	13,600	13,600	13,600
Irrigation - Inside City	149,000	155,100	158,600	162,000	165,400	168,800	172,200
Irrigation - Outside City	15,400	15,400	15,400	15,400	15,400	15,400	15,400
Total Base Charge Revenue	\$1,178,600	\$1,214,700	\$1,233,700	\$1,252,500	\$1,271,900	\$1,291,500	\$1,311,800
Volumetric Revenue							
Block 1							
Single Family - Inside City	\$561,300	\$584,000	\$595,800	\$607,500	\$620,000	\$632,500	\$645,000
Single Family - Outside City	264,300	275,200	280,700	286,100	291,500	296,900	303,300
Master Metered - Inside City	159,100	159,100	159,100	159,100	159,100	159,100	159,100
Master Metered - Outside City	40,300	40,300	40,300	40,300	40,300	40,300	40,300
Commercial - Inside City	715,200	715,200	715,200	715,200	715,200	715,200	715,200
Commercial - Outside City	41,200	41,100	41,100	41,100	41,100	41,100	41,100
Irrigation - Inside City	522,300	543,900	555,900	567,900	580,000	591,900	604,000
Irrigation - Outside City	20,100	20,200	20,200	20,200	20,200	20,200	20,200
Total Block 1	\$2,323,800	\$2,379,000	\$2,408,300	\$2,437,400	\$2,467,400	\$2,497,200	\$2,528,200
Block 2							
Single Family - Inside City	\$102,700	\$106,800	\$109,000	\$111,100	\$113,400	\$115,700	\$118,000
Single Family - Outside City	58,300	60,800	62,000	63,200	64,400	65,600	67,000
Master Metered - Inside City	0	0	0	0	0	0	0
Master Metered - Outside City	0	0	0	0	0	0	0
Commercial - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Irrigation - Inside City	69,000	71,800	73,400	75,000	76,600	78,200	79,800
Irrigation - Outside City	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Block 2	\$231,200	\$240,600	\$245,600	\$250,500	\$255,600	\$260,700	\$266,000
Block 3							
Single Family - Inside City	\$22,400	\$23,300	\$23,800	\$24,300	\$24,800	\$25,300	\$25,800
Single Family - Outside City	18,900	19,700	20,100	20,500	20,900	21,300	21,800
Master Metered - Inside City	0	0	0	0	0	0	0
Master Metered - Outside City	0	0	0	0	0	0	0
Commercial - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Irrigation - Inside City	303,900	316,400	323,300	330,300	337,200	344,200	351,100
Irrigation - Outside City	2,900	2,800	2,800	2,800	2,800	2,800	2,800
Total Block 3	\$348,100	\$362,200	\$370,000	\$377,900	\$385,700	\$393,600	\$401,500
Block 4							
Single Family - Inside City	\$9,200	\$9,500	\$9,700	\$9,800	\$10,100	\$10,300	\$10,500
Single Family - Outside City	10,000	10,400	10,600	10,800	11,000	11,200	11,400
Master Metered - Inside City	0	0	0	0	0	0	0
Master Metered - Outside City	0	0	0	0	0	0	0
Commercial - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Irrigation - Inside City	0	0	0	0	0	0	0
Irrigation - Outside City	0	0	0	0	0	0	0
Total Block 4	\$19,200	\$19,900	\$20,300	\$20,600	\$21,100	\$21,500	\$21,900

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Projected Water Revenue from Existing Rates

Description	Estimated	Projected Fiscal Year					
	2022	2023	2024	2025	2026	2027	2028
Block 5							
Single Family - Inside City	\$14,000	\$14,500	\$14,900	\$15,200	\$15,500	\$15,800	\$16,200
Single Family - Outside City	16,800	17,500	17,900	18,300	18,700	19,100	19,500
Master Metered - Inside City	0	0	0	0	0	0	0
Master Metered - Outside City	0	0	0	0	0	0	0
Commercial - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Irrigation - Inside City	0	0	0	0	0	0	0
Irrigation - Outside City	0	0	0	0	0	0	0
Total Block 5	\$30,800	\$32,000	\$32,800	\$33,500	\$34,200	\$34,900	\$35,700
Total Volumetric Revenue by Class							
Single Family - Inside City	\$709,600	\$738,100	\$753,200	\$767,900	\$783,800	\$799,600	\$815,500
Single Family - Outside City	368,300	383,600	391,300	398,900	406,500	414,100	423,000
Master Metered - Inside City	159,100	159,100	159,100	159,100	159,100	159,100	159,100
Master Metered - Outside City	40,300	40,300	40,300	40,300	40,300	40,300	40,300
Commercial - Inside City	715,200	715,200	715,200	715,200	715,200	715,200	715,200
Commercial - Outside City	41,200	41,100	41,100	41,100	41,100	41,100	41,100
Irrigation - Inside City	895,200	932,100	952,600	973,200	993,800	1,014,300	1,034,900
Irrigation - Outside City	24,200	24,200	24,200	24,200	24,200	24,200	24,200
Total Volumetric Revenue	\$2,953,100	\$3,033,700	\$3,077,000	\$3,119,900	\$3,164,000	\$3,207,900	\$3,253,300
Total Water Revenue by Class							
Single Family - Inside City	\$1,200,500	\$1,248,800	\$1,274,200	\$1,299,200	\$1,326,000	\$1,352,800	\$1,379,600
Single Family - Outside City	617,300	642,800	655,700	668,400	681,100	693,900	708,800
Master Metered - Inside City	250,900	250,900	250,900	250,900	250,900	250,900	250,900
Master Metered - Outside City	72,300	72,300	72,300	72,300	72,300	72,300	72,300
Commercial - Inside City	852,100	852,100	852,100	852,100	852,100	852,100	852,100
Commercial - Outside City	54,800	54,700	54,700	54,700	54,700	54,700	54,700
Irrigation - Inside City	1,044,200	1,087,200	1,111,200	1,135,200	1,159,200	1,183,100	1,207,100
Irrigation - Outside City	39,600	39,600	39,600	39,600	39,600	39,600	39,600
Total Water Revenue	\$4,131,700	\$4,248,400	\$4,310,700	\$4,372,400	\$4,435,900	\$4,499,400	\$4,565,100

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Projected Sewer Revenue from Existing Rates

Description	Estimated	Projected Fiscal Year					
	2022	2023	2024	2025	2026	2027	2028
Base Charge Revenue							
Single Family - Inside City	\$1,852,800	\$1,926,900	\$1,966,600	\$2,006,300	\$2,046,000	\$2,085,700	\$2,128,100
Single Family - Outside City	481,200	501,100	511,000	520,900	530,900	540,800	550,700
Master Metered - Inside City	390,100	390,100	390,100	390,100	390,100	390,100	390,100
Master Metered - Outside City	23,600	23,600	23,600	23,600	23,600	23,600	23,600
RV Park - Outside City	59,200	59,200	59,200	59,200	59,200	59,200	59,200
Commercial - Inside City	482,600	482,600	482,600	482,600	482,600	482,600	482,600
Commercial - Outside City	20,200	20,200	20,200	20,200	20,200	20,200	20,200
Total Base Charge Revenue	\$3,309,700	\$3,403,700	\$3,453,300	\$3,502,900	\$3,552,600	\$3,602,200	\$3,654,500
Volumetric Revenue							
Block 1							
Single Family - Inside City	\$1,679,200	\$1,746,400	\$1,782,300	\$1,818,300	\$1,854,300	\$1,890,300	\$1,928,700
Single Family - Outside City	339,400	353,300	360,400	367,400	374,400	381,300	388,400
Master Metered - Inside City	485,900	485,900	485,900	485,900	485,900	485,900	485,900
Master Metered - Outside City	13,400	13,400	13,400	13,400	13,400	13,400	13,400
RV Park - Outside City	72,800	72,800	72,800	72,800	72,800	72,800	72,800
Commercial - Inside City	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000
Commercial - Outside City	60,300	60,300	60,300	60,300	60,300	60,300	60,300
Total Block 1	\$4,165,000	\$4,246,100	\$4,289,100	\$4,332,100	\$4,375,100	\$4,418,000	\$4,463,500
Total Volumetric Revenue by Class							
Single Family - Inside City	\$1,679,200	\$1,746,400	\$1,782,300	\$1,818,300	\$1,854,300	\$1,890,300	\$1,928,700
Single Family - Outside City	339,400	353,300	360,400	367,400	374,400	381,300	388,400
Master Metered - Inside City	485,900	485,900	485,900	485,900	485,900	485,900	485,900
Master Metered - Outside City	13,400	13,400	13,400	13,400	13,400	13,400	13,400
RV Park - Outside City	72,800	72,800	72,800	72,800	72,800	72,800	72,800
Commercial - Inside City	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000	1,514,000
Commercial - Outside City	60,300	60,300	60,300	60,300	60,300	60,300	60,300
Total Volumetric Revenue	\$4,165,000	\$4,246,100	\$4,289,100	\$4,332,100	\$4,375,100	\$4,418,000	\$4,463,500
Total Sewer Revenue by Class							
Single Family - Inside City	\$3,532,000	\$3,673,300	\$3,748,900	\$3,824,600	\$3,900,300	\$3,976,000	\$4,056,800
Single Family - Outside City	820,600	854,400	871,400	888,300	905,300	922,100	939,100
Master Metered - Inside City	876,000	876,000	876,000	876,000	876,000	876,000	876,000
Master Metered - Outside City	37,000	37,000	37,000	37,000	37,000	37,000	37,000
RV Park - Outside City	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Commercial - Inside City	1,996,600	1,996,600	1,996,600	1,996,600	1,996,600	1,996,600	1,996,600
Commercial - Outside City	80,500	80,500	80,500	80,500	80,500	80,500	80,500
Total Sewer Revenue	\$7,474,700	\$7,649,800	\$7,742,400	\$7,835,000	\$7,927,700	\$8,020,200	\$8,118,000

City of Zephyrhills
 2023 Utility Revenue Sufficiency Study
 Miscellaneous Revenue Projections

Description	Actual		Budgeted FY		Adjustments	Adjusted FY	Escalation	Projected FY						% Allocated To Water
	2020	2021	2022	2023		2023		2024	2025	2026	2027	2028	2029	
Water Meter Installation	\$244,368	\$419,918	\$0	\$0	\$0	\$0	Constant	\$0	\$0	\$0	\$0	\$0	\$0	100.0%
Water Connection Fees	0	0	0	0	0	0	Constant	0	0	0	0	0	0	100.0%
Water Extension Charges	0	0	0	0	0	0	Constant	0	0	0	0	0	0	100.0%
Sewer Connection Fees	0	0	0	0	0	0	Constant	0	0	0	0	0	0	0.0%
Sewer Extension Charges	0	0	0	0	0	0	Constant	0	0	0	0	0	0	0.0%
Reclaimed Water Charges	0	0	0	0	20,215	20,215	Constant	20,200	20,200	20,200	20,200	20,200	20,200	0.0%
Outside Services	0	0	0	0	0	0	Constant	0	0	0	0	0	0	50.0%
Interest Income Utility	27,991	9,459	20,000	10,000	0	10,000	Constant	10,000	10,000	10,000	10,000	10,000	10,000	36.0%
Interest Income Wa Conn	0	0	0	0	0	0	Constant	0	0	0	0	0	0	100.0%
Interest Income Sewer Conn	0	0	0	0	0	0	Constant	0	0	0	0	0	0	0.0%
Gain (Loss) On Fixed Assets	14,902	6,615	0	0	0	0	Constant	0	0	0	0	0	0	50.0%
Surplus Property Sales	10,530	12,871	10,000	10,000	(10,000)	0	Constant	0	0	0	0	0	0	50.0%
SCRAP Sales - Utility	5,957	4,462	6,000	6,000	0	6,000	Constant	6,000	6,000	6,000	6,000	6,000	6,000	50.0%
Contributions Fr Priv Sources	0	0	0	0	0	0	Constant	0	0	0	0	0	0	50.0%
Gain (Loss) Sale Of Investment	0	0	0	0	0	0	Constant	0	0	0	0	0	0	50.0%
Miscellaneous Revenue	193,015	63,168	57,000	57,000	0	57,000	Constant	57,000	57,000	57,000	57,000	57,000	57,000	36.0%
State Revolving Fund Proceeds	0	0	314,563	1,224,530	(1,224,530)	0	Constant	0	0	0	0	0	0	50.0%
Nestle Waters Settlement Agmt.	2,132,578	138,000	130,000	0	0	0	Constant	0	0	0	0	0	0	0.0%
Federal-Other Physical Env.	2,620,067	0	4,000,000	0	0	0	Constant	0	0	0	0	0	0	50.0%
Total	\$5,249,408	\$654,493	\$4,537,563	\$1,307,530	(\$1,214,315)	\$93,215		\$93,200	\$93,200	\$93,200	\$93,200	\$93,200	\$93,200	

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Operating Budget

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Adjustments	FY 2023	Allocation Percentage			FY 2023 Allocation Amount	
	Actual	Actual	Actual	Amended Budget	Budget Amount		Adjusted	Method	Water	Sewer	Water	Sewer
Utility Administration												
Personnel Services												
Salaries	\$125,838	\$136,084	\$135,501	\$137,666	\$148,682	\$0	\$148,682	Personnel	45.0%	55.0%	\$66,900	\$81,800
Fica Taxes	7,235	7,207	7,443	8,535	9,218	0	9,218	Personnel	45.0%	55.0%	4,100	5,100
Medicare Taxes	1,692	1,685	1,741	1,996	2,156	0	2,156	Personnel	45.0%	55.0%	1,000	1,200
Retirement Contributions	33,832	37,384	43,282	31,255	36,504	0	36,504	Personnel	45.0%	55.0%	16,400	20,100
Group Health	29,630	31,021	32,652	32,966	33,956	0	33,956	Personnel	45.0%	55.0%	15,300	18,700
Worker's Compensation	0	0	0	7,838	2,415	0	2,415	Personnel	45.0%	55.0%	1,100	1,300
E10 Sub Totals:	\$198,227	\$213,381	\$220,619	\$220,256	\$232,931	\$0	\$232,931				\$104,800	\$128,200
Operating Expenditures												
Professional Services	\$12,569	\$38,289	\$73,904	\$132,431	\$75,000	\$0	\$75,000	Personnel	45.0%	55.0%	\$33,800	\$41,300
Pro. Svcs. - Software & Support	0	0	46,660	90,140	104,339	0	104,339	Personnel	45.0%	55.0%	47,000	57,400
Contractual Services	1,974	1,409	25,078	127,474	120,000	0	120,000	Personnel	45.0%	55.0%	54,000	66,000
Telephone	646	658	690	1,000	1,000	0	1,000	Personnel	45.0%	55.0%	500	600
Freight and Postage Services	152	90	71	200	200	0	200	Personnel	45.0%	55.0%	100	100
Copy Machine Leases	1,200	1,200	1,278	1,200	1,400	0	1,400	Personnel	45.0%	55.0%	600	800
Property and Casualty Insurance	0	0	0	0	19,654	0	19,654	Personnel	45.0%	55.0%	8,800	10,800
Repair & Maint Vehicles	394	281	280	500	500	0	500	Personnel	45.0%	55.0%	200	300
Office Supplies	68	365	489	700	700	0	700	Personnel	45.0%	55.0%	300	400
Operating Supplies	128	857	484	1,000	1,000	0	1,000	Personnel	45.0%	55.0%	500	600
Gas & Oil	1,160	32,034	222	500	500	0	500	Personnel	45.0%	55.0%	200	300
Memberships/Dues	978	523	715	1,000	1,000	0	1,000	Personnel	45.0%	55.0%	500	600
Training	7,101	2,271	2,017	5,000	5,000	0	5,000	Personnel	45.0%	55.0%	2,300	2,800
Depreciation Expense	4,277	4,270	2,135	0	0	0	0	Personnel	45.0%	55.0%	0	0
E20 Sub Totals:	\$30,647	\$82,247	\$154,023	\$361,145	\$330,293	\$0	\$330,293				\$148,800	\$182,000
Capital Outlay												
Machinery and Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Personnel	45.0%	55.0%	\$0	\$0
E40 Sub Totals:	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0
Debt Service												
Loan Principal/Int Wwtp	\$215,437	\$195,322	\$174,778	\$1,317,076	\$1,427,352	(\$1,427,352)	\$0	Personnel	45.0%	55.0%	\$0	\$0
Loan Suntrust Bond Refinance	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
Loan Wwtp Expan/Upgde	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
BB&T Fathom Loan	54,283	98,510	84,816	737,915	737,915	(737,915)	0	Personnel	45.0%	55.0%	0	0
Defer Bond Issue Cost/Loss	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
Bond Issuance Cost	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
E50 Sub Totals:	\$269,720	\$293,832	\$259,594	\$2,054,991	\$2,165,267	(\$2,165,267)	\$0				\$0	\$0
Transfers												
Administrative Transfer Gf	\$1,001,200	\$1,037,026	\$1,237,898	\$1,372,755	\$1,203,481	\$0	\$1,203,481	Revenue	36.0%	64.0%	\$433,300	\$770,200
Admin Transfer-GF Special	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
Adminstrative Transfer Af	176,850	176,850	176,850	234,850	234,850	0	234,850	Equal	50.0%	50.0%	117,400	117,400
Trf To Water Reuse Reserve	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
Trf To Wa/Sw Connection Fees	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
PILOT	216,000	0	0	0	0	0	0	Revenue	36.0%	64.0%	0	0
E70 Sub Totals:	\$1,394,050	\$1,213,876	\$1,414,748	\$1,607,605	\$1,438,331	\$0	\$1,438,331				\$550,700	\$887,600
Reserves & Non-Operating Exp												
Undesigned Wwtp Loan Proc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Equal	50.0%	50.0%	\$0	\$0
Contingency	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve for Grant Match	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve Accumulated Hours	0	0	0	0	0	0	0	Personnel	45.0%	55.0%	0	0
Reserve for CBF	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve-Water Reuse	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve-Water Connection Fees	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve-Sewer Connection Fees	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
Reserve-Other Restricted Funds	0	0	0	0	0	0	0	Equal	50.0%	50.0%	0	0
E90 Sub Totals:	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Operating Budget

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Adjustments	FY 2023	Allocation Percentage			FY 2023 Allocation Amount	
	Actual	Actual	Actual	Amended Budget	Budget Amount		Adjusted	Method	Water	Sewer	Water	Sewer
Dept 3000 Sub Totals:	\$1,892,644	\$1,803,336	\$2,048,984	\$4,243,997	\$4,166,822	(\$2,165,267)	\$2,001,555				\$804,300	\$1,197,800
Utility Billing												
Personnel Services												
Salaries	\$128,358	\$158,394	\$169,954	\$193,655	\$186,131	\$0	\$186,131	Accounts	58.0%	42.0%	\$108,000	\$78,200
Overtime	405	306	321	500	500	0	500	Accounts	58.0%	42.0%	300	200
Fica Taxes	7,440	8,906	9,427	12,007	11,540	0	11,540	Accounts	58.0%	42.0%	6,700	4,800
Medicare Taxes	1,740	2,083	2,205	2,808	2,699	0	2,699	Accounts	58.0%	42.0%	1,600	1,100
Retirement Contributions	10,224	13,963	17,267	20,954	21,931	0	21,931	Accounts	58.0%	42.0%	12,700	9,200
Group Health	20,721	34,455	48,656	54,444	44,335	0	44,335	Accounts	58.0%	42.0%	25,700	18,600
Worker's Compensation	0	0	0	668	313	0	313	Accounts	58.0%	42.0%	200	100
E10 Sub Totals:	\$168,888	\$218,107	\$247,830	\$285,036	\$267,449	\$0	\$267,449				\$155,200	\$112,200
Operating Expenditures												
Medical Services	\$65	\$65	\$1,158	\$150	\$300	\$0	\$300	Accounts	58.0%	42.0%	\$200	\$100
Professional Services	5,381	8,081	0	0	10,000	0	10,000	Accounts	58.0%	42.0%	5,800	4,200
Contractual Services	651,758	1,008,762	758,883	750,000	650,000	0	650,000	Accounts	58.0%	42.0%	377,000	273,000
Processing Fees Credit Cards	120,820	108,658	116,622	130,000	135,000	0	135,000	Accounts	58.0%	42.0%	78,300	56,700
Telephone	760	1,708	1,152	1,500	2,500	0	2,500	Accounts	58.0%	42.0%	1,500	1,100
Freight and Postage Services	65	469	847	1,100	90,000	0	90,000	Accounts	58.0%	42.0%	52,200	37,800
Property and Casualty Insurance	0	0	0	0	10,993	0	10,993	Accounts	58.0%	42.0%	6,400	4,600
Copy Machine Leases	1,163	1,392	1,294	1,400	1,320	0	1,320	Accounts	58.0%	42.0%	800	600
Office Supplies	1,842	1,640	600	800	600	0	600	Accounts	58.0%	42.0%	300	300
Operating Supplies	786	654	392	600	600	0	600	Accounts	58.0%	42.0%	300	300
Software	0	0	0	100,000	0	0	0	Accounts	58.0%	42.0%	0	0
Training	0	0	0	1,700	3,000	0	3,000	Accounts	58.0%	42.0%	1,700	1,300
E20 Sub Totals:	\$782,640	\$1,131,429	\$880,948	\$987,250	\$904,313	\$0	\$904,313				\$524,500	\$380,000
Capital Outlay												
Machinery and Equipment	\$0	\$2,419	\$5,174	\$3,000	\$200,000	(\$200,000)	\$0	Accounts	58.0%	42.0%	\$0	\$0
E40 Sub Totals:	\$0	\$2,419	\$5,174	\$3,000	\$200,000	(\$200,000)	\$0				\$0	\$0
Dept 1300 Sub Totals:	\$951,528	\$1,351,955	\$1,133,952	\$1,275,286	\$1,371,762	(\$200,000)	\$1,171,762				\$679,700	\$492,200
Water												
Personnel Services												
Salaries	\$393,969	\$431,249	\$437,549	\$550,917	\$591,299	\$0	\$591,299	Water	100.0%	0.0%	\$591,300	\$0
Overtime	31,648	29,405	34,553	30,000	30,000	0	30,000	Water	100.0%	0.0%	30,000	0
Fica Taxes	26,216	26,727	27,857	34,157	36,661	0	36,661	Water	100.0%	0.0%	36,700	0
Medicare Taxes	6,131	6,251	6,515	7,988	8,574	0	8,574	Water	100.0%	0.0%	8,600	0
Retirement Contributions	138,719	152,963	194,349	58,853	68,791	0	68,791	Water	100.0%	0.0%	68,800	0
Group Health	170,701	190,975	215,464	250,154	232,217	0	232,217	Water	100.0%	0.0%	232,200	0
Worker's Compensation	0	0	0	19,792	20,677	0	20,677	Water	100.0%	0.0%	20,700	0
E10 Sub Totals:	\$767,384	\$837,570	\$916,287	\$951,861	\$988,219	\$0	\$988,219				\$988,300	\$0
Operating Expenditures												
Medical Services	\$262	\$88	\$332	\$200	\$200	\$0	\$200	Water	100.0%	0.0%	\$200	\$0
Laboratory Analysis	7,745	11,905	8,178	10,000	50,000	0	50,000	Water	100.0%	0.0%	50,000	0
Professional Services	69,241	114,906	89,321	165,088	150,000	0	150,000	Water	100.0%	0.0%	150,000	0
Contractual Services	48,162	8,676	52,468	60,000	95,000	0	95,000	Water	100.0%	0.0%	95,000	0
Water Tank Maintenance	22,590	22,590	23,832	30,000	40,000	0	40,000	Water	100.0%	0.0%	40,000	0
Property Tax	0	73	78	0	200	0	200	Water	100.0%	0.0%	200	0
Telephone	11,853	14,239	15,104	20,000	25,000	0	25,000	Water	100.0%	0.0%	25,000	0
Freight and Postage Services	124	158	71	500	500	0	500	Water	100.0%	0.0%	500	0
Electricity	115,407	110,206	118,810	140,000	140,000	0	140,000	Water	100.0%	0.0%	140,000	0
Water & Sewer Expense	152	2,405	1,845	200	200	0	200	Water	100.0%	0.0%	200	0
Refuse Removal	73	0	0	0	0	0	0	Water	100.0%	0.0%	0	0
Leases & Rentals	0	0	0	1,000	1,000	0	1,000	Water	100.0%	0.0%	1,000	0
Copy Machine Leases	269	518	385	500	500	0	500	Water	100.0%	0.0%	500	0
Property and Casualty Insurance	0	0	0	0	40,176	0	40,176	Water	100.0%	0.0%	40,200	0
Repair & Maint-Buildings	7,753	5,971	1,945	4,000	4,000	0	4,000	Water	100.0%	0.0%	4,000	0
Repair & Maint-Equipment	22,303	20,220	5,692	39,761	45,000	0	45,000	Water	100.0%	0.0%	45,000	0
Repair & Maint Vehicles	6,853	15,910	13,190	14,000	18,000	0	18,000	Water	100.0%	0.0%	18,000	0

City of Zephyrhills
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Operating Budget

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Adjustments	FY 2023	Allocation Percentage			FY 2023 Allocation Amount	
	Actual	Actual	Actual	Amended Budget	Budget Amount		Adjusted	Method	Water	Sewer	Water	Sewer
Repair & Maint-Water Lines	0	0	0	0	150,000	0	150,000	Water	100.0%	0.0%	150,000	0
Licenses and Permits	103,136	100	450	1,000	2,000	0	2,000	Water	100.0%	0.0%	2,000	0
Office Supplies	441	134	1,640	3,040	3,000	0	3,000	Water	100.0%	0.0%	3,000	0
Operating Supplies	17,652	29,531	34,008	35,000	48,000	0	48,000	Water	100.0%	0.0%	48,000	0
Uniforms	3,725	2,434	2,944	4,000	4,000	0	4,000	Water	100.0%	0.0%	4,000	0
Tools, Small Equipment	4,645	9,438	5,490	8,000	8,000	0	8,000	Water	100.0%	0.0%	8,000	0
Chemicals & Chlorine Gas	20,890	18,262	16,340	20,000	25,000	0	25,000	Water	100.0%	0.0%	25,000	0
Gas & Oil	21,004	22,047	29,498	25,000	35,000	0	35,000	Water	100.0%	0.0%	35,000	0
Memberships/Dues	1,095	1,650	1,695	2,000	2,000	0	2,000	Water	100.0%	0.0%	2,000	0
Training	8,456	6,275	4,071	12,000	15,000	0	15,000	Water	100.0%	0.0%	15,000	0
E20 Sub Totals:	\$493,831	\$417,736	\$427,387	\$595,289	\$901,776	\$0	\$901,776				\$901,800	\$0
Capital Outlay												
Land Acquisition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Water	100.0%	0.0%	\$0	\$0
Buildings/Bldg Improvements	0	0	0	350,000	3,000,000	(3,000,000)	0	Water	100.0%	0.0%	0	0
Infrastructure	732,108	183,873	486,147	4,245,149	2,270,000	(2,270,000)	0	Water	100.0%	0.0%	0	0
Machinery and Equipment	78,223	220,136	91,339	133,414	235,000	(235,000)	0	Water	100.0%	0.0%	0	0
Inventory Purchases	200,936	292,443	377,488	354,618	500,000	(500,000)	0	Water	100.0%	0.0%	0	0
E40 Sub Totals:	\$1,011,267	\$696,452	\$954,974	\$5,083,181	\$6,005,000	(\$6,005,000)	\$0				\$0	\$0
Dept 3300 Sub Totals:	\$2,272,482	\$1,951,758	\$2,298,648	\$6,630,331	\$7,894,995	(\$6,005,000)	\$1,889,995				\$1,890,100	\$0
Wastewater												
Personnel Services												
Salaries	\$566,071	\$537,179	\$504,492	\$681,490	\$719,025	\$0	\$719,025	Sewer	0.0%	100.0%	\$0	\$719,000
Overtime	57,606	58,785	80,069	50,000	50,000	0	50,000	Sewer	0.0%	100.0%	0	50,000
Fica Taxes	36,068	32,941	32,597	42,252	44,580	0	44,580	Sewer	0.0%	100.0%	0	44,600
Medicare Taxes	8,435	7,704	7,623	9,882	10,426	0	10,426	Sewer	0.0%	100.0%	0	10,400
Retirement Contributions	150,363	165,681	200,546	64,668	77,458	0	77,458	Sewer	0.0%	100.0%	0	77,500
Group Health	154,229	147,495	170,604	192,878	170,693	0	170,693	Sewer	0.0%	100.0%	0	170,700
Worker's Compensation	0	0	0	35,054	17,445	0	17,445	Sewer	0.0%	100.0%	0	17,400
E10 Sub Totals:	\$972,772	\$949,785	\$995,931	\$1,076,224	\$1,089,627	\$0	\$1,089,627				\$0	\$1,089,600
Operating Expenditures												
Medical Services	\$466	\$239	\$1,899	\$500	\$500	\$0	\$500	Sewer	0.0%	100.0%	\$0	\$500
Professional Services	8,555	15,700	18,425	535,000	500,000	0	500,000	Sewer	0.0%	100.0%	0	500,000
Contractual Services	1,061	462	126	500	500	0	500	Sewer	0.0%	100.0%	0	500
Contractual Hauling	80,968	92,504	85,659	85,000	95,000	0	95,000	Sewer	0.0%	100.0%	0	95,000
Property Tax	127	34	86	0	50	0	50	Sewer	0.0%	100.0%	0	100
Telephone	8,746	11,546	11,391	10,000	12,000	0	12,000	Sewer	0.0%	100.0%	0	12,000
Freight and Postage Services	211	396	335	500	500	0	500	Sewer	0.0%	100.0%	0	500
Electricity	361,004	336,933	348,839	300,000	400,000	0	400,000	Sewer	0.0%	100.0%	0	400,000
Water & Sewer Expense	4,187	4,061	5,035	5,000	12,000	0	12,000	Sewer	0.0%	100.0%	0	12,000
Refuse Removal	3,981	4,249	4,527	5,000	6,000	0	6,000	Sewer	0.0%	100.0%	0	6,000
Copy Machine Leases	231	0	42	0	0	0	0	Sewer	0.0%	100.0%	0	0
Property and Casualty Insurance	0	0	0	0	264,420	0	264,420	Sewer	0.0%	100.0%	0	264,400
Repair & Maint-Buildings	16,324	9,116	5,281	13,000	28,000	0	28,000	Sewer	0.0%	100.0%	0	28,000
Repair & Maint-Equipment	115,085	112,015	73,619	90,000	90,000	0	90,000	Sewer	0.0%	100.0%	0	90,000
Repair & Maint Vehicles	15,678	15,370	13,278	25,000	25,000	0	25,000	Sewer	0.0%	100.0%	0	25,000
Repair & Maint-Infrastructure	0	35,321	73,397	100,000	125,000	0	125,000	Sewer	0.0%	100.0%	0	125,000
Licenses and Permits	1,596	400	929	1,000	1,500	0	1,500	Sewer	0.0%	100.0%	0	1,500
Office Supplies	922	545	961	2,560	1,200	0	1,200	Sewer	0.0%	100.0%	0	1,200
Operating Supplies	26,435	28,540	29,935	30,462	35,000	0	35,000	Sewer	0.0%	100.0%	0	35,000
Uniforms	5,034	2,753	3,633	5,000	5,000	0	5,000	Sewer	0.0%	100.0%	0	5,000
Tools, Small Equipment	3,367	5,806	3,252	6,000	6,000	0	6,000	Sewer	0.0%	100.0%	0	6,000
Chemicals & Chlorine Gas	120,293	146,143	178,520	225,000	250,000	0	250,000	Sewer	0.0%	100.0%	0	250,000
Laboratory Analysis	15,696	18,735	18,431	20,000	25,000	0	25,000	Sewer	0.0%	100.0%	0	25,000
Gas & Oil	20,463	19,956	25,701	25,000	35,000	0	35,000	Sewer	0.0%	100.0%	0	35,000

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Operating Budget

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Adjustments	FY 2023	Allocation Percentage			FY 2023 Allocation Amount	
	Actual	Actual	Actual	Amended Budget	Budget Amount		Adjusted	Method	Water	Sewer	Water	Sewer
Memberships/Dues	1,050	1,620	1,590	1,600	1,800	0	1,800	Sewer	0.0%	100.0%	0	1,800
Training	8,697	5,131	5,651	10,000	15,000	0	15,000	Sewer	0.0%	100.0%	0	15,000
Depreciation Expense	1,584,024	1,611,851	1,998,055	0	0	0	0	Sewer	0.0%	100.0%	0	0
E20 Sub Totals:	\$2,404,201	\$2,479,426	\$2,908,597	\$1,496,122	\$1,934,470	\$0	\$1,934,470				\$0	\$1,934,500
Capital Outlay												
Land Acquisition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Sewer	0.0%	100.0%	\$0	\$0
Buildings/Bldg Improvements	0	0	0	0	0	0	0	Sewer	0.0%	100.0%	0	0
Machinery and Equipment	125,126	136,419	347,092	131,153	20,000	(20,000)	0	Sewer	0.0%	100.0%	0	0
Capital Purchases Inventory	10,989	4,550	12,013	23,326	20,000	(20,000)	0	Sewer	0.0%	100.0%	0	0
Infrastructure	3,608,870	2,379,135	6,147,898	10,433,547	13,530,000	(13,530,000)	0	Sewer	0.0%	100.0%	0	0
E40 Sub Totals:	\$3,744,985	\$2,520,104	\$6,507,003	\$10,588,026	\$13,570,000	(\$13,570,000)	\$0				\$0	\$0
Dept 3500 Sub Totals:	\$7,121,958	\$5,949,315	\$10,411,531	\$13,160,372	\$16,594,097	(\$13,570,000)	\$3,024,097				\$0	\$3,024,100
Expense Totals:	\$12,238,612	\$11,056,364	\$15,893,115	\$25,309,986	\$30,027,676	(\$21,940,267)	\$8,087,409				\$3,374,100	\$4,714,100

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Utility Administration							
Personnel Services							
Salaries	\$66,900	Labor	\$69,000	\$71,100	\$73,300	\$75,500	\$77,800
Fica Taxes	4,100	Labor	4,300	4,500	4,700	4,900	5,100
Medicare Taxes	1,000	Labor	1,100	1,200	1,300	1,400	1,500
Retirement Contributions	16,400	Labor	16,900	17,500	18,100	18,700	19,300
Group Health	15,300	Ins-Health	16,100	17,000	17,900	18,800	19,800
Worker's Compensation	1,100	Labor	1,200	1,300	1,400	1,500	1,600
E10 Sub Totals:	\$104,800		\$108,600	\$112,600	\$116,700	\$120,800	\$125,100
Operating Expenditures							
Professional Services	\$33,800	Inflation	\$34,900	\$35,800	\$36,700	\$37,700	\$38,700
Pro. Svcs. - Software & Support	47,000	Inflation	48,500	49,800	51,100	52,400	53,800
Contractual Services	54,000	Inflation	55,700	57,100	58,600	60,100	61,700
Telephone	500	Inflation	600	700	800	900	1,000
Freight and Postage Services	100	Inflation	200	300	400	500	600
Copy Machine Leases	600	Inflation	700	800	900	1,000	1,100
Property and Casualty Insurance	8,800	Inflation	9,100	9,400	9,700	10,000	10,300
Repair & Maint Vehicles	200	Maintenance	300	400	500	600	700
Office Supplies	300	Inflation	400	500	600	700	800
Operating Supplies	500	Inflation	600	700	800	900	1,000
Gas & Oil	200	Inflation	300	400	500	600	700
Memberships/Dues	500	Inflation	600	700	800	900	1,000
Training	2,300	Inflation	2,400	2,500	2,600	2,700	2,800
Depreciation Expense	0	Inflation	0	0	0	0	0
E20 Sub Totals:	\$148,800		\$154,300	\$159,100	\$164,000	\$169,000	\$174,200
Capital Outlay							
Machinery and Equipment	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Debt Service							
Loan Principal/Int Wwtp	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Loan Suntrust Bond Refinance	0	N/A	0	0	0	0	0
Loan Wwtp Expan/Upd	0	N/A	0	0	0	0	0
BB&T Fathom Loan	0	N/A	0	0	0	0	0
Defer Bond Issue Cost/Loss	0	N/A	0	0	0	0	0
Bond Issuance Cost	0	N/A	0	0	0	0	0
E50 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Transfers							
Administrative Transfer Gf	\$433,300	Input	\$444,000	\$461,700	\$480,100	\$499,100	\$519,100
Admin Transfer-GF Special	0	Inflation	0	0	0	0	0
Adminstrative Transfer Af	117,400	Inflation	121,000	124,100	127,300	130,500	133,800
Trf To Water Reuse Reserve	0	Inflation	0	0	0	0	0
Trf To Wa/Sw Connection Fees	0	Inflation	0	0	0	0	0
PILOT	0	Inflation	0	0	0	0	0
E70 Sub Totals:	\$550,700		\$565,000	\$585,800	\$607,400	\$629,600	\$652,900
Reserves & Non-Operating Exp							
Undesigned Wwtp Loan Proc	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Contingency	0	N/A	0	0	0	0	0
Reserve for Grant Match	0	N/A	0	0	0	0	0
Reserve Accumulated Hours	0	N/A	0	0	0	0	0
Reserve for CBF	0	N/A	0	0	0	0	0
Reserve-Water Reuse	0	N/A	0	0	0	0	0
Reserve-Water Connection Fees	0	N/A	0	0	0	0	0
Reserve-Sewer Connection Fees	0	N/A	0	0	0	0	0

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Reserve-Other Restricted Funds	0	N/A	0	0	0	0	0
E90 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3000 Sub Totals:	\$804,300		\$827,900	\$857,500	\$888,100	\$919,400	\$952,200
Utility Billing							
Personnel Services							
Salaries	\$108,000	Labor	\$111,300	\$114,700	\$118,200	\$121,800	\$125,500
Overtime	300	Labor	400	500	600	700	800
Additional Personnel	0	Input	0	0	0	0	0
Fica Taxes	6,700	Labor	7,000	7,300	7,600	7,900	8,200
Medicare Taxes	1,600	Labor	1,700	1,800	1,900	2,000	2,100
Retirement Contributions	12,700	Labor	13,100	13,500	14,000	14,500	15,000
Group Health	25,700	Ins-Health	27,000	28,400	29,900	31,400	33,000
Worker's Compensation	200	Labor	300	400	500	600	700
E10 Sub Totals:	\$155,200		\$160,800	\$166,600	\$172,700	\$178,900	\$185,300
Operating Expenditures							
Medical Services	\$200	Inflation	\$300	\$400	\$500	\$600	\$700
Professional Services	5,800	Inflation	6,000	6,200	6,400	6,600	6,800
Contractual Services	377,000	Inflation	388,400	145,000	148,700	152,500	156,400
Processing Fees Credit Cards	78,300	Inflation	80,700	82,800	84,900	87,100	89,300
Telephone	1,500	Inflation	1,600	1,700	1,800	1,900	2,000
Freight and Postage Services	52,200	Constant	52,200	52,200	52,200	52,200	52,200
Property and Casualty Insurance	6,400	Inflation	6,600	6,800	7,000	7,200	7,400
Copy Machine Leases	800	Inflation	900	1,000	1,100	1,200	1,300
Office Supplies	300	Inflation	400	500	600	700	800
Operating Supplies	300	Inflation	400	500	600	700	800
Software	0	Inflation	0	0	0	0	0
Training	1,700	Inflation	1,800	1,900	2,000	2,100	2,200
E20 Sub Totals:	\$524,500		\$539,300	\$299,000	\$305,800	\$312,800	\$319,900
Capital Outlay							
Machinery and Equipment	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 1300 Sub Totals:	\$679,700		\$700,100	\$465,600	\$478,500	\$491,700	\$505,200
Water							
Personnel Services							
Salaries	\$591,300	Labor	\$609,100	\$627,400	\$646,300	\$665,700	\$685,700
Additional Personnel	0	Input	55,700	57,400	59,200	61,000	62,900
Overtime	30,000	Labor	30,900	31,900	32,900	33,900	35,000
Fica Taxes	36,700	Labor	37,900	39,100	40,300	41,600	42,900
Medicare Taxes	8,600	Labor	8,900	9,200	9,500	9,800	10,100
Retirement Contributions	68,800	Labor	70,900	73,100	75,300	77,600	80,000
Group Health	232,200	Ins-Health	243,900	256,100	269,000	282,500	296,700
Worker's Compensation	20,700	Labor	21,400	22,100	22,800	23,500	24,300
E10 Sub Totals:	\$988,300		\$1,078,700	\$1,116,300	\$1,155,300	\$1,195,600	\$1,237,600
Operating Expenditures							
Medical Services	\$200	Inflation	\$300	\$400	\$500	\$600	\$700
Laboratory Analysis	50,000	Inflation	51,500	52,800	54,200	55,600	57,000
Professional Services	150,000	Inflation	154,500	158,400	162,400	166,500	170,700
Contractual Services	95,000	Inflation	97,900	100,400	103,000	105,600	108,300
Water Tank Maintenance	40,000	Maintenance	41,200	42,500	43,800	45,200	46,600
Property Tax	200	Inflation	300	400	500	600	700
Telephone	25,000	Inflation	25,800	26,500	27,200	27,900	28,600
Freight and Postage Services	500	Inflation	600	700	800	900	1,000

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Electricity	140,000	W Prod	146,000	151,500	157,200	163,200	169,400
Water & Sewer Expense	200	Inflation	300	400	500	600	700
Refuse Removal	0	Inflation	0	0	0	0	0
Leases & Rentals	1,000	Inflation	1,100	1,200	1,300	1,400	1,500
Copy Machine Leases	500	Inflation	600	700	800	900	1,000
Property and Casualty Insurance	40,200	Inflation	41,500	42,600	43,700	44,800	46,000
Repair & Maint-Buildings	4,000	Maintenance	4,200	4,400	4,600	4,800	5,000
Repair & Maint-Equipment	45,000	Maintenance	46,400	47,800	49,300	50,800	52,400
Repair & Maint Vehicles	18,000	Maintenance	18,600	19,200	19,800	20,400	21,100
Repair & Maint-Water Lines	150,000	Maintenance	154,500	159,200	164,000	169,000	174,100
Licenses and Permits	2,000	Inflation	2,100	2,200	2,300	2,400	2,500
Office Supplies	3,000	Inflation	3,100	3,200	3,300	3,400	3,500
Operating Supplies	48,000	Inflation	49,500	50,800	52,100	53,500	54,900
Uniforms	4,000	Inflation	4,200	4,400	4,600	4,800	5,000
Tools, Small Equipment	8,000	Inflation	8,300	8,600	8,900	9,200	9,500
Chemicals & Chlorine Gas	25,000	W Prod	26,100	27,100	28,200	29,300	30,500
Gas & Oil	35,000	Inflation	36,100	37,100	38,100	39,100	40,100
Memberships/Dues	2,000	Inflation	2,100	2,200	2,300	2,400	2,500
Training	15,000	Inflation	15,500	15,900	16,300	16,800	17,300
E20 Sub Totals:	\$901,800		\$932,300	\$960,600	\$989,700	\$1,019,700	\$1,050,600
Capital Outlay							
Land Acquisition	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Buildings/Bldg Improvements	0	N/A	0	0	0	0	0
Infrastructure	0	N/A	0	0	0	0	0
Machinery and Equipment	0	N/A	0	0	0	0	0
Inventory Purchases	0	N/A	0	0	0	0	0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3300 Sub Totals:	\$1,890,100		\$2,011,000	\$2,076,900	\$2,145,000	\$2,215,300	\$2,288,200
Wastewater							
Personnel Services							
Salaries	\$0	Labor	\$0	\$0	\$0	\$0	\$0
Overtime	0	Labor	0	0	0	0	0
Fica Taxes	0	Labor	0	0	0	0	0
Medicare Taxes	0	Labor	0	0	0	0	0
Retirement Contributions	0	Labor	0	0	0	0	0
Group Health	0	Ins-Health	0	0	0	0	0
Worker's Compensation	0	Labor	0	0	0	0	0
E10 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Operating Expenditures							
Medical Services	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
Professional Services	0	Inflation	0	0	0	0	0
Contractual Services	0	Inflation	0	0	0	0	0
Contractual Hauling	0	WW Flow	0	0	0	0	0
Property Tax	0	Inflation	0	0	0	0	0
Telephone	0	Inflation	0	0	0	0	0
Freight and Postage Services	0	Inflation	0	0	0	0	0
Electricity	0	WW Flow	0	0	0	0	0
Water & Sewer Expense	0	Inflation	0	0	0	0	0
Refuse Removal	0	Inflation	0	0	0	0	0
Copy Machine Leases	0	Inflation	0	0	0	0	0
Property and Casualty Insurance	0	Inflation	0	0	0	0	0
Repair & Maint-Buildings	0	Maintenance	0	0	0	0	0
Repair & Maint-Equipment	0	Maintenance	0	0	0	0	0
Repair & Maint Vehicles	0	Maintenance	0	0	0	0	0

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Water Operating Budget Projections

Description	Adjusted FY	Escalation Factor	Fiscal Year Ending September 30,				
	2023		2024	2025	2026	2027	2028
Repair & Maint-Infrastructure	0	Maintenance	0	0	0	0	0
Licenses and Permits	0	Inflation	0	0	0	0	0
Office Supplies	0	Inflation	0	0	0	0	0
Operating Supplies	0	Inflation	0	0	0	0	0
Uniforms	0	Inflation	0	0	0	0	0
Tools, Small Equipment	0	Inflation	0	0	0	0	0
Chemicals & Chlorine Gas	0	WW Flow	0	0	0	0	0
Laboratory Analysis	0	Inflation	0	0	0	0	0
Gas & Oil	0	Inflation	0	0	0	0	0
Memberships/Dues	0	Inflation	0	0	0	0	0
Training	0	Inflation	0	0	0	0	0
Depreciation Expense	0	Inflation	0	0	0	0	0
E20 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Capital Outlay							
Land Acquisition	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Buildings/Bldg Improvements	0	N/A	0	0	0	0	0
Machinery and Equipment	0	N/A	0	0	0	0	0
Capital Purchases Inventory	0	N/A	0	0	0	0	0
Infrastructure	0	N/A	0	0	0	0	0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3500 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Expense Totals:	\$3,374,100		\$3,539,000	\$3,400,000	\$3,511,600	\$3,626,400	\$3,745,600

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Utility Administration							
Personnel Services							
Salaries	\$81,800	Labor	\$84,300	\$86,900	\$89,600	\$92,300	\$95,100
Fica Taxes	5,100	Labor	5,300	5,500	5,700	5,900	6,100
Medicare Taxes	1,200	Labor	1,300	1,400	1,500	1,600	1,700
Retirement Contributions	20,100	Labor	20,800	21,500	22,200	22,900	23,600
Group Health	18,700	Ins-Health	19,700	20,700	21,800	22,900	24,100
Worker's Compensation	1,300	Labor	1,400	1,500	1,600	1,700	1,800
E10 Sub Totals:	\$128,200		\$132,800	\$137,500	\$142,400	\$147,300	\$152,400
Operating Expenditures							
Professional Services	\$41,300	Inflation	\$42,600	\$43,700	\$44,800	\$46,000	\$47,200
Pro. Svcs. - Software & Support	57,400	Inflation	59,200	60,700	62,300	63,900	65,500
Contractual Services	66,000	Inflation	68,000	69,700	71,500	73,300	75,200
Telephone	600	Inflation	700	800	900	1,000	1,100
Freight and Postage Services	100	Inflation	200	300	400	500	600
Copy Machine Leases	800	Inflation	900	1,000	1,100	1,200	1,300
Property and Casualty Insurance	10,800	Inflation	11,200	11,500	11,800	12,100	12,500
Repair & Maint Vehicles	300	Maintenance	400	500	600	700	800
Office Supplies	400	Inflation	500	600	700	800	900
Operating Supplies	600	Inflation	700	800	900	1,000	1,100
Gas & Oil	300	Inflation	400	500	600	700	800
Memberships/Dues	600	Inflation	700	800	900	1,000	1,100
Training	2,800	Inflation	2,900	3,000	3,100	3,200	3,300
Depreciation Expense	0	Inflation	0	0	0	0	0
E20 Sub Totals:	\$182,000		\$188,400	\$193,900	\$199,600	\$205,400	\$211,400
Capital Outlay							
Machinery and Equipment	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Debt Service							
Loan Principal/Int Wwtp	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Loan Suntrust Bond Refinance	0	N/A	0	0	0	0	0
Loan Wwtp Expan/Upd	0	N/A	0	0	0	0	0
BB&T Fathom Loan	0	N/A	0	0	0	0	0
Defer Bond Issue Cost/Loss	0	N/A	0	0	0	0	0
Bond Issuance Cost	0	N/A	0	0	0	0	0
E50 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Transfers							
Administrative Transfer Gf	\$770,200	Input	\$797,500	\$827,200	\$857,900	\$889,600	\$923,000
Admin Transfer-GF Special	0	Inflation	0	0	0	0	0
Adminstrative Transfer Af	117,400	Inflation	121,000	124,100	127,300	130,500	133,800
Trf To Water Reuse Reserve	0	Inflation	0	0	0	0	0
Trf To Wa/Sw Connection Fees	0	Inflation	0	0	0	0	0
PILOT	0	Inflation	0	0	0	0	0
E70 Sub Totals:	\$887,600		\$918,500	\$951,300	\$985,200	\$1,020,100	\$1,056,800
Reserves & Non-Operating Exp							
Undesigned Wwtp Loan Proc	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Contingency	0	N/A	0	0	0	0	0
Reserve for Grant Match	0	N/A	0	0	0	0	0
Reserve Accumulated Hours	0	N/A	0	0	0	0	0
Reserve for CBF	0	N/A	0	0	0	0	0
Reserve-Water Reuse	0	N/A	0	0	0	0	0
Reserve-Water Connection Fees	0	N/A	0	0	0	0	0
Reserve-Sewer Connection Fees	0	N/A	0	0	0	0	0

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Reserve-Other Restricted Funds	0	N/A	0	0	0	0	0
E90 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3000 Sub Totals:	\$1,197,800		\$1,239,700	\$1,282,700	\$1,327,200	\$1,372,800	\$1,420,600
Utility Billing							
Personnel Services							
Salaries	\$78,200	Labor	\$80,600	\$83,100	\$85,600	\$88,200	\$90,900
Overtime	200	Labor	300	400	500	600	700
Additional Personnel	0	Input	0	0	0	0	0
Fica Taxes	4,800	Labor	5,000	5,200	5,400	5,600	5,800
Medicare Taxes	1,100	Labor	1,200	1,300	1,400	1,500	1,600
Retirement Contributions	9,200	Labor	9,500	9,800	10,100	10,500	10,900
Group Health	18,600	Ins-Health	19,600	20,600	21,700	22,800	24,000
Worker's Compensation	100	Labor	200	300	400	500	600
E10 Sub Totals:	\$112,200		\$116,400	\$120,700	\$125,100	\$129,700	\$134,500
Operating Expenditures							
Medical Services	\$100	Inflation	\$200	\$300	\$400	\$500	\$600
Professional Services	4,200	Inflation	4,400	4,600	4,800	5,000	5,200
Contractual Services	273,000	Inflation	281,200	105,000	107,700	110,400	113,200
Processing Fees Credit Cards	56,700	Inflation	58,500	60,000	61,500	63,100	64,700
Telephone	1,100	Inflation	1,200	1,300	1,400	1,500	1,600
Freight and Postage Services	37,800	Constant	37,800	37,800	37,800	37,800	37,800
Property and Casualty Insurance	4,600	Inflation	4,800	5,000	5,200	5,400	5,600
Copy Machine Leases	600	Inflation	700	800	900	1,000	1,100
Office Supplies	300	Inflation	400	500	600	700	800
Operating Supplies	300	Inflation	400	500	600	700	800
Software	0	Inflation	0	0	0	0	0
Training	1,300	Inflation	1,400	1,500	1,600	1,700	1,800
E20 Sub Totals:	\$380,000		\$391,000	\$217,300	\$222,500	\$227,800	\$233,200
Capital Outlay							
Machinery and Equipment	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 1300 Sub Totals:	\$492,200		\$507,400	\$338,000	\$347,600	\$357,500	\$367,700
Water							
Personnel Services							
Salaries	\$0	Labor	\$0	\$0	\$0	\$0	\$0
Overtime	0	Labor	0	0	0	0	0
Fica Taxes	0	Labor	0	0	0	0	0
Medicare Taxes	0	Labor	0	0	0	0	0
Retirement Contributions	0	Labor	0	0	0	0	0
Group Health	0	Ins-Health	0	0	0	0	0
Worker's Compensation	0	Labor	0	0	0	0	0
E10 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Operating Expenditures							
Medical Services	\$0	Inflation	\$0	\$0	\$0	\$0	\$0
Laboratory Analysis	0	Inflation	0	0	0	0	0
Professional Services	0	Inflation	0	0	0	0	0
Contractual Services	0	Inflation	0	0	0	0	0
Water Tank Maintenance	0	Maintenance	0	0	0	0	0
Property Tax	0	Inflation	0	0	0	0	0
Telephone	0	Inflation	0	0	0	0	0
Freight and Postage Services	0	Inflation	0	0	0	0	0
Electricity	0	W Prod	0	0	0	0	0

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Water & Sewer Expense	0	Inflation	0	0	0	0	0
Refuse Removal	0	Inflation	0	0	0	0	0
Leases & Rentals	0	Inflation	0	0	0	0	0
Copy Machine Leases	0	Inflation	0	0	0	0	0
Property and Casualty Insurance	0	Inflation	0	0	0	0	0
Repair & Maint-Buildings	0	Maintenance	0	0	0	0	0
Repair & Maint-Equipment	0	Maintenance	0	0	0	0	0
Repair & Maint Vehicles	0	Maintenance	0	0	0	0	0
Repair & Maint-Water Lines	0	Maintenance	0	0	0	0	0
Licenses and Permits	0	Inflation	0	0	0	0	0
Office Supplies	0	Inflation	0	0	0	0	0
Operating Supplies	0	Inflation	0	0	0	0	0
Uniforms	0	Inflation	0	0	0	0	0
Tools, Small Equipment	0	Inflation	0	0	0	0	0
Chemicals & Chlorine Gas	0	W Prod	0	0	0	0	0
Gas & Oil	0	Inflation	0	0	0	0	0
Memberships/Dues	0	Inflation	0	0	0	0	0
Training	0	Inflation	0	0	0	0	0
E20 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Capital Outlay							
Land Acquisition	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Buildings/Bldg Improvements	0	N/A	0	0	0	0	0
Infrastructure	0	N/A	0	0	0	0	0
Machinery and Equipment	0	N/A	0	0	0	0	0
Inventory Purchases	0	N/A	0	0	0	0	0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3300 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Wastewater							
Personnel Services							
Salaries	\$719,000	Labor	\$740,600	\$762,900	\$785,800	\$809,400	\$833,700
Additional Personnel	0	Input	52,400	54,000	55,700	57,400	59,200
Overtime	50,000	Labor	51,500	53,100	54,700	56,400	58,100
Fica Taxes	44,600	Labor	46,000	47,400	48,900	50,400	52,000
Medicare Taxes	10,400	Labor	10,800	11,200	11,600	12,000	12,400
Retirement Contributions	77,500	Labor	79,900	82,300	84,800	87,400	90,100
Group Health	170,700	Ins-Health	179,300	188,300	197,800	207,700	218,100
Worker's Compensation	17,400	Labor	18,000	18,600	19,200	19,800	20,400
E10 Sub Totals:	\$1,089,600		\$1,178,500	\$1,217,800	\$1,258,500	\$1,300,500	\$1,344,000
Operating Expenditures							
Medical Services	\$500	Inflation	\$600	\$700	\$800	\$900	\$1,000
Professional Services	500,000	Inflation	50,000	51,300	52,600	54,000	55,400
Contractual Services	500	Inflation	600	700	800	900	1,000
Contractual Hauling	95,000	WW Flow	98,900	102,500	106,100	109,900	113,800
Property Tax	100	Inflation	200	300	400	500	600
Telephone	12,000	Inflation	12,400	12,800	13,200	13,600	14,000
Freight and Postage Services	500	Inflation	600	700	800	900	1,000
Electricity	400,000	WW Flow	416,200	431,100	446,200	461,800	478,200
Water & Sewer Expense	12,000	Inflation	12,400	12,800	13,200	13,600	14,000
Refuse Removal	6,000	Inflation	6,200	6,400	6,600	6,800	7,000
Copy Machine Leases	0	Inflation	0	0	0	0	0
Property and Casualty Insurance	264,400	Inflation	272,400	279,300	286,300	293,500	300,900
Repair & Maint-Buildings	28,000	Maintenance	28,900	29,800	30,700	31,700	32,700
Repair & Maint-Equipment	90,000	Maintenance	92,700	95,500	98,400	101,400	104,500
Repair & Maint Vehicles	25,000	Maintenance	25,800	26,600	27,400	28,300	29,200

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Sewer Operating Budget Projections

Description	Adjusted FY	Escalation	Fiscal Year Ending September 30,				
	2023	Factor	2024	2025	2026	2027	2028
Repair & Maint-Infrastructure	125,000	Maintenance	128,800	132,700	136,700	140,900	145,200
Licenses and Permits	1,500	Inflation	1,600	1,700	1,800	1,900	2,000
Office Supplies	1,200	Inflation	1,300	1,400	1,500	1,600	1,700
Operating Supplies	35,000	Inflation	36,100	37,100	38,100	39,100	40,100
Uniforms	5,000	Inflation	5,200	5,400	5,600	5,800	6,000
Tools, Small Equipment	6,000	Inflation	6,200	6,400	6,600	6,800	7,000
Chemicals & Chlorine Gas	250,000	WW Flow	260,100	269,400	278,900	288,700	299,000
Laboratory Analysis	25,000	Inflation	25,800	26,500	27,200	27,900	28,600
Gas & Oil	35,000	Inflation	36,100	37,100	38,100	39,100	40,100
Memberships/Dues	1,800	Inflation	1,900	2,000	2,100	2,200	2,300
Training	15,000	Inflation	15,500	15,900	16,300	16,800	17,300
Depreciation Expense	0	Inflation	0	0	0	0	0
E20 Sub Totals:	\$1,934,500		\$1,536,500	\$1,586,100	\$1,636,400	\$1,688,600	\$1,742,600
Capital Outlay							
Land Acquisition	\$0	N/A	\$0	\$0	\$0	\$0	\$0
Buildings/Bldg Improvements	0	N/A	0	0	0	0	0
Machinery and Equipment	0	N/A	0	0	0	0	0
Capital Purchases Inventory	0	N/A	0	0	0	0	0
Infrastructure	0	N/A	0	0	0	0	0
E40 Sub Totals:	\$0		\$0	\$0	\$0	\$0	\$0
Dept 3500 Sub Totals:	\$3,024,100		\$2,715,000	\$2,803,900	\$2,894,900	\$2,989,100	\$3,086,600
Expense Totals:	\$4,714,100		\$4,462,100	\$4,424,600	\$4,569,700	\$4,719,400	\$4,874,900

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Capital Improvement Program - Inflated

Project Description	Funding	Fiscal Year						TOTAL
	Source	2023	2024	2025	2026	2027	2028	
Annual CIP Inflation Percentage		0.0%	3.0%	2.5%	2.5%	2.5%	2.5%	
Cumulative CIP Inflation Percentage		0.0%	3.0%	5.6%	8.2%	10.9%	13.7%	

Water Projects

New Well Construction	W_Capacity Fees	\$0	\$257,500	\$1,583,600	\$0	\$0	\$0	\$1,841,100
12" Water, Chancey/CR39 Copeland to Tucker	W_Capacity Fees	2,000,000	0	0	0	0	0	2,000,000
8" Water Main Extension, Alston Ave to Tucker Road along Gall Blvd	W_Capacity Fees	800,000	0	0	0	0	0	800,000
8" Water Main Extension, Eiland Blvd./ Massey Rd. to Fort King Rd.	W_Capacity Fees	800,000	0	0	0	0	0	800,000
Hidden River Tie in	Reserves	0	0	316,700	0	0	0	316,700
Sunburst Water System	W_SRF_2024	0	1,030,000	0	0	0	0	1,030,000
Pressure issues north	Reserves	0	0	0	0	0	0	0
Water Line Renewals & Replacement	W_Pay-Go	200,000	206,000	211,200	216,400	221,800	227,400	1,282,800
FDOT One-way Pairs Utility Relocation	W_Pay-Go	0	0	0	0	0	0	0
8" Water Main Extension Palm Grove Dr./Autumn Palm Dr. to 301	W_Capacity Fees	0	0	527,900	0	0	0	527,900
SWFWMD Permit Mod's	W_Pay-Go	100,000	0	158,400	0	166,400	227,400	652,200
Well Rehab	W_Pay-Go	70,000	103,000	105,600	108,200	110,900	113,700	611,400
New Water Department, Design, Engineering, Buildings, Construction, etc	W_SRF_2024	0	3,605,000	0	0	0	0	3,605,000
Well Building Rehab/Replacement	W_SRF_2024	0	824,000	0	0	0	0	824,000
Well Building Evaluation	W_Pay-Go	100,000	0	0	0	0	0	100,000
Equipment, Vehicles	W_Pay-Go	243,000	103,000	105,600	108,200	110,900	113,700	784,400
Inventory Purchases from the Operating Budget	W_Pay-Go	500,000	515,000	527,900	541,100	554,600	568,500	3,207,100

Utility Billing Projects

Capital Outlay from the Operating Budget	Reserves	200,000	0	0	0	0	0	200,000
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Sewer Projects

12" Reclaimed Water Interconnect with Pasco County. CR54/Dairy to Simons Rd. Along Eiland Blvd.	Reserves	1,000,000	0	0	0	0	0	1,000,000
12" Reclaimed Water Interconnect with Pasco County. CR54/Dairy to Simons Rd. Along Eiland Blvd. (Grant)	Grant	1,000,000	0	0	0	0	0	1,000,000
12" Reclaimed Water Main Wire Rd and Otis Allen to Scotland Yards Golf Course	S_SRF_2026	0	0	0	0	2,218,400	0	2,218,400
Major LS and Force Main, 23rd/Otis Allen to CR35 to Chancey/CR54	S_Capacity Fees	1,500,000	0	0	0	0	0	1,500,000
Major LS and Force Main, 23rd/Otis Allen to CR35 to Chancey/CR54 (Grant)	Grant	6,500,000	0	0	0	0	0	6,500,000
Main Force Main to the WWTP	S_SRF_2023	0	3,090,000	0	0	0	0	3,090,000
Effluent Pump Station Upgrade	S_SRF_2023	1,000,000	0	0	0	0	0	1,000,000
Lift Station at WWTP	Reserves	0	154,500	0	0	0	0	154,500
Force Main from Pretty Pond and 23rd St, east to Forbes, south to CR54, and east to LS 63	S_SRF_2026	0	0	0	0	0	1,136,900	1,136,900
Crystal Springs Water Quality Improvement	S_SRF_2026	0	0	0	4,328,600	0	0	4,328,600
Crystal Springs Water Quality Improvement (Grant)	Grant	0	0	0	0	0	0	0
WWTP SCADA System Upgrade	S_Pay-Go	25,000	25,800	26,400	27,100	27,700	28,400	160,400
Septic to Sewer Projects	S_SRF_2023	650,000	1,030,000	1,055,800	0	0	0	2,735,800
Septic to Sewer Projects (Grant)	Grant	650,000	1,030,000	1,055,800	0	0	0	2,735,800
WWTP Permit Renewal Exp 2022	S_Pay-Go	75,000	0	0	0	0	0	75,000
System Evaluation and Mapping	S_Pay-Go	100,000	103,000	105,600	108,200	110,900	113,700	641,400
Sewer Line Renewal and Replacement	S_Pay-Go	300,000	309,000	316,700	324,600	332,800	341,100	1,924,200
Sewer Manhole Major Rehabilitation	S_Pay-Go	200,000	206,000	211,200	216,400	221,800	227,400	1,282,800
Lift Station Alarm Upgrades	S_Pay-Go	70,000	72,100	73,900	75,800	83,200	85,300	460,300
Lift Station Major Rehabilitation	S_Pay-Go	300,000	309,000	316,700	324,600	332,800	341,100	1,924,200
Lift Station Generators	S_Pay-Go	125,000	128,800	132,000	162,300	166,400	170,500	885,000
Digester Rehab	S_Pay-Go	0	0	211,200	0	0	0	211,200
WWTP Generator Replacement & Building A under generator power	S_SRF_2023	0	875,500	0	0	0	0	875,500
Master Plan Update	Reserves	250,000	0	0	0	0	284,200	534,200
New gearbox & shaft for SHT #1	S_Pay-Go	0	154,500	0	0	0	0	154,500
Pole Barn (cover) for equip	S_Pay-Go	0	77,300	0	0	0	0	77,300
Machinery, Equipment, Vehicles	S_Pay-Go	100,000	103,000	105,600	108,200	110,900	113,700	641,400
TOTALS		\$18,858,000	\$14,312,000	\$7,147,800	\$6,649,700	\$4,769,500	\$4,093,000	\$55,830,000

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Capital Improvement Program - Inflated

Project Description	Funding	Fiscal Year						TOTAL
	Source	2023	2024	2025	2026	2027	2028	
Annual Project Funding Analysis								
Water Revenues	W_Pay-Go	\$1,213,000	\$927,000	\$1,108,700	\$973,900	\$1,164,600	\$1,250,700	\$6,637,900
Sewer Revenues	S_Pay-Go	1,295,000	1,488,500	1,499,300	1,347,200	1,386,500	1,421,200	8,437,700
Utility Operating Reserves	Reserves	1,450,000	154,500	316,700	0	0	284,200	2,205,400
Unfunded Projects	Unfunded	0	0	0	0	0	0	0
Water Capacity Fees	W_Capacity Fees	3,600,000	257,500	2,111,500	0	0	0	5,969,000
Sewer Capacity Fees	S_Capacity Fees	1,500,000	0	0	0	0	0	1,500,000
Clean Water SRF Loan WW510550	2022 SRF Loan	0	0	0	0	0	0	0
2023 Drinking Water SRF Loan	W_SRF_2023	0	0	0	0	0	0	0
2023 Clean Water SRF Loan	S_SRF_2023	1,650,000	4,995,500	1,055,800	0	0	0	7,701,300
2024 Drinking Water SRF Loan	W_SRF_2024	0	5,459,000	0	0	0	0	5,459,000
2026 Clean Water SRF Loan	S_SRF_2026	0	0	0	4,328,600	2,218,400	1,136,900	7,683,900
2024 Revenue Bond Issue	2024 Rev Bond	0	0	0	0	0	0	0
Other	Other	0	0	0	0	0	0	0
Grant	Grant	8,150,000	1,030,000	1,055,800	0	0	0	10,235,800
Total Funding Sources		\$18,858,000	\$14,312,000	\$7,147,800	\$6,649,700	\$4,769,500	\$4,093,000	\$55,830,000

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Projected Water Revenue Requirements

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operating Expenses	\$3,374,100	\$3,539,000	\$3,400,000	\$3,511,600	\$3,626,400	\$3,745,600
Debt Service						
Clean Water SRF Loan WW805020	\$0	\$0	\$0	\$0	\$0	\$0
Clean Water SRF Loan WW805030	0	0	0	0	0	0
Clean Water SRF Loan WW510531	0	0	0	0	0	0
Clean Water SRF Loan WW510550	0	0	0	0	0	0
Proposed Debt Service	0	0	379,500	379,500	379,500	379,500
Total Debt Service	\$0	\$0	\$379,500	\$379,500	\$379,500	\$379,500
Other Expenditures						
Series 2016 BB&T Lease	\$427,990	\$427,990	\$427,990	\$427,990	\$0	\$0
CIP Funding	1,213,000	927,000	1,108,700	973,900	1,164,600	1,250,700
Placeholder for other expenditures	0	0	0	0	0	0
Total Other Expenditures	\$1,640,990	\$1,354,990	\$1,536,690	\$1,401,890	\$1,164,600	\$1,250,700
Total Gross Water Revenue Requirements	\$5,015,090	\$4,893,990	\$5,316,190	\$5,292,990	\$5,170,500	\$5,375,800
Less Revenues from Other Sources						
Miscellaneous Revenues	\$27,120	\$27,120	\$27,120	\$27,120	\$27,120	\$27,120
Placeholder for revenues from other sources	0	0	0	0	0	0
Transfer from Utility Operating Reserve	0	0	0	0	0	0
Net Water Revenue Requirements	\$4,987,970	\$4,866,870	\$5,289,070	\$5,265,870	\$5,143,380	\$5,348,680
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$4,248,400	\$4,310,700	\$4,372,400	\$4,435,900	\$4,499,400	\$4,565,100
Total Revenue from Prior Increase	0	0	131,200	247,300	369,600	498,500
Total Revenue Before Current Year Adjustment	\$4,248,400	\$4,310,700	\$4,503,600	\$4,683,200	\$4,869,000	\$5,063,600
Current Year Rate Adjustments						
Current Year Rate Adjustment	0.00%	3.00%	2.50%	2.50%	2.50%	2.50%
Effective Month	Jan.	Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective	75%	100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments	\$0	\$129,300	\$112,600	\$117,100	\$121,700	\$126,600
Annual Water Rate Revenue	\$4,248,400	\$4,440,000	\$4,616,200	\$4,800,300	\$4,990,700	\$5,190,200
Net Revenue Surplus/(Deficiency)	(\$739,570)	(\$426,870)	(\$672,870)	(\$465,570)	(\$152,680)	(\$158,480)

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Projected Sewer Revenue Requirements

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operating Expenses	\$4,714,100	\$4,462,100	\$4,424,600	\$4,569,700	\$4,719,400	\$4,874,900
Debt Service						
Clean Water SRF Loan WW805020	\$653,179	\$653,179	\$653,179	\$653,179	\$653,179	\$653,179
Clean Water SRF Loan WW805030	506,081	506,081	506,081	506,081	506,081	506,081
Clean Water SRF Loan WW510531	339,993	339,993	339,993	339,993	339,993	339,993
Clean Water SRF Loan WW510550	62,451	62,451	62,451	62,451	62,451	62,451
Proposed Debt Service	0	0	0	494,700	494,700	1,009,700
Total Debt Service	\$1,561,704	\$1,561,704	\$1,561,704	\$2,056,404	\$2,056,404	\$2,571,404
Other Expenditures						
Series 2016 BB&T Lease	\$309,924	\$309,924	\$309,924	\$309,924	\$0	\$0
CIP Funding	1,295,000	1,488,500	1,499,300	1,347,200	1,386,500	1,421,200
Placeholder for other expenditures	0	0	0	0	0	0
Total Other Expenditures	\$1,604,924	\$1,798,424	\$1,809,224	\$1,657,124	\$1,386,500	\$1,421,200
Total Gross Sewer Revenue Requirements	\$7,880,728	\$7,822,228	\$7,795,528	\$8,283,228	\$8,162,304	\$8,867,504
Less Revenues from Other Sources						
Miscellaneous Revenues	\$66,095	\$66,080	\$66,080	\$66,080	\$66,080	\$66,080
Placeholder for revenues from other sources	0	0	0	0	0	0
Transfer from Utility Operating Reserve	0	0	0	0	0	0
Net Sewer Revenue Requirements	\$7,814,633	\$7,756,148	\$7,729,448	\$8,217,148	\$8,096,224	\$8,801,424
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$7,649,800	\$7,742,400	\$7,835,000	\$7,927,700	\$8,020,200	\$8,118,000
Total Revenue from Prior Increase	0	0	235,100	442,000	658,800	886,500
Total Revenue Before Current Year Adjustment	\$7,649,800	\$7,742,400	\$8,070,100	\$8,369,700	\$8,679,000	\$9,004,500
Current Year Rate Adjustments						
Current Year Rate Adjustment	0.00%	3.00%	2.50%	2.50%	2.50%	2.50%
Effective Month	Jan.	Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective	75%	100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments	\$0	\$232,300	\$201,800	\$209,200	\$217,000	\$225,100
Annual Sewer Rate Revenue	\$7,649,800	\$7,974,700	\$8,271,900	\$8,578,900	\$8,896,000	\$9,229,600
Net Revenue Surplus/(Deficiency)	(\$164,833)	\$218,552	\$542,452	\$361,752	\$799,776	\$428,176

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Combined System Projected Debt Service Coverage

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
System Revenues						
Total Water Rate Revenue	\$4,248,400	\$4,440,000	\$4,616,200	\$4,800,300	\$4,990,700	\$5,190,200
Total Sewer Rate Revenue	7,649,800	7,974,700	8,271,900	8,578,900	8,896,000	9,229,600
Total Rate Revenue	\$11,898,200	\$12,414,700	\$12,888,100	\$13,379,200	\$13,886,700	\$14,419,800
Other Operating Revenues	\$93,215	\$93,200	\$93,200	\$93,200	\$93,200	\$93,200
Placeholder for other operating revenues	0	0	0	0	0	0
Total System Revenues	\$11,991,415	\$12,507,900	\$12,981,300	\$13,472,400	\$13,979,900	\$14,513,000
Operating Expenses						
Water Operating Expenses	\$3,374,100	\$3,539,000	\$3,400,000	\$3,511,600	\$3,626,400	\$3,745,600
Sewer Operating Expenses	4,714,100	4,462,100	4,424,600	4,569,700	4,719,400	4,874,900
Total Operating Expenses	\$8,088,200	\$8,001,100	\$7,824,600	\$8,081,300	\$8,345,800	\$8,620,500
Net Operating Revenue	\$3,903,215	\$4,506,800	\$5,156,700	\$5,391,100	\$5,634,100	\$5,892,500
Debt Service						
Clean Water SRF Loan WW805020	\$653,179	\$653,179	\$653,179	\$653,179	\$653,179	\$653,179
Clean Water SRF Loan WW805030	506,081	506,081	506,081	506,081	506,081	506,081
Clean Water SRF Loan WW510531	339,993	339,993	339,993	339,993	339,993	339,993
Clean Water SRF Loan WW510550	62,451	62,451	62,451	62,451	62,451	62,451
Proposed Debt Service	0	0	379,500	874,200	874,200	1,389,200
Total Debt Service	\$1,561,704	\$1,561,704	\$1,941,204	\$2,435,904	\$2,435,904	\$2,950,904
Debt Service Coverage						
Net Revenue (Excludes Capacity Fees)	\$3,903,215	\$4,506,800	\$5,156,700	\$5,391,100	\$5,634,100	\$5,892,500
Capacity Fees	1,283,400	671,400	671,400	671,400	682,800	718,200
Available for Debt Service	\$5,186,615	\$5,178,200	\$5,828,100	\$6,062,500	\$6,316,900	\$6,610,700
Coverage Ratio Calculated	3.32	3.32	3.00	2.49	2.59	2.24
Coverage Ratio Required	1.15	1.15	1.15	1.15	1.15	1.15
Net Revenues Less Debt Service	\$2,341,511	\$2,945,096	\$3,215,496	\$2,955,196	\$3,198,196	\$2,941,596
Other Expenses/Transfers:						
Series 2016 BB&T Lease	\$737,915	\$737,915	\$737,915	\$737,915	\$0	\$0
CIP Funding	2,508,000	2,415,500	2,608,000	2,321,100	2,551,100	2,671,900
Placeholder for other expenditures	0	0	0	0	0	0
Total Other Expenses/Transfers	\$3,245,915	\$3,153,415	\$3,345,915	\$3,059,015	\$2,551,100	\$2,671,900
Net Surplus/(Deficit)	(\$904,404)	(\$208,319)	(\$130,419)	(\$103,819)	\$647,096	\$269,696

City of Zephyrhills
2023 Utility Revenue Sufficiency Study
Utility Fund Balance Projections

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Utility Operating Reserve						
Beginning Balance	\$6,886,482	\$4,532,079	\$4,169,260	\$3,722,141	\$3,618,323	\$4,265,419
Operating Surplus/(Deficit)	(904,404)	(208,319)	(130,419)	(103,819)	647,096	269,696
Other Transfers In	0	0	0	0	0	0
CIP Expenditures	(1,450,000)	(154,500)	(316,700)	0	0	(284,200)
Transfer to Operations	0	0	0	0	0	0
Other Transfers Out	0	0	0	0	0	0
Ending Balance	\$4,532,079	\$4,169,260	\$3,722,141	\$3,618,323	\$4,265,419	\$4,250,914
Min Target Balance (6 Months O&M Exp.)	\$4,044,100	\$4,000,600	\$3,912,300	\$4,040,700	\$4,172,900	\$4,310,300
Water & Sewer Utility Capacity Fees						
Beginning Balance	\$5,796,255	\$1,989,655	\$2,413,555	\$983,455	\$1,664,855	\$2,357,655
From New Customers	1,283,400	671,400	671,400	671,400	682,800	718,200
Interest Income	10,000	10,000	10,000	10,000	10,000	10,000
CIP Expenditures	(5,100,000)	(257,500)	(2,111,500)	0	0	0
Ending Balance	\$1,989,655	\$2,413,555	\$983,455	\$1,664,855	\$2,357,655	\$3,085,855