

# Regular Board Item

## Member Revenue Options *(Information Item)*

# Projected Annual Payments

## 2025 Business Plan – Final Estimates (All Agreements)

Member	Proposed 2026	2027	2028	2029	2030	2031	2032	2033
Auburndale	\$ 629,091	\$ 809,937	\$ 4,181,540	\$ 4,748,180	\$ 4,831,368	\$ 4,972,123	\$ 5,462,537	\$ 6,030,142
Bartow	\$ 201,956	\$ 357,117	\$ 1,132,016	\$ 1,253,359	\$ 1,271,899	\$ 1,317,899	\$ 1,752,154	\$ 2,161,465
Davenport	\$ 980,546	\$ 1,069,421	\$ 6,544,740	\$ 7,478,950	\$ 7,614,210	\$ 7,837,073	\$ 8,484,394	\$ 9,279,325
Dundee	\$ 324,766	\$ 387,425	\$ 2,214,394	\$ 2,523,348	\$ 2,568,111	\$ 2,641,849	\$ 2,855,972	\$ 3,118,916
Eagle Lake	\$ 235,434	\$ 256,715	\$ 1,565,540	\$ 1,788,880	\$ 1,821,250	\$ 1,874,563	\$ 2,029,352	\$ 2,219,430
Fort Meade	\$ 2,041	\$ 8,739	\$ 11,468	\$ 11,582	\$ 11,711	\$ 11,846	\$ 11,987	\$ 12,134
Haines City	\$ 1,274,623	\$ 1,473,278	\$ 8,554,339	\$ 9,756,825	\$ 9,931,678	\$ 10,219,262	\$ 11,052,906	\$ 12,076,475
Lake Alfred	\$ 361,928	\$ 396,270	\$ 2,407,191	\$ 2,750,399	\$ 2,800,204	\$ 2,882,190	\$ 3,120,079	\$ 3,412,188
Lake Hamilton	\$ 180,389	\$ 196,170	\$ 1,203,314	\$ 1,375,139	\$ 1,399,999	\$ 1,440,972	\$ 1,560,020	\$ 1,706,219
Lake Wales	\$ 7,862	\$ 54,976	\$ 74,645	\$ 75,143	\$ 75,740	\$ 76,364	\$ 77,013	\$ 77,691
Lakeland	\$ 1,201,077	\$ 2,244,315	\$ 2,625,798	\$ 2,615,346	\$ 2,625,397	\$ 2,916,406	\$ 9,043,506	\$ 14,395,836
Mulberry	\$ 1,093	\$ 2,708	\$ 2,721	\$ 2,804	\$ 2,905	\$ 3,011	\$ 3,121	\$ 3,236
Polk City	\$ 6,748	\$ 10,717	\$ 10,544	\$ 10,355	\$ 10,446	\$ 11,858	\$ 40,893	\$ 66,230
Polk County	\$ 1,450,632	\$ 2,181,405	\$ 9,260,711	\$ 10,423,643	\$ 10,596,571	\$ 10,922,259	\$ 12,682,532	\$ 14,506,278
Winter Haven	\$ 597,116	\$ 819,238	\$ 3,950,024	\$ 4,473,261	\$ 4,550,966	\$ 4,682,135	\$ 5,142,986	\$ 5,674,074
Frost Proof	\$ 936	\$ 2,113	\$ 2,188	\$ 2,267	\$ 2,349	\$ 2,434	\$ 2,524	\$ 2,616
<b>TOTAL</b>	<b>\$ 7,456,236</b>	<b>\$ 10,270,543</b>	<b>\$ 43,741,173</b>	<b>\$ 49,289,481</b>	<b>\$ 50,114,804</b>	<b>\$ 51,812,245</b>	<b>\$ 63,321,975</b>	<b>\$ 74,742,256</b>

# Member Revenue Options

1 Member special assessments

2 Capital connection fees

3 AWS surcharges

4 Monthly user fees

- Charges assessed against the property of a particular locality because that property derives some special benefit from the expenditure of the money
- Examples of other types of special assessments: fire protection, street improvements, septic to sewer, etc.
- Requires a method be developed to spread costs among benefited properties
- Spreads cost across more than just current customers of the utility system
- **Not an option previously favored by members**

- Charges imposed against **new development, rather than existing customers**
- Matches **capital cost** of facilities to the demand for capacity created by new development
- One-time fee collected as growth occurs
- May be pledged to support members' share of project capital-related debt service requirements
- PRWC current working with Florida Water Partners to update capacity costs**

## Southeast Project Capacity Costs at Build-out

<u>Description</u>	<u>Amount May 2023 <sup>1</sup></u>
<b>Total Supply, Treatment &amp; Transmission Costs</b>	<b>\$550,077,316</b>
Less SWFWMD Obligation	(189,015,500)
Less Other Grants & Funding Sources	<u>(16,383,223)</u>
<b>Total PRWC Obligation <sup>2</sup></b>	<b>\$344,678,593</b>
Service Capacity (MGD)	<u>15.0</u>
<b>Total Capital Cost per Gallon <sup>2</sup></b>	<b>\$22.98</b>

[1] Build-out assumed to occur on or before FY37. Includes a total of 30% contingency plus a 3.0% annual allowance for future inflation.

[2] Amount subject to changed as capital costs are updated and as new funding sources may become available.

- Charges imposed against **new development, rather than existing customers**
- Matches **capital cost** of facilities to the demand for capacity created by new development
- One-time fee collected as growth occurs
- May be pledged to support members' share of project capital-related debt service requirements
- PRWC current working with Florida Water Partners to update capacity costs**

## West Polk Project Capacity Costs at Build-out

<u>Description</u>	<u>Amount May 2023 <sup>1</sup></u>
<b>Total Supply, Treatment &amp; Transmission Costs</b>	<b>\$413,510,424</b>
Less SWFWMD Obligation	(109,114,500)
Less Other Grants & Funding Sources	(4,541,093)
<b>Total PRWC Obligation <sup>2</sup></b>	<b>\$299,854,831</b>
Service Capacity (MGD)	10.0
<b>Total Capital Cost per Gallon <sup>2</sup></b>	<b>\$29.99</b>

[1] Build-out assumed to occur on or before FY37. Includes a total of 30% contingency plus a 3.0% annual allowance for future inflation.

[2] Amount subject to changed as capital costs are updated and as new funding sources may become available.

- Adds an additional user fee to a ratepayer's monthly bill to recover the operating and/or financing costs of the AWS project
- Can be presented as
  - % increase to water base and usage charge
  - Per-account flat charge
  - Allocation based on meter size
  - Flat charge per 1,000 gallons (Kgal)
- Polk County and the City of Davenport implemented surcharge policies in 2017 and 2019, respectively

- Typically fund cost of operating and financing utility systems
- Fund capital and O&M requirements
- Should be just and equitable
- Charged in exchange for a governmental service
- Are paid by current customers of the system
- Amount should recover all AWS operating and financing costs not recovered from assessments, capital connection fees, and/or AWS surcharges



# What needs to be recovered in rates?

- Administrative
- Customer and Billing
- Distribution and maintenance
- Distribution operations
- Debt Service Costs
- Renewal and Replacement
- Capital Outlay
- Fixed Operation Expenses
- Variable Operation Expenses
- PRWC fixed operating and Capital Costs \*
- PRWC variable operation expenses \*
- Less any other revenues options

# Discussion/Questions?