

Approved Operating Budget Fiscal Year 2017

June 20, 2016



Tampa Bay Water – 2017 Annual Budget
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Tampa Bay Water Board of Directors
June 2016

Ted Schrader _____ Chairman
Commissioner – Pasco County

Karl Nurse _____ Vice Chairman
Councilmember - City of St. Petersburg

Ken Hagan _____ Member
Commissioner - Hillsborough County

Sandra L. Murman _____ Member
Commissioner - Hillsborough County

Jack Mariano _____ Member
Commissioner - Pasco County

John Morroni _____ Member
Commissioner - Pinellas County

Dave Eggers _____ Member
Commissioner - Pinellas County

Rob Marlowe _____ Member
Mayor - City of New Port Richey

Charlie Miranda _____ Member
Councilmember - City of Tampa

Tampa Bay Water Executives

Matt Jordan, General Manager

Pennington, Moore, Wilkinson, Bell & Dunbar, P.A., General Counsel

Alison Adams – Chief Technical Officer

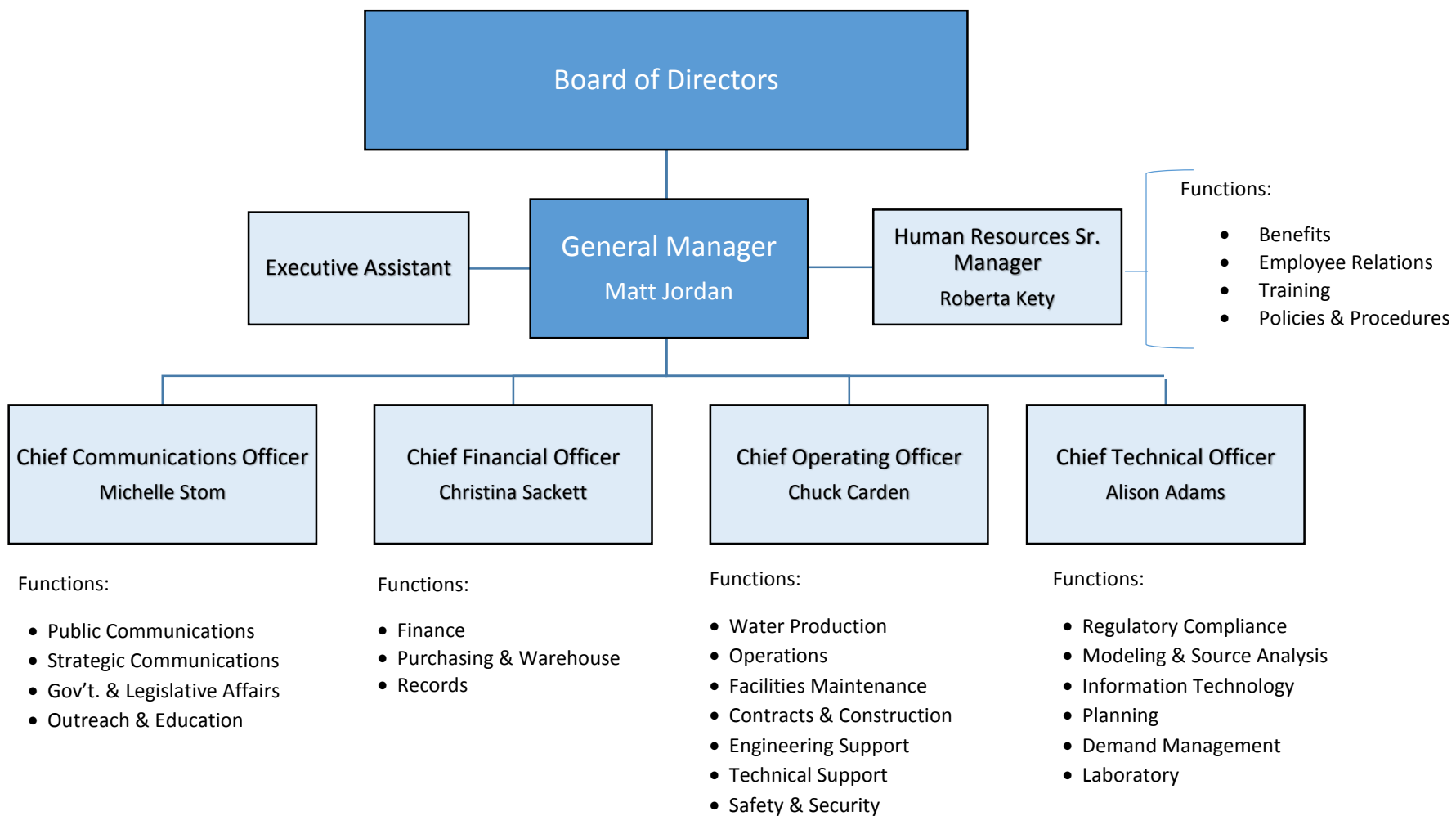
Charles Carden, Chief Operating Officer

Christina Sackett, Chief Financial Officer

Michelle Stom, Chief Communications Officer

Tampa Bay Water – 2017 Budget Organizational Chart

FY 2016 = 142 FTE
FY 2017 = 142 FTE + 4 Approved



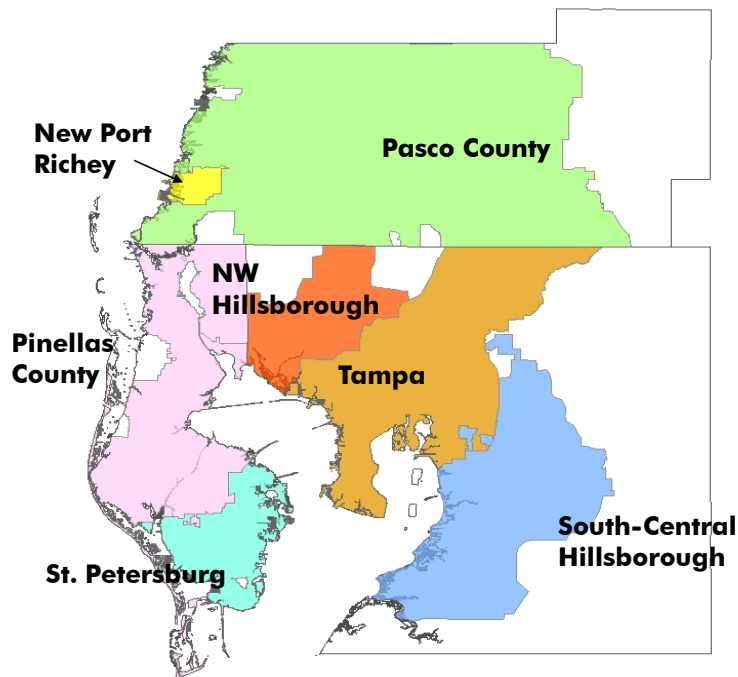
Tampa Bay Water – 2017 Annual Budget Agency Profile

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

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

The Agency provides quality drinking water to its six member governments whose water service areas serve the approximately 2.3 million residents in the Tampa Bay region.

Tampa Bay Water Service Areas



Tampa Bay Water – 2017 Annual Budget

Agency Profile

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

Groundwater:

- Cypress Creek Wellfield and Pump Station
- Eldridge-Wilde Wellfield
- Cross Bar Wellfield
- Morris Bridge Wellfield
- Cypress Bridge Wellfield
- Brandon Dispersed Wells
- Northwest Hillsborough Wellfield
- South Central Hillsborough Wellfield
- Cosme-Odessa/Section 21 Wellfields
- Starkey/N. Pasco Wellfield
- South Pasco Wellfield
- Carrollwood & Eagles Wells
- Keller Hydrogen Sulfide Treatment Facility
- Lithia Hydrogen Sulfide Treatment Facility

Surface Water:

- Tampa Bay Regional Water Treatment Facility
- Alafia River Pumping Station
- Tampa Bypass Canal/Hills River Pumping Stations
- C. W. Bill Young Regional Reservoir

Desalinated Water:

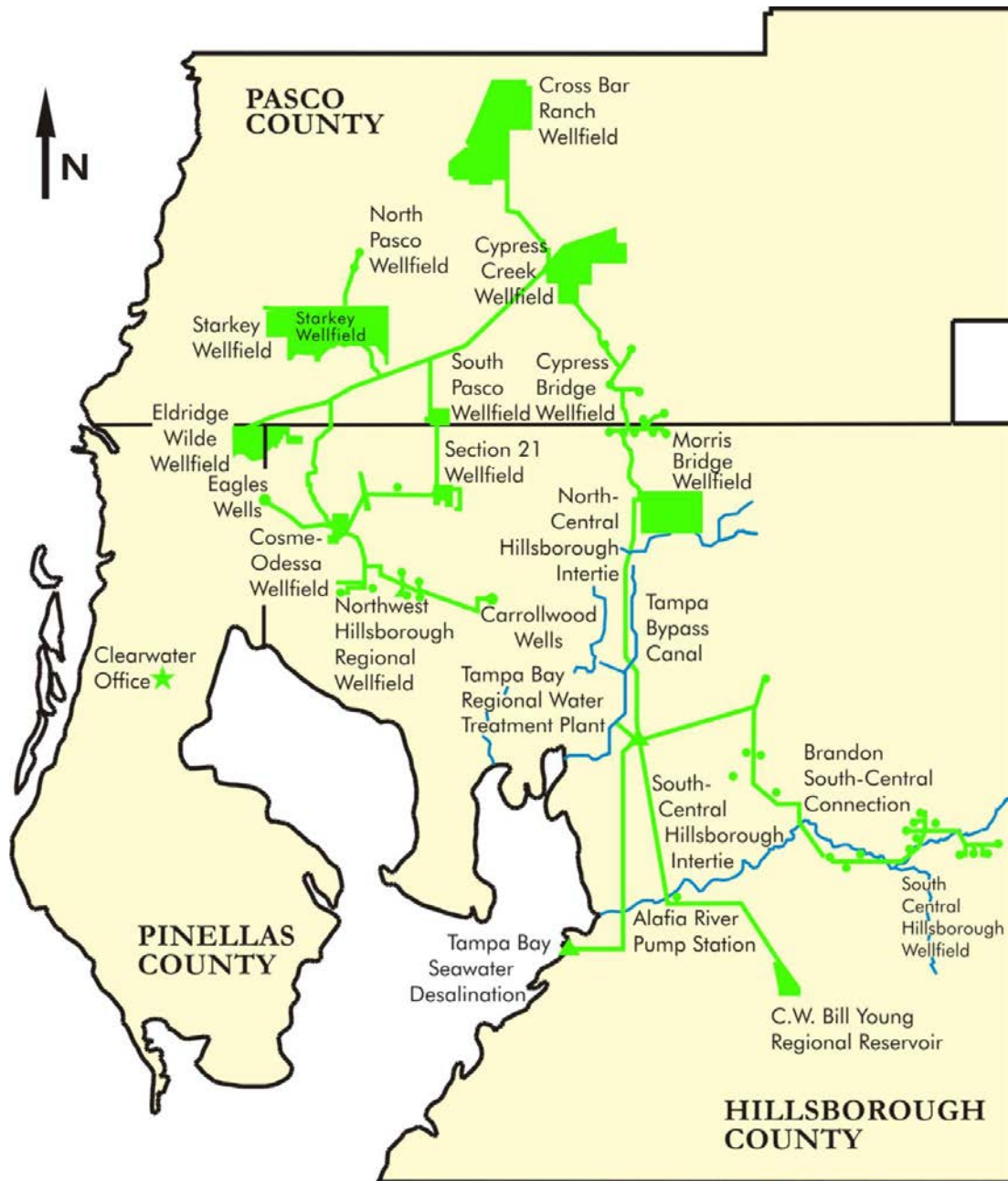
- Tampa Bay Water Seawater Desalination Facility

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

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

Tampa Bay Water – 2017 Annual Budget
Agency Profile

Tampa Bay Water Facility Locations



Tampa Bay Water - 2017 Annual Budget Strategic Planning

Strategic Planning

In April 2011, the Board of Directors adopted a new, 10-year strategic plan for the agency. The plan established clear policy direction for decision-making at all levels of the agency and included updated mission, vision and value statements. The Board's three long-standing policy goals of sustainability, reliability and affordability were confirmed through their adoption of four strategic initiatives as part of the strategic plan:

- To achieve a reliable water supply and delivery system;
- To continue to improve the efficiency of Tampa Bay Water's operations;
- To maintain the Agency's financial stability and sustainability; and
- To develop, maintain and improve collaborative relationships with stakeholders.

In 2014 the Strategic Plan was updated and a fifth strategic initiative was added:

- Uphold a health and safety culture.

The adoption of this plan, as well as recommendations from the 2010 and 2015 performance and management audits performed on the agency and the agency shift from focusing on designing and constructing major water supply facilities to managing and maintaining the over \$1 billion in infrastructure built, led to the agency reorganization.

Using water utility and industry guidance and standards, agency staff went through a series of workshops aimed at educating staff and department leadership about the concepts of organizational design and motivating department leaders to ask what each department does, how agency objectives are being accomplished and whether or not there are more efficient ways of completing work assignments. The workshops also led to the development of alternative organizational designs for the agency to achieve the Board objectives in the most effective and efficient ways.

At the General Manager's direction, a new organization chart was developed and implemented beginning in Fiscal Year 2013. Additional changes were made in fiscal year 2014. The new organizational design separated the agency into four divisions: Water Production, Finance & Administration, Public Affairs, and Science & Technology. The Human Resource Department is also a direct report to the General Manager. As part of the reorganization, each division is now focused on developing efficient work processes and creating performance measures to strive for efficiencies and affordable service.

Tampa Bay Water's new organization design focuses on the Mission, Vision and Value statements, better positions the agency to implement the Board's Strategic Plan, and implements recommendations from the performance audits.

MISSION STATEMENT

Tampa Bay Water reliably provides clean, safe water to the region now and for future generations.

VISION

*Be a model for regional water supply in the nation;
Be a leader in innovation and best practices; and
Be a respected member of the Tampa Bay community*

VALUES – THE PRINCIPLES THAT GUIDE US

Our employees and their safety are the keys to the agency's success.

We strive for continuous improvement in everything we do.

We fulfill our mission in partnership with our stakeholders in a responsible, efficient and environmentally sustainable manner

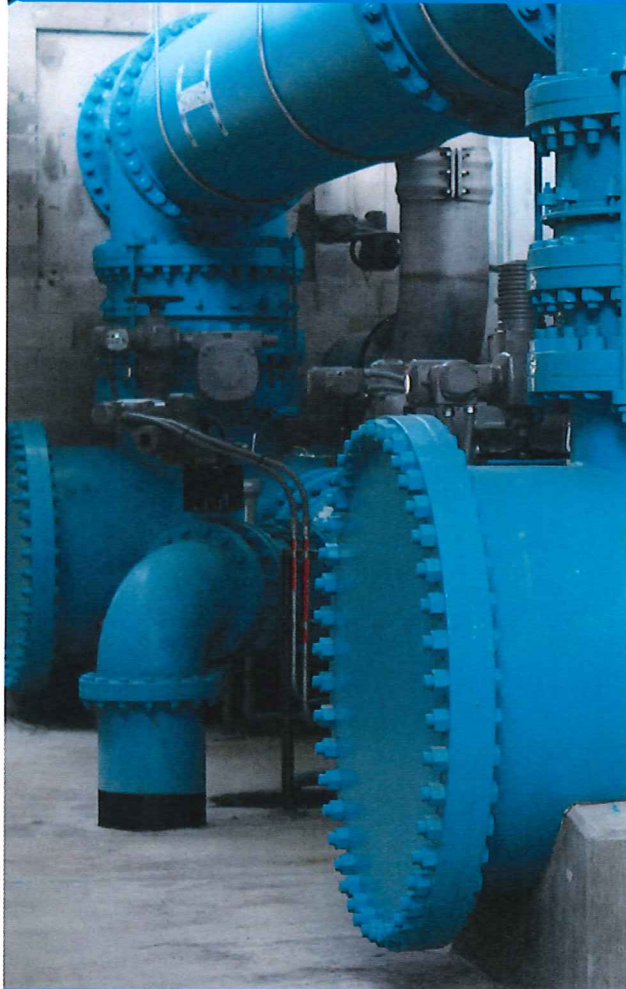
Tampa Bay Water - 2017 Annual Budget

Strategic Planning

GOAL

1

Maintain water supply and delivery system reliability and sustainability



OBJECTIVES & STRATEGIES

Objective 1-1: Maintain regional delivered water capacity of 225 million gallons per day through 2025

- Strategy 1: Implement 5-year Capital Improvement Program
- Strategy 2: Renew Consolidated Water Use Permit by 2021 at 90 mgd
- Strategy 3: Resolve easement and right-of-way conflicts within 90 days of notice
- Strategy 4: Achieve 90% accurate forecasting in weekly surface water availability versus actual availability
- Strategy 5: Complete 2014 Asset Management Implementation Plan by December 2017

Objective 1-2: Determine and maintain sustainable delivery capacity at each water treatment and pump station facility by Fiscal Year (FY) 2016

- Strategy 1: Complete Regional System baseline sustainable capacity by December 2015
- Strategy 2: Produce Renewal & Replacement model results by October annually
- Strategy 3: Complete Risk, Reliability, and Level of Service Assessment by December 2015

Objective 1-3: Update Long-term Master Water Plan and obtain Board approval by December 2018

- Strategy 1: Complete 2035 System Hydraulic Analysis and Emergency Scenarios by September 2014
- Strategy 2: Implement Water Use Efficiency Plan (Board resolution 2013-006)
- Strategy 3: Identify member government water demand needs, water supply alternatives, and conservation measures to meet demands for the 2015-2040 planning horizon through coordination with member government representatives

Objective 1-4: Achieve 100% regulatory compliance

- Strategy 1: Complete regulatory-required submissions
- Strategy 2: Run OROP weekly to establish source rotation schedule for operations
- Strategy 3: Implement permit-required environmental monitoring programs
- Strategy 4: Maintain regulatory water quality compliance at delivery points
- Strategy 5: Implement a document control process for the laboratory

Objective 1-5: Achieve compliance with water quality requirements at all points of connection

- Strategy 1: Implement critical source water reliability and protection activities by December 2017
- Strategy 2: Review 100% of land use and development proposals within 30 days of receipt of information from member governments
- Strategy 3: Assess current and future source water quality issues that may limit operational flexibility by October 2016
- Strategy 4: Create a comprehensive source water assessment program and implementation plan by October 2016
- Strategy 5: Assess the online water quality analyzer monitoring program by July 2015
- Strategy 6: Review critical water quality constraints quarterly

Objective 1-6: Meet member government daily water demands and water pressure requirements at the points of connection

- Strategy 1: Evaluate actual versus projected weekly demand forecasts at each point of connection
- Strategy 2: Perform monthly updates for source allocation
- Strategy 3: Achieve 95% accuracy in predicting annual water delivery versus actual water delivery for the member governments' water demand planning areas
- Strategy 4: Gather information and coordinate through regular meetings with the member governments (OCC, WQWG, etc.)

Tampa Bay Water - 2017 Annual Budget Strategic Planning

GOAL

2 Increase efficiency of all Agency operations

OBJECTIVES & STRATEGIES

Objective 2-1: Set level of service goals for essential functions every three years beginning in FY 2015

- Strategy 1: Identify essential functions
- Strategy 2: Review and accept level of service document
- Strategy 3: Prepare board report for levels of service
- Strategy 4: Identify key performance indicators
- Strategy 5: Build a reporting mechanism/dashboard
- Strategy 6: Implement the 2014 Information Technology Strategic Plan
- Strategy 7: Perform agency Performance and Management Audit every five years per the Interlocal Agreement

Objective 2-2: Measure, analyze and report to the Executive Team on the attainment of level of service goals in FY 2016

- Strategy 1: Establish the current conditions/baseline
- Strategy 2: Utilize a reporting mechanism/dashboard
- Strategy 3: Update/Review reporting mechanism with the Executive Team monthly

Objective 2-3: Implement a continual improvement program to create efficiencies and align level of service with agency goals in FY 2015

- Strategy 1: Create process to submit, review and recommend stand-alone efficiency project/process ideas
- Strategy 2: Develop procedures and policies for reviewing and recommending improvements
- Strategy 3: Develop procedures and policies to identify reoccurring and repetitive failures through tools such as root cause analysis, failure modes and effects analysis, or statistical analysis

Objective 2-4: Create a formal program for employee retention, knowledge retention, succession planning and employee training in FY 2016

- Strategy 1: Document essential job skills, functions, and experience needed to perform job assignments through Maximo, Munis, etc.
- Strategy 2: Periodically review and revise essential job skills, functions, and experience needed to perform job assignments
- Strategy 3: Develop Succession Plan for key positions
- Strategy 4: Maintain competitive benefit & compensation package to ensure successful recruitment and retention of qualified employees
- Strategy 5: Develop centralized retention of training records
- Strategy 6: Develop an umbrella training framework for the agency; audit and make changes periodically

Objective 2-5: Ensure integration of new and updated computer systems with the public records management program

- Strategy 1: Develop a process to review retention requirements of records stored in systems that are slated to be upgraded, replaced or taken out of use
- Strategy 2: Ensure records management requirements are addressed when new or enhanced IT systems are developed or purchased
- Strategy 3: Ensure electronic records containing confidential or exempt information are maintained, made accessible and disposed of in such a way that the information is not disclosed and, in case of disposal, cannot practicably be read or reconstructed
- Strategy 4: Provide electronic records management training for employees
- Strategy 5: Review developed, purchased or enhanced systems for possibility of automating record-keeping process



Tampa Bay Water - 2017 Annual Budget

Strategic Planning

GOAL

3 Maintain Financial Stability and Sustainability

OBJECTIVES & STRATEGIES

Objective 3-1: Improve budget predictability annually

- Strategy 1: Utilize the computer maintenance management system to fully capture operating and maintenance costs, beginning in 2015
- Strategy 2: Apply the revised long-term demand forecast models using water year 2013 as the baseline by September 2016
- Strategy 3: Develop a source water allocation model that accounts for both demand and supply uncertainties by 2016
- Strategy 4: Complete the business case for the implementation of the Capital Improvement Program software program by 2015
- Strategy 5: Annually update the Capital Improvement Program to determine resource allocation
- Strategy 6: Annually update the chemical and electrical model for accuracy of data
- Strategy 7: Annually provide two fiscal years of detailed rate information to member governments

Objective 3-2: Explore innovative opportunities to offset costs and increase revenue

- Strategy 1: In 2015, create a cross-functional team to perform business case evaluations on out-sourced services
- Strategy 2: In 2015, determine and implement a regular inventory review process
- Strategy 3: Annually identify, implement and track potential operational tactics for optimizing variable costs
- Strategy 4: Continue participation in rebate and incentive programs with the electrical providers
- Strategy 5: Annually review federal and state appropriations and grant opportunities to fund the capital and research project
- Strategy 6: In 2015, begin utilizing the computerized maintenance management system to minimize unplanned costs and maximize asset life
- Strategy 7: Review market conditions quarterly to develop and implement a plan in alignment with the Investment Policy to optimize rate of return

Objective 3-3: Pursue highest bond rating available

- Strategy 1: Maintain the current bond rating
- Strategy 2: Complete the development of a "debt profile" schematic in 2015
- Strategy 3: Implement a rating metrics plan in 2015
- Strategy 4: Properly follow financial protocols to ensure clean audits
- Strategy 5: Annually meet with the rating agencies to share our accomplishments and activities
- Strategy 6: Beginning in 2015, invite the rating agencies to tour our facilities

Objective 3-4: Measure, analyze, and further develop centralized purchasing to optimize cost savings

- Strategy 1: Identify and analyze any procurement processes occurring outside centralized purchasing and transition into centralized purchasing
- Strategy 2: Provide centralized purchasing education and information to staff and suppliers
- Strategy 3: Develop and implement criteria for adding and disposing inventory items to ensure availability, prevent obsolescence and increase cash flow
- Strategy 4: Update and develop new contract front-end documents incorporating tactical language to promote broader competition and eliminate prohibitive language
- Strategy 5: Annually identify cost savings opportunities through consolidating repetitive items into competitive bids

Tampa Bay Water - 2017 Annual Budget

Strategic Planning

GOAL

4

Maintain open, collaborative relationships with member governments and other stakeholders

OBJECTIVES & STRATEGIES

Objective 4-1: Formalize a communications and outreach plan that highlights projects and initiatives, successes, water policy, and regional supply and demand in FY 2015

- Strategy 1:** Conduct a situation analysis to understand the issues and opportunities
- Strategy 2:** Identify target audiences and develop communication strategies
- Strategy 3:** Inventory projects/programs that have communications/marketing elements
- Strategy 4:** Create communications calendar of project/programs for resource planning
- Strategy 5:** Measure, analyze and report on goals and objectives
- Strategy 6:** Determine forums and methodologies for publicizing and celebrating successes
- Strategy 7:** Create a tool to track staff involvement with professional speaking engagements, published articles, and involvement in professional organizations and research projects
- Strategy 8:** Develop an understanding of constraints between the Agency and member governments

Objective 4-2: Formalize an employee relations and communications plan in FY 2015

- Strategy 1:** Implement an employee satisfaction survey to establish a baseline for measuring employee satisfaction
- Strategy 2:** Inventory projects/programs/initiatives that have communications elements
- Strategy 3:** Measure, analyze and report on goals and objectives
- Strategy 4:** Encourage employees to have a customer service approach with stakeholders

Objective 4-3: Develop a formal government affairs program to monitor and address national, state, regional and local water supply issues, policies and funding opportunities in FY 2015

- Strategy 1:** Identify and pursue federal and state appropriations and grant opportunities to fund projects
- Strategy 2:** Develop priorities for member government coordination and implementation plan
- Strategy 3:** Develop outreach priorities for state agencies and other governmental entities and implementation plan
- Strategy 4:** Assess national and state professional organizations and other utilities legislative, regulatory, and policy initiatives and determine participation level in them

Objective 4-4: Develop a formal regulatory relations program in FY 2016

- Strategy 1:** Create a master document of what regulatory agencies we interact with regularly and who on staff is interacting
- Strategy 2:** Identify gaps and duplication in outreach efforts; address staffing and communication levels
- Strategy 3:** Create a formal schedule for annual regulatory agency meetings
- Strategy 4:** Identify regulatory issues (permits, rule-making, etc.) that staff will need to respond to in the next 3-5 years

GOAL

5 Uphold a Health and Safety Culture



OBJECTIVES & STRATEGIES

Objective 5-1: Formalize and implement the Health and Safety Program

- Strategy 1: Focus on key employee health and safety policy and procedures
- Strategy 2: Identify opportunity to improve accident reporting method and process by January 2015
- Strategy 3: Develop accident investigation process and reporting method by January 2015
- Strategy 4: Formalize a specific Health and Safety training plan that defines minimum job related training requirements for various job classifications by January 2016
- Strategy 5: Conduct annual audit of Health and Safety training program and recommend changes
- Strategy 6: Develop department specific plans and improvements to the workplace environment related to health, safety, and personnel security by January 2017
- Strategy 7: Complete job safety analysis (JSA) for individual work functions and determine any needed engineering controls (physical plant changes)

Objective 5-2: Measure, Analyze, and report to Executive Team on progress of the Health and Safety Program annually

- Strategy 1: Assess existing data management system capabilities by October 2014
- Strategy 2: Establish data management system in FY 2015
- Strategy 3: Annually establish targets/benchmarks for key performance metrics by January 2015

Objective 5-3: Maintain emergency preparedness through planning and employee training annually

- Strategy 1: Conduct annual review of Comprehensive Emergency Management Plan (CEMP) and update as needed
- Strategy 2: Plan and execute drills and exercises twice annually
- Strategy 3: Ongoing maintenance of CEMP supplies and equipment

Objective 5-4: Create and manage an ongoing vulnerability mitigation program for both physical and cyber risks

- Strategy 1: Conduct Department of Homeland Security Physical and Cyber vulnerability assessment
- Strategy 2: Conduct IT security testing annually

Objective 5-5: Maintain and modify facilities and infrastructure to meet safety and security requirements

- Strategy 1: Complete implementation of vulnerability assessment program improvements
- Strategy 2: Measure and evaluate the vulnerability assessment program

Goals, Objectives & Strategies for Fiscal Year 2017

For development of the Proposed Budget for Fiscal Year 2017, management considered the Agency's overarching responsibilities and the strategic plan. The proposed budget balances the three principal responsibilities of the Agency and works towards meeting the five goals of the 2014 updated Strategic Plan.

- **Responsibilities**
 - Reliable water supply
 - Environmental stewardship
 - Cost-effective rates

- **Strategic Plan Goals**
 - Reliability and sustainability
 - Efficiency
 - Financial stability
 - Relationships with stakeholders
 - Health and safety

GOAL

1

Maintain water supply and delivery system reliability and sustainability



Strategies for Fiscal Year 2017

- Implement Agency Asset Management Program
 - Continue upgrades to MAXIMO
 - Integrate Renewal & Replacement Program
 - Focus on Scheduled and Preventative Maintenance
- Update Long-Term Master Water Plan
 - Complete feasibility studies on potential projects
 - Conduct future needs analysis
 - Update demand management forecast
- Update Water Shortage Mitigation Plan
- Update Capital Improvement Program

GOAL

2 Increase efficiency of all Agency operations



Strategies for Fiscal Year 2017

- Implement Environmental Management System
 - Procure document management software
- Evaluate contract operations for efficiency and identify future opportunities
- Conduct agency staffing study
- Upgrade records management software

GOAL

3 Maintain Financial Stability and Sustainability



Strategies for Fiscal Year 2017

- Comply with new financial requirements with increased auditor services
- Use investment advisors to maximize rate of return on investments
- Maintain Agency's AA+ /Aa1 bond rating by maintaining cash reserves and optimizing debt refunding opportunities
- Update the chemical and electrical model for data and rate accuracy
- Implement regular inventory review process

GOAL

4 Maintain open, collaborative relationships with member governments and other stakeholders



Strategies for Fiscal Year 2017

- Implement Agency Communications Plan
 - Water Quality Campaign in coordination with member governments
 - Newspaper in Education
 - Speakers bureau
 - Sponsorship and participation in community events
- Upgrade agency website to mobile platform
- Coordinate source water protection mini grant program
- Implement agency legislative and grant funding plan

GOAL

5 Uphold a Health and Safety Culture



Strategies for Fiscal Year 2017

- Conduct employee emergency management training and two drills
- Complete Job Safety Analysis (JSA) for individual work functions
- Conduct employee safety training to maintain compliance with OSHA, etc.
- Formalize and implement facility inspection plan
- Implement recommendations in agency vulnerability assessment



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Tampa Bay Water
Florida**

For the Fiscal Year Beginning

October 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Tampa Bay Water, Florida for its annual budget for the year beginning October 1, 2015. In order to receive this award, a government unit must publish a budget document that meets criteria as a policy document, an organizational guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

General Manager's Budget Message

Fiscal Year 2017

The General Manager's Budget Message provides a summary of Tampa Bay Water's financial plan by highlighting major issues to be addressed in fiscal year 2017.

Board of Directors Ted Schrader, Karl Nurse, Dave Eggers, Ken Hagan, Jack Mariano,
Rob Marlowe, Charlie Miranda, John Morroni, Sandra Murman

General Manager Matthew W. Jordan

General Counsel Barrie S. Buenaventura, Pennington, P.A.

2575 Enterprise Road, Clearwater, FL 33763-1102

Phone: 727.796.2355 / Fax: 727.791.2388

www.tampabaywater.org



June 1, 2016

The Honorable Chair and Members of the Board of Directors
Tampa Bay Water
2575 Enterprise Road
Clearwater, Florida 33763

Commissioner Schrader and Members of the Board:

I am pleased to present the proposed Tampa Bay Water annual budget for Fiscal Year 2017 in accordance with Section 2.08 of the Amended and Restated Interlocal Agreement. This budget balances the board's three overarching goals of maintaining a reliable water supply system, being good stewards of the environment, and maintaining cost-effective rates. Additionally, this budget was put together with an eye toward meeting the goals in the agency's recently updated Strategic Plan, which include:

- Maintain water supply and delivery system reliability and sustainability
- Increase efficiency of all Agency operations
- Maintain financial stability and sustainability
- Maintain open, collaborative relationships with member governments and other stakeholders
- Uphold a health and safety culture

For Fiscal Year 2017, the Agency anticipates total water sales of 165 million gallons per day (mgd) and a uniform rate of \$2.559 per 1,000 gallons, **marking the sixth year in a row that the agency has charged this uniform water rate to its customers.** The Agency is able to hold the line on rates once again, due, in part, to the efficient and effective operation of its system.

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

- Reducing groundwater pumping by nearly 100 million gallons per day through the development of alternative water supplies.
- Achieving environmental recovery in many region's wetland areas.
- Improving environmental monitoring at new and existing agency facilities.

- Providing high-quality, safe drinking water that surpasses all state and federal standards to our member governments.
- Ending litigation among our members and regulatory agencies over water issues.

Policy Goals Used in Fiscal Year 2017 Budget Development

The Fiscal Year 2017 budget was put together with important agency policy goals in mind. Those goals included:

- Meeting the performance requirements of the Master Water Supply Contract to provide high-quality water to our six member governments.
- Operating our water supply facilities to improve supply delivery while also maintaining full compliance with all regulatory permits.
- Achieving the goals specified in the agency's recently updated strategic plan.
- Focusing on continually improving the efficiency and effectiveness of the agency's operations through ongoing implementation of the asset management program.
- Addressing key recommendations from the 2010 and 2015 Performance and Management Audit Reports and allocating our staff and financial resources to meet the boards' objectives for a sustainable and affordable water supply system.
- Continuing to balance and blend our multiple supplies of water sources to deliver high-quality, affordable water to our member governments.
- Examining the agency's use of outside consultants and evaluating staffing needs across the agency to ensure both human and fiscal resources are being efficiently allocated.
- Performing feasibility studies on future water supply projects and completing the future needs analysis to support the update of the Long-Term Master Water Plan.
- Refining the models used to accurately predict the need for new water supplies in the future.
- Safeguarding the public's investment of \$1.29 billion in the region's water supply and delivery system to ensure that both the water quality and water quantity meet the needs of the 2.3 million people in our region. Protecting that investment includes:
 - Focusing on the safety and security of our employees and our water supply facilities by preparing and exercising procedures and emergency preparedness plans for the staffing and operations of our water production facilities in disaster events.
 - Renewing and replacing existing infrastructure to ensure the optimal operation of our facilities over time.
 - Continuing to award community, environmental and educational organizations for projects that promote the protection of our drinking water sources through the Source Water Protection Mini-Grant Program.
- Continuing to develop and implement an employee training and knowledge retention program to address the succession planning required over the next several years as long-term employees leave the agency.
- Expanding the agency's outreach and education program to underscore the importance of a reliable, sustainable water supply for economic and regional growth and development.
- Working with our member governments on the coordination and sharing of utility best management practices.

- Working with our colleagues around the country on continuing research into changes in weather patterns and the impact of climate change upon the surface water systems serving our area.
- Maintaining a strong relationship with the Southwest Florida Water Management District, the Florida Department of Environmental Protection, and other regulatory agencies to ensure open and honest communication on regulatory, planning and financial matters.

Key Factors Affecting the Fiscal Year 2017 Budget

Increase in Annual Water Sales

The agency is projecting a 1 million gallon per day increase in water sales to our member governments over the 2016 budgeted water sales of 164 mgd. This is due, in part, to an upturn in growth in a few of our member governments' service areas. Despite the loss of some consecutive water customers to our member governments, the agency expects a steady trend in growth of water sales for future years and budgets.

Net Revenue Required From Water Sales

Another important factor in calculating the agency's water rate is net revenue required from water sales. The net revenue required must cover all of the agency's costs – debt service, variable costs, contracted costs and fixed costs. Lower electrical and chemical costs have reduced the budgeted variable costs for the sources used to meet the budgeted water sales. In addition, management continues to improve operational efficiencies and reduce fixed costs while maintaining our reliable water supply system. The agency has adequate reserve funds if needed for contingency, in the Rate Stabilization Account and the Utility Reserve.

Reduction in Annual Debt Costs Due to Bond Refunding

A key component of lowering costs in the proposed 2017 budget and future budget years was the refunding of several bond series in 2015 and 2016. In total, the agency saved more than \$70.6 million in debt service through issuing refunding bonds, Series 2015A/B and Series 2016A/B/C. The refundings will provide an average annual cash savings of \$2 million to \$4.2 million over fiscal years 2017 through 2039.

Sixth Consecutive Year at the Same Uniform Rate

Additionally, management focused on providing another year with no rate increase for Tampa Bay Water's customers. The approved rate of \$2.559 per 1,000 gallons is nearly 4 cents or 1.5 percent less than rates projected in the Fiscal Year 2016 budget and is the sixth year at this rate.

Water Demand Used in the 2017 Budget

The projected water sales to the six member governments is based on a multi-step process that takes into account the total water demand for each member government and for the region, as reflected in the Agency's long-term water demand forecasting models. These models produce retail and wholesale

water demands for each of the seven water demand planning areas served by our member governments based on annually updated projected socio-economic data and normal weather (rainfall and temperature conditions). The annual update of projected member government water demands is presented to the Board each December. These demand projections are also compared with each member government's annual report.

The 2017 budget was developed to reflect demand with average annual rainfall. Several members (City of Tampa, Pasco County and New Port Richey) supply water through their own facilities to meet a portion of their total water needs. The total regional water demand is reduced by the amount of water these members supply to themselves, resulting in the aggregate expected water demand for budget and planning purposes. The projected annual delivery to the member governments is significantly affected by the amount of water purchased by the City of Tampa, an uncertainty that is directly related to the amount of rainfall that may be experienced. For budgeting purposes, the City of Tampa's demand is budgeted at 6 million gallons per day (mgd) for Fiscal Year 2017. This 6 mgd is added back to the total amount of water expected for delivery to the member governments. This final value forms the basis of the budgeted uniform rate for Fiscal Year 2017. The projected water delivery to the member governments for Fiscal Year 2017 is 165 mgd. This compares to 164 mgd for Fiscal Year 2016. The slight increase in the projected demand is due to socio-economic projections which indicate that growth in the region is positive but slow.

The Agency's budget is developed each year with a focus on the expected rainfall for the year. Scenarios for operating the system maximize the use of available river water and managing groundwater resources to achieve environmental recovery around our wellfields and meet permit requirements. Source selection for 2017 includes use of the desalination facility at an annual average rate of 8 mgd. This will also assist in meeting environmental recovery.

The financial impact of reduced water sales is clear. Over time, the sale of fewer gallons of water means the unit cost per gallon rises as the Agency must recover fixed costs over a smaller sales base. Managing the financial performance with past declines, slow growth in demand and increases in operating costs presents a long-term challenge for the Agency. Agency reserves must be sufficient to withstand unexpected changes in demand so mid-year rate increases can be avoided. The Agency is proactive in funding reserve accounts for both the short and the long term. This allows the Agency to maintain rates with moderate-to-no increases year-to-year, to implement the renewal and replacement program, implement a comprehensive asset management program, and retain excellent credit ratings on debt service.

Operational Highlights for Fiscal Year 2017

The total amount of funding required to meet all agency fixed and variable expenses in 2017 is \$162,049,744 which represents a \$3 million cost savings from the Fiscal Year 2016 budget. Two million of this cost savings can be attributed to lowering the debt service on our bonds through re-fundings and decreasing variable costs by procuring lower pricing on the water treatment chemical, caustic. Additionally, the expenses of \$4,074,146 for Renewal & Replacement projects are down \$1 million. These projects however will be funded from the Renewal & Replacement fund. The net revenue requirement for calculation of the uniform rate charged to the member governments is \$154,117,850, resulting in a uniform rate of \$2.559 per 1,000 gallons.

Some of the key features of the Fiscal Year 2017 budget include:

- Operation of the surface water treatment plant, the two river sources that feed it and use of the C.W. Bill Young Regional Reservoir; six groundwater treatment plants; thirteen regional wellfields; the seawater desalination plant; and nearly 200 miles of pipeline.
- Operation of the Tampa Bay Seawater Desalination Plant at an annual average of 8 mgd. For fiscal year 2017, the agency will be running the plant for 9 months to achieve the annual average. This is a shift in the way the plant has been operated to increase efficiency and decrease maintenance costs at the plant.
- Full use of the C.W. Bill Young Regional Reservoir, the region's water saving account.
- An annual average production of 50 mgd at the Regional Surface Water Treatment Plant, using flows from the Hillsborough and Alafia rivers and the Tampa Bypass Canal, as well as water stored in the regional reservoir. The Plant production is managed to maximize the seasonally available higher river flows during wet-weather months. Like production at the desalination facility, Surface Water Treatment Plant production may be increased proportionately when river flows are available, to maintain the agency's groundwater pumping permitted levels.
- Use of 82.7 mgd on an annual average basis from the consolidated permit wellfields, which is 7.3 mgd less than the permit limit of 90 mgd, in recognition that we may need to increase groundwater production if we have a drier than normal year.
- Estimated \$3,072,043 in unencumbered funds from 2016 will be carried over to Fiscal Year 2017 and applied to minimize an impact on the uniform rate.

The budget of \$162.0 million includes \$70.1 million for debt service, \$10.3 million for acquisition and water quality credits to the Members, \$23.4 million for variable costs (power, chemicals & purchased water), \$4 million for Renewal & Replacement projects and \$14.6 million for professional services associated with operations and maintenance agreements for contracted water plant operations. These costs comprise 75.5% of the Agency's annual budget and overall costs decreased by \$4.5 million. The remaining items in the budget have a \$1.5 million increase, thus, the net overall reduction in total costs is \$3 million. Use of \$2,870,000 of Rate Stabilization funds results in a uniform rate of \$2.5590 per 1,000 gallons, making this the sixth consecutive year at this uniform rate for the agency.

Analysis of Costs in the FY 2017 Budget

Enterprise Funds	Approved 2016	Approved 2017	Variance +/-	Effect on Rate
Sources of Funds				
Water Sales	\$ 153,602,133	\$ 154,117,850	\$ 515,717	0.0080
Additional Credits/ Surcharges (Board Approved)	42,000	42,000	-	
TBC - Sale of Water	-	-	-	-
Interest Income	859,552	907,870	48,318	0.0007
Subtotal	\$ 154,503,685	\$ 155,067,720	\$ 564,035	0.0087
Transfers In from Rate Stabilization Account	5,325,000	2,870,000	(2,455,000)	(0.0381)
Est.Unencumbered Funds from Prior Year	3,200,826	3,072,043	(128,783)	(0.0020)
Transfer In from Renewal & Replacement	5,018,329	4,039,055	(979,274)	(0.0152)
Total Sources	\$ 168,047,840	\$ 165,048,818	\$ (2,999,022)	\$ (0.0465)
Uses of Funds				
Personnel Services	\$ 14,696,010	\$ 16,177,088	\$ 1,481,078	0.0230
Materials & Supplies	2,554,905	2,700,966	146,061	0.0023
Professional Services	27,555,065	27,132,362	(422,703)	(0.0066)
Repairs & Other Services	4,405,332	4,424,983	19,651	0.0003
Rent & Insurance	1,829,000	1,872,930	43,930	0.0007
Legal Services	545,000	545,000	-	-
Capital Expenditures	1,509,992	1,356,230	(153,762)	(0.0024)
Total Debt Service-Bonds	72,413,958	70,129,336	(2,284,622)	(0.0354)
Acquisition Credit to Member Governments	10,231,558	10,231,558	-	-
Water Quality Credit to Member Governments	48,000	48,000	-	-
Misc./Other-R&R Projects	5,018,329	4,039,055	(979,274)	(0.0152)
Water Treatment Chemicals -Variable Cost	10,665,878	9,441,417	(1,224,461)	(0.0190)
Power / Electricity -Variable Cost	12,003,244	12,407,551	404,307	0.0063
Water for Resale -Variable Cost	1,544,575	1,508,178	(36,397)	(0.0006)
Subtotal	\$ 165,020,845	\$ 162,014,653	\$ (3,006,192)	(0.0466)
Transfer Out to Capital Improvement Fund	26,995	34,165	7,170	0.0001
Transfer Out to R&R Fund	3,000,000	3,000,000	-	-
Transfer Out to Operating Reserve		-	-	-
Total Uses	\$ 168,047,840	\$ 165,048,818	\$ (2,999,022)	\$ (0.0465)
Projected Water Demand (mgd)	164.00	165.00	1.00	
Projected Uniform Water Rate (\$/1000 gal.)	\$ 2.5590	\$ 2.5590	\$ 0.0000	

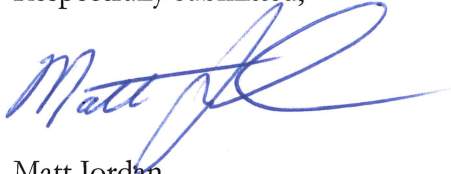
Fiscal Year 2017 Budget Schedule

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

The proposed budget was distributed to member governments for review in March 2016. Tampa Bay Water staff met with each member government to discuss the proposed document in late March and early April. The recommended Fiscal Year 2017 budget was reviewed by the board at a budget workshop held on April 18, 2016. At the April board meeting, the board directed staff to schedule a public hearing on the budget and thereby meet the requirement in the Amended and Restated Interlocal Agreement for final budget approval at the June 20th board meeting.

As in prior years, the preparation of Tampa Bay Water's annual budget requires the collaborative efforts of many staff members and the finance department. A special thanks to Lynda Vatter, Sandro Svrldin and Christina Sackett for a job well done.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Matt Jordan", with a stylized flourish extending from the end.

Matt Jordan
General Manager

Annual Budget Development

Fiscal Year 2017

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

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

Budget Format

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

- A. The **General Manager's Budget Message** is designed to provide a summary of Tampa Bay Water's financial plan by highlighting major issues to be addressed in fiscal year 2017.
- B. The **Annual Budget Development** section provides an overview of the key requirements for the annual budget development and of the approval process.
- C. The **Financial Management Policies** section provides a summary of Tampa Bay Water's primary financial policies.
- D. The **Financial Plan** section provides an overview of Tampa Bay Water's budgetary fund structure and information on revenue and expenditures, as well as capital spending for the budget year.
- E. The **Annual Rate Setting and Member Costs** section provides summarized information and schedules including current and projected rates and Member Costs. Charts and graphs are provided that depict the components of the budget and the rate impacts. Separate charts and schedules are provided for each Member Government to assist them in planning and coordination of their budgets and financial obligations associated with Tampa Bay Water's contractual commitments.
- F. The **Debt Service** section provides a listing of the outstanding debt of the Agency, the Agency's bond ratings, and the details of the debt requirements shown in the Financial Plan section. The section also provides information on debt coverage requirements and future Debt Service.
- G. The **Capital Improvement Program** section provides summary information about the Agency's capital projects. This includes projects that are scheduled to be in the feasibility, design and construction phases during fiscal year 2017.
- H. The **Divisional Operating Budget Detail** section provides information on Tampa Bay Water's office and divisional organization and responsibilities. It also includes the fiscal year 2017 budget for each division.
- I. The **Summary of Contracts and Resolutions** section provides key contractual requirements of the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and the Master Bond Resolution.
- J. The **Appendix** includes a schedule of key dates for the budget process for fiscal years 2016 and 2017. It also provides demographic and statistical information for Tampa Bay Water's service area, and information to assist the Member Governments in the planning of their annual budgets.

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

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

For budgetary purposes, Tampa Bay Water is organized into five divisions under the office of the General Manager as listed below:

- **Office of the General Manager**
 - General Manager
 - Legal Coordination
- **Human Resource Department**
 - Human Resource Senior Manager
 - Benefits
 - Employee Relations
 - Training
 - Policies and Procedures
- **Water Production Division**
 - Chief Operating Officer
 - Water Production
 - Operations
 - Facilities Maintenance
 - Construction
 - Engineering
 - Technical Support
- **Finance and Administration Division**
 - Chief Financial Officer
 - Finance
 - Purchasing
 - Board Records
- **Science and Technology Division**
 - Chief Technical Officer
 - Regulatory Compliance
 - Modeling & Source Analysis
 - Information Technology
 - Planning
 - Laboratory
- **Public Affairs Division**
 - Chief Communications Officer
 - Public Communications
 - Strategic Communications
 - Outreach Program
 - Inter-Governmental Program

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

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

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

- Personnel Services
- Materials and Supplies
- Professional Services
- Repairs and Other Services
- Rent and Insurance
- Legal Services
- Capital Expenditures
- Debt Service
- Water Quality Credits
- Water Treatment Chemicals
- Water for Resale
- Power & Electric
- Reserve Funding

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

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

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

Budget Basis

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

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

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

Annual Budget Requirements

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

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

- Prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for Tampa Bay Water covering its proposed operating and other financial requirements for the ensuing fiscal year. The tentative budget shall identify:
 - The rate at which Quality Water will be sold to Member Governments during such fiscal year; and
 - The rate to be charged to the City of Tampa for water provided through the Tampa Bypass Canal pumping facility during such fiscal year.
- The Board shall publish a notice of its intention to adopt the budget and shall provide copies of the notice and tentative budget to each Member Government on or before the first publication date. The notice shall include a summary of the tentative budget; specify the rates at which Quality Water will be sold to the Member Governments; and identify the time, date, and place at which the public may appear before the Board and state their objections to or support of the budget and rates. The notice shall be published once a week for two consecutive weeks within thirty (30) days of the public hearing, in any newspaper qualified to accept legal advertisements in each county in the jurisdiction of Tampa Bay Water, the last insertion of which shall appear not less than one week prior to the date set by the Board for the hearing on the proposed budget and rates.
- At the time, date and place specified in the notice, the Board shall conduct a public hearing and thereafter may consider adoption of the budget and rates with any amendments it deems advisable. Unless otherwise authorized by the Board, the final budget and rates shall be adopted by August 1.
- The adopted budget shall be the operating and fiscal guide for Tampa Bay Water for the ensuing fiscal year. The Board may amend the budget at any regular or special meeting; provided however, that prior to approving any budget amendment that increases the total budget for any fiscal year (other than a budget amendment appropriating grant funds or the proceeds of debt obligations), the Board shall provide notice and conduct an additional public hearing in the manner described above.

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

Annual Budget Process

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

Key milestones for the annual budget development and approval process are presented below:

Month	Key Activities	Responsible Entity
2 nd week of November	<ul style="list-style-type: none"> ▪ Initiate the annual budget development process ▪ Request any changes (+/-) in the annual budget request for the ensuing Fiscal Year (compared to the current Fiscal Year budget) ▪ Request any changes (+/-) in the annual budget request and/or format for the ensuing Fiscal Year from Tampa Bay Water's Member Governments 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Administrator ▪ Tampa Bay Water Executive Team and Department Managers ▪ Tampa Bay Water's Member Governments
1 st week of December	<ul style="list-style-type: none"> ▪ Receive and incorporate information regarding potential changes (+/-) in the annual budget request and/or format for the ensuing Fiscal Year 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Administrator
2 nd week of December	<ul style="list-style-type: none"> ▪ Request Member Governments to provide information/cost estimate regarding any special or unusual program need(s) for the ensuing Fiscal Year 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Administrator
2 nd week in December	<ul style="list-style-type: none"> ▪ Distribute the annual budget packet to Executive Team and Department Managers for review 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Administrator
4 th week of December	<ul style="list-style-type: none"> ▪ Identify special program needs, if any, and provide cost estimate for special program needs for the ensuing Fiscal Year ▪ Receive and incorporate information regarding special program needs as submitted by the Member Governments 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Member Governments ▪ Tampa Bay Water Budget Administrator
2 nd week of January	<ul style="list-style-type: none"> ▪ Submit the annual budget request for the ensuing Fiscal Year to the Finance Department 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Executive Team and Department Managers
4 th week of January	<ul style="list-style-type: none"> ▪ Distribute the preliminary draft budget for the ensuing Fiscal Year to the Executive Team, and Office of General Manager for their review and comment 	<ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Administrator

**Tampa Bay Water – 2017 Annual Budget
Annual Budget Development**

Month	Key Activities	Responsible Entity
1 st week of February	<ul style="list-style-type: none"> Provide Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five Fiscal Years of projected Water service demand for their respective service area. 	<ul style="list-style-type: none"> Tampa Bay Water Member Governments
2 nd week of February	<ul style="list-style-type: none"> Request an update from Member Government regarding any project and/or program related changes, if any, since the last update in December 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator Tampa Bay Water Member Governments
2 nd week of February	<ul style="list-style-type: none"> Meet with all members of the Executive Team, Department Managers and the General Manager to review the annual budget requirement for the ensuing Fiscal Year 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator Tampa Bay Water Executive Team, Department Managers and General Manager
3 rd week of February	<ul style="list-style-type: none"> Incorporate any changes (+/-) to the annual budget request which resulted from meetings with the Executive Team, Department Manager, and the General Manager 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator
4 th week of February	<ul style="list-style-type: none"> General Manager meets with Executive Team to review program plans and outstanding issues regarding the annual budget for the ensuing Fiscal Year 	<ul style="list-style-type: none"> Tampa Bay Water General Manager, Executive Team, and Finance Manager
1 st week of March	<ul style="list-style-type: none"> Finalize any changes (+/-) to the annual budget request for the ensuing Fiscal Year based on feedback received from the General Manager 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator
2 nd & 3 rd week of March	<ul style="list-style-type: none"> Prepare and distribute the bound copies of the annual budget for the ensuing Fiscal Year to Tampa Bay Water staff, Member Governments and Board 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator
1 st and 2 nd week of April	<ul style="list-style-type: none"> Meet with Member Governments representatives to discuss the proposed annual budget for the ensuing Fiscal Year Incorporate comments/suggestions regarding the annual budget which resulted from meetings with Member Governments Prepare documents for Board workshop 	<ul style="list-style-type: none"> Tampa Bay Water Budget Administrator; Finance Manager Tampa Bay Water Budget Administrator Tampa Bay Water Budget Administrator
3 rd week of April	<ul style="list-style-type: none"> Conduct a Board workshop to discuss the annual budget proposal for the ensuing Fiscal Year 	<ul style="list-style-type: none"> Tampa Bay Water General Manager

**Tampa Bay Water – 2017 Annual Budget
Annual Budget Development**

Month	Key Activities	Responsible Entity
2 nd or 3 rd week of May	<ul style="list-style-type: none"> ▪ Present the preliminary annual budget for Tampa Bay Water for the ensuing Fiscal Year ▪ Schedule and issue a notice for the public hearing for the final budget approval 	<ul style="list-style-type: none"> ▪ Tampa Bay Water General Manager ▪ Tampa Bay Water Chief Financial Officer, and Budget Administrator
2 nd or 3 rd week of June	<ul style="list-style-type: none"> ▪ Obtain Board's approval for the final annual budget for Tampa Bay Water for the ensuing Fiscal Year 	<ul style="list-style-type: none"> ▪ Tampa Bay Water General Manager

Major Responsibilities

The annual budget development process for Tampa Bay Water is a group effort that relies on regular interactions between division officers, senior managers, department managers, the General Manager, General Counsel, and the Budget Administrator. Additionally, the Budget Administrator works closely with representatives of Member Governments to seek their input during the annual budget development process.

A high level summary of major roles and responsibilities of various entities involved in the annual budget development process is presented below.

- **Tampa Bay Water – Budget Administrator**

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

- Prepare the necessary summary reports of prior fiscal year budget allocations and year-to-date actual expenses by major categories for all divisions, departments and offices – information provided in these summary reports serve as a basis for developing budgetary estimates for the ensuing fiscal year.
- Distribute the relevant summary reports to divisions, departments and offices.
- Set up and maintain the budget model to collect and process the annual budget data/information by categories for the ensuing fiscal year as received from divisions, departments and offices.
- Review the annual budgetary estimates prepared by divisions, departments and offices for the ensuing fiscal year.
- Identify and document a list of potential modifications to the annual budgetary requirements for divisions, departments and offices for the ensuing fiscal year based on prior fiscal year budget allocations, actual expenses, and guidelines established by the Chief Financial Officer, Finance Manager, and General Manager (e.g., impact on Member

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

Governments of potential rate increase, keeping the total increase in the annual budget to a manageable level, etc.).

- Meet with the department managers and staff to review the annual budgetary estimates for the ensuing fiscal year for their respective division/department/office.
- Meet with division Officers, Senior Managers and General Manager to review the proposed budget requirements for the ensuing fiscal year.
- Revise the budget estimates, as necessary, based on the feedback received from the executive leadership and senior management of Tampa Bay Water.
- Prepare and distribute copies of the annual budget estimate for the ensuing fiscal year to Tampa Bay Water management, Member Governments and the Board.
- With the Finance Manager meet with the representatives of Member Governments to review the annual budget estimates for the ensuing fiscal year.
- Review potential concerns/comments/suggestions expressed by Member Governments regarding the annual budget estimate for the ensuing fiscal year with the Chief Financial Officer and General Manager, as necessary.
- Incorporate all changes to the preliminary budget estimate for the ensuing fiscal year that are approved by the General Manager and/or the Chief Financial Officer.
- Verify the annual budget's compliance with the terms specified in the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and provisions of the Financing Documents.
- Prepare and distribute the final budget for the ensuing fiscal year.

- **Tampa Bay Water – Executive Team and Department Managers**

The Executive Team, department managers, the General Manager and a representative for General Counsel are responsible for the following activities for their respective division/department/office:

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

Tampa Bay Water – 2017 Annual Budget Annual Budget Development

- Input the annual budget estimates for the ensuing fiscal year by budget category and sub-category in the budget model.
- Meet with the Budget Administrator to discuss the annual budget requirements for the ensuing fiscal year.
- Support the Budget Administrator and the Finance Manager in their efforts to prepare the final budget for the ensuing fiscal year.

- **Member Governments**

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

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

- **Tampa Bay Water – Board**

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

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

Budget Implementation

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

**Tampa Bay Water – 2017 Annual Budget
Annual Budget Development**

Budget Amendments

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

Financial Management Policies

Fiscal Year 2017

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

Tampa Bay Water – 2017 Annual Budget Financial Management Policies

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

Utility Reserve Fund (Fund Balance) Policy

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

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

Rate Stabilization Account Policy

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

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

Any monies placed in the Rate Stabilization Account in excess of the 3% of budgeted revenue amount will be applied to the first succeeding fiscal year either to pay expenditures of the first succeeding fiscal year for which rates are collected or to remain in the Rate Stabilization Account for

Tampa Bay Water – 2017 Annual Budget Financial Management Policies

use in a subsequent year. Any application of these monies in excess of 3% requires approval of the Board of Directors.

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

Fixed Asset Policy

The Chief Financial Officer is responsible for establishing the policies and procedures necessary to provide adequate internal control over Fixed Assets. Policies and procedures shall be approved by the General Manager. Statements of policy shall be submitted to the Board of Directors for review. All Fixed Assets acquired by the Agency shall be titled to the Agency and recorded in the Fixed Assets records system. At a minimum, the Fixed Assets records system shall contain the applicable information required by regulatory bodies. (Reference: Fla. Statutes, Chap. 274.02; Rules of the Auditor General, Chap. 10.450). An annual physical inventory of all movable equipment shall be taken under the direction of the finance department and reconciled to the fixed asset records and general ledger control accounts in accordance with Fla. Statutes, Chap. 274.02 and Rules of the Auditor General, Chap. 10.480).

Debt Policy

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

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

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

- Comply with all debt covenants and requirements of the bond resolution
- Evaluate potential refinancing of debt when present value savings equal or exceed 3% of current debt service
- Issue new debt at the most beneficial interest rates and only when required for financing of the Capital Improvement Program

Tampa Bay Water – 2017 Annual Budget Financial Management Policies

- Maintain favorable bond ratings by effectively communicating the financial condition of Tampa Bay Water to rating agencies, bond holders and the public
- Utilize cooperative funding through grant programs whenever possible to reduce borrowing
- Schedule debt service payments to provide for gradual impacts on the uniform rate charged to the member governments over a period not to exceed the lesser of the useful life of the project or thirty years

Investment Policy

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

Accounting, Auditing and Financial Reporting Policies

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

- **Auditing:**

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

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

- **Basis of Accounting and Accounting Systems:**

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

Tampa Bay Water – 2017 Annual Budget
Financial Management Policies

- **Performance Audit:**

The Agency is required to have a performance audit and management study of its operations at five year intervals. The performance audit and management study reviews program results and makes recommendations regarding the Agency's governance structure and the proper, efficient, and economical operation and maintenance of the Agency's water supply facilities. The latest performance audit was completed in fiscal year 2015 by KPMG, LLP.

Financial Plan

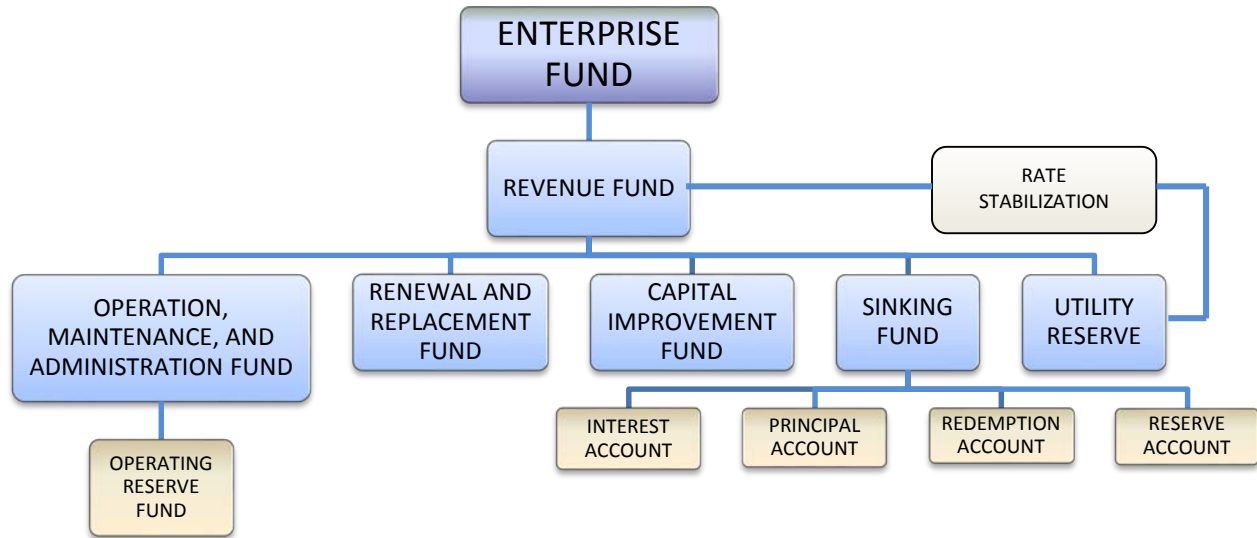
Fiscal Year 2017

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

Tampa Bay Water – 2017 Annual Budget Financial Plan

Funds Structure Overview

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



1. The Revenue Fund is the initial depository for all Agency revenue. Revenue is transferred to other funds as required.
2. The Operation, Maintenance, and Administration Fund is used to pay all operating and administrative costs of the Agency. The Operation, Maintenance and Administration Fund includes the Operating Reserve Fund.
3. The Renewal and Replacement Fund is used for repairs and replacement of the System as the need arises and as approved by the Board.
4. The Capital Improvement Fund is used to pay costs of various capital projects as designated by the Board.
5. The Sinking Fund holds all Agency funds restricted to payment of Agency debt. The Sinking Fund consists of four (4) accounts: Interest Account, Principal Account, Redemption Account, and Reserve Account. The Interest, Principal, and Redemption Accounts are funded annually from Revenues and are used annually to pay debt service. The Reserve Account is fully funded from bond proceeds and generally changes only when new debt is issued or an outstanding bond issue is redeemed.
6. The Utility Reserve Fund is used for transfers in of any unexpended funds remaining at the end of a fiscal year. The fund balance is maintained at a balance sufficient to meet bond coverage requirements and operating capital needs. The Utility Reserve may be used for any lawful purpose relating to the System, including funding of the Rate Stabilization Account

Reserves and Restricted Funds

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

**Tampa Bay Water – 2017 Annual Budget
Financial Plan**

- **Operating Reserve** – Tampa Bay Water maintains Operating Reserve Funds. The amount of Operating Reserve Funds shall not exceed an amount equal to two times the monthly average Variable Costs as provided in Tampa Bay Water’s annual budget.

Investment earnings on the Operating Reserve remain in the account until the funding requirement is fully met and then may be used for any lawful purpose.

The Operating Reserve balance at October 1, 2016 is estimated to be \$4,476,199. Variable costs for fiscal year 2017 are estimated to be \$23,357,146. Two months of variable costs will equal \$3,892,858. Therefore; a transfer of \$583,341 will be made to the Rate Stabilization account at the start of fiscal year 2017 to bring the Operating Reserve to a level equal to two months of variable costs.

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

Investment earnings in the Renewal and Replacement Fund remain in the fund until the funding requirement is met. Investment earnings in excess of the funding requirement are deposited into the Revenue Fund and are available for any lawful purpose.

The Renewal and Replacement fund balance at October 1, 2016 is estimated at \$22,704,980. Tampa Bay Water has developed a Renewal and Replacement Program that identifies all critical components of the water delivery system. The program assists in developing a schedule for replacing or improving components in order to maintain the reliability of the system. The current estimate for program projects that will be scheduled during 2017 is \$4,074,146. A portion of the Renewal and Replacement Funds used in fiscal year 2016 will be reimbursed in fiscal year 2017. The estimated amount to be reimbursed is \$3,000,000.

- **Capital Improvement Fund** – Capital Improvement charges collected or other funds received which are designated by the Board as Capital Improvement Funds are deposited to this fund. The Capital Improvement Fund balance at October 1, 2016 is estimated at \$8,541,273. These funds are budgeted in conjunction with the Capital Improvement Program. The current program estimated that projects funded with Capital Improvement Funds during fiscal year 2017 will total \$4,118,109.
- **Sinking Fund Interest and Principal Accounts** – Funds collected to pay annual interest and principle on debt are deposited into the accounts and expended for debt service payments as they come due. Investment earnings on the accounts remain in the accounts and are used to pay debt payments. Funds in the account at the end of the fiscal year are used to pay debt due on October 1st of the new fiscal year. The estimated account balance at year end 2016 is \$50,597,888.
- **Sinking Fund Debt Service Reserve Account** – Tampa Bay Water is required to fund and maintain an amount equal to the lesser of maximum annual aggregate debt service coming due in any fiscal year or 125% of the average annual debt service over the life of the Bonds

Tampa Bay Water – 2017 Annual Budget Financial Plan

outstanding. These funds may be used only to satisfy an insufficiency in the Debt Service Account until such time as the Bonds are paid off. When the amount of cash in the Reserve Account together with other amounts in the Debt Service Accounts, are sufficient to fully pay all outstanding Bonds in accordance with their terms, the funds on deposit in the Reserve Account may be used for payment of the Bonds. This reserve is fully funded.

Investment earnings on the Reserve Account remain in the account until the Reserve Requirement is fully met. Investment earnings in excess of the Reserve Requirement are deposited into the Revenue Fund and are available for any lawful purpose.

- **Utility Reserve Fund** – Tampa Bay Water is required to transfer any unexpended funds remaining at the end of each fiscal year to the Utility Reserve Fund. The fund is maintained at balances sufficient to meet bond coverage requirements and operating capital needs. The Utility Reserve Fund may be used for any lawful purpose relating to the System.

Investment earnings in the Utility Reserve Fund remain in the fund and may be applied for any lawful purpose.

- **Rate Stabilization Account** – The Rate Stabilization Account is funded from amounts established by the annual budget or approved by the Board. The fund is used to maintain changes in the Uniform Rate at more consistent levels.

Investment earnings in the Rate Stabilization Account remain in the account and may be applied for any lawful purpose.

The Rate Stabilization account balance at October 1, 2016 is estimated at \$28,386,812 and is available for reduction of current and future year rates to the extent that it has not been designated by the Board for specific purposes including unanticipated legal and mitigation costs. It is anticipated that a total of \$5,942,043 will be withdrawn from the Rate Stabilization account in fiscal year 2017. A transfer of \$583,341 from the Operating Reserve will be deposited in the Rate Stabilization account. A withdrawal of \$3,072,043 is equal to the estimated amount of unexpended 2016 funds that will carry-forward into fiscal year 2017. Funds available for carry-forward are withdrawn from the Rate Stabilization fund. A withdrawal of \$2,870,000 will be used to offset operating costs.

- **Rebate Fund** – Interest earned on Construction Funds which exceeds allowable earnings under IRS arbitrage regulations may result in rebatable arbitrage to the IRS. When a liability for rebatable arbitrage is incurred, funds owing to the IRS are placed in the Rebate Fund. These funds and interest earned thereon remain in the fund until the liability to the IRS is satisfied.
- **Energy Fund** – The Energy Fund is funded with revenue generated from an agreement with Duke Energy's Commercial Demand Response Program provider ENERNOC and reimbursement from Withlacoochee River Electric Cooperative (WREC). These funds are used to fund Energy Program projects which must result in an energy savings to Tampa Bay Water.

Tampa Bay Water - 2017 Annual Budget
Financial Plan

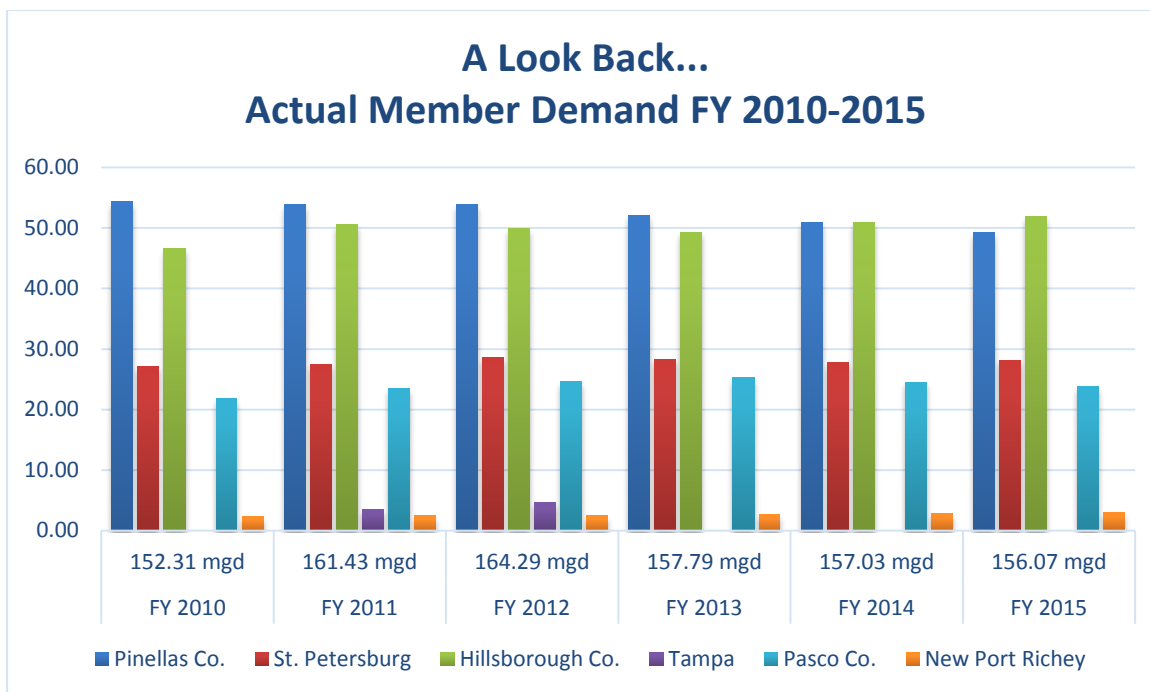
TAMPA BAY WATER
PROJECTED CHANGES IN FUND EQUITY
BUDGET YEAR 2017

	Operations	Operating Reserve	Renewal and Replacement Fund	Capital Improvement Fund	Energy Fund	Sinking Funds		Utility Reserve Fund	Rate Stabilization Account	Rebate Fund	Total Enterprise Fund
						Interest & Principal Accounts	Debt Service Account				
Estimated Beginning Fund Balance	\$ 13,866,876	\$ 4,476,199	\$ 22,704,980	\$ 8,541,273	\$ 179,695	\$ 50,597,888	\$ 72,807,696	\$ 25,405,772	\$ 28,386,812	\$ -	\$ 226,967,191
Revenues											
Water Sales	154,117,849	-	-	-	-	-	-	-	-	-	154,117,849
Water Sales - Tampa Bypass Canal	-	-	-	-	-	-	-	-	-	-	-
Interest Earned	55,468	17,905	90,820	34,165	719	202,392	291,231	101,623	113,547	-	907,870
Lake Bridge Operations & Maintenance - Pasco	42,000	-	-	-	-	-	-	-	-	-	42,000
Expenditures											
Fixed Cost	(54,209,559)	-	-	-	-	-	-	-	-	-	(54,209,559)
Variable Costs	(23,357,146)	-	-	-	-	-	-	-	-	-	(23,357,146)
Debt Service - Bonds	-	-	-	-	-	(72,807,696)	-	-	-	-	(72,807,696)
Debt Service - Acquisition Credits	(10,231,558)	-	-	-	-	-	-	-	-	-	(10,231,558)
Water Quality Credits	(48,000)	-	-	-	-	-	-	-	-	-	(48,000)
Capital Project Expenditures											
Capital Improvement Fund Projects	-	-	-	(4,118,109)	(163,389)	-	-	-	-	-	(4,281,498)
Renewal & Replacement Fund	(4,074,146)	-	-	-	-	-	-	-	-	-	(4,074,146)
Grants	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers											
Transfer interest available for operations	852,402	(17,905)	(90,820)	(34,165)	(719)	(202,392)	(291,231)	(101,623)	(113,547)	-	-
Transfer from Operations to Debt Service Fund	(70,129,334)	-	-	-	-	70,129,334	21,789,303	-	-	-	21,789,303
Transfer from Rate Stabilization Account	5,942,043	(583,341)	-	-	-	-	-	-	(5,358,702)	-	-
Transfer from Renewal & Replacement	4,074,146		(4,074,146)								
Transfer to Renewal & Replacement	(3,000,000)	-	3,000,000	-	-	-	-	-	-	-	-
Transfer to Capital Improvement Fund	(34,165)	-	-	34,165	-	-	-	-	-	-	-
	\$ 13,866,876	\$ 3,892,858	\$ 21,630,834	\$ 4,457,329	\$ 16,306	\$ 47,919,526	\$ 94,596,999	\$ 25,405,772	\$ 23,028,110	\$ -	\$ 234,814,610

Tampa Bay Water – 2017 Annual Budget Financial Plan

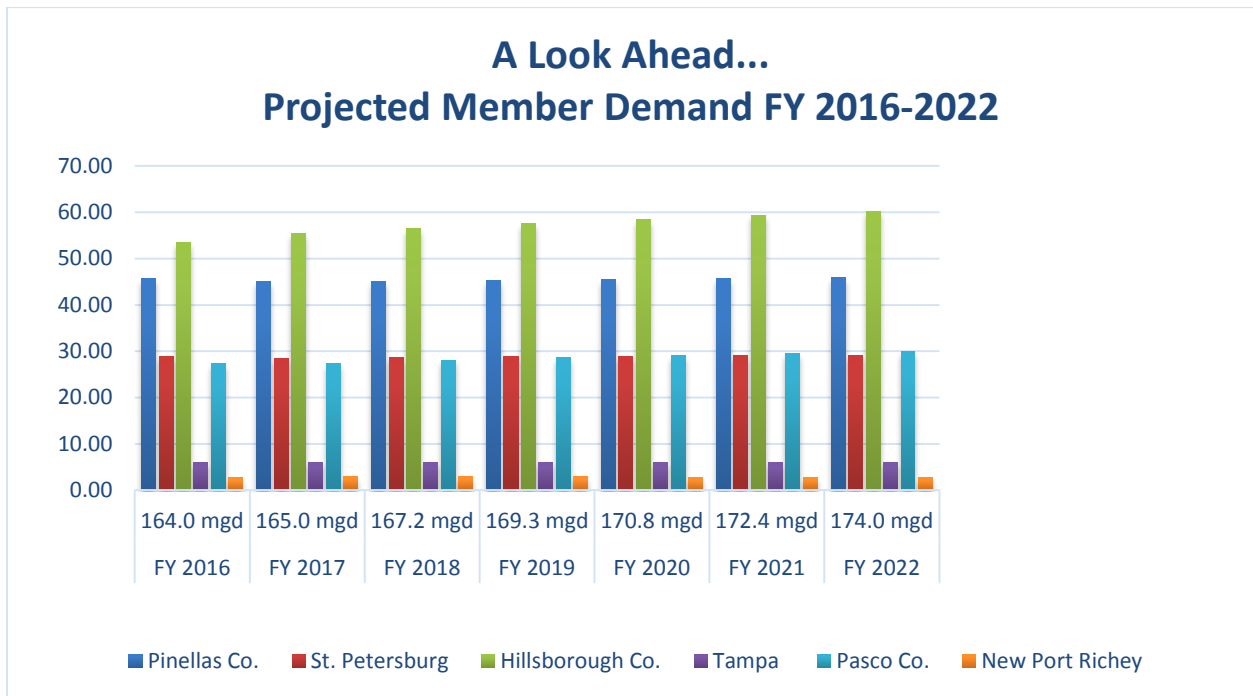
Financial Planning and Trends

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



Conservation measurements stemming from long-term drought conditions prior to 2010 were put into action in the form of watering restrictions and public awareness announcements throughout the Tampa Bay Region during 2009 and 2010. Strict conservation measures and sharp declines in growth lead to marked decreases in demand between 2009 and 2010. Normal rainfall conditions lead to the easing of strict watering restrictions in 2011. The Tampa Bay Region saw very little growth recovery between 2012 and 2013. The City of Tampa has been able to supply their service area without purchasing any water from Tampa Bay Water since 2013.

**Tampa Bay Water – 2017 Annual Budget
Financial Plan**



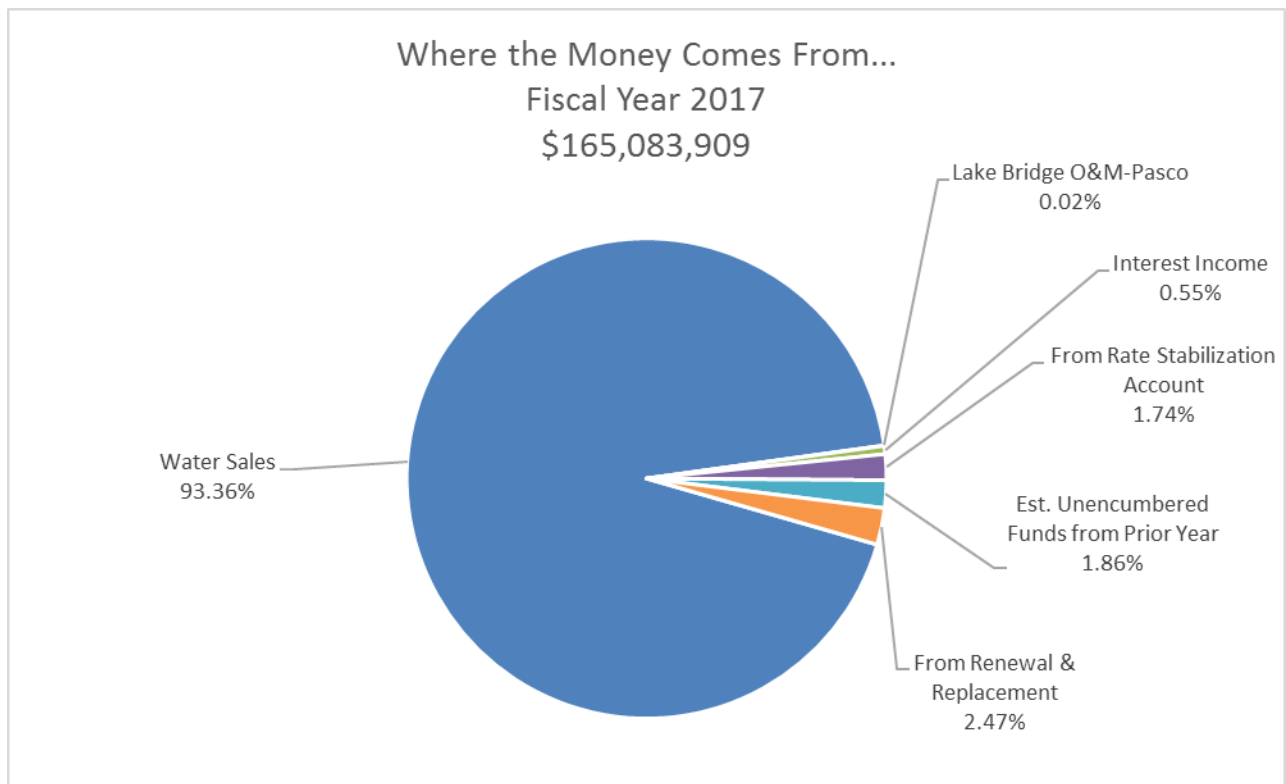
Tampa Bay Water provides regional water demand forecasts for its six member governments to project the amount of water supply needed within Tampa Bay Water's service area. The agency's Long-term Demand Forecasting models are designed primarily for the purpose of long-term planning and forecasting over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

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

Tampa Bay Water – 2017 Annual Budget Financial Plan

Revenues

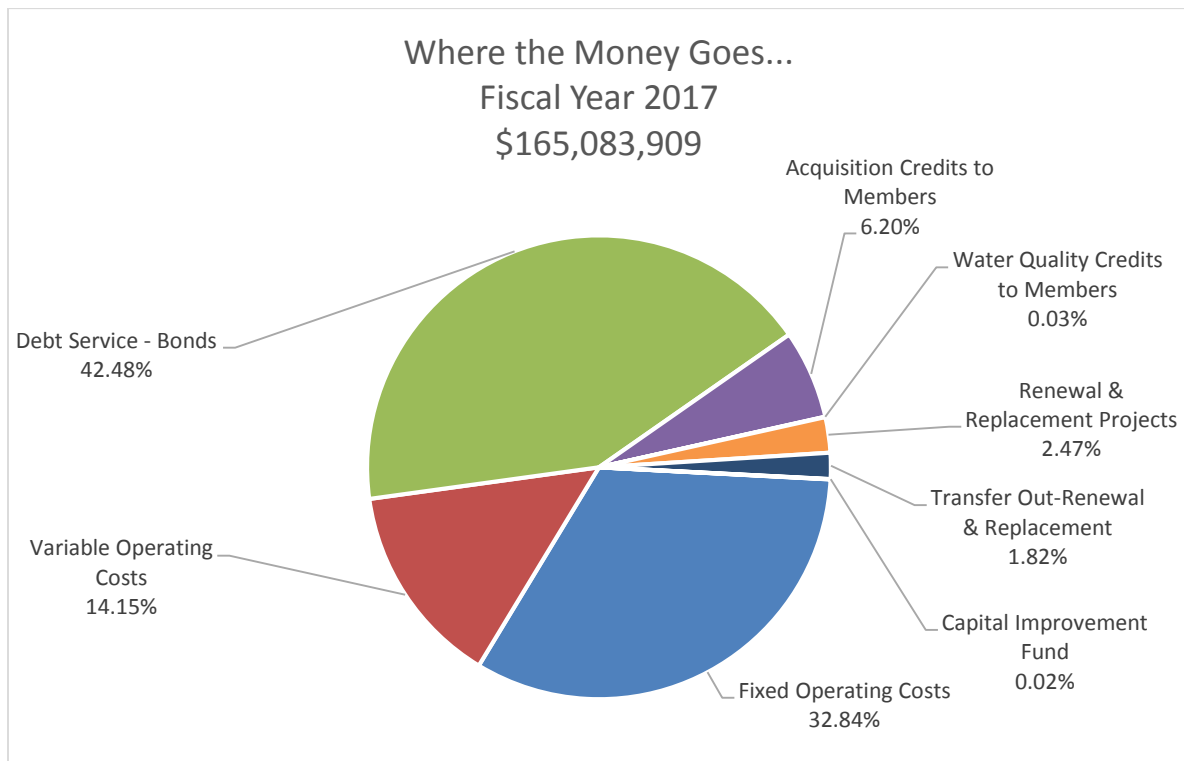
The Agency's primary revenue source is sale of water to its six member governments. The Master Water Supply Contract establishes a budget process through which the Agency establishes an annual Uniform Rate which is charged to the Members. A fixed cost component of the rate is established and billed monthly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



Tampa Bay Water – 2017 Annual Budget Financial Plan

Expenditures

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



Balanced Budget

Tampa Bay Water's annual budget is balanced. Our projected revenue is equal to our projected expenses.

**Tampa Bay Water – 2017 Annual Budget
Financial Plan**

Sources & Uses of Funds

Actuals 2015, Approved 2016 and Approved 2017

Enterprise Funds	Actual 2015	Approved 2016	Approved 2017
Sources of Funds			
Water Sales	\$ 154,691,290	\$153,602,133	\$ 154,117,850
Additional Credits/ Surcharges	33,269	42,000	42,000
TBC - Sale of Water	-	-	-
Interest Income	758,519	859,552	907,870
Litigation & Insurance Recoveries	979,352	-	-
Miscellaneous Income	177,065	-	-
Subtotal	\$ 156,639,495	\$154,503,685	\$ 155,067,720
Transfers In from Rate Stabilization Account	4,424,673	5,325,000	2,870,000
Est. Unencumbered Funds from Prior Year (note 1)	7,162,745	3,200,826	3,072,043
Transfer in from Energy Fund	175,639		
Transfer In from Capital Improvement	3,640,572	-	-
Transfer In from Renewal & Replacement	1,318,097	5,018,329	4,074,146
Total Sources	\$ 173,361,220	\$168,047,840	\$ 165,083,909
Uses of Funds			
Personnel Services	\$ 12,940,176	\$ 14,696,010	\$ 16,177,088
Materials & Supplies	2,070,255	2,554,905	2,700,966
Professional Services	24,918,914	27,555,065	27,132,362
Repairs & Other Services	4,362,040	4,405,332	4,424,983
Rent & Insurance	1,771,166	1,829,000	1,872,930
Legal Services	292,042	545,000	545,000
Capital Expenditures	5,628,034	1,509,992	1,356,230
Total Debt Service-Bonds	72,668,588	72,413,958	70,129,336
Acquisition Credit to Member Governments	10,231,558	10,231,558	10,231,558
Water Quality Credit to Member Governments	48,000	48,000	48,000
Misc./Other-R&R Projects	-	5,018,329	4,074,146
Water Treatment Chemicals -Variable Cost	7,385,988	10,665,878	9,441,417
Power / Electricity -Variable Cost	10,053,809	12,003,244	12,407,551
Water for Resale -Variable Cost	1,950,919	1,544,575	1,508,178
Subtotal	\$ 154,321,490	\$165,020,845	\$ 162,049,744
Transfer Out to Capital Improvement Fund	2,986,952	26,995	34,165
Transfer Out to R&R Fund	2,891,688	3,000,000	3,000,000
Transfer Out to Energy Savings Fund	355,237	-	-
Transfer Out to Rate Stabilization Account	12,759,993	-	-
Transfer Out to Utility Reserve	45,860	-	-
Total Uses	\$ 173,361,220	\$168,047,840	\$ 165,083,909
Note 1: FOR 2017, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. 2018-2022 ARE ESTIMATED AT 1.5% OF PRIOR YEAR WATER SALES.			

**Tampa Bay Water – 2017 Annual Budget
Financial Plan**

**Sources and Uses of Funds
Budget Projections 2018 through 2022**

Enterprise Funds	Budget Projections				
	2018	2019	2020	2021	2022
Sources of Funds					
Water Sales	\$ 158,537,292	\$163,005,513	\$167,370,503	\$171,147,997	\$175,085,562
Additional Credits/ Surcharges	42,000	42,000	42,000	42,000	42,000
TBC - Sale of Water	-	-	-	-	-
Interest Income	1,015,765	1,210,363	1,508,204	1,741,685	2,077,638
Subtotal	\$ 159,595,057	\$164,257,876	\$168,920,707	\$172,931,682	\$177,205,200
Transfers In from Rate Stabilization Account	1,400,000	3,400,000	1,900,000	500,000	6,800,000
Est. Unencumbered Funds from Prior Year	2,311,768	2,378,059	2,445,083	2,510,558	2,567,220
Transfer In from Renewal & Replacement	5,248,665	3,558,573	2,078,129	1,587,191	3,000,000
Total Sources	\$ 168,555,490	\$173,594,508	\$175,343,918	\$177,529,431	\$189,572,420
Uses of Funds					
Personnel Services	\$ 16,824,172	\$ 17,497,138	\$ 18,197,024	\$ 18,924,905	\$ 19,681,901
Materials & Supplies	2,781,995	2,865,455	2,951,418	3,039,961	3,131,160
Professional Services	27,946,333	28,784,723	29,648,265	30,537,712	31,453,844
Repairs & Other Services	4,557,732	4,694,464	4,835,298	4,980,357	5,129,768
Rent & Insurance	1,929,118	1,986,991	2,046,601	2,107,999	2,171,239
Legal Services	561,350	578,191	595,536	613,402	631,804
Capital Expenditures	1,396,917	1,438,824	1,481,989	1,526,449	1,572,242
Debt Service-Bonds	70,133,615	72,122,277	72,133,315	72,138,699	76,826,455
Debt Svc-Acquisition Credit to Member Govts	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
Water Quality Credit to Member Governments	48,000	48,000	48,000	48,000	48,000
Misc./Other-R&R Projects	5,248,665	3,558,573	2,078,129	1,587,191	3,000,000
Water Treatment Chemicals -Variable Cost	9,691,497	10,488,249	10,992,663	11,278,773	12,326,840
Power / Electricity -Variable Cost	12,627,018	14,675,500	15,252,431	15,658,791	18,006,375
Water for Resale -Variable Cost	1,553,423	1,600,026	1,648,027	1,697,468	1,748,392
Subtotal	\$ 165,531,393	\$170,569,969	\$172,140,254	\$174,371,265	\$185,959,578
Transfer Out to Capital Improvement Fund	24,097	24,539	31,010	34,514	38,412
Transfer Out to R&R Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Transfer Out to Operating Reserve	-	-	172,654	123,652	574,429
Total Uses	\$ 168,555,490	\$173,594,508	\$175,343,918	\$177,529,431	\$189,572,420
<p>Note 1: FOR 2016, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. 2017-2021 ARE ESTIMATED AT 1.5% OF PRIOR YEAR WATER SALES.</p> <p>Note 2: AN INFLATION RATE RANGE OF 3.3% TO 5.5% IS USED FOR FUTURE COST PROJECTIONS WHERE STAFF BELIEVES THIS IS APPROPRIATE. COST PROJECTIONS ARE ALSO MODIFIED TO INCLUDE FIRST YEAR AND SUBSEQUENT YEAR OPERATING COSTS OF NEW FACILITIES CURRENTLY UNDER CONSTRUCTION. NO OPERATING COST PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.</p>					

**Tampa Bay Water – 2017 Annual Budget
Financial Plan**

Explanation of Significant Variances

Budget Category	Approved FY 2016	Approved FY 2017	Variance +/-	Explanation of Variance
Personnel Services	14,696,010	16,177,088	1,481,078	-Request for 4 new positions -Average of 4% merit increase -Anticipated 30 % increase in health insurance premiums -FY -2016 Approved budget total does not include the Board approved amendment to add 5 additional staff to operate the Lithia H2S Facility
Materials & Supplies	2,554,905	2,700,966	146,061	-Increase in inventory & operating supplies for Lithia H2S Facility
Professional Services	27,555,065	27,132,362	(422,703)	
Repairs & Other Services	4,405,332	4,424,983	19,651	
Rent & Insurance	1,829,000	1,872,930	43,930	
Legal Services	545,000	545,000	-	
Capital Expenditures	1,509,992	1,356,230	(153,762)	
Total Debt Service-Bonds	72,413,958	70,129,336	(2,284,622)	-Decrease due to Refinance of 2008 Bonds & Partial Refinancing of 2010 Bonds
Acquisition Credit to Member Governments	10,231,558	10,231,558	-	
Water Quality Credit to Member Governments	48,000	48,000	-	
Misc./Other-R&R Projects	5,018,329	4,074,146	(944,183)	-Projected lower cash flow of R&R funded projects for FY 2017
Water Treatment Chemicals -Variable Cost	10,665,878	9,441,417	(1,224,461)	-Lower pricing on Caustic water treatment chemical
Power / Electricity -Variable Cost	12,003,244	12,407,551	404,307	
Water for Resale -Variable Cost	1,544,575	1,508,178	(36,397)	
Transfer Out to Capital Improvement Fund	26,995	34,165	7,170	
Transfer Out to R&R Fund	3,000,000	3,000,000	-	
Total Sources	168,047,840	165,083,909	(2,963,931)	

The approved budget for 2017 decreased (\$2,963,931) from the approved 2016 budget.

The predominant significant decreases in the 2017 approved budget are in Debt Service and Water Treatment Chemicals. In January 2016, Tampa Bay Water issued Series 2016-A and 2016-B Series Bonds to refinance the 2008 Series Bonds. In February 2016, the 2016-C Series were issued to refinance a portion of the 2010 Bonds. The refinance reduced the Debt Service by nearly \$2.3 million dollars.

Operations staff has received lower pricing on the water treatment chemical, Caustic. This price reduction reduced the variable budget by \$1.2 million dollars.

Tampa Bay Water – 2017 Annual Budget Financial Plan

The approved budget for 2017 includes requests for 4 additional staff positions. Health Insurance premiums are anticipated to increase a total of 30%. Merit increases for staff are budgeted at an average of 4%.

Capital Improvements Planning and Financing

- **Planning:**

New water supply projects are developed through the long-term water supply planning process, which is performed to insure that (1) the public has sufficient water supplies to meet its needs in an environmentally sustainable and cost-effective manner, and (2) Tampa Bay Water is in compliance with its obligations under the Amended and Restated Interlocal Agreement. It can take as long as 10 years to plan, permit, design, and build drinking water facilities. Tampa Bay Water develops its Master Water Supply Plans through this long-term planning effort. This process is a multi-step process including determination of need, identification of potential projects, feasibility studies, review and selection by the Board of projects to be studied further through preliminary design, and final selection by the Board of projects to be constructed.

Long-term water supply planning is conducted at least every five years. As part of the planning process, demand projections are updated annually to identify the need for and timing of the development of new water sources. It is the Agency's goal to bring new water supplies on-line in a timely manner based on need, but not so far in advance as to unnecessarily burden the cost of water by overbuilding supply capacity.

- **Financing:**

Tampa Bay Water finances its capital improvements program through the issuance of tax exempt bonds. Bond proceeds are placed in a restricted Construction Fund until disbursed for the intended purpose. Certain small projects are funded from the Uniform Rate (Capital Improvement Charge) or other revenue sources approved by the Board to be utilized for that purpose. The funds are retained in the Capital Improvement Fund until disbursed for approved purposes. The Agency also seeks and obtains available grant funding for its projects from SWFWMD, the State of Florida and the federal Environmental Protection Agency.

Tampa Bay Water's current Capital Improvement Program is funded primarily through the issuance of Revenue Bonds. The Capital Improvement Fund may be used to fund any Board approved Capital Project. The Renewal and Replacement Fund can fund projects where major repairs or replacement of specific components are needed to maintain the service level of the system. The Uniform Rate generally funds projects that improve existing facilities. Uniform Rate projects are considered routine and may include technological upgrades and facility remodeling/renovations.

Capital Improvement Program Definition

A capital project is defined as planned activities that result in

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

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

Tampa Bay Water – 2017 Annual Budget Financial Plan

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

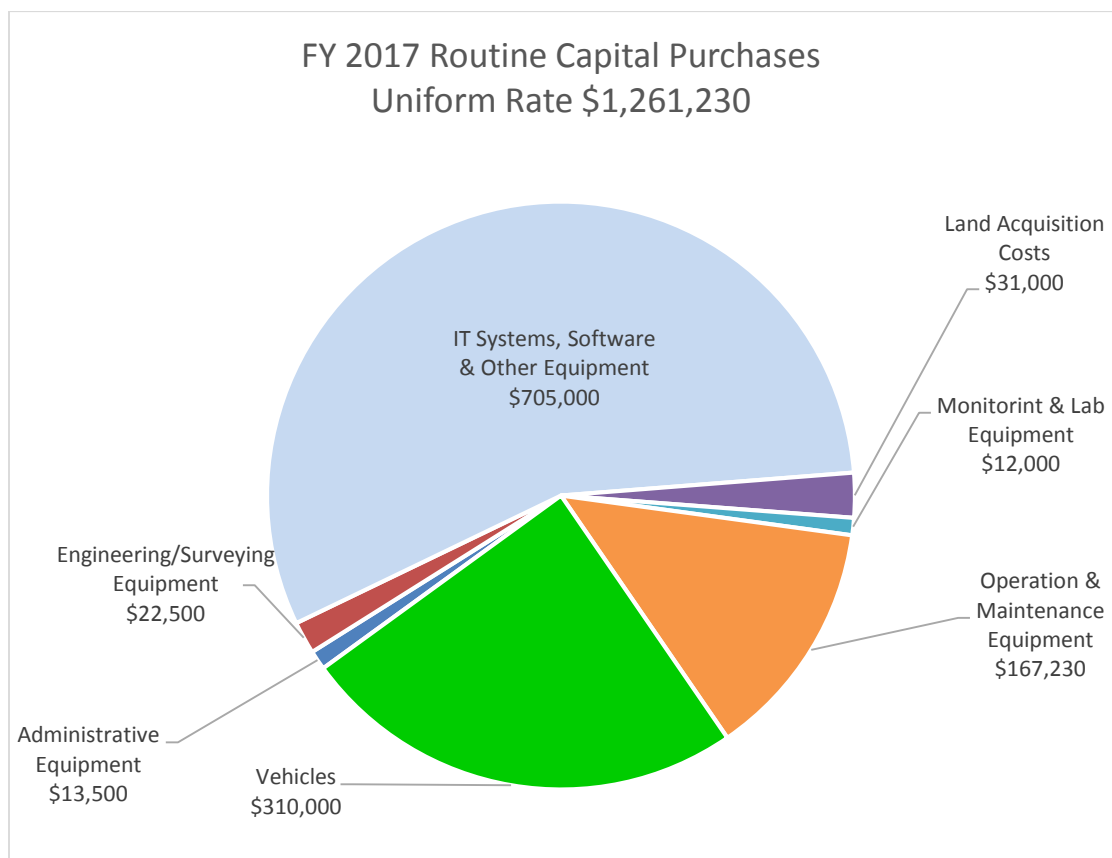
Routine Capital Purchases

It is Tampa Bay Water's policy to capitalize property and equipment having an original cost greater than \$1,000 and an estimated useful life longer than one year. Property and equipment routinely capitalized includes land, buildings and their structural components, vehicles, machinery, electronic and communication equipment, tools, office equipment, and furniture.

The 2017 approved budget includes \$1,356,230 for Capital Purchases of which \$1,261,230 is considered routine capital purchases.

Tampa Bay Water budgets for routine capital equipment and real property purchases through the Uniform Rate.

The following chart summarizes routine capital purchases budgeted for fiscal year 2017.

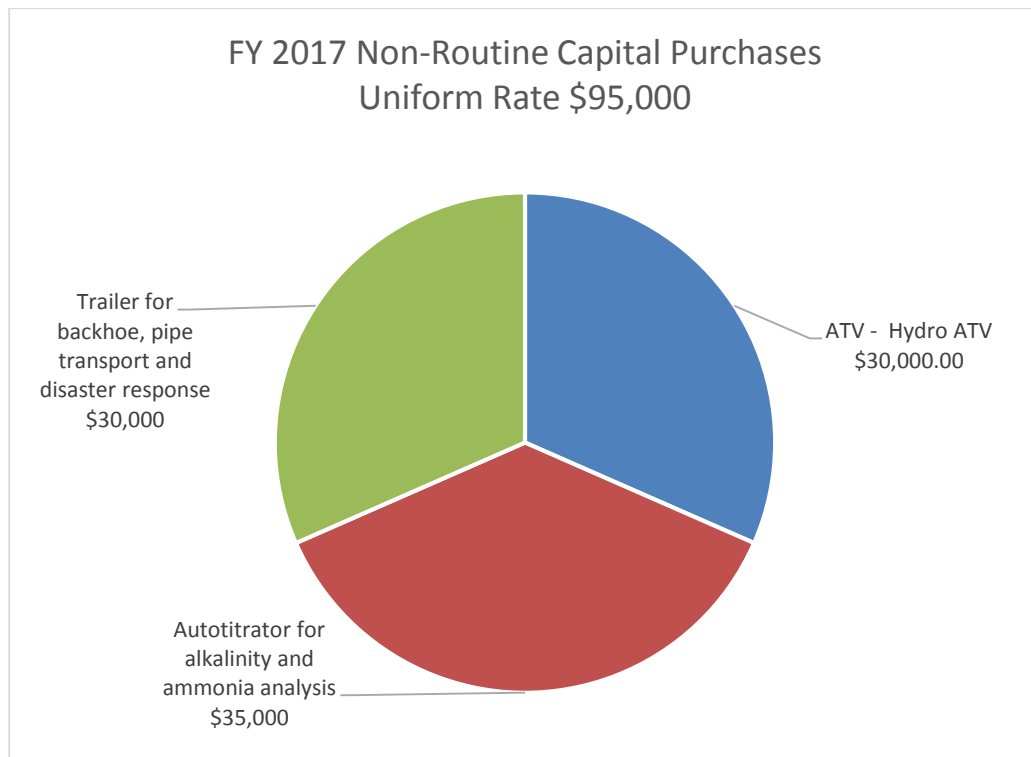


Tampa Bay Water – 2017 Annual Budget Financial Plan

Non-Routine Capital Purchases

The 2017 approved budget includes funding for non-routine capital purchases through the Uniform Rate.

The following chart summarizes non-routine capital purchases budgeted for fiscal year 2017.



The approved budget includes a request from the Facilities Management department to purchase a 30-foot heavy duty trailer that will be used to safely relocate a backhoe and large piping as needed and particularly for responding to an emergency.

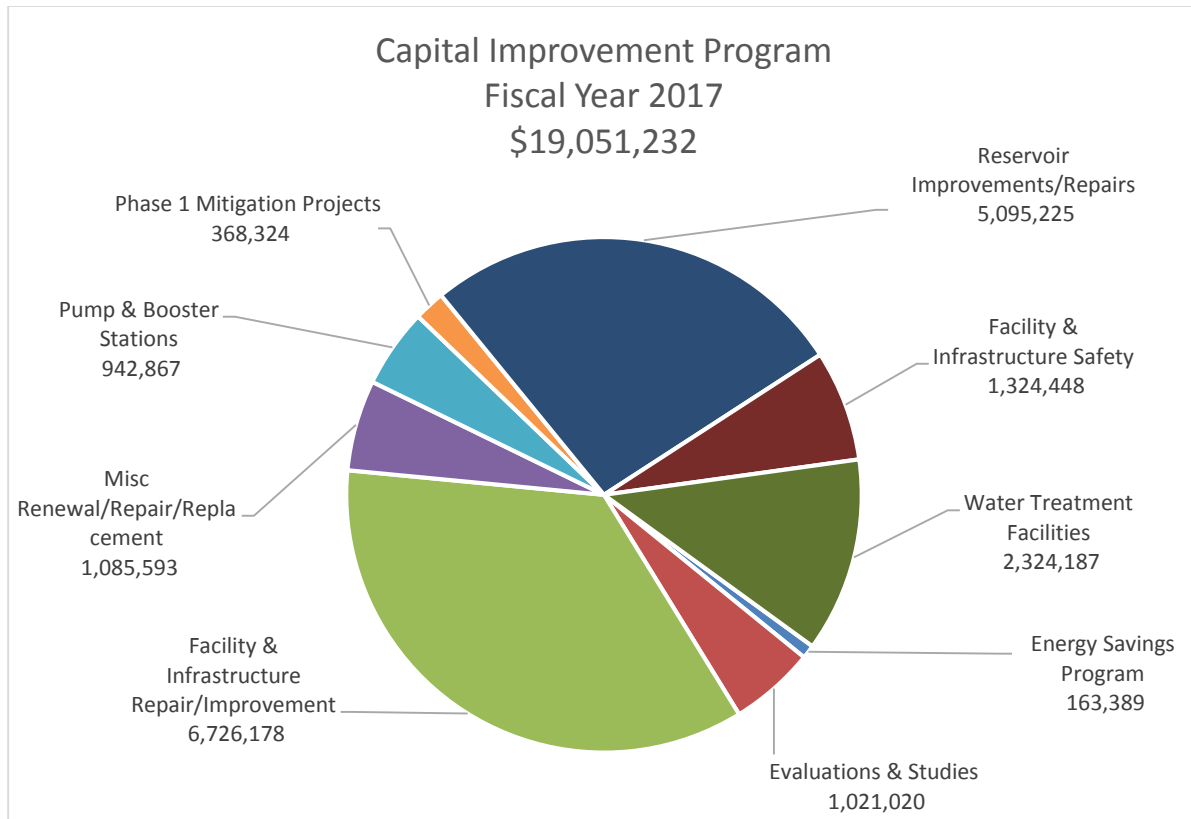
The Laboratory is requesting to purchase an auto-titrator used to analyze alkalinity and ammonia. The current auto-titrator has been in use since 2007 and has reached its useful life. The current auto-titrator does not have the ability to analyze ammonia.

The Facilities Support department has requested a Hydro All-Terrain Vehicle (ATV) to be utilized by the Monitoring & Mitigation department. The vehicle will enable staff to more easily gather hydrological data in poor off-road conditions.

Tampa Bay Water – 2017 Annual Budget Financial Plan

Capital Improvement Program Fiscal Year 2017

The following chart summarizes significant Capital Improvement Expenditures for fiscal year 2017. Additional detail on Tampa Bay Water's Capital Improvement Program is provided in the Capital Improvement Program section of this document.



Annual Rate Setting & Member Costs

Fiscal Year 2017

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

Tampa Bay Water – 2017 Annual Budget Annual Rate Setting and Member Costs

This section presents a summary of the budgeted components which make up the approved Uniform Rate and the manner in which each Member will be invoiced for water purchased in 2017.

Overview

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

The Amended and Restated Interlocal Agreement includes provisions for two credits which are currently being applied against charges to Member Governments for water service. The annual credit for the debt service amortization for Tampa Bay Water’s purchase of the Members’ water supply facilities is the most significant credit. This credit is applied to the Member Governments’ water bills. The credit is reflected in the budget as an annual debt service cost and is also reflected as a credit against the member’s cost to purchase water. The annual debt service/credit is computed on a 30-year amortization of the net purchase price, compounded semiannually at 4.865%. The aggregate annual debt service cost/credit is \$10,231,558. Additional annual credits consist of a credit for the actual direct costs of water treatment. In the event water delivered to Member Governments does not meet specifications for quality water in relation to hydrogen sulfide removal, a credit for hydrogen sulfide treatment is applied. Hydrogen sulfide was and remains an issue for the existing groundwater system, but not for the new supply sources. The water quality credit for hydrogen sulfide treatment affects the City of New Port Richey, and Hillsborough County. The total annual Water Quality credit for hydrogen sulfide for fiscal year 2017 is \$48,000.

The primary source of revenue to Tampa Bay Water is the sale of quality water to our members. The projected revenue requirements must cover operation and maintenance expenses, debt service payments, bond coverage, renewal and replacement expenditures, required deposits to reserves, and capital expenditures.

Revenue from sale of water and unrestricted interest income fund the operating and maintenance costs of Tampa Bay Water. Water sales for fiscal year 2017 are budgeted at \$154,117,850. Interest income available for operations is estimated to be \$907,870.

It is estimated that \$3,072,043 of unencumbered monies from fiscal year 2016 will transferred through the Rate Stabilization account for use in fiscal year 2017. An additional transfer of \$2,870,000 from Rate Stabilization will be used to maintain water sales at the \$154,117,850 level.

Tampa Bay Water – 2017 Annual Budget Annual Rate Setting and Member Costs

The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .1570 per 1000 gallons for 2017.

Rate Setting

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

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

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

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

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

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

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

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

Tampa Bay Water – 2017 Annual Budget Annual Rate Setting and Member Costs

Uniform Rate Elements

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

Fixed Costs

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

$$\text{Fixed Costs} = \text{Net Annual Revenue Requirement} - \text{Budgeted Variable Costs}$$

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

Variable Costs

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

$$\text{Variable Rate} = (\text{Budgeted Variable Costs} / \text{Net Annual Revenue Req.}) \times \text{Uniform Rate}$$

Tampa Bay Water – 2017 Annual Budget Annual Rate Setting and Member Costs

Rate for City of Tampa from Tampa Bypass Canal

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

$$\text{TBC Rate} = (\text{Allocated Overhead} + \text{Direct Costs}) \div \text{Qty. of Surface Water (to be delivered)}$$

The unit rate for delivery of water to the City of Tampa from the Tampa Bypass Canal facility is presented to the Board for approval as part of the annual budget approval process for the ensuing fiscal year. The unit rate for 2015 was \$.157 (\$/1,000 gallons).

	Allocated Overhead		Direct Costs		Estimated MGD	
\$0.157 per 1000 gal	=	(509,418	+	178,014)	÷	(12 mgd x 365 x 1000)

The approved budget for fiscal year 2017 does not anticipate that the City of Tampa will purchase water from the TBC in 2017.

Other Budget Factors

- For fiscal year 2017, \$909,316 has been estimated for interest income. Interest income will be applied to offset projected expenditures, to the extent permitted.
- The fund balance in the Operating Reserve is greater than two times the monthly average variable costs as provided in the budget. Additional funding is not required in fiscal year 2017.
- The Uniform Rate is segregated into Fixed Costs (do not vary as a result of water production) and billed at 1/12 of total Fixed Costs monthly per Member. The Variable Costs (vary with water production); electricity, chemicals, and water for re-sale; are billed monthly based on actual production.
- Acquired Member facilities are included in this budget as Tampa Bay Water owned supply systems and are being paid for through debt issuance and credits back to Members.
- Water quality standards are established and costs are budgeted to sustain the standards. Water Quality Credits related to hydrogen sulfide removal for fiscal year 2017 have been established and will be credited to Hillsborough County, and New Port Richey.

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Uniform Water Rates

Cost Category	Approved	Budget Projections				
	2017	2018	2019	2020	2021	2022
Fixed Operating Costs (note 1)	\$ 54,209,559	\$ 55,997,617	\$ 57,845,787	\$ 59,756,132	\$ 61,730,786	\$ 63,771,959
Variable Operating Costs	23,357,146	23,871,938	26,763,775	27,893,121	28,635,031	32,081,607
Debt Service - Bonds (note 2)	70,129,336	70,133,615	72,122,277	72,133,315	72,138,699	76,826,455
Debt Service - Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
Water Quality Credits to Members	48,000	48,000	48,000	48,000	48,000	48,000
Misc./ Other - Renewal & Replacement Projects	4,074,146	5,248,665	3,558,573	2,078,129	1,587,191	3,000,000
Total Costs	\$ 162,049,744	\$ 165,531,392	\$ 170,569,969	\$ 172,140,254	\$ 174,371,265	\$ 185,959,578
Adjustments						
Less : Esti Unencumbered Funds from Prior Years (note 3)	(3,072,043)	(2,311,768)	(2,378,059)	(2,445,083)	(2,510,558)	(2,567,220)
Less : Estimated Credits/ Surcharges	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)
Less : Estimated Revenues from TBC	-	-	-	-	-	-
Less : Est Interest Earned (Includes Cap Improvement Fund)	(907,870)	(1,015,765)	(1,210,363)	(1,508,204)	(1,741,685)	(2,077,638)
Less : Transfer In from Rate Stabilization Account (note 4)	(2,870,000)	(1,400,000)	(3,400,000)	(1,900,000)	(500,000)	(6,800,000)
Less : Transfer In from Renewal & Replacement Fund	(4,074,146)	(5,248,665)	(3,558,573)	(2,078,129)	(1,587,191)	(3,000,000)
Plus : Transfer Out to Capital Improvement Fund	34,165	24,097	24,539	31,010	34,514	38,412
Plus : Transfer Out to R&R Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Plus : Transfer Out to Operating Revenue	-	-	-	172,654	123,652	574,429
Subtotal	(7,931,894)	(6,994,101)	(7,564,456)	(4,769,751)	(3,223,268)	(10,874,017)
Total Net Revenues Required	\$ 154,117,850	\$ 158,537,291	\$ 163,005,513	\$ 167,370,503	\$ 171,147,997	\$ 175,085,562
Projected Water Demand (mgd) - (Note 5)	165.00	167.20	169.30	170.80	172.40	174.00
Projected Uniform Water Rate (\$/1000 gal.)	\$ 2.5590	\$ 2.5978	\$ 2.6379	\$ 2.6847	\$ 2.7198	\$ 2.7568
<p>Note1: AN INFLATION RATE OF 3.3% IS USED FOR FUTURE COST PROJECTIONS WHERE STAFF BELIEVES THIS IS APPROPRIATE. COST PROJECTIONS ARE ALSO MODIFIED TO INCLUDE FIRST YEAR AND SUBSEQUENT YEAR OPERATING COSTS OF NEW FACILITIES CURRENTLY UNDER CONSTRUCTION. NO OPERATING COST PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.</p> <p>Note 2: DEBT SERVICE FOR FY 2019 - 2022 INCLUDES \$3,000,000 FOR DEBT ISSUANCE (2018/19)</p> <p>Note 3: FOR FY 2017 ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. FY 2018-2022 ARE ESTIMATED AT 1.5% .</p> <p>Note 4: ASSUMES EXCESS REVENUE OF \$1,500,000 ANNUALLY TO BE DEPOSITED INTO RATE STABILIZATION, MAINTAINING A MINIMUM BALANCE OF 8.5%</p> <p>Note 5- PROJECTED WATER DEMAND IS BASED ON INFORMATION OBTAINED FROM THE TAMPA BAY WATER DEMAND FORECASTING MODEL</p>						

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

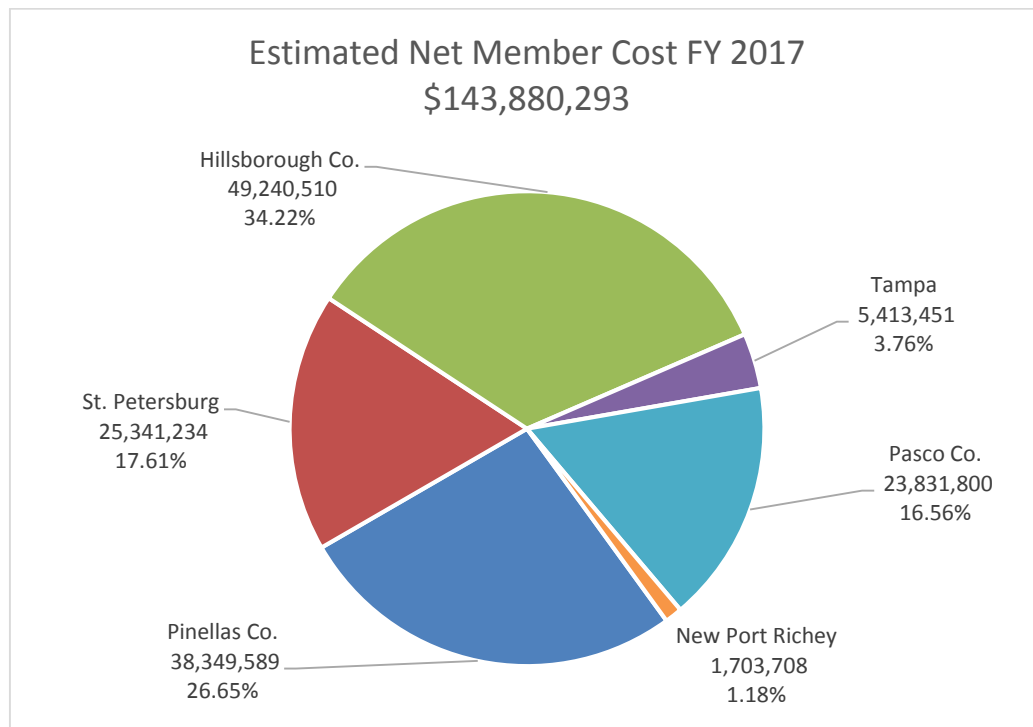
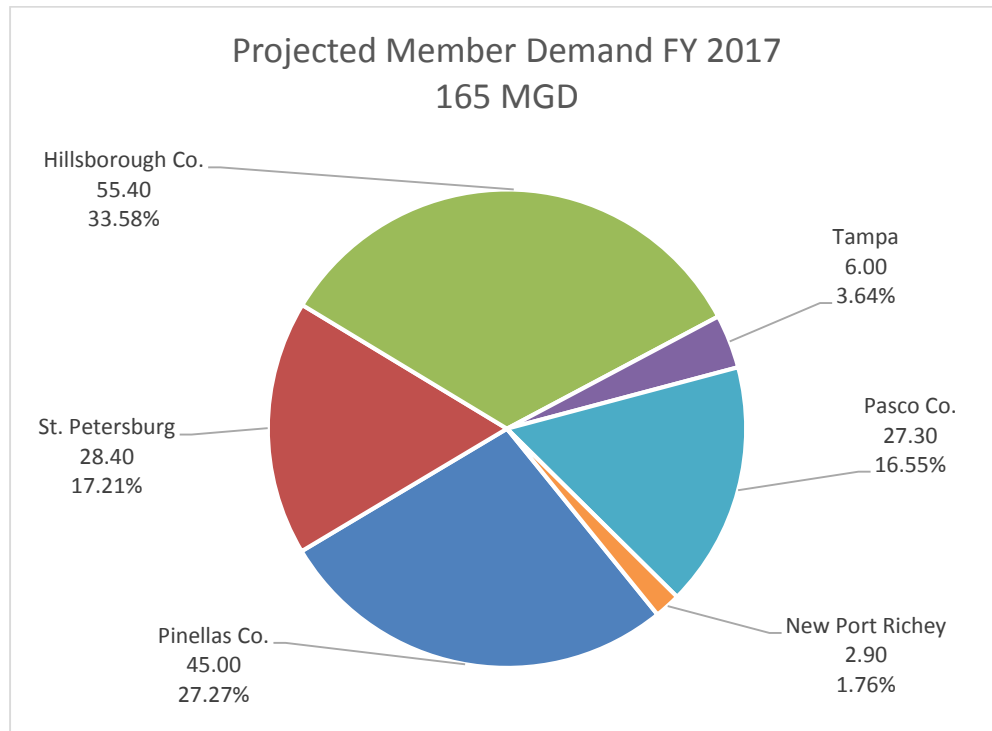
Estimated Annual Member Costs Fiscal Year 2017

Uniform Rate Budget	Hillsborough County	City of Tampa	Pasco County	City of New Port Richey	Pinellas County	City of St. Petersburg	Total
Uniform Water Rate (\$/ 1000 gallons)	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590
Member Water demand Projections (mgd) for FY 2017	55.40	6.00	27.30	2.90	45.00	28.40	165.00
Percentage of Total Water Sales	3.5758%	3.6364%	16.5455%	1.7576%	27.2727%	17.2121%	100.0000%
Member Water Purchase FY 2016	53.52	6.00	27.34	2.70	45.60	28.84	164.00
Percentage of Total Water Sales	32.6341%	3.6585%	16.6707%	1.6463%	27.8049%	17.5854%	100.0000%
Total Member Fixed Cost Before Credits/Surcharge FY 2017	\$ 42,672,640	\$ 4,783,928	\$ 21,798,766	\$ 2,152,768	\$ 36,357,854	\$ 22,994,748	\$ 130,760,704
Total Member Variable Cost Before Credits/Surcharge FY 2017	7,842,339	849,351	3,864,546	410,520	6,370,131	4,020,260	23,357,146
-							
Total Member Cost Before Credits/ Surcharge FY 2017	\$ 50,514,978	\$ 5,633,279	\$ 25,663,312	\$ 2,563,287	\$ 42,727,985	\$ 27,015,008	\$ 154,117,850
Additional Credits/ Surcharges (Board Approved)	-	-	42,000	-	-	-	42,000
Sale of Surface Water (TBC)	-	-	-	-	-	-	-
Water Quality Credits to Member Governments for FY 2017	(36,000)	-	-	(12,000)	-	-	(48,000)
Facilities Acquisition Credits to Member Governments for FY 2017	(1,238,468)	(219,828)	(1,873,513)	(847,579)	(4,378,396)	(1,673,774)	(10,231,558)
Net Annual Member Credits	\$ 49,240,510	\$ 5,413,451	\$ 23,831,800	\$ 1,703,708	\$ 38,349,589	\$ 25,341,234	\$ 143,880,293

Note 1: VARIABLE COSTS ARE ALLOCATED BASED ON THE MEMBER GOVERNMENT'S PROJECTED ANNUAL WATER DEMAND (MGD) FOR FY 2017

Note 2: FIXED COSTS BILLED TO MEMEBR GOVERNMENTS IN FY 2017 ARE BASED ON THE ACTUAL FY 2016 PRODUCTION. A TRUE - UP TO THE ACTUAL FY 2016 IS COMPLETED AT FY 2016 YEAR END.

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**



**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

Hillsborough County		
Total Water Demand (mgd) through September 30, 2016		164.00
Hillsborough County Estimated Water Demand (mgd) through September 30, 2016		53.52
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		32.63%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		55.40
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 42,672,639.52	3,556,053.29
Variable Rate (\$/ 1000 gallons) = \$0.3878	7,842,338.72	653,528.23
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	(36,000.00)	(3,000.00)
Annual Facilities Acquisition Credits	(1,238,467.88)	(103,205.66)
TOTAL	\$ 49,240,510.36	\$ 4,103,375.86

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

City of Tampa		
Total Water Demand (mgd) through September 30, 2016		164.00
City of Tampa Water Demand (mgd) through September 30, 2016		6.00
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		3.66%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		6.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 4,783,928.20	398,660.68
Variable Rate (\$/ 1000 gallons) = \$0.3878	849,350.76	70,779.23
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	-	-
Annual Facilities Acquisition Credits	(219,828.36)	(18,319.03)
TOTAL	\$ 5,413,450.60	\$ 451,120.88

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

Pasco County		
Total Estimated Water Demand (mgd) through September 30, 2016		164.00
Pasco County Estimated Water Demand (mgd) through September 30, 2016		27.34
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		16.67%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		27.30
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 21,798,766.15	\$ 1,816,563.85
Variable Rate (\$/ 1000 gallons) = \$0.3878	3,864,545.97	322,045.50
Additional Credits/ Surcharges	42,000.00	3,500.00
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	-	-
Annual Facilities Acquisition Credits	(1,873,512.61)	(156,126.05)
TOTAL	\$ 23,831,799.51	\$ 1,985,983.30

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

City of New Port Richey		
Total Estimated Water Demand (mgd) through September 30, 2016		164.00
City of New Port Richey Estimated Water Demand (mgd) through September 30, 2016		2.70
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		1.65%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		2.90
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 2,152,767.69	\$ 179,397.31
Variable Rate (\$/ 1000 gallons) = \$0.3878	410,519.54	34,209.96
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	(12,000.00)	(1,000.00)
Annual Facilities Acquisition Credits	(847,578.83)	(70,631.57)
TOTAL	\$ 1,703,708.40	\$ 141,975.70

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

Pinellas County		
Total Estimated Water Demand (mgd) through September 30, 2016		164.00
Pinellas County Estimated Water Demand (mgd) through September 30, 2016		45.60
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		27.80%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		45.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 36,357,854.30	3,029,821.19
Variable Rate (\$/ 1000 gallons) = \$0.3878	6,370,130.73	530,844.23
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	-	-
Annual Facilities Acquisition Credits	(4,378,395.84)	(364,866.32)
TOTAL	\$ 38,349,589.19	\$ 3,195,799.10

**Tampa Bay Water – 2017 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2017

City of St. Petersburg		
Total Estimated Water Demand (mgd) through September 30, 2016		164.00
City of St. Petersburg Estimated Water Demand (mgd) through September 30, 2016		28.84
Percentage of FY 2016 Water Demand/ Total Water Demand (Applied to FY 2017 Fixed Costs)		17.59%
Variable Rate is Based on Percentage of Projected FY 2017 Water Demand (mgd)		28.40
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 22,994,748.20	\$ 1,916,229.02
Variable Rate (\$/ 1000 gallons) = \$0.3878	4,020,260.28	335,021.69
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2017	-	-
Annual Facilities Acquisition Credits	(1,673,774.04)	(139,481.17)
TOTAL	\$ 25,341,234.44	\$ 2,111,769.54

Debt Service

Fiscal Year 2017

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

Tampa Bay Water – 2017 Annual Budget

Debt Service

Bonds

At the time of its reorganization in 1998, Tampa Bay Water issued the 1998A Bonds to refund all existing debt. In addition, the 1998B Bonds were issued to finance the cash component of the purchase of the members' wellfields. Of those proceeds, \$71.8 million, \$92.4 million, \$31.7 million and \$3 million were paid to Pinellas County, City of St. Petersburg, City of Tampa and Pasco County, respectively. To address the increasing need to develop new water supplies, Tampa Bay Water and its member governments worked collectively to develop a Capital Improvement Program that would identify and develop new water sources capable of producing 111 million gallons per day (mgd) by December 31, 2007. With the development of the Capital Improvement Program came the necessity to incur debt as a means of financing the Board approved program. Accordingly, Tampa Bay Water adopted a long-term plan to accomplish the financing of the Capital Improvement Program. In furtherance of this plan, Tampa Bay Water has issued its revenue bonds Series 1999, 2001B, 2002, 2008 and 2013. Additional funds for the Capital Improvement Program were obtained from the Series 2001A, 2005, and 2006 refunding bond issues. Series 2004, 2010, 2011, 2011A, 2011B, 2015A, 2015B, 2016A, 2016B and 2016C were only refunding bonds.

The Series 2016A, 2016B and 2015C bond issues were focused on providing savings to the Agency and refunding the remaining medium term note associated with the 2011B bonds. The Series 2016A bonds advanced refunded the Series 2008 bonds with tax-exempt bonds. The Series 2016B bonds refunded the remaining medium term note of the 2011B bonds with taxable bonds since they could not be advanced refunded on a tax-exempt basis. The Series 2016C bonds partially advanced refunded the Series 2010 bonds with tax-exempt bonds.

Tampa Bay Water's outstanding bonds consist of the following:

Original Issue		Projected Balance Outstanding 10/1/2016	All-In True Interest Cost	Final Maturity	Purpose
309,370,000	Refunding Revenue Bonds, Series 2001 A	50,000,000	5.13%	2029	Partial defeasance of 1999 Bonds
107,870,000	Refunding Revenue Bonds, Series 2004	35,465,000	3.69%	2019	Partial defeasance of 1998 A, 1998 B and 2001 B Bonds
174,965,000	Refunding Revenue Bonds, Series 2005	139,650,000	3.99%	2024	Partial defeasance of 1998 A, 1998 B and 2001 B Bonds; Fund Capital Improvement Program
66,980,000	Refunding Revenue Bonds, Series 2010	6,395,000	4.19%	2027	Final defeasance of 1998 A and 1998 B Bonds; partial defeasance of 2001 B Bonds
104,645,000	Refunding Revenue Bonds, Series 2011	58,670,000	3.38%	2021	Partial defeasance of 2001A Bonds
140,645,000	Refunding Revenue Bonds, Series 2011A	46,245,000	5.93%	2024	Partial defeasance of 2001A Bonds; terminate 2007 Swaptions
75,295,000	Revenue Bonds, Series 2013	75,295,000	3.88%	2038	Fund Capital Improvement Program
180,835,000	Refunding Revenue Bonds, Series 2015A	180,835,000	3.07%	2036	Partial defeasance of 2006 Bonds; partial defeasance of 2011A and 2011B Bonds
95,975,000	Refunding Revenue Bonds, Series 2015B	94,780,000	3.07%	2036	Partial defeasance of 2011A and 2011B Bonds
96,630,000	Refunding Revenue Bonds, Series 2016A	96,630,000	3.52%	2038	Defeasance of 2008 Bonds
32,785,000	Refunding Revenue Bonds, Series 2016B	32,590,000	3.54%	2031	Partial defeasance of 2011B Bonds
55,345,000	Refunding Revenue Bonds, Series 2016C	55,345,000	2.12%	2027	Partial defeasance of 2010 Bonds
		871,900,000			

Tampa Bay Water – 2017 Annual Budget
Debt Service

Rate Covenant

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

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

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

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

Net Revenues = (Gross Revenues – Operating Expenses)

Rate Coverage Test:

Rate Coverage Test =	Net Revenues + Utility Reserve Fund Balance
	—————
	Total Debt Service

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

Debt Coverage Test:

Debt Coverage Test =	Net Revenues
	—————
	(Total Debt Service + Annual Contribution to Capital Improvement Fund + Annual Contribution to R&R Fund)

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

Tampa Bay Water – 2017 Annual Budget
Debt Service

Facility Acquisition Credits

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

Facility Acquisition Credits	Projected Balance Outstanding 10/1/16	Projected Balance Outstanding 9/30/17
Pasco County	\$ 16,580,169	\$ 15,538,514
City of New Port Richey	7,500,884	7,029,638
Hillsborough County	10,960,164	10,271,588
City of St. Petersburg	14,812,527	13,881,925
Pinellas County	38,747,826	36,313,481
City of Tampa	1,945,432	1,823,210
	\$ 90,547,001	\$ 84,858,357

<u>Summary of 2017 Debt Service</u>			
<u>Bonds</u>	Principal	Interest	Total
Refunding Revenue Bond, Series 2001 A		\$ 3,000,000	\$ 3,000,000
Refunding Revenue Bond, Series 2004	16,925,000	1,861,912	18,786,912
Refunding Revenue Bond, Series 2005	1,155,000	7,680,750	8,835,750
Refunding Revenue Bond, Series 2010		319,750	319,750
Refunding Revenue Bond, Series 2011	10,615,000	2,933,500	13,548,500
Refunding Revenue Bond, Series 2011 A	35,000	2,264,000	2,299,000
Revenue Bond, Series, 2013		3,619,550	3,619,550
Refunding Revenue Bond, Series 2015 A		7,611,150	7,611,150
Refunding Revenue Bond, Series 2015 B	1,065,000	2,814,346	3,879,346
Refunding Revenue Bond, Series 2016 A		4,356,688	4,356,688
Refunding Revenue Bond, Series 2016 B		1,105,439	1,105,439
Refunding Revenue Bond, Series 2016 C		2,767,250	2,767,250
DEBT SERVICE BONDS	\$ 29,795,000	\$ 40,334,334	\$ 70,129,334
<u>Facility Acquisition Credits</u>	Principal	Interest	Total
Pasco County	1,041,654	831,858	1,873,513
City of New Port Richey	471,245	376,333	847,579
Hillsborough County	688,576	549,892	1,238,468
City of St. Petersburg	930,602	743,172	1,673,774
Pinellas County	2,434,344	1,944,051	4,378,396
City of Tampa	122,222	97,606	219,828
DEBT SVC. FACILITY ACQUISITION CREDITS	\$ 5,688,644	\$ 4,542,913	\$ 10,231,558
TOTAL DEBT SERVICE FY 2017	\$ 35,483,644	\$ 44,877,247	\$ 80,360,892

Tampa Bay Water – 2017 Annual Budget

Debt Service

Rating Agency Analysis

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

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

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

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

Tampa Bay Water – 2017 Annual Budget

Debt Service

Tampa Bay Water's debt maintained its very high quality credit rating of AA+ from both Standard & Poor's and Fitch and Aa1 from Moody's with the issuance of the Series 2016A, 2016B and 2016C Bonds. The Agency has the second highest credit rating from all three rating agencies.

The following table summarizes the underlying ratings assigned to Tampa Bay Water's debt by the rating agencies at time of issuance based on the agency's credit.

Bond Issue	Moody's	Fitch	Standard & Poor's
2001A Bonds	A1	AA-	A+
2004 Bonds	Aa3	AA-	A+
2005 Bonds	Aa3	AA-	A+
2010 Bonds	Aa2	AA+	AA+
2011 Bonds	Aa2	AA+	AA+
2011A Bonds	Aa2	AA+	AA+
2013 Bonds	Aa2	AA+	AA+
2015A Bonds	Aa1	AA+	AA+
2015B Bonds	Aa1	AA+	AA+
2016A Bonds	Aa1	AA+	AA+
2016B Bonds	Aa1	AA+	AA+
2016C Bonds	Aa1	AA+	AA+

Tampa Bay Water's 2001A, 2004 and 2005 Bonds are insured by Financial Guaranty Insurance Company (FGIC) and at the time of issuance the insured ratings were AAA rated by the three rating agencies. In early 2008, the insurer's financial strength and ratings were downgraded by Moody's, Fitch and Standard & Poor's to ratings below those of Tampa Bay Water. Due to Tampa Bay Water's increasingly strong ratings, we have not seen any impact on the agency's debt. The 2010, 2011, 2011A, 2013, 2015A, 2015B, 2016A, 2016B and 2016C Bonds are uninsured.

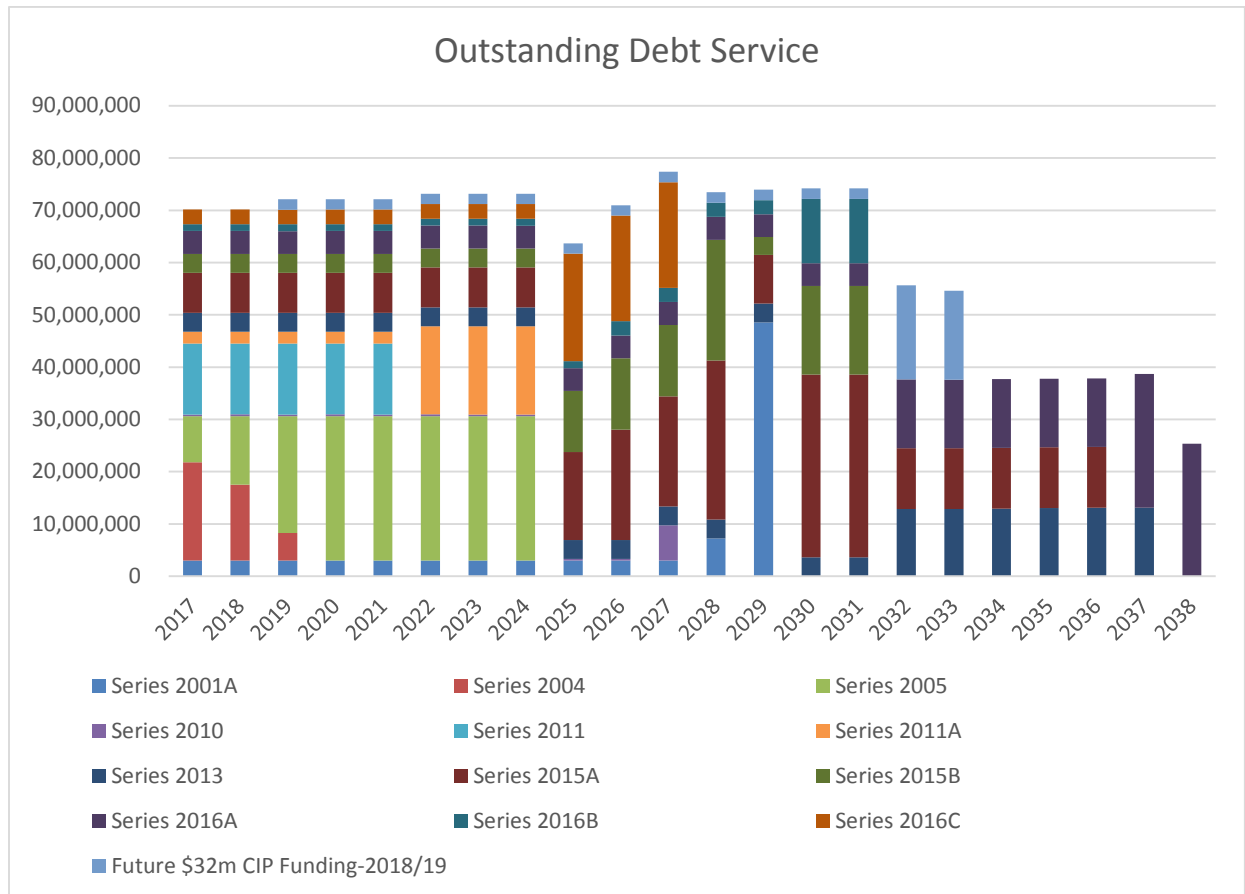
Tampa Bay Water – 2017 Annual Budget

Debt Service

Outstanding Debt Service

The Series 2016A and 2016B bonds closed on February 2nd, 2016 and refinanced all of the Series 2008 bonds and the remaining medium term note in Series 2011B bonds. The Series 2016A and 2016B Bonds achieved net present value savings of \$13.5 million and resulted in 100% of the outstanding debt service being in traditional fixed rate debt, giving the Agency a conservative debt portfolio. The Series 2016C bonds closed on April 6th, 2016 and refinanced part of the Series 2010 bonds, achieving net present value savings of \$6.5 million.

The table below shows Tampa Bay Water's current long-term Debt Service obligations.



Future Borrowing

The Capital Improvement Program shows a need for additional financing, estimated around \$32 million, in late fiscal year 2018 or early fiscal year 2019.

Capital Improvement Program

Fiscal Year 2017

The Capital Improvement Program section provides summary information about the Agency's current capital projects. This includes projects that are scheduled to be in the feasibility, design and construction phases during fiscal year 2017.

Tampa Bay Water – 2017 Annual Budget Capital Improvement Program

In fiscal year 2010, Tampa Bay Water redeveloped its capital planning procedures. This has resulted in a more efficient and comprehensive project evaluation and prioritization process. Tampa Bay Water's five-year plan for its Capital Improvement Program is presented in a separate document titled "Capital Improvement Program Fiscal Years 2017 through 2021".

This section will provide details of only those projects Tampa Bay Water will be managing during fiscal year 2017.

Capital Improvement Program Background

Tampa Bay Water's Capital Improvement Program (CIP) is intended to identify all projects that:

- Ensure the public has sufficient water supplies
- Meet the compliance obligations of the Amended and Restated Interlocal Agreement
- Improve the reliability of the regional system
- Have been recommended through the renewal and replacement analysis

The CIP is primarily a planning document that is updated annually and subject to changes as the needs for specific projects become more defined and final approval of projects is adopted by the Tampa Bay Water Board of Directors.

For those projects receiving funding through the Uniform Rate, the Renewal and Replacement Fund or the Capital Improvement Fund, the 2017 CIP Budget is the basis for budgeted expenditures when adopting the 2017 Annual Budget.

Goals

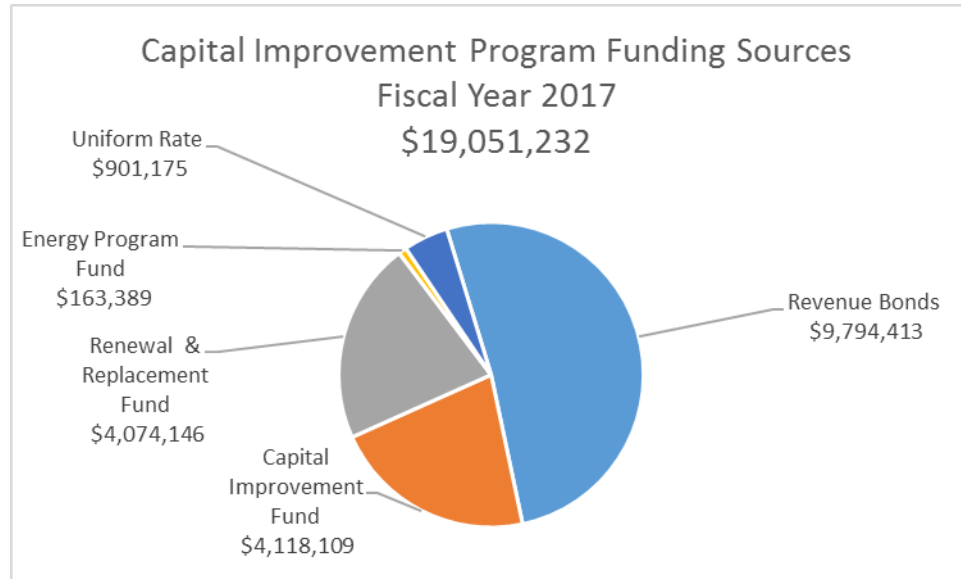
The following goals are used by Tampa Bay Water staff to develop the annual capital budget and the CIP:

- Identify and prioritize capital improvements projects through a coordinated departmental effort that considers the integration of planning and development, engineering, construction, and financing requirements.
- Classify requested projects to ensure the planned activity meets the requirements for a capital project.
- Develop a time line for each project being considered.
- Develop a funding scenario for each project that identifies a funding source, a cash flow estimate, and future operating costs, if applicable.

Tampa Bay Water – 2017 Annual Budget Capital Improvement Program

2017 Capital Improvement Program Funding

For fiscal year 2017, Tampa Bay Water has \$19,051,232 of planned projects. Financing for scheduled Capital Improvement Program projects is summarized by funding source in the following chart.



Capital Improvement Financing

Revenue Bonds

Tampa Bay Water's current Capital Improvement Program will use funds obtained through the issuance of Revenue Bonds. Bond proceeds are placed in a restricted Construction Fund until disbursed for the intended purpose.

Capital Improvement Fund

The Capital Improvement Fund may be used to fund any Board approved Capital Project and is funded by charges collected or other funds received, such as proceeds from the sale of surplus property.

Renewal and Replacement Fund

The Renewal and Replacement Fund is currently funding projects where major repairs or replacement of specific components are needed to maintain the service level of the water supply, treatment, and distribution system.

Uniform Rate

The Uniform Rate generally funds projects that improve existing facilities. Uniform Rate projects are considered routine and include, studies, assessments or evaluations, technological upgrades, facility remodeling or renovations, and Phase I Mitigation projects.

**Tampa Bay Water – 2017 Annual Budget
Capital Improvement Program**

Energy Program Fund

The Energy Fund Program is funded with revenue generated from an agreement with Tampa Electric Company's (TECO) Commercial Demand Response Program provider ENERNOC. Tampa Bay Water earns revenue quarterly by agreeing to reduce electricity consumption when TECO calls for a demand response event such as the reduction of energy usage to lower peak demand.

In addition, Tampa Bay Water has operating facilities that receive power from Withlacoochee River Electric Cooperative (WREC). As a member of the cooperative, Tampa Bay Water shares in the excess annual profits of WREC. Reimbursement of these profits are deposited into the Energy Fund Program.

Projects using Energy Program Funds must result in energy savings.

Other Funding Sources

Tampa Bay Water also seeks and obtains available grant funding for its projects from the Southwest Florida Water Management District, the State of Florida, the U.S. Environmental Protection Agency, and other Federal grant programs.

FISCAL YEAR 2017 PROJECT LIST BY FUNDING SOURCE

Revenue Bonds

Proj #	Project Name	FY 2017
07131	Cosme Water Treatment Plant Yard Piping Improvements	\$ 584,820
09007	Long-Term Master Water Plan	\$ 501,234
50040	Eldridge Wilde WF Underground Powerline	\$ 309,189
07005	South Pasco WTP Improvements	\$ 559,485
50016	Eldridge-Wilde WF Pumps & Motors Replacement	\$ 1,094,811
06316	Regional Reservoir Terrace Drains	\$ 4,466,871
06317	South Central Hillsborough Regional WF Improvements	\$ 545,648
07535	Cypress Creek Console Area Upgrades	\$ 460,305
07536	HSPS Console Area Upgrades	\$ 505,748
07061	South Pasco Wellfield Underground Commercial Powerline	\$ 690
50036	Medium Voltage Variable Frequency Drive Upgrade - Repump Station	\$ 765,612
TOTAL FY 2017 REVENUE BOND FUNDED PROJECTS		\$ 9,794,413

Capital Improvement Fund

Proj #	Project Name	FY 2017
07006	South Pasco Generator and Fuel Tank	\$ 856,467
07539	HSPS Switchgear Modifications	\$ 2,105,759
07538	Cypress Creek WTP Yard Pipe	\$ 1,100,383
07537	CYC WTP Post Node Analyzer Building	\$ 55,500
TOTAL FY 2017 CAPITAL IMPROVEMENT FUND PROJECTS		\$ 4,118,109

**Tampa Bay Water – 2017 Annual Budget
Capital Improvement Program**

Renewal & Replacement Fund

Proj #	Project Name	FY 2017
50020	Alafia River Pump Station Pumps 1,2, 3	\$ 825,803
50028	Facilities Site-SWTP Process Water Piping Repairs	\$ 11,244
50030	South Central Hillsborough WF Arc Flash Mitigation	\$ 125,212
50035	Medium Voltage Variable Frequency Drive Upgrade - CCPS	\$ 544,515
50038	Regional Reservoir Toe Drain Outfall Monitoring Points	\$ 628,353
50050	Renewal and Replacement Program As-needed Activities	\$ 119,540
50046	Lake Bridge Chemical Piping Replacement	\$ 59,912
50029	BUD Well Fields Arc Flash Mitigation and VFDs Replacement	\$ 322,273
50031	Cypress Bridge WF Arc Flash Mitigation	\$ 876,964
50044	Cypress Creek Pump Station Ball Valve Piping Replacement	\$ 44,435
50039	TBC Air Burst System Improvements	\$ 347,643
TBD	Keller H2S Re-circulation Pumps Replacement	\$ 24,000
TBD	Repump Station Motors and Pumps Rehabilitation	\$ 144,253
TOTAL FY 2017 RENEWAL & REPLACEMENT FUND PROJECTS		\$ 4,074,146

Energy Program Fund

Proj #	Project Name	FY 2017
52001	Cypress Creek Pump Station Pumps Repair Program	\$ 163,389
TOTAL FY 2017 ENERGY PROGRAM FUND PROJECTS		\$ 163,389

Uniform Rate

Proj #	Project Name	FY 2017
09007	Long-Term Master Water Plan	\$ 347,786
09103	Starkey Hydrologic Restoration	\$ 261,716
50028	Facilities Site-SWTP Process Water Piping Repairs	\$ 347
09106	Lake Dan Augmentation	\$ 106,608
50044	Cypress Creek Pump Station Ball Valve Piping Replacement	\$ 12,717
11006	South Pasco Transmission Main Condition Assessment	\$ 172,000
TOTAL FY 2017 UNIFORM RATE FUNDED PROJECTS		\$ 901,175

Further program and project detail is provided in a separate document titled “Tampa Bay Water’s Capital Improvement Program Fiscal 2017-2021”. The Capital Improvement Program for fiscal years 2017-2021 was accepted by the Board on April 18, 2016.

<http://www.tampabaywater.org/documents/financials/CIP-2016-2020-6.22.15.pdf>

Divisional Operating Budget Detail

Fiscal Year 2017

The Divisional Operating Budget Detail section provides an overall view of the fiscal year 2017 operating budget and historical budget trends of the agency for the preceding four years. It also provides budget information at the divisional level along with each division's responsibilities, goals and objectives.

Tampa Bay Water – 2017 Annual Budget

Divisional Operating Budget Detail

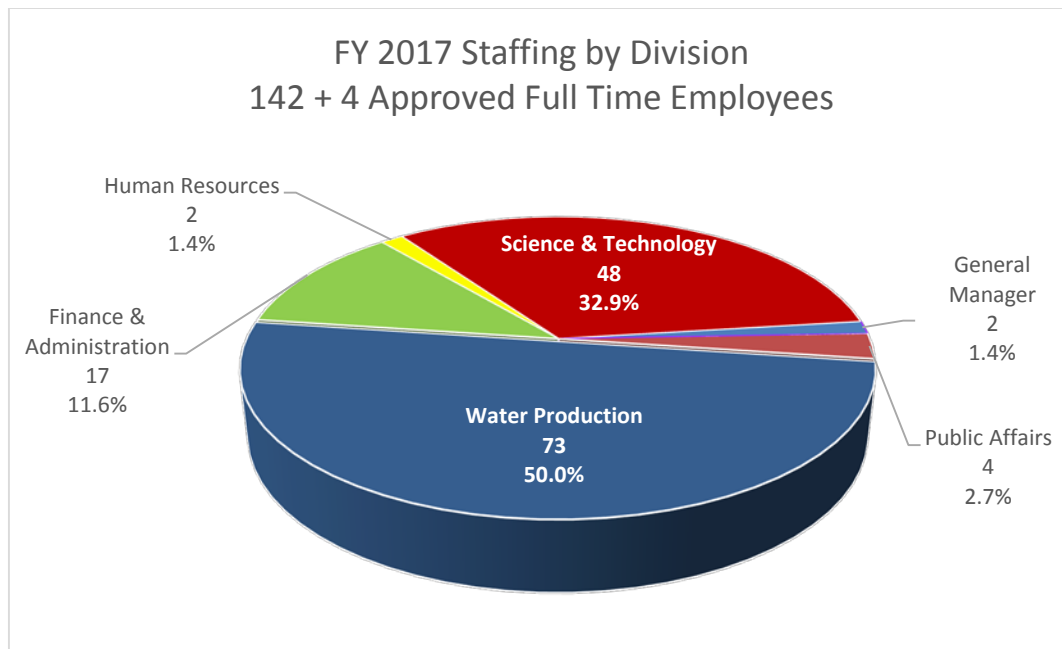
This section provides summaries of Tampa Bay Water's new divisional organizations, mission, responsibilities, as well as historical budget trends.

As the Agency has matured, and shifted from an organization focused on the planning and construction of new supplies to an organization focused on the efficient operation and timely maintenance of its robust and integrated regional supply system, a new organizational chart was developed. The organizational design separates the agency into four divisions: Water Production, Finance & Administration, Public Affairs, and Science & Technology and has the Human Resource Department as a direct report to the General Manager. Each division focuses on continually developing efficient work processes and creating performance measures to strive for efficiencies and affordable service.

Tampa Bay Water's organizational design focuses on the Mission, Vision and Value statements, and better positions the agency to implement the Board's Strategic Plan.

Staffing

For fiscal year 2017, \$16,177,088 or approximately 9.8 percent of the Operating Budget is funding for 142 full time employees plus 4 approved fulltime positions and 6 Co-op students. The chart below shows the breakdown of full time employees per division for FY 2017.



Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

The chart below shows agency full-time employees and co-op positions for fiscal years 2010 through 2016. The approved fiscal year 2017 staffing column includes 4 full-time positions staff is recommending.

Area	Approved FY 2010	Approved FY 2011	Approved FY 2012	Approved FY 2013	Approved FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
General Manager	2	2	2	2	2	2	2	2
Public Affairs	1	3	3	3	5	5	4	4
General Counsel	3	2	2	1	*	*	*	*
Operations & Facilities	52	52	52	53				
Water Production					83	63	72	72+1 approved
Finance & Administration	33	29	29	28	17	20	16	16 + 1 approved
Human Resources					2	2	2	2
Science & Engineering	37	37	39	39				
Continuous Improvement					1			
Regulatory Compliance					11			
Information Technology					11			
Science & Technology						41	46	46+2 approved
Full Time Employees	128	125	127	126	132	133	142	142+4 approved

*General Counsel now outsourced

A blank field means it was combined or part of another area.

	Approved FY 2010	Approved FY 2011	Approved FY 2012	Approved FY 2013	Approved FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
Co-op Positions	4	4	4	4	4	4	6	6

Position Requests for Fiscal Year 2017

The Management and Performance Audit presented to the Board in 2015 indicated the need to systematically review the Agency's outsourcing activities to determine whether bringing work in-house would be more efficient for the agency. With a focus on affordably providing service to our member government, staff reviewed outsourcing activities within all divisions and determined there was an opportunity to receive better value for services with in-house staff by requesting four additional, full-time positions. Those positions include:

–Water Production Division – One full-time position requested

A Mechanical Engineer position will assist Engineering Support staff with a steadily increasing need to manage projects derived from the Capital Improvement Program (CIP). In the next few years, a number of projects that have mechanical engineering components are approved. Hiring a Mechanical Engineer will allow staff to perform some of these tasks in-house and eliminate outside costs. The number of outsourced projects and projects designed in-house are approximately equal although large projects are mostly outsourced.

Since fiscal year 2014, five full-time engineers were assigned to manage CIP projects. Currently, only four full-time engineers are overseeing the project management of the CIP as one Senior Engineer has been assigned to oversee and manage the CIP and Energy Savings Program. An additional engineering position would allow the senior engineer position to continue in a dedicated CIP and Energy Program management role, while bringing project management staffing back to five full-time equivalents, and should maintain the 50/50 balance between in-house and outsourcing project design.

–Science & Technology Division – Two full-time positions requested

A new Water Quality Scientist position is being requested to replace the Land Use and Development Reviews Program, an ad-hoc program, intended to help protect the agency's drinking water supply sources by reviewing member governments' land use/rezoning applications and mining/borrow pit applications, providing technical and planning analysis, and suggesting development conditions for those developments that pose the most threat to the agency's drinking water supply sources. The program started in the 1980's with the review of Developments of Regional Impacts documents to determine where suitable future groundwater supplies might be developed consistent with regional forecasts for growth. The program evolved over the years and now encompasses reviews of member governments' wellhead and surface water protection ordinances, rezoning applications, mining and borrows pit applications. Staff has also provided assistance to the members in the development of their wellhead and source water protection ordinances.

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Costs and Benefits of Land Use and Development Proposal Reviews, including mining:

1. As needed professional services – costs over the past three years ranged between \$65,000 to over \$90,000, for both the land use reviews and mining reviews – increasing to \$103,000 in 2015 with increased development activity, plus
2. Staff resources – 1/4 person year

In Tampa Bay Water's role as the regional water provider, source water quality and treatment are core responsibilities of the agency. The agency's updated strategic plan includes developing and implementing a Source Water Assessment Program to focus on source water quality and the treatment issues associated with our source waters. This new position allows the agency to build staff knowledge regarding source water assessment and treatment.

A Laboratory Technician position is needed for the analysis of samples in the Wet Chemistry section of the laboratory; collection of samples across Tampa Bay Water's three-county service area; and, maintenance/calibration of continuous on-line water quality monitoring devices at various locations in the Agency's service area. The knowledge of sample locations within the entire service area and sampling techniques used in the collection of samples is a critical part of the lab technician's value. The increase in the number of required samples and required Wet Chemistry analyses have significantly increased the workload in this section of laboratory. This workload had previously been managed through two Cooperative Student positions and when imperative, reassignment to the Lab Manager and the Laboratory Scientist positions. NELAC requires that a person performing any analytical methods annually demonstrate and document proficiency in each method. It is more efficient to dedicate positions to specific responsibilities of the required Wet Chemistry analyses, maintenance of the inventory in that section, maintenance of instrumentation and equipment used for those analyses, and various associated administrative and record-keeping tasks. The laboratory technician position will also provide backup staff for the collection of water quality samples which are required by permits.

Finance & Administration Division – One full-time position requested

The Finance & Administration Division is requesting a Warehouse Clerk position be added to the agency in fiscal year 2017 to support the increasing responsibilities and activities of the agency's warehousing function. Since 2010, warehouse staff workload has increased by 20-25 percent, mainly as a result of the implementation of an asset management program and new Computerized Maintenance and Management System that focuses on preventative maintenance efforts. Currently the warehouse is staffed with one full-time person, the only designated and fully licensed, certified fork lift operator. Back up services are provided by finance and purchasing staff, positions that are not classified for that type of job duties. The requirements for those administrative positions do not match the requirements for a warehouse position. An additional warehouse position will allow for full coverage of the warehouse during deliveries and a second staff person licensed and certified to use the fork

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

lift. Additional staff will also allow for a focus on meeting key warehouse strategic objectives including:

- Creating standard operating procedures in support of the agency's Environmental Management System.
- Updating SDS documents that are critical to the agency's emergency management plan.
- Performing cycle counting to reduce annual inventory tasks.
- Integrating and tracking inventory to provide maintenance staff with real-time information on inventory items.

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Tampa Bay Water Total Operating Budget

Uniform Rate Budget	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Approved 2016	Amended 2016	Approved 2017
Expenditures:								
41000 Regular Salaries	8,500,129	8,407,490	8,252,345	8,924,540	9,559,531	10,432,851	10,808,106	11,178,629
41300 Other Sal & Wages	20,309	16,162	8,233	10,858	11,363	11,794	11,794	12,406
41310 Employee Awards (FRS Exempt)	800	700	2,734	1,550	1,908	2,500	2,500	2,600
41320 Taxable Insurance Benefit (FRS Exempt)	1,708	-	-	-	-	-	-	-
41330 Taxable Excess Life Insurance (FRS Exempt)	2,188	-	-	-	-	-	-	-
41340 Auto Allowance	8,453	6,904	3,818	4,780	4,993	5,100	5,100	5,400
41350 Employee Training Incentives (FRS Exempt)	-	75,000	-	-	-	-	-	-
41410 Overtime	59,656	61,184	65,760	65,796	72,670	72,330	72,330	94,915
41420 Shift Differential	27,905	29,308	29,233	35,406	41,351	71,294	71,294	57,093
41430 On-call pay	35,223	37,442	38,757	42,094	45,907	48,372	48,372	52,934
42100 FICA	621,546	623,121	621,377	663,315	706,450	789,780	789,780	869,527
42200 FRS	753,049	419,558	493,347	708,997	820,559	980,458	980,458	953,298
42300 Life & Health Ins	1,327,009	1,093,774	1,205,427	1,494,987	1,467,199	2,010,173	2,030,173	2,652,800
42400 Workers' Compensation	85,368	96,638	113,029	125,422	162,000	201,358	201,358	206,000
42500 Unemployment Comp	8,524	-	4,167	2,750	1,375	10,000	10,000	10,000
42600 Other Post-Employment Benefits	(8,368)	(25,304)	43,537	32,829	44,871	60,000	60,000	65,000
Total Personnel Services	11,443,499	10,841,978	10,881,764	12,113,326	12,940,176	14,696,010	15,091,265	16,177,088
55100 Office Supplies	30,583	37,708	34,705	32,581	32,505	63,700	63,700	63,950
55200 Operating Supplies	1,394,451	1,337,557	1,478,706	1,749,870	1,458,485	1,776,876	1,793,726	1,874,763
55260 Computer Software Expense	110,629	187,684	137,156	178,503	185,113	152,000	189,269	218,600
55400 Books, Publs, Subsc, Memberships	220,721	211,031	216,537	210,985	225,346	263,532	263,532	245,972
55500 Training	47,643	68,102	86,374	70,199	157,308	298,797	300,447	297,681
Total Materials & Supplies	1,804,027	1,842,082	1,953,478	2,242,137	2,058,757	2,554,905	2,610,674	2,700,966

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Uniform Rate Budget	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Approved 2016	Amended 2016	Approved 2017
63120 Engineering Services	2,375,566	2,072,725	1,753,775	2,496,470	1,755,268	2,479,800	3,249,615	2,295,000
63125 Engineering Services-Owners Allowance	-	-	4,600	3,250	31,145	-	30,370	-
63130 Hydrological Services	279,525	253,310	307,068	205,260	298,997	590,000	782,609	545,000
63140 Ecological Services	3,030,565	3,193,427	3,026,781	2,548,699	2,672,857	3,012,179	3,916,979	2,864,281
63181 Mitigation	909,353	974,579	769,071	526,502	820,812	660,000	729,768	800,000
63182 Augmentation	66,328	83,553	59,935	224,103	139,848	257,000	278,663	341,700
63190 Other Professional Services	1,403,592	1,181,401	1,493,658	1,773,853	1,702,038	3,165,140	4,072,426	3,499,188
63200 Accounting & Auditing	178,807	187,000	187,212	208,400	427,450	230,000	310,000	265,000
63400 Other Services	1,411,303	1,369,967	1,143,530	1,397,549	1,749,186	1,657,326	1,877,526	1,928,918
63410 O & M Agreements	12,094,396	13,641,558	13,290,155	14,558,475	14,717,133	15,503,620	15,622,527	14,593,275
Total Professional Services	21,749,435	22,957,520	22,035,785	23,942,562	24,314,733	27,555,065	30,870,484	27,132,362
64000 Travel & Per Diem	55,908	44,536	65,101	73,479	81,489	113,846	113,846	114,869
64005 Mileage & Tolls				403	23,309	25,300	25,100	28,525
64100 Communications Services	543,675	602,770	707,893	676,585	577,263	727,600	760,405	768,200
64120 Freight & Postage Services	92,202	91,685	91,016	73,123	74,561	98,000	98,287	95,550
64320 Water, Sewer, & Other Utilities	145,830	77,946	590,146	241,176	181,467	241,272	254,163	233,700
64600 Repair & Maint-Eq & Grounds	1,845,111	2,178,105	2,156,411	1,714,408	2,565,726	2,768,989	3,544,845	2,664,219
64605 Repair & Maint-Eq & Grnds Owners Allow	-	-	-	-	-		20,000	-
64700 Printing & Binding	21,419	17,578	26,551	23,611	26,331	40,500	41,704	40,600
64800 Promotional Activities	47,210	21,712	3,738	9,733	22,584	27,000	27,000	75,700
64810 Advertising	69,299	22,216	103,557	62,082	47,429	86,750	86,750	118,000
64990 Other Current Charges	90,963	121,684	134,167	108,457	68,493	196,575	199,207	205,250
64991 Permits	4,594	9,700	5,840	1,140	69,153	79,500	79,500	80,370
Total Repairs & Other Services	2,916,211	3,187,933	3,884,420	2,984,196	3,737,805	4,405,332	5,250,808	4,424,983
64400 Rentals & Leases	263,204	276,886	301,434	263,171	335,708	138,000	220,030	167,130
64500 Insurance	920,963	1,147,547	1,385,720	1,558,726	1,435,458	1,691,000	1,691,000	1,705,800
Total Rent & Insurance	1,184,167	1,424,433	1,687,154	1,821,898	1,771,166	1,829,000	1,911,030	1,872,930

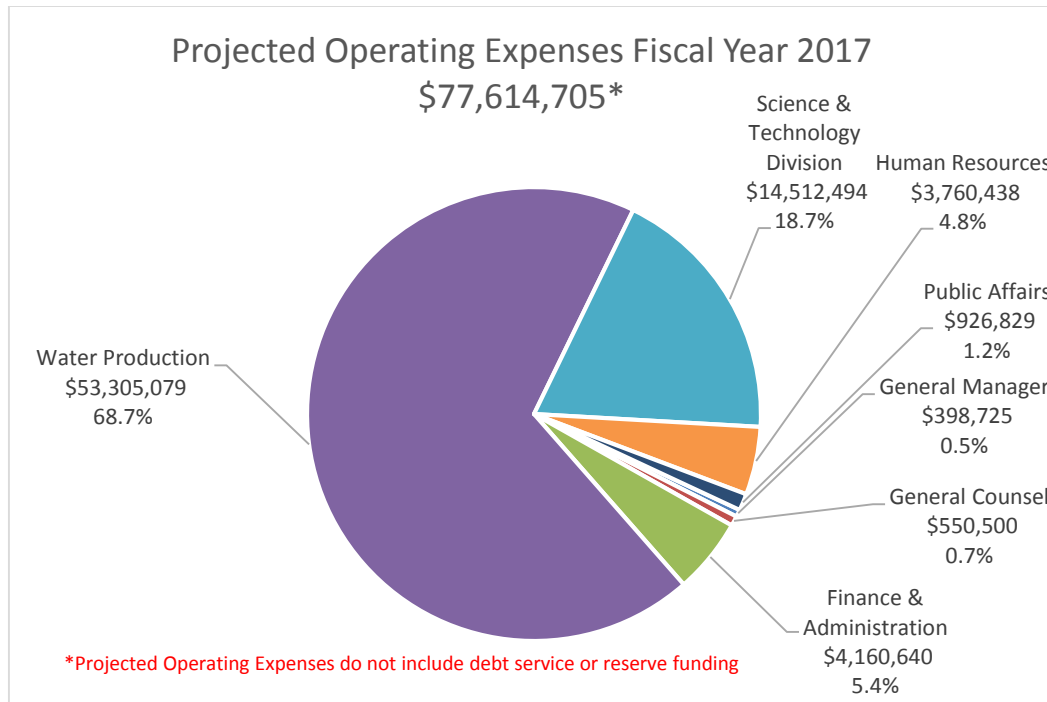
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Uniform Rate Budget	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Approved 2016	Amended 2016	Approved 2017
63110 Legal Services	3,866,647	2,934,148	617,748	321,258	292,042	545,000	545,021	545,000
86100 Land Acq Cost-Purchase	-	-	-	-	-	25,000	25,000	25,000
86110 Land Acq Cost-Legal	-	-	-	-	-	5,000	5,000	5,000
86190 Land Acq Cost-Other	15,279	95	-	-	-	1,000	1,000	1,000
86300 Capital Improve Facility	-	-	-	-	143,600	-	14,574	-
86305 Capital Improve Facility-Owners Allowance	-	-	-	-	43,829	-	6,597	-
86400 Mach & Equipment Purchase	1,054,084	830,410	1,026,896	833,824	889,254	1,008,992	1,319,891	1,085,230
86610 Software-To Amortize	34,249	28,915	-	626,726	426,756	470,000	676,668	240,000
Total Capital Expenditures	1,103,612	859,420	1,026,896	1,460,550	1,503,439	1,509,992	2,048,729	1,356,230
77210 Interest Bonds	48,321,657	47,224,766	48,327,974	48,272,316	45,478,588	43,783,958	43,783,958	40,334,334
871 09 Principal 1999 Bonds	7,585,000	-	-	-	-	-	-	-
87111 Principal 2001-A Bonds	1,000,000	-	-	-	-	-	-	-
87112 Principal 2001-B Bonds	3,510,000	-	-	-	-	-	-	-
87114 Principal 2004 Bonds	6,175,000	9,660,000	10,145,000	10,655,000	11,180,000	11,770,000	11,770,000	16,925,000
87116 Principal 2005 Bonds	3,730,000	4,415,000	4,640,000	4,875,000	5,145,000	5,410,000	5,410,000	1,155,000
87117 Principal 2006 Bonds	2,905,000	3,015,000	3,145,000	1,905,000	340,000	355,000	355,000	-
87140 Principal 2011 Bonds	-	8,325,000	8,735,000	9,170,000	9,630,000	10,115,000	10,115,000	10,615,000
87141 Principal 2011A Bonds	310,000	285,000	290,000	295,000	305,000	30,000	30,000	35,000
87142 Principal 2011 B Bonds	325,000	160,000	165,000	165,000	170,000	175,000	175,000	-
87145 Principal 2015B Bonds	-	-	-	-	420,000	775,000	775,000	835,000
87147 Principal 2016B Bonds	-	-	-	-	-	-	-	230,000
Total Debt Service	73,861,657	73,084,766	75,447,974	75,337,316	72,668,588	72,413,958	72,413,958	70,129,336
77250 Interest Facility Purchase	5,922,970	5,726,929	5,517,464	5,294,959	5,058,496	4,808,120	4,808,120	4,542,913
87125 Principal Payment Facility Acq.	4,308,586	4,504,628	4,714,094	4,936,599	5,173,062	5,423,438	5,423,438	5,688,644
Total Acquisition Credits to Members	10,231,556	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
55250 Water Quality Credit Expense	195,000	195,000	195,000	48,000	48,000	48,000	48,000	48,000

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Uniform Rate Budget	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Approved 2016	Amended 2016	Approved 2017
82810 O&M Reserve Funding	-	-	-	-	-	-	-	-
82820 Renewal & Replacement Rsv Fund	-	999,452	-	-	2,891,688	8,018,329	8,018,329	7,074,146
82870 Capital Improvement Funding	199,402	-	-	-	2,986,952	26,995	26,995	34,165
Total Reserve Funding	199,402	999,452	-	-	5,878,640	8,045,324	8,045,324	7,108,311
55210 Water Treatment Chemicals	8,338,843	8,331,008	8,086,605	8,250,112	7,385,988	10,665,878	10,665,878	9,441,417
64310 Power and Light	10,853,333	9,199,169	11,164,826	12,061,160	10,053,809	12,003,244	12,003,244	12,407,551
64380 Water for Resale-Variable	1,462,445	1,568,872	1,917,610	1,802,135	1,950,919	1,544,575	1,544,575	1,508,178
Total Variable Costs	20,654,621	19,099,049	21,169,041	22,113,407	19,390,716	24,213,697	24,213,697	23,357,146
GRAND TOTAL	149,209,834	147,657,339	149,130,818	152,616,207	154,835,620	168,047,841	173,280,546	165,083,908
Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS.								

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail



Office of General Manager		Approved FY 2017
Salaries & Wages		360,452
Materials & Supplies		27,948
Repairs & Other Services		10,325
Total Office of General Manager		\$ 398,725

General Counsel		Approved FY 2017
Professional Services		\$3,000
Legal Services		545,000
Capital Equipment		2,500
Total General Counsel		\$ 550,500

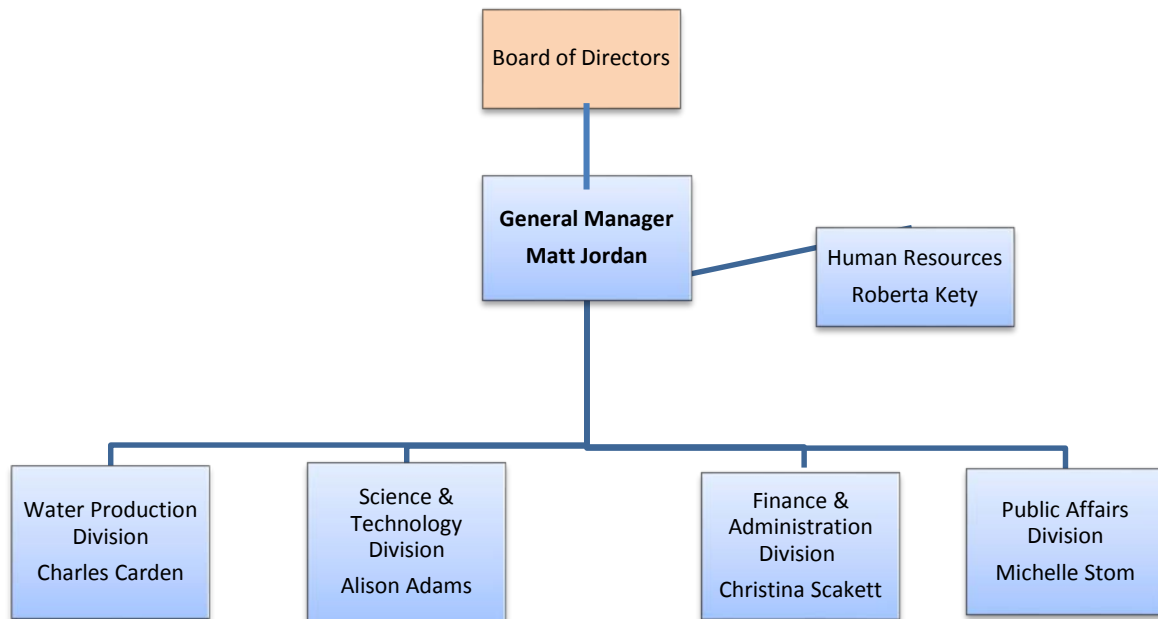
Finance & Administration		Approved FY 2017
Salaries & Wages		1,343,922
Materials & Supplies		374,392
Professional Services		512,576
Repairs & Other Services		290,750
Rent, Insurance & Construction		1,605,500
Capital Equipment		33,500
Total Finance & Administration (does not include debt service or reserve funding)		\$ 4,160,640

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Water Production		Approved FY 2017
Salaries & Wages		5,959,973
Materials & Supplies		1,433,959
Professional Services		18,876,733
Repairs & Other Services		2,802,608
Rent & Insurance		262,430
Water Quality Credit		48,000
Capital Equipment		565,230
Water Treatment Chemicals		9,441,417
Power / Electricity		12,407,551
Water for Resale		1,508,178
Total Water Production		\$ 53,305,079
Science & Technology		Approved FY 2017
Salaries & Wages		4,611,948
Materials & Supplies		798,127
Professional Services		7,288,869
Repairs & Other Services		1,061,550
Capital Equipment		752,000
Total Science & Technology		\$ 14,512,494
Human Resources		Approved FY 2017
Salaries & Wages		3,528,874
Materials & Supplies		43,180
Professional Services		119,684
Repairs & Other Services		60,700
Rent & Insurance		5,000
Capital Equipment		1,000
Total Human Resources		\$ 3,760,438
Public Relations		Approved FY 2017
Salaries & Wages		371,919
Materials & Supplies		24,360
Professional Services		331,500
Repairs & Other Services		199,050
Total Public Relations		\$ 926,829
Total Approved Operating Budget (not including Debt Service & Reserve Funding)		\$ 77,614,705

Office of the General Manager

The **General Manager** is appointed by and serves at the pleasure of the Agency's Board of Directors and is responsible for providing the leadership to develop and expand the organization in a multitude of activities in the areas of water production, science, technology, finance, administration, public affairs and ensuring that Board policies and programs are implemented in accordance with the Board's direction. The General Manager oversees the Human Resources Department and four divisions as follows:



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

The General Manager also coordinates all legal matters for the agency with the agency's General Counsel. The General Counsel handles a variety of legal matters including those relating to operations, permitting, contracts, property acquisition, construction-related services, human resource and fiscal matters and defense of legal matters. Since May 2012, the agency's general counsel duties have been performed through outside contracted services with Pennington, P.A.

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

General Manager	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	238,493	236,419	236,419	255,784	255,784	267,928
41300 Other Salaries & Wages	11,340	11,363	11,363	11,794	11,794	12,406
41340 Auto Allowance	4,800	4,993	4,993	5,100	5,100	5,400
42100 FICA	13,738	17,545	17,545	14,886	14,886	21,261
42200 FRS	46,473	20,302	20,302	57,190	57,190	53,457
42300 Life & Health Insurance		13,228	13,228			
Total Personnel Services	314,844	303,850	303,850	344,754	344,754	360,452
55200 Operating Supplies	1,812	1,812	44	1,195	1,195	1,120
55400 Books, Pubis, Subsc, Memberships	22,878	22,878	22,811	25,214	25,214	24,578
55500 Training	1,540	1,540	620	1,550	1,550	2,250
Total Materials & Supplies	26,230	26,230	23,475	27,959	27,959	27,948
64000 Travel & Per Diem	5,000	4,245	3,845	7,200	7,200	7,200
64005 Mileage & Tolls	0	755	621	200	200	625
64120 Freight & Postage Services	50	0	0	100	100	0
64810 Advertising	1,400	1,799	1,799	1,750	1,750	1,800
64990 Other Current Charges	1,390	1,390	432	1,400	1,400	700
Total Repairs & Other Services	7,840	8,189	6,696	10,650	10,650	10,325
GRAND TOTAL	348,914	338,269	334,021	383,363	383,363	398,725
Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS						

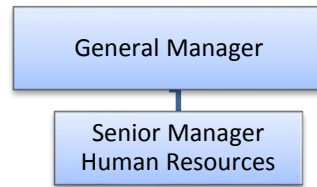
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

General Counsel	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
63190 Other Professional Services	3,000	3,000		3,000	3,000	3,000
Total Professional Services	3,000	3,000		3,000	3,000	3,000
64990 Other Current Charges	200	200	-	-	-	-
Total Repairs & Other Services	200	200	-	-	-	-
63110 Legal Services	545,000	544,735	292,042	545,000	545,021	545,000
86110 Land Acq Cost-Legal	5,000	5,000		2,500	2,500	2,500
Total Capital Expenditures	5,000	5,000	-	2,500	2,500	2,500
GRAND TOTAL	553,200	552,935	292,042	550,500	550,521	550,500

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS.

Human Resources

The **Human Resources Department** is responsible for assisting in the needs of the 133 full time equivalent employee positions of Tampa Bay Water. Currently Human Resources is comprised of two full-time positions and reports directly to the Agency General Manager.



The mission of the Agency's Human Resources Department is to maintain a fair, equitable, and positive work environment for all employees in support of the mission of the Agency. The Human Resources Division believes that the success of the Agency is primarily dependent upon its employees. Further, it is our commitment to our employees and their development that we believe will create job satisfaction, career opportunities and provide maximum benefit to the organization.

The Human Resources Department provides assistance and advocacy for employees and retirees through the administration of benefit programs, policies and procedures; by promoting positive employee relations; and by ensuring a competent and diverse workforce. The Human Resources Department provides to our constituents a diverse range of Human Resources services to ensure that the Tampa Bay Water continues to be a desirable place to work.

For our employees, we serve as a resource of information and expertise to enhance the well-being and quality of life among our workforce. The Human Resources Division demonstrates through our actions and behavior a genuine respect for the dignity of the individual and to honor each person's right to fair and equitable treatment in all aspects of the employment relationship.

The Human Resources Department accomplishes this through the following major objectives:

- Providing employees with the tools, training, and knowledge that motivates them to perform in the most effective and efficient manner possible. Human Resources regards training, education and employee development activities as an investment to promote individual success and to increase overall value to the Agency.
- Inspiring and encouraging a high level of employee morale through recognition, effective communication, and providing effective feedback. The Human Resources Department encourages open discussion between supervisors and employees and manages the process to regularly review employee performance by establishing clear

- objectives, providing relevant and positive feedback to assure continued development, and consistently works towards the objective of achieving an environment of involvement, commitment, empowerment, and productivity.
- Promoting a diverse workforce that recognizes each employee as an individual in a safe and discrimination/harassment free environment through positive programs of hiring, career development, and promotion.
 - Facilitating change management and the pursuit of excellence in all employee programs, and influencing positive employee-management relationships.
 - Establishing, administering, and communicating sound policies and practices that treat employees with dignity and equality while maintaining compliance with applicable law, policy, and regulation.
 - Providing professional human resources consultation to the organization regarding staffing, organizational effectiveness, training and development, compensation, Equal Employment Opportunity/Affirmative Action, benefits administration and related practices.
 - Recruiting and hiring the most qualified employees, by: pre-planning staffing needs; ensuring an effective review process; increasing Agency visibility in the marketplace; identifying the best and most cost effective recruitment sources; and conducting thorough reference checks. Promoting from within is encouraged whenever possible, especially when it is beneficial to the employee and the Agency.
 - Retaining valued Agency employees by: providing professional training in effective management techniques that will assure effective leadership qualities in our managers; providing competitive wages and benefits and administering individual salaries and promotions in a manner that recognizes the relative value of each position and that rewards individual performance; providing technical, interpersonal, and career development training and coaching; conducting exit interviews and supplying relevant feedback to management; and enhancing communication between employees and management.
 - Providing a safe, efficient, and attractive work environment through maintenance of good physical working conditions, proper work practices and safeguards, and the fostering of harmonious work relationships among all employees.

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Human Resources	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	629,602	325,188	104,129	798,007	798,007	524,026
41310 Employee Awards (FRS Exempt)	2,650	2,434	1,908	2,500	2,500	2,600
41410 Overtime	-	-	-	1,329	1,329	505
42100 FICA	45,025	45,499	7,727	46,997	46,997	40,127
42200 FRS	61,824	8,942	8,942	35,852	35,852	27,816
42300 Life & Health Ins	1,837,900	378,804	27,319	2,010,173	2,030,173	2,652,800
42400 Workers' Compensation	134,170	162,000	162,000	201,358	201,358	206,000
42500 Unemployment Comp	15,000	6,743	-	10,000	10,000	10,000
42600 Other Post-Employment Benefits	-	-	-	60,000	60,000	65,000
Total Personnel Services	2,726,171	929,610	312,024	3,166,216	3,186,216	3,528,874
55100 Office Supplies	1,450	1,450	-	250	250	250
55200 Operating Supplies	2,000	2,000	-	500	500	500
55400 Books, Pubis, Subsc, Memberships	980	980	642	2,200	2,200	2,430
55500 Training	37,650	37,650	3,097	40,000	40,000	40,000
Total Materials & Supplies	42,080	42,080	3,740	42,950	42,950	43,180
63190 Other Professional Services	58,520	58,520	32,300	11,020	65,215	65,400
63400 Other Services	75,000	75,000	1,492	30,000	30,000	54,284
Total Professional Services	133,520	133,520	33,792	41,020	95,215	119,684

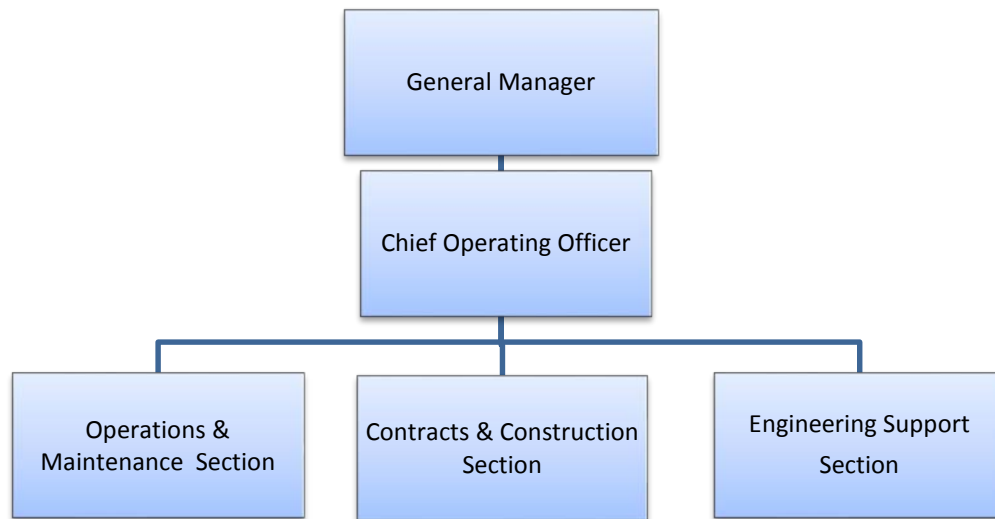
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Human Resources	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
64000 Travel & Per Diem	1,350	860	860	1,350	1,350	5,350
64005 Mileage & Tolls	-	1,874	1,874	-	-	1,400
64120 Freight & Postage Services	100	203	203	650	650	650
64600 Repair & Maint-Eq & Grounds	1,500	13	-	1,500	1,500	3,000
64810 Advertising	24,000	24,000	8,278	24,000	24,000	24,000
64990 Other Current Charges	25,450	25,450	18,222	25,175	27,807	26,300
Total Repairs & Other Services	52,400	52,400	29,438	52,675	55,307	60,700
64400 Rentals & Leases	5,000	5,000	1,752	5,000	5,000	5,000
Total Rent & Insurance	5,000	5,000	1,752	5,000	5,000	5,000
86400 Machinery & Equipment Purchase	-	-	-	1,000	1,000	3,000
Total Capital Expenditures	-	-	-	1,000	1,000	3,000
GRAND TOTAL	2,959,171	1,162,610.38	380,746	3,308,861	3,385,688	3,760,438

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS.

Water Production Division

The **Water Production Division** plans, designs, builds, operates, supports, monitors, and maintains Agency facilities to continuously provide high-quality water. The Group is divided into three operating sections: Operations & Maintenance, Contracts & Construction, and Engineering Support. The Operation & Maintenance Section is divided into North and South Regions.



The **Operation & Maintenance Section** is responsible for inspection, programming, testing, calibration and maintenance of critical agency equipment. This Section operates and monitors Agency facilities and maintains process control instruments. They are responsible for the Renewal and Replacement Program and administration of the Maximo CMMS system.

Operation & Maintenance Section Goals & Objectives:

- Complete implementation of the first phase of Maximo to include the following:
 - Complete asset hierarchy and field verification effort for initial data load
 - Develop new maintenance processes to include Planner/Scheduler function
 - Complete overhaul of preventive maintenance job plans and schedules
 - Complete training of Agency staff prior to full deployment
- Develop plan for second phase of Maximo implementation to include further inventory and linear asset functions – begin plan implementation
- Complete applicable field conditions assessments and provide output from the Renewal and Replacement computer application
- Provide design review and support the ranking effort for all Capital Improvement/Renewal & Replacement projects
- Coordinate with the Contracts & Construction Support Section on all construction projects to ensure minimal impacts to the operating system while maintaining regulatory compliance
- Manage the consolidated wellfield production below the permit condition of 90 mgd

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- Manage the non-consolidated wellfield production below the respective permit limits
- Operate the regional system and points of connection in compliance with Exhibit C and D and all federal, state and local regulations/permits
- Develop a staffing and budget plan for insourcing/outsourcing operation and maintenance of the Lithia H₂S facility for implementation in FY2016
- Complete transition to operation for the Keller H₂S facility and examine options for long-term facility maintenance
- Assist with reservoir transition from construction to monitoring and maintenance phase

The **Contracts & Construction Section** is responsible for establishing and directing outsourced operations, contract management, construction management and inspection, buildings and grounds maintenance and fleet management, emergency preparedness, and the safety and security of agency personnel and infrastructure.

Contracts & Construction Section Goals & Objectives:

- Manage the Desalination Facility OM&M Contract
- Manage the Regional Water Treatment Facility OM&M Contract
- Manage the Lithia H₂S Removal M&M Contract
- Manage the Keller H₂S Removal M&M Contract
- Manage the Reservoir M&M Contract
- Complete construction of the H₂S Removal Facility (Keller)/Pinellas Point of Connection
- Complete construction of the seawater intake pipeline repair, DE Building and second scavenger tank at the Desalination Facility
- Complete construction of arc flash mitigation at Brandon Urban Dispersed, South-Central Hillsborough, Cypress Bridge, South Pasco and Cypress Creek Wellfields
- Complete construction of Facilities Site-SWTP process piping
- Complete demolition of Section 21 surge tank and power line and replace MCCs
- Update fleet management program and purchase eight new vehicles
- Update Safety Policy and Procedure Manual with emphasis on electrical safety
- Complete a security program assessment of physical facilities and security officer service and performance
- Perform maintenance on agency office buildings and grounds

The **Engineering Support Section** analyzes plans, schedules, budgets and designs Capital Improvement/Renewal & Replacement projects needed to operate the system. Their goal is to ensure the public has sufficient water supplies into the future.

Engineering Support Section Goals & Objectives:

- Manage Capital Improvement Program
- Manage energy program
- Complete update to the 2025 analysis for physical system reliability and performance during service interruptions
- Provide real estate coordination for acquisition and disposition of parcels and enforcement of existing property rights
- Provide surveying services to support Consolidated Water Use Permit and other agency needs
- C.W. Bill Young Regional Reservoir – Assist startup efforts.
- Eldridge-Wilde H₂S Removal Facility (Keller) and Pinellas Point of Connection (POC) Project - Assist startup efforts.
- Eldridge-Wilde Wellfield Fiber Optic Project - Assist startup efforts.
- Cross Bar Wellfield Pumps Replacement - Assist construction efforts.
- Section 21 electrical projects- provide engineering of record support
- Cypress Creek shed replacement- complete design criteria package
- Tampa Bay Desalination Reliability Program - Support complete design criteria package and design builder procurement
- Continue to maintain standard specifications and details.
- Continue physical assessments of major transmission mains
- Continue design for remediation of arc-flash recommendations
- Maintain hydraulic model training and ready-to-respond status.

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Water Production	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	4,111,910	4,310,653	4,310,653	4,358,174	4,733,429	4,962,131
41410 Overtime	55,427	63,708	63,708	60,252	60,252	81,822
41420 Shift Differential	33,534	41,351	41,351	71,294	71,294	57,093
41430 On-call pay	43,741	43,741	38,593	45,461	45,461	44,195
42100 FICA	321,882	319,895	319,895	344,894	344,894	392,969
42200 FRS	469,953	370,173	370,173	403,392	403,392	421,763
42300 Life & Health Insurance		721,914	721,914			
Total Personnel Services	5,036,447	5,871,435	5,866,287	5,283,467	5,658,722	5,959,973
55100 Office Supplies						100
55200 Operating Supplies	1,306,042	1,387,541	899,925	1,205,081	1,219,338	1,221,193
55260 Computer Software Expense						600
55400 Books, Pubis, Subsc, Memberships	172,185	175,513	170,508	38,049	38,049	32,624
55500 Training	179,220	181,570	114,572	182,207	183,857	178,442
Total Materials & Supplies	1,657,447	1,744,624	1,185,005	1,425,337	1,441,244	1,432,959
63120 Engineering Services	1,875,000	1,811,600	1,156,254	2,059,000	2,506,849	1,860,000
63125 Engineering Services-OA	-	52,948	31,145	-	30,370	-
63190 Other Professional Services	305,000	352,819	280,513	435,000	465,850	1,115,000
63400 Other Services	1,280,415	1,372,979	1,022,555	1,240,150	1,436,201	1,308,458
63410 O&M Agreements	15,431,569	16,447,293	4,717,133	15,503,620	15,622,527	14,593,275
Total Professional Services	18,891,984	20,037,639	17,207,599	19,237,770	20,061,797	18,876,733

Tampa Bay Water – 2017 Annual Budget
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Water Production	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
64000 Travel & Per Diem	29,051	26,427	16,793	28,678	28,678	29,369
64005 Mileage & Tolls	-	4,053	3,711	2,100	2,100	1,550
64100 Communications Services	9,000	43,048	43,048	3,600	3,600	3,700
64120 Freight & Postage Services	22,800	25,263	11,949	16,350	16,492	14,200
64320 Water, Sewer, & Other Utilities	346,000	351,794	181,467	241,272	254,163	233,700
64600 Repair & Maint-Eq & Grounds	2,558,912	3,307,813	2,501,313	2,599,339	3,374,195	2,504,089
64605 Repair & Maint-Eq & Grnds –Own Al		20,000	-	-	20,000	-
64810 Advertising	3,600	3,511	28	1,200	1,200	-
64990 Other Current Charges	9,500	27,406	25,772	14,000	14,000	11,000
64991 Permits	10,000	10,000	4,653	5,000	5,000	5,000
Total Repairs & Other Services	2,988,863	3,819,314	2,788,735	2,911,539	3,719,429	2,802,608
64400 Rentals & Leases	7,000	186,372	107,823	6,500	84,345	8,130
64500 Insurance	215,000	226,298	73,375	215,000	215,000	219,300
Total Rent & Insurance	222,000	412,670	181,197	221,500	299,345	227,430
86300 Capital Improvement-Facility	-	-	143,600	-	14,574	-
86305 Capital Improvement-Facility-O.A.	-	-	43,829	-	6,597	-
86400 Machinery & Equipment Purchase	652,028	853,145	606,651	575,434	811,588	565,230
Total Capital Expenditures	652,028	853,145	794,080	575,434	832,759	565,230
55250 Water Quality Credit Expense	48,000	48,000	48,000	48,000	48,000	48,000

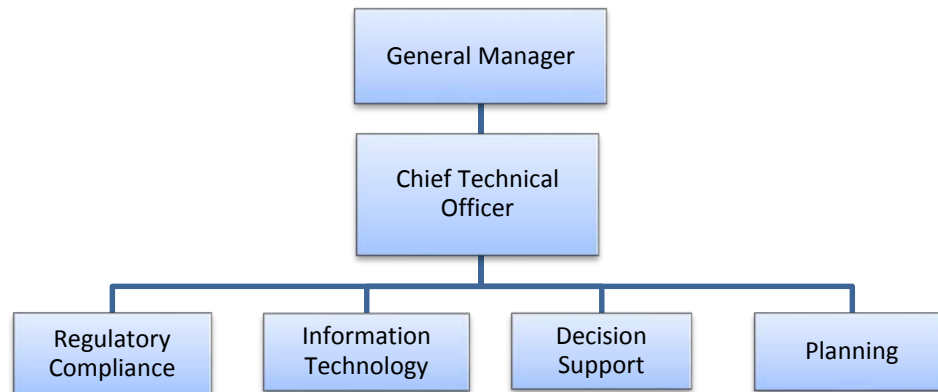
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Water Production	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
55210 Water Treatment Chemicals	11,769,355	11,697,417	7,385,988	10,665,878	10,665,878	9,441,417
64310 Power and Light	13,543,263	13,138,520	10,053,809	12,003,244	12,003,244	12,407,551
64380 Water for Resale-Variable	1,544,575	1,950,919	1,950,919	1,544,575	1,544,575	1,508,178
Total Variable Costs	26,857,193	26,786,856	19,390,716	24,213,697	24,213,697	23,357,146
GRAND TOTAL	56,353,962	59,573,682	47,461,619	53,916,744	56,274,993	53,305,079

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS

Science and Technology Division

The **Science and Technology Division** leads the Agency in the efficient management of data and information to support all regulatory compliance, permitting and reporting services, water supply planning, source water assessment, decision support activities and information technology support for all business units.



Regulatory Compliance is responsible for all permitting, compliance and reporting services. Regulatory Compliance includes five departments: Water Use Permitting, Environmental Permitting, Monitoring and Mitigation, Tracking, and Laboratory Services. Managers from each of these departments report to the Regulatory Compliance Senior Manager who is responsible for coordination of internal regulatory compliance matters as well as interactions with state, local and federal regulatory agencies, research agencies and industry associations.

The Water Use Permitting Department is responsible for the acquisition and renewal of, and compliance with, agency water use permits. Department staff prepare the permit applications, the supporting documents, and the compliance reports necessary to maintain the operating capacity of our water supply facilities. Staff manage the collection of and analyze environmental and water use data to assure compliance with our water supply facility permits. They also monitor and manage wetland impacts associated with construction and/or past operation of agency facilities and infrastructure. Wetland mitigation work is performed by restoring wetlands to their original condition or enhancing wetlands to offset for an unavoidable impact. Management of lands owned by Tampa Bay Water is performed to maintain appropriate habitat for flora and fauna and promote the health of the environment.

Water Use Permitting Department Goals & Objectives

- Maintain compliance with water facility permits to support a reliable water supply system and financial stability for the agency.

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- Monitor environmental systems near agency facilities to minimize impacts to water resources and operate our facilities in an environmentally sustainable manner.
- Communicate results of monitoring and analyses with local governments and interested citizens to promote an understanding of our environmental systems and how best to protect them.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact Agency water use permitting requirements.
- Work closely with Agency staff to complete all assigned strategic goals related to water use permitting requirements.
- Set strategic visions and goals for the Water Use Permitting Departments.

The Environmental Permitting Department is responsible for the acquisition and renewal of, and compliance with, agency environmental and operating permits (i.e., PWS, IW and NPDES). Staff prepare the permit applications, the supporting documents, and the compliance reports necessary to maintain the operating capacity of our water supply facilities. Staff inspect our facilities and analyze environmental and water use data to assure compliance with these facility permits. They also inspect and report on impacts associated with construction and/or past operation of agency facilities and infrastructure.

Environmental Permitting Department Goals & Objectives

- Maintain compliance with water facility permits to support a reliable water supply system and financial stability for the agency.
- Monitor environmental systems near agency facilities to minimize impacts to water resources and operate our facilities in an environmentally sustainable manner.
- Communicate results of monitoring and analyses with local governments and interested citizens to promote an understanding of our environmental systems and how best to protect them.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact Agency environmental permitting requirements.
- Work closely with Agency staff to complete all assigned strategic goals related to environmental permitting requirements.
- Set strategic visions and goals for the Environmental Permitting Departments.

Tracking Department

The **Tracking Department** Coordinator administers and manages a program related to tracking all deadlines, events and reporting conditions related to Agency compliance with regulatory requirements. The Tracking Coordinator works with staff within the Regulatory Compliance Division as well as all Agency staff to receive, review for completeness and timeliness and track all regulatory compliance requirements. The Tracking Coordinator is responsible for the review of new and existing permits and regulations to ensure that the Agency maintains complete and accurate compliance with all applicable federal, state, regional and local regulatory agencies.

Tracking Department Goals

- 100% Agency compliance with all applicable deadlines, events and reporting conditions dictated by regulatory agencies.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact the Agency.
- Work closely with Agency staff to complete all assigned strategic goals related to Agency compliance with all regulatory requirements.
- Set strategic vision and goals for the Tracking Department.

Monitoring and Mitigation Department

The **Monitoring and Mitigation Department** leads and supports the Agency in complying with permit requirements related to the acquisition of hydrologic data and the resolution of domestic well complaints.

The Mitigation Coordinator oversees all aspects of domestic well complaints including working with drillers, consultants and interacting with the District. The Mitigation Coordinator manages and tracks complaints to ensure all policies and procedures are in compliance in with the Board directives, the Agency Water Use Permits, and State and local Health regulations. The coordinator works with the Senior Hydrologist to schedule, investigate and resolve domestic well complaints. This coordinator reports to the Monitoring and Mitigation Manager and is responsible for adhering to the mitigation budget.

The hydrologic technical team is responsible for all efforts related to the acquisition of hydrology data required by Agency water use and environmental permits. This includes field measurements of surface waters and monitor wells, continuous logging instruments, the maintenance of these appurtenances as well as data entry, quality control and management.

Monitoring and Mitigation Department Goals

- Maintain Agency goal to be in full compliance at all times with deadlines, efficiencies, reporting conditions and practices.

- Ensure applicable practices and regulation requirements are implemented and met.
- Be attentive to changes to existing conditions that may affect the Agency.
- Provide oversight and management to ensure annual budget estimates are realized.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact monitoring and mitigation requirements.
- Complete all assigned strategic goals related to monitoring and mitigation requirements.
- Set strategic visions and goals for the Monitoring and Mitigation department.

Laboratory Services

Laboratory Services is responsible for the collection, analyses and reporting for all water quality requirements related to Agency water use permits, environmental permits, discharge permits and drinking water permits. Typical analyses include general chemistry, metals, VOC's, DBP's, anions, and microbiological parameters. As needed, staff support a variety of Agency activities including: Operation challenges related to water quality, Member Government issues and regulatory compliance investigations. Laboratory Services also supports Agency research interests as available. The Laboratory staff maintain state and federal certification for analytical work which includes inspections, reporting and performance testing.

Laboratory Services Department Goals

- Maintain Agency goal to be in full compliance at all times with deadlines, efficiencies, reporting conditions and practices.
- Perform analytical work efficiently and cost effectively.
- Ensure applicable laboratory quality control and assurance practices are implemented and met.
- Be attentive to changes including resource quality conditions that may affect the Agency.
- Provide oversight and management to ensure annual budget estimates are realized.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact laboratory performance.
- Complete all assigned strategic goals related to laboratory.
- Set strategic visions and goals for Laboratory Services.

Decision Support Department

The **Decision Support Department** is responsible for the design, implementation, and maintenance of water resources optimization tools, hydrological models, decision support systems, system performance and reliability analysis, and water demand/supply forecasting needs of the agency. It is also responsible for the preparation, review and update of critical Agency plans, monitors and evaluates water production and quantity data to provide decision support for efficient short term and long range operations and future water supply planning.

Decision Support Department Goals

- Provide weekly Optimized Regional Operational Plan (OROP) guidance for Water Production Division
- Prepare annual source allocation for annual budgeting process.
- Prepare weekly and monthly assessments of forecasted delivery and source allocation and provide at monthly source rotation meeting
- Provide analytical support to the Operations and Maintenance Section with analyzing source/treatment water quality issues affecting production goal.
- Develop framework for continued data collection and analysis on passive water savings within the service area and how to apply those savings to the long term demand forecast.
- Complete future needs analysis for long range water supply plan update and Board approval.
- Continue research projects which improve the Agency's understanding of the effects of climate change on assets vulnerability and long term water supplies.
- Implement development of operational level system-wide performance evaluation model.
- Complete revision to long term demand forecasting models.
- Complete annual update for long term demand forecasts for annual budgeting
- Provide as needed assistance to Water Use Permitting Department on CWUP modeling/analysis issues.
- Provide as needed support to Engineering Department.
- Coordinate with Water Use Permitting Department on all compliance issues associated with OROP.
- Coordinate with Water Use Permitting Department on strategy for Recovery Analysis – determine modeling effort and time frame.

Information Technology Department

The **Information Technology Department** designs, builds, supports, manages and maintains information technology systems, applications, networks and databases to optimize agency productivity. The primary responsibilities of this department are the efficient management of the Agency's data and network systems. The department includes three functional areas: Business and Applications, SCADA Administration, and Information Technology Security and Infrastructure.

The Agency completed its Information Technology Strategic Plan which provides the roadmap for the Agency's IT goals and objectives. This plan is the result of a detailed assessment of the Agency's current information technology department.

Information Technology Department Goals

Business and Applications:

- Long-term Demand Forecasting Model Development Support
- Maximo Phase 2 Implementation
- Capital Improvement Plan Software - Implementation of Aurigo software
- Reservoir data collection and monitoring
- Enterprise Database Documentation
- Purchase and implement new Laboratory Information Management software

SCADA

- SCADA Upgrade of WorldView Application
- SCADA standardized renaming convention
- Conversion of serial connectivity to TCP/IP
- SCADA Master Plan

IT Security and Infrastructure

- Implement Standardized Desktop
- Restructure Network/Upgrade
- Server Upgrades
- Replace Security Network Appliances

Planning Department

The **Planning Department** is responsible for Agency critical plans to include the Long-term Master Water Plan, Source Water Assessment Plan and Asset Management Plan. It is the responsibility of this department to ensure that the Agency is planning for adequate water supplies to meet future water needs.

Planning Department Goals

- Obtain Board approval of the Long-term Master Water Plan in 2018
- Complete the Water Supply Feasibility Program
- Update the Agency's Source Water Assessment Program
- Monitor implementation of the 2014 Asset Management Implementation Plan
- Continue to support member governments in the review and comment of land use activities which may impact Tampa Bay Water assets and provide expert testimony when requested by member governments

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Science & Technology Division	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	3,418,271	3,554,337	3,554,337	3,597,023	3,597,023	3,956,499
41410 Overtime	7,092	6,354	6,354	7,152	7,152	9,211
41430 On-call pay	2,732	7,656	7,314	2,911	2,911	8,739
42100 FICA	259,901	263,769	263,769	274,349	274,349	303,018
42200 FRS	378,543	325,777	325,777	323,689	323,689	334,481
42300 Life & Health Insurance		486,559	486,559	-	-	-
Total Personnel Services	4,066,539	4,644,452	4,644,110	4,205,124	4,205,124	4,611,948
55100 Office Supplies	1,300	1,300	-	1,300	1,300	1,100
55200 Operating Supplies	421,900	389,329	322,633	319,850	322,443	370,750
55260 Computer Software Expense	150,700	192,203	178,571	151,000	188,269	218,000
55400 Books, Pubis, Subsc, Memberships	20,172	20,101	15,688	170,871	170,871	164,513
55500 Training	33,930	36,895	26,421	45,825	45,825	43,764
Total Materials & Supplies	628,002	639,828	543,313	688,846	728,708	798,127
63120 Engineering Services	961,190	1,410,695	599,014	420,800	742,766	435,000
63130 Hydrological Services	419,000	588,031	298,997	590,000	782,609	545,000
63140 Ecological Services	3,086,693	3,654,457	2,672,857	3,012,179	3,916,979	2,864,281
63181 Mitigation	900,000	900,000	820,812	660,000	729,768	800,000
63182 Augmentation	305,038	161,511	139,848	257,000	278,663	341,700
63190 Other Professional Services	1,603,500	1,470,969	1,083,758	2,231,120	3,012,964	1,821,288
63400 Other Services	376,600	819,400	664,036	326,600	335,736	481,600
Total Professional Services	7,652,021	9,005,063	6,279,322	7,497,699	9,799,485	7,288,869

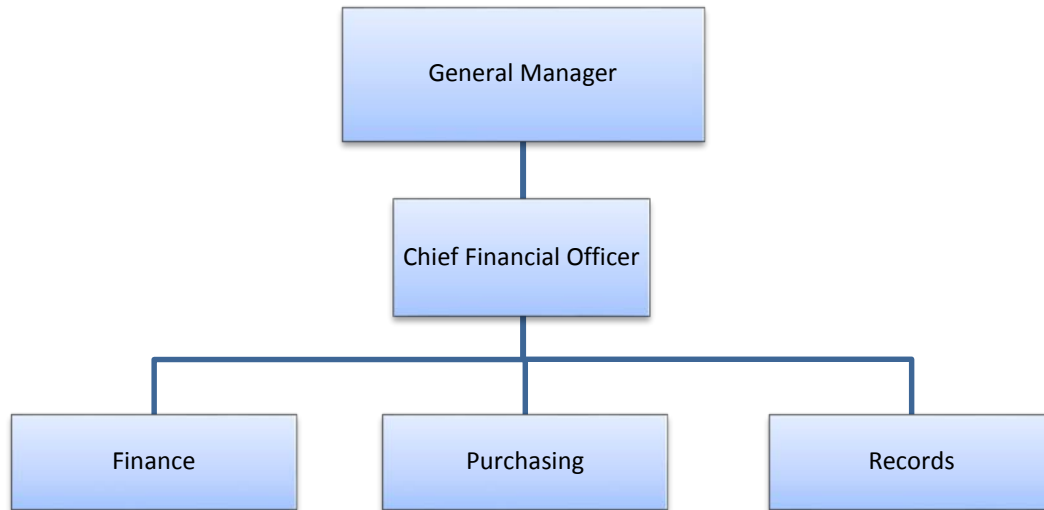
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Science & Technology Division	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
64000 Travel & Per Diem	48,138	43,541	41,593	44,468	44,468	46,650
64005 Mileage & Tolls	-	9,116	9,057	13,000	13,000	13,000
64100 Communications Services	677,117	619,093	534,215	724,000	756,805	764,500
64120 Freight & Postage Services	5,700	7,975	7,192	5,700	5,770	5,300
64600 Repair & Maint-Eq & Grounds	190,240	117,432	62,529	165,550	166,550	154,530
64810 Advertising	6,000	6,000	1,997	1,800	1,800	1,200
64990 Other Current Charges	125	2,907	2,882	1,000	1,000	1,000
64991 Permits	67,934	67,934	64,500	74,500	74,500	75,370
Total Repairs & Other Services	995,254	873,997	723,965	1,030,018	1,063,893	1,061,550
86400 Machinery & Equipment Purchase	478,760	427,267	279,865	427,558	502,302	512,000
86610 Software-To Amortize	295,000	633,424	426,756	470,000	676,668	240,000
Total Capital Expenditures	773,760	1,060,690	706,620	897,558	1,178,970	752,000
GRAND TOTAL	14,115,576	16,224,030	12,897,330	14,319,245	16,976,180	14,512,494

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS & AMENDMENTS

Finance & Administration Division

The **Finance & Administration Division** controls finances, risk and vital records for the Agency. The Division is comprised of three departments; Finance, Purchasing and Records. This Division's goal is to maintain the Agency's financial stability and sustainability. Each department plays a key part in the four objectives developed to help achieve this goal; improve budget predictability annually, explore innovative opportunities to off-set costs and increase revenues, pursue highest bond rating available and develop a budget model that accounts for source uncertainties.



The **Finance Department** manages budget, payroll, accounts payable and receivable, assets, investments, debt management and financial compliance for the Agency. They also assist with the training and maintenance of the accounting software, MUNIS.

Finance Department Goals & Objectives:

- Plan, develop, organize and implement annual budget for FY 2017.
- Accurately and timely prepare payroll and payroll taxes.
- Review and verify invoices for completeness and accuracy.
- Process accurate vendor invoices within 30 days.
- Timely prepare member invoices and year-end reconciliation.
- Track Agency assets, record new assets and properly dispose of old assets.
- Review market conditions to optimize rate of return on investments.
- Record investments and document revenues, gains and losses.
- Maintain proper internal controls and support for financial statement audit.
- Continuously review upcoming FASB/GASB pronouncements.
- Properly follow financial protocol to ensure clean audits.
- Develop & implement a rating metrics plan.

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- Ensure compliance of financial and reporting activities with Agency policies, bond covenants, contractual obligations and various state and federal laws, rules and regulations.
- Provide as needed training of the accounting software, MUNIS.
- Coordinate with Information Technology Department upgrades and maintenance of accounting software, MUNIS.

The **Purchasing Department** issues, processes and administers the appropriate solicitations to ensure the availability of all materials and services to support the staff in providing timely treatment and delivery of drinking water. The Purchasing staff ensures that all procurement activities are conducted in compliance with statutes, policies and best value solutions for the Agency.

Purchasing Department Goals & Objectives:

- Centralize Agency procurement, contract development and processes.
- Streamline current purchase order and contract processing through the use of automated tools and standardization.
- Train purchasing and Agency staff on purchasing regulations, processes and ethics.
- Provide education and information for internal staff and suppliers through the website and intranet to include a new “FAQ” Frequently Asked Questions section.
- Update and develop new contract front-end documents.
- Identify cost savings opportunities through consolidating repetitive items into solicitations.
- Review and update inventory minimum/maximum and replenishment policies.
- Implement auto-replenishment of inventory.
- Achieve cross training of purchasing and warehouse staff to ensure continual customer service.
- Develop and implement criteria for adding and removing items from inventory, ensuring compliance with existing disposal policies and review them for potential updates.
- Oversee Agency storing and coordinate pick up of hazardous waste material according to local, state and federal regulations.

The **Records Department** objective is to efficiently and effectively manage records through their life cycle, and to respond to public records requests and real estate inquiries for the Agency.

Records Department Goals & Objectives:

- Coordinate with other Departments on updating Agency policies.
- Develop and implement a process to review requirements of records stored in systems that are slated to be upgraded, replaced or taken out of use.
- Provide electronic records management training for employees.
- Provide as needed training of records software, TRIM.
- Ensure records management requirements are addressed when new or enhanced IT systems are developed or purchased.
- Review developed, purchased or enhanced systems for possibility of automating record-keeping process.
- Ensure electronic records containing confidential or exempt information are maintained, made accessible and disposed of in such a way that the information is not disclosed and, in case of disposal, cannot practicably be read or reconstructed.
- Determine completion dates of contracts and projects to improve disposition of.
- Evaluate files stored at off-site vendor to reduce volume and cost.
- Complete projects relating to real estate files, record drawings and permits.
- Minimize agency liability exposure and to contain costs related to agency insurance coverage.

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Divisional Operating Budget Detail

Finance & Administration	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	1,044,441	1,016,312	1,027,505	1,065,249	1,065,249	1,145,412
41410 Overtime	4,200	2,609	2,609	3,597	3,597	3,377
42100 FICA	79,529	75,421	73,284	81,364	81,364	87,470
42200 FRS	126,810	380,014	67,328	108,718	108,718	107,663
42300 Life & Health Insurance	-	170,911	170,911	-	-	-
42500 Unemployment Compensation	-	1,375	1,375	-	-	-
42600 Other Post-Employment Benefits	50,000	50,000	44,871	-	-	-
Total Personnel Services	1,304,980	1,696,642	1,387,883	1,258,928	1,258,928	1,343,922
55100 Office Supplies	62,775	59,775	32,505	61,950	61,950	62,300
55200 Operating Supplies	251,215	254,974	225,360	247,250	247,250	276,700
55260 Computer Software Expense	6,200	6,543	6,543	1,000	1,000	-
55400 Books, Pubis, Subsc, Memberships	9,390	9,047	2,130	8,455	8,455	9,292
55500 Training	26,575	26,575	11,289	22,650	22,650	26,100
Total Materials & Supplies	356,155	356,914	277,825	341,305	341,305	374,392
63190 Other Professional Services	236,685	276,395	116,487	225,000	226,315	209,500
63200 Accounting & Auditing	340,000	534,000	427,450	230,000	310,000	265,000
63400 Other Services	23,976	24,136	21,547	30,576	30,576	38,076
Total Professional Services	600,661	834,531	565,484	485,576	566,891	512,576

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Finance & Administration	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
64000 Travel & Per Diem	13,725	11,437	10,178	14,100	14,100	17,800
64005 Mileage & Tolls	-	7,230	6,986	9,800	9,800	11,750
64120 Freight & Postage Services	82,550	87,691	53,507	73,700	73,775	73,650
64320 Water, Sewer, & Other Utilities	13,000	-	-	-	-	-
64600 Repair & Maint-Eq & Grounds	2,600	2,600	1,884	2,600	2,600	2,600
64700 Printing & Binding	18,500	18,751	18,403	18,500	18,848	14,500
64800 Promotional Activities	-	-	-	500	500	1,200
64810 Advertising	3,880	3,880	2,212	3,000	3,000	3,000
64990 Other Current Charges	13,575	95,917	19,978	155,000	155,000	166,250
Total Repairs & Other Services	147,830	227,506	113,147	277,200	277,623	290,750
64400 Rentals & Leases	268,939	168,680	226,133	126,500	130,685	119,000
64500 Insurance	1,424,600	1,421,816	1,362,083	1,476,000	1,476,000	1,486,500
Total Rent & Insurance	1,693,539	1,590,496	1,588,217	1,602,500	1,606,685	1,605,500
86100 Land Acq Cost-Purchase	25,000	25,000	-	25,000	25,000	25,000
86110 Land Acq Cost-Legal	5,000	5,000	-	2,500	2,500	2,500
86190 Land Acq Cost-Other	1,000	1,000	-	1,000	1,000	1,000
86400 Machinery & Equipment Purchase	5,000	5,000	-	5,000	5,000	5,000
Total Capital Expenditures	36,000	36,000	-	33,500	33,500	33,500

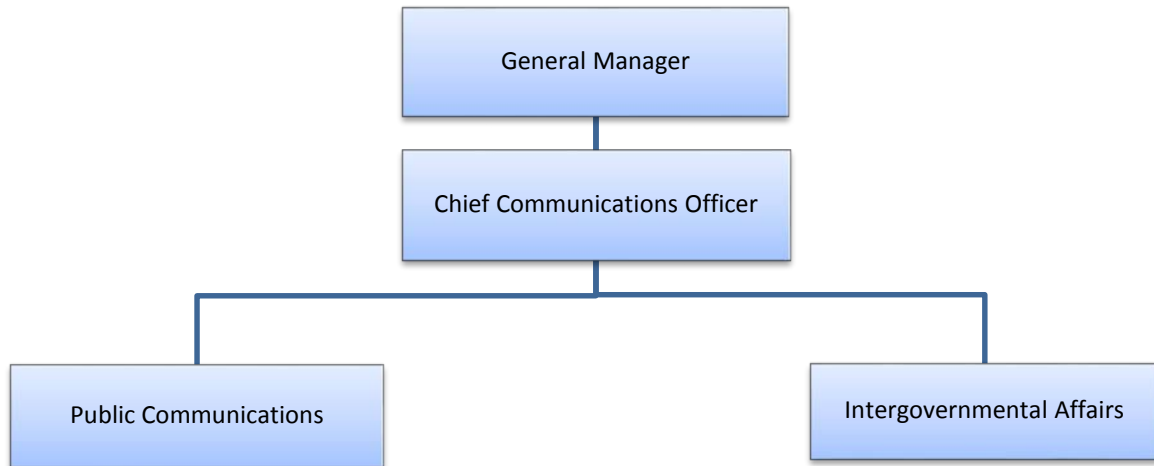
Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Finance & Administration	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
77240 Interest Bonds	46,106,252	46,106,252	45,478,588	43,783,958	43,783,958	40,334,334
87114 Principal 2004 Bonds	11,180,000	11,180,000	11,180,000	11,770,000	11,770,000	16,925,000
87116 Principal 2005 Bonds	5,145,000	5,145,000	5,145,000	5,410,000	5,410,000	1,155,000
87117 Principal 2006 Bonds	340,000	340,000	340,000	355,000	355,000	-
87140 Principal 2011 Bonds	9,630,000	9,630,000	9,630,000	10,115,000	10,115,000	10,615,000
87141 Principal 2011A Bonds	305,000	305,000	305,000	30,000	30,000	35,000
87142 Principal 2011 B Bonds	170,000	170,000	170,000	175,000	175,000	-
87145 Principal 2015B Bonds	-	-	420,000	775,000	775,000	835,000
87147 Principal 2016B Bonds	-	-	-	-	-	230,000
Total Debt Service	72,876,252	72,876,252	72,668,588	72,413,958	72,413,958	70,129,334
77250 Interest Facility Purchase	5,058,496	5,058,496	5,058,496	4,808,120	4,808,120	4,542,913
87125 Principal Payment Facility Acq.	5,173,062	5,173,062	5,173,062	5,423,438	5,423,438	5,688,644
Total Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
82820 Renewal & Replacement Reserve Fund	5,645,430	6,896,387	2,891,688	9,710,288	8,018,329	7,074,146
82870 Capital Improvement Funding	37,923	37,923	2,986,952	26,995	26,995	34,165
Total Reserve Funding	5,683,353	6,934,310	5,878,640	9,737,283	8,045,324	7,108,311
GRAND TOTAL	92,930,328	94,784,207	92,711,342	96,381,808	94,775,771	91,629,843

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS& AMENDMENTS.

Public Affairs Division

The **Public Affairs Division** develops and executes strategic initiatives to advocate for the agency and its members; build and maintain the agency reputation; and provide education, information and outreach on agency projects, programs and policies to stakeholders. The Division includes Public Communications and Intergovernmental Affairs.



Public Communications develops and executes strategic communications programs that support and promote agency projects, policies and initiatives, and builds and maintains relationships with stakeholders. The department is responsible for communicating the agency's messages through the media, the agency's website and social media sites, speaker's bureau presentations and through our employee communications program.

Public Communications Department Goals & Objectives:

- Complete the agency's annual report to the legislature, board members, local water utility managers, water utility consultants and other interested stakeholders.
- Implement the agency's spring dry season communications program.
- Implement the annual water wise awards program and source water protection mini grant program communications.
- Manage relationships with news media by responding to information and interview requests, preparing Agency staff for responding to news media inquiries through training and preparing key messages, and generating news story interest.
- Manage direct communications with the general public including facility tours and Speakers Bureau coordination, and in-person, telephone and email communications.
- Manage the agency's digital/Web/online communication channels including all Agency websites, e-newsletters, social media, mobile and intranet.

- Maintain standards to ensure that communications activities are consistent with the Amended and Restated Inter-local Agreement, Master Water Supply Contract and the Agency Strategic Plan.

Intergovernmental Affairs advocates for agency legislative, funding and regulatory initiatives through strategy development, relationship building, member government support and inter-agency coordination. The department is responsible for communicating agency positions with federal and state legislators, regulatory and policy agencies, and government officials and their staff. The department implements intergovernmental and grant funding initiatives and helps to implement intergovernmental and funding agreements.

Intergovernmental Affairs Department Goals & Objectives:

- Inform federal, state, and regional decision-makers about Tampa Bay Water accomplishments and needs. Provide them with assistance and expertise on water supply policies, water management needs, and technical topics.
- Include Tampa Bay Water's future funding needs in federal, state, and regional water policy and infrastructure funding discussions.
- Support approved federal and state legislation and policies which may positively affect Tampa Bay Water. Oppose approved federal and state legislation and policies that may negatively impact Tampa Bay Water.
- Support regulatory agency policies and rules that benefit Tampa Bay Water. Oppose regulatory agency policies and rules that would be negative for Tampa Bay Water.
- Work with our member governments to understand the issues they face at the local level and to enhance their knowledge of regional water issues.
- Participate in national and state professional organization efforts to promote beneficial federal, state, and regional water policies and drinking water supply funding opportunities.

Tampa Bay Water – 2017 Annual Budget
Divisional Operating Budget Detail

Public Affairs	2015	2015	2015	2016	2016	2017
	Approved Budget	Amended Budget	Actuals	Approved Budget	Amended Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	345,373	326,488	326,488	358,614	358,614	322,089
42100 FICA	26,283	24,229	24,229	27,290	27,290	24,641
42200 FRS	49,642	28,037	28,037	51,617	51,617	24,563
42300 Life & Health Insurance		47,269	47,269			
Total Personnel Services	421,298	426,023	426,023	437,521	437,521	371,293
55100 Office Supplies	200	200	-	200	200	200
55200 Operating Supplies	4,500	15,047	10,524	3,000	3,000	4,500
55400 Books, Pubis, Subsc, Memberships	15,214	15,214	13,567	18,743	18,743	13,730
55500 Training	6,565	10,765	1,309	6,565	6,565	7,125
Total Materials & Supplies	26,479	41,226	25,400	28,508	28,508	25,555
63190 Other Professional Services	210,000	244,555	188,981	260,000	299,083	342,500
63400 Other Services	30,000	54,579	39,555	30,000	45,013	30,000
Total Professional Services	240,000	299,134	228,536	290,000	344,096	372,500
64000 Travel & Per Diem	18,250	16,850	8,220	18,050	18,050	8,500
64005 Mileage & Tolls		1,400	1,060	200	200	200
64120 Freight & Postage Services	1,000	1,710	1,710	1,500	1,500	1,750
64700 Printing & Binding	22,000	19,732	7,927	22,000	22,856	26,100
64800 Promotional Activities	24,000	25,575	22,584	26,500	26,500	74,500
64810 Advertising	55,000	54,686	33,115	55,000	55,000	88,000
64990 Other Current Charges		1,208	1,208			
Total Repairs & Other Services	120,250	121,161	75,824	123,250	124,106	199,050
86400 Machinery & Equipment Purchase	-	12,930	2,739	-	-	-
Total Capital Expenditures	-	12,930	2,739	-	-	-
GRAND TOTAL	808,027	900,474	758,521	879,279	934,231	968,398

Note 1: AMENDED BUDGET INCLUDES ADOPTED BUDGET PLUS ALL APPROVED BUDGET TRANSFERS& AMENDMENTS.

Summary of Contracts and Resolutions

Fiscal Year 2017

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

Tampa Bay Water - 2017 Annual Budget Summary of Contracts and Resolutions

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

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

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

The fiscal year 2017 budget is developed within the framework of these agreements. This section provides key terms and conditions of the agreements.

Amended and Restated Interlocal Agreement:

1. Section 2.08 - Annual Budget

- (A) Prior to July 1 of each year, the General Manager shall prepare and deliver to the Board a balanced tentative budget for Tampa Bay Water covering its operating and other financial requirements for the ensuing fiscal year. The tentative budget shall identify (1) the rate at which Quality Water will be sold to Members Governments' during such fiscal year, and (2) the rate to be charged to Tampa for water provided through the Tampa Bypass Canal pumping facility during such fiscal year.
- (B) The Board shall publish a notice of its intention to adopt the budget and shall provide copies of the notice and tentative budget to each Member Government on or before the first publication date. The notice shall be published once a week for two consecutive weeks within thirty days of the public hearing, the last insertion of which shall appear not less than one week prior to the date set by the Board for the hearing on the budget and rates.
- (C) At the time, date and place specified in the notice, the Board shall conduct a public hearing and thereafter may consider adoption of the budget and rates with any amendments it deems advisable. Unless otherwise authorized by the Board, the final budget and rates shall be adopted by August 1.

2. Section 3.03 - Obligation to meet Water Needs

This section includes the following key requirements:

- (A) The Agency has the absolute and unequivocal obligation to meet the Quality Water needs of the Member Governments.
- (B) The Agency shall oppose any permit, order, rule or other regulatory effort to reduce or limit the permitted capacity of its Water Supply Facilities, unless the reduction or limitation results from an agreement to which all Member Governments are parties, or the reduction or limitation will not become effective until adequate Replacement Capacity has been placed in service.
- (C) The General Manager shall actively monitor the relationship between the quantity of Quality Water actually delivered by the Authority to the Member Governments and the aggregate permitted capacity of the Agency's production facilities.

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

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

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

3. Section 3.04 - Uniform Rate

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

- (1) Actual direct costs to perform the additional treatment required to meet the standard for quality water;
- (2) If a Member Government requests Tampa Bay Water provide other treatment beyond what is necessary to meet quality water standards;
- (3) Credits for transferred assets assuming each Member has elected to receive a credit, inclusive of interest, shall be applied against the water rate over 30 years;

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

4. Section 3.08(D) - Surface Water Sources

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

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

Master Water Supply Contract:

1. Section 8 - Authority's Agreement to Provide Water Service

This section of the contract provides that:

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

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

2. Section 13-Rate

The following excerpts are fundamental to the budget process.

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

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

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

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

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

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

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

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

Monthly Billing

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

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

Fixed Costs

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

Monthly Fixed Costs Billed to the Member Government	=	Total Fixed Costs	X	Amount of Quality Water consumed by Member Government during the prior Fiscal Year (A) Total Amount of Quality Water consumed by all Member Governments during the prior Fiscal Year (B)
		12		

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

Variable Costs

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

Monthly Variable Costs Billed to the Member Government	=	Amount of Monthly Quality Water Consumed Prior Month	X	Uniform Rate	X	Total Variable Costs (C) [total variable costs included in the approved annual budget for the current Fiscal Year] Total Annual Estimate (D) [the net annual revenue requirements for the current Fiscal Year]
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Since the budgeted Variable Costs are allocated to the Member Governments based on their actual consumption of Quality Water, there is no requirement in the Interlocal Agreement or the Master

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

Water Supply Contract to perform an annual true-up of Variable Costs at the end of the fiscal year. Tampa Bay Water recognizes that the actual annual revenues (Variable Costs element only) may be different from the budgeted Variable Costs, if the actual amount of Quality Water delivered to the Member Governments for the given fiscal year is different from the projected amount of Quality Water used for the rate calculation for such fiscal year. Any overage or shortage in actual revenues as a result of this contractual provision is not expected to be material since the Variable Costs are expected to change in direct proportion to changes in the volume of Quality Water delivered to the Member Governments.

Surface Water Source(s)

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

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

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

Master Bond Resolution 98-07TBW

Section 1.01 Definitions.

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

Section 1.04. Findings.

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

Section 4.04. Creation of Funds and Accounts. The Issuer covenants and agrees to establish with a bank, trust company or such other entity in the State, which is eligible under the laws of the State to be a depository for its funds the following funds and accounts:

- (A) The “Tampa Bay Water Utility System Revenue Fund.” The Issuer shall maintain two separate accounts in the Revenue Fund: The “Revenue Account” and the “Rate Stabilization Account.”
- (B) The “Tampa Bay Water Utility System Operation, Maintenance and Administration Fund.”
- (C) The “Tampa Bay Water Utility System Sinking Fund.” The Issuer shall maintain four separate accounts in the Sinking Fund: the “Interest Account,” the “Principal Account,” the “Term Bonds Redemption Account” and the “Reserve Account.”
- (D) The “Tampa Bay Water Utility System Renewal and Replacement Fund.”
- (E) The “Tampa Bay Water Utility System Capital Improvement Fund.”
- (F) The “Tampa Bay Water Utility System Utility Reserve Fund.”
- (G) The “Tampa Bay Water System Rebate Fund.”

Section 4.06 Capital Improvement Fund. The Issuer shall deposit into the Capital Improvement Fund all Capital Improvement Charges as received and such Capital Improvement Charges shall be accumulated in the Capital Improvement Fund and applied by the Issuer in the following manner and order of priority:

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

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

Section 5.03. Annual Budget. The issuer shall prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with any applicable law. No expenditure for Operating Expenses of the System shall be made in any Fiscal Year in excess of the aggregate amount provided for Operating Expenses in the Annual Budget, (A) without a written finding and recommendation by an Authorized Issuer Officer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures, and (B) until the Governing Body shall have approved such finding and recommendation by resolution.

Section 5.04. Rates. For the Fiscal Year commencing October 1, 1998 and for each Fiscal Year thereafter, the Issuer shall fix, establish, maintain and collect such rates, fees and charges for the product, services and facilities of its System, and revise the same from time to time, whenever necessary, so as always to provide in each Fiscal Year:

- (A) Net Revenues, together with the Fund Balance, equal to at least 125% of the Annual Debt Service becoming due in such Fiscal Year; provided
- (B) Such Net Revenues shall be adequate at all times to pay in each Fiscal Year at least 100% of (1) the Annual Debt Service becoming due in such Fiscal Year, (2) any amounts required by the terms hereof to be deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, (3) any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund in such Fiscal Year, and (4) any amounts required by the terms of Section 4.06(A) hereof to be repaid to the Capital Improvement Fund in such Fiscal Year.

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

Section 5.11. Enforcement of Charges. The Issuer shall promptly bill the Member Governments for water consumed by such Member Governments in accordance with the terms of the Master Water Supply Contract. The Issuer shall compel the prompt payment of rates, fees and charges imposed in connection with the System, and to that end will vigorously enforce all of the provisions of the Master Water Supply Contract and any other agreement in may enter into for the supply of water.

Section 5.12. Amendments to Interlocal Agreement and Master Water Supply Contract. The Issuer agrees that it will not make any amendment or modification to the Master Water Supply Agreement which, in its judgment, will materially adversely affect the rights or security of the Holders of the Bonds. The Issuer acknowledges that the Member Governments agreed in the Master Water Supply Contract not to make any amendment to the Interlocal Agreement which would materially

**Tampa Bay Water - 2017 Annual Budget
Summary of Contracts and Resolutions**

adversely affect the rights or security of the Holders of the Bonds. The Issuer agrees to enforce the aforementioned provisions in order to protect the rights and security of the Bondholders.

Section 5.14. Consulting Engineers. The Issuer shall at all times employ Consulting Engineers, whose duties shall be to make any certificates and perform any other acts required or permitted of the Consulting Engineers under this Resolution, and also to review the construction and operation of the System, to make an inspection of the System at least once every three years, and to submit to the Issuer a report with respect to each such inspection with recommendations as to the proper maintenance, repair and operation of the System during the ensuing Fiscal Year(s), including recommendations for expansion and additions to the System to meet anticipated service demands and an estimate of the amount of money necessary for such purposes. The Consulting Engineers shall annually recommend the amount of the Renewal and Replacement Fund Requirement. Copies of such reports, recommendations and estimates made as herein above provided shall be filed with the Issuer for inspection by Bondholders, if such inspection is requested, and shall be mailed to any Member Government requesting the same.

Appendix

Fiscal Year 2017

The Appendix includes a schedule of key dates for the budget process for fiscal years 2017 and 2018. It also provides demographic and statistical information for Tampa Bay Water's service area, and information to assist the Member Governments in the planning of their annual budgets.

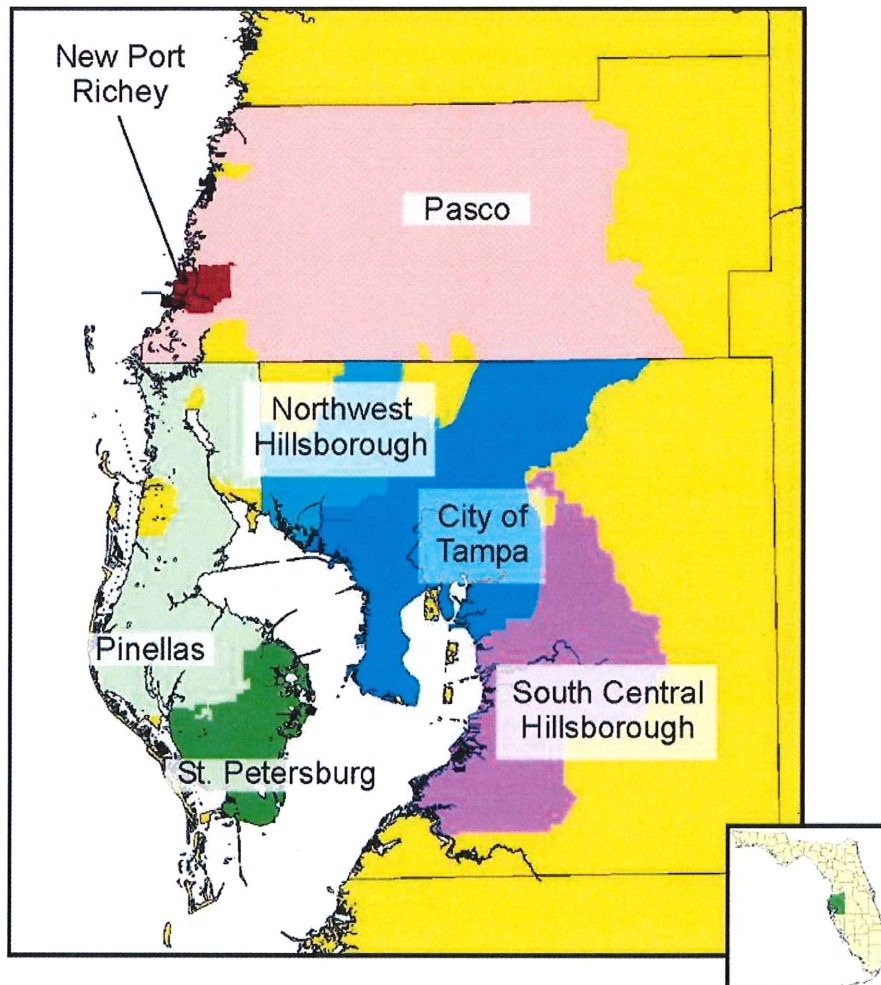
Tampa Bay Water – 2017 Annual Budget
Appendix

Tampa Bay Water Service Area Demographics and Statistical Information

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

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

- City of New Port Richey
- Pasco County
- Pinellas County
- City of St. Petersburg
- Northwest Hillsborough and South Central Hillsborough¹
- City of Tampa

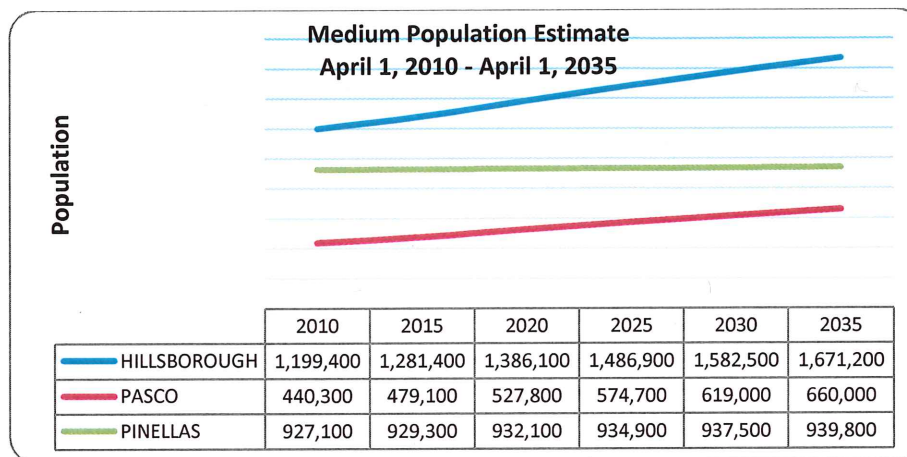


¹ Northwest Hillsborough and South Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

Tampa Bay Water – 2017 Annual Budget Appendix

Population

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



Source: B.E.B.R.

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

Households

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

	Census April 1, 1990		Census April 1, 2000		Estimate April 1, 2009	
	Households	Average Household Size	Households	Average Household Size	Households	Average Household Size
FLORIDA	5,134,869	2.46	6,338,075	2.46	7,477,339	2.45
Hillsborough	324,872	2.51	391,357	2.51	465,407	2.53
Pasco	121,674	2.26	147,567	2.30	187,319	2.31
Pinellas	380,635	2.18	414,974	2.17	422,483	2.15

	Numerical change			
	Households		Average Household Size	
	1990-2000	2000-2009	1990-2000	2000-2009
FLORIDA	1,203,206	1,139,264	0.00	-0.01
Hillsborough	66,485	74,050	0.00	0.02
Pasco	25,893	39,752	0.04	0.01
Pinellas	34,339	7,509	-0.01	-0.02

	Percentage change			
	Households		Average Household Size	
	1990-2000	2000-2009	1990-2000	2000-2009
FLORIDA	23.4	18.0	0.0	-0.4
Hillsborough	20.5	18.9	0.0	0.8
Pasco	21.3	26.9	1.8	0.4
Pinellas	9.0	1.8	-0.5	-0.9

Source: B.E.B.R.

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Climate Data

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

Weather Stations Used In Modeling

Station	Owner	County	Beginning of Period of Record	Rainfall Data Used For Modeling Period?	Temperature Data Used For Modeling Period?	Rainfall Data Used for Long-Term Weather?	Temperature Data Used for Long-Term Weather?
S21-21-10	TBW	Hillsborough	10/1/1984	✓			
CYB-CY-7 RAIN	TBW	Pasco	10/4/1988	✓			
CYB-TOT RAIN	TBW	Pasco	2/21/1986	✓			
CYC-C-3 RAIN	TBW	Pasco	9/1/1976	✓			
CYC-N.GATE RAIN	TBW	Pasco	11/1/1985	✓			
CYC-PLANT RAIN	TBW	Pasco	5/2/1976	✓			
NEB-DAYS INN RAIN	TBW	Hillsborough	10/1/1988	✓			
NOP-NP-RAIN	TBW		4/9/1990	✓			
NWH-NW-5 RAIN	TBW	Hillsborough	10/1/1983	✓			
SCH-SC-1 RAIN	TBW	Hillsborough	3/1/1985	✓			
STK-14 RAIN	TBW	Pasco	10/4/1988	✓			
STK-RAIN EAST	TBW	Pasco	2/13/1986	✓			
STK-WEST - STK PLANT	TBW	Pasco	7/1/1982	✓			
KPIE (St. Pete/Clearwater Airport)*	NOAA	Pinellas	1/1/1893	✓			
KSPG (Albert Whitted Airport)	NOAA	Pinellas	7/1/1966	✓	✓	✓	✓
KTPA (Tampa International Airport)	NOAA	Hillsborough	1/2/1933	✓	✓	✓	✓
MB RN USGS	USGS	Hillsborough	10/15/1993	✓			
St Leo Rainfall	NOAA	Pasco	1/1/1902	✓	✓	✓	✓
Ruskin NWS	NOAA	Hillsborough	11/1/2001	✓			
Tarpon Springs Rainfall	NOAA	Pinellas	7/3/1948	✓	✓	✓	✓
Plant City#	NOAA	Hillsborough	2/1/1903 ^		✓		✓

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

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

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

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

Long-Term Normal Weather Values by Water Demand Planning Area (WDPA) and Month-Of-Year							
	Mean Maximum Daily Temperature						
	Pasco Co.	New Port Richey	NW Hillsborough Co.	SC Hillsborough Co.	City of Tampa	Pinellas Co.	City of St. Petersburg
Jan	70.919	70.346	70	70.249	70.049	69.849	68.81
Feb	73.8	72.969	72.606	72.944	72.672	72.454	71.422
Mar	78.113	77.328	76.947	77.201	76.993	76.783	75.669
Apr	82.844	81.799	81.585	81.817	81.655	81.397	80.425
May	88.518	87.216	87.27	87.447	87.387	87.009	86.096
Jun	90.968	90.34	90.078	90.138	90.068	89.993	89.366
Jul	91.795	91.409	90.863	90.972	90.784	90.913	90.477
Aug	91.624	91.471	90.838	90.8	90.717	90.858	90.155
Sep	90.013	89.878	89.357	89.268	89.26	89.308	88.448
Oct	85.036	84.905	84.477	84.395	84.41	84.385	83.456
Nov	79.133	78.945	78.543	78.516	78.507	78.412	77.351
Dec	73.035	72.871	72.357	72.498	72.328	72.295	71.382
Annual Avg.	82.983	82.456	82.077	82.187	82.069	81.971	81.088
	Mean Number of 0.01-inch Rainy Days						
	Pasco Co.	New Port Richey	NW Hillsborough Co.	SC Hillsborough Co.	City of Tampa	Pinellas Co.	City of St. Petersburg
Jan	7.542	7.877	6.869	6.627	6.59	6.945	6.164
Feb	4.994	6.394	5.532	5.378	5.343	5.741	5.211
Mar	6.42	6.794	6.156	5.952	5.982	6.18	5.495
Apr	4.104	4.543	4.158	3.997	4.066	4.14	3.521
May	4.566	4.112	4.364	4.329	4.437	4.159	3.79
Jun	12.191	10.572	10.721	10.587	10.705	10.393	9.803
Jul	15.096	14.548	14.088	13.893	13.93	13.993	13.288
Aug	15.34	14.302	14.562	14.411	14.611	14.246	13.515
Sep	11.745	11.527	11.364	11.352	11.302	11.39	11.409
Oct	5.462	5.594	5.264	5.123	5.174	5.243	4.733
Nov	4.653	5.288	4.592	4.4	4.419	4.662	4.003
Dec	5.265	5.309	5.045	4.976	4.973	5.024	4.68
Annual	97.378	96.86	92.715	91.025	91.532	92.116	85.612
	Mean Number of 1-inch Rainy Days						
	Pasco Co.	New Port Richey	NW Hillsborough Co.	SC Hillsborough Co.	City of Tampa	Pinellas Co.	City of St. Petersburg
Jan	0.847	0.768	0.652	0.626	0.615	0.646	0.547
Feb	0.737	0.616	0.636	0.642	0.636	0.623	0.644
Mar	1.156	1.247	0.98	0.947	0.905	1.028	0.949
Apr	0.517	0.454	0.408	0.405	0.392	0.405	0.386
May	0.559	0.58	0.538	0.534	0.526	0.55	0.547
Jun	1.949	1.55	1.53	1.524	1.511	1.485	1.426
Jul	1.748	1.949	1.694	1.619	1.628	1.72	1.474
Aug	2.288	2.155	2.244	2.328	2.264	2.297	2.691
Sep	1.508	1.703	1.703	1.753	1.709	1.776	2.03
Oct	0.612	0.641	0.608	0.582	0.6	0.594	0.488
Nov	0.312	0.385	0.325	0.309	0.31	0.335	0.283
Dec	0.396	0.437	0.382	0.369	0.366	0.391	0.356
Annual	12.629	12.485	11.7	11.638	11.462	11.85	11.821
	Total Monthly Rainfall						
	Pasco Co.	New Port Richey	NW Hillsborough Co.	SC Hillsborough Co.	City of Tampa	Pinellas Co.	City of St. Petersburg
Jan	3.145	3.011	2.687	2.644	2.585	2.713	2.58
Feb	2.235	2.277	2.15	2.108	2.112	2.156	2.025
Mar	3.388	3.322	2.973	2.962	2.864	3.04	3.053
Apr	1.704	1.72	1.58	1.55	1.539	1.585	1.471
May	2.085	1.96	1.94	1.946	1.931	1.92	1.891
Jun	6.435	5.336	5.451	5.457	5.447	5.293	5.21
Jul	6.873	6.931	6.532	6.454	6.415	6.58	6.338
Aug	7.534	7.498	7.435	7.471	7.412	7.501	7.715
Sep	5.982	6.367	6.183	6.328	6.132	6.435	7.249
Oct	2.13	2.315	2.009	1.964	1.926	2.077	1.973
Nov	1.7	1.799	1.496	1.458	1.41	1.552	1.464
Dec	1.681	1.875	1.71	1.703	1.667	1.768	1.778
Annual	44.892	44.411	42.146	42.045	41.44	42.62	42.747

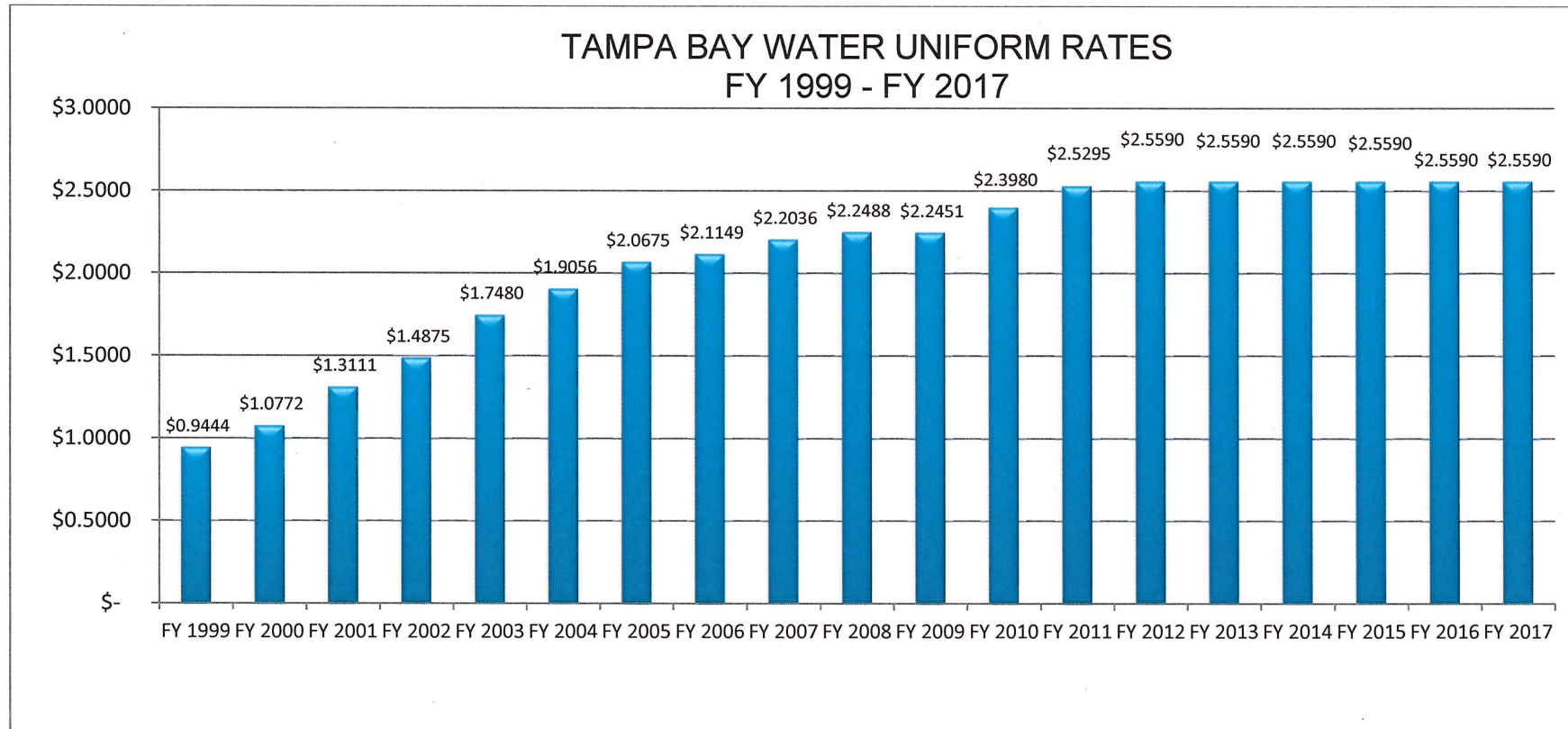
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POTENTIAL MEMBER YEAR END TRUE-UP
WITH YEAR-TO-DATE DEMAND
FISCAL YEAR 2016 - THROUGH APTIL 30, 2016

Monthly Demand									
	ST PETE	PINELLAS	TAMPA (Morris Br)	HILLSBOROUGH	PASCO	NEW PORT RICHEY	TOTALS		
Oct-15	894.11	1,451.41	-	1,722.77	785.57	94.19	4,948.05		
Nov-15	854.42	1,406.28	-	1,634.02	752.29	92.17	4,739.18		
Dec-15	885.29	1,492.37	-	1,731.48	779.49	94.21	4,982.84		
Jan-16	862.66	1,426.40	-	1,526.65	707.66	92.64	4,616.01		
Feb-16	800.80	1,364.89	-	1,460.01	650.01	87.70	4,363.41		
Mar-16	872.02	1,542.50	-	1,734.77	810.71	99.72	5,059.72		
Apr-16	863.05	1,527.22	-	1,780.00	823.99	92.02	5,086.28		
May-16							-		
Jun-16							-		
Jul-16							-		
Aug-16							-		
Sep-16							-		
FY 15 YTD	10,289.23	17,984.03	-	18,939.35	8,682.62	1,070.70	56,965.93	156.07	MGD
FY 16 YTD	6,032.35	10,211.07	-	11,589.70	5,310.02	652.65	33,795.79	158.67	MGD
+ / -	4,256.88	7,772.96	-	7,349.65	3,372.60	418.05	23,170.14	2.59	MGD

FY16 YTD MGD	28.32	47.94	-	54.41	24.93	3.06	158.67
% of YTD	17.85%	30.21%	0.00%	34.29%	15.71%	1.93%	100%
FY 15 MGD	28.19	49.27	-	51.89	23.79	2.93	156.07
% of FY15	18.06%	31.57%	0.00%	33.25%	15.24%	1.88%	100%
Fixed billed fy16	\$ 23,370,238.58	\$ 40,847,670.01	\$ -	\$ 43,017,517.15	\$ 19,721,096.80	\$ 2,431,913.22	\$ 129,388,435.76
Actual fixed based on % of ytd	\$ 23,095,075.76	\$ 39,093,460.30	\$ -	\$ 44,371,596.40	\$ 20,329,608.56	\$ 2,498,694.74	\$ 129,388,435.76
Potential True-up	\$ (275,162.82)	\$ (1,754,209.71)	\$ -	\$ 1,354,079.25	\$ 608,511.76	\$ 66,781.52	\$ (0)

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Fiscal Year 2017	Budget Development Schedule:
December 18, 2015	Budget packets distributed internally, meeting with Officers and Sr. Managers for “Fiscal Year 2017 Budget Kickoff.”
January 15, 2016	Fiscal year 2017 budget submissions due from departments to finance at 5:00 p.m.
February 1, 2016	Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area.
February 1, 2016	Request to Member Governments for any project changes since the December request.
February 5, 2016	Preliminary draft of fiscal year 2017 budget distributed internally for review and comments by all departments and General Counsel.
February 12, 2016	Finance meets with General Counsel to assess any additional legal needs or requirements.
February 15-19, 2016	Finance meets with Officers and Sr. Managers to review department 2017 budget requests.
February 24, 2016	Redistribute preliminary draft fiscal year 2017 budget with changes resulting from February meetings.
February 26, 2016	General Manager meeting with Officers and General Counsel to review program plans and outstanding issues.
March 2, 2015	Draft of budget document prepared for internal management review.
3 rd Week March, 2016	First bound copy of Proposed Fiscal Year 2017 Budget including annual estimate distributed to staff, Member Governments, and Board.
Mar. 28–April 8, 2016	Individual meetings with Member Governments to discuss proposed fiscal year 2017 budget.
April 15, 2016	Tampa Bay Water contractual annual estimate due (will have been distributed 3 RD week of March).
April 18, 2016	Board workshop, Tampa Bay Water Board sets preliminary fiscal year 2017 budget and schedules a public hearing for final budget approval on June 20, 2016.

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April 18, 2016	Preliminary presentation to Board of proposed Capital Improvement Program.
June 20, 2016	Public Hearing and Final Fiscal Year 2017 Budget approved by Board.
October 1, 2016	Uniform Rate for Fiscal Year 2017 becomes effective.
October 15, 2016	Fiscal Year 2016 post closing adjustment and reconciliation of fixed component to annual estimate distributed to members.

Glossary

Fiscal Year 2017

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

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Glossary

Definitions

The following definitions were derived from the Interlocal Agreement and the Master Water Supply Contract. Unless otherwise specifically set forth, the following words and phrases used in the 2017 Budget document shall have the following meanings:

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

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

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

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

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

“Capital Improvement Charge” means the costs identified by Tampa Bay Water for planning, designing, acquiring and constructing capital improvements to the System; provided such costs are not payable from proceeds of the Obligations (other than costs which are to be reimbursed from such proceeds) or from moneys received in relation to the Renewal and Replacement Charges.

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

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

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

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

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

“Fund Balance” means an amount of money equal to the unencumbered moneys on deposit in the Utility Reserve Fund as of September 30 of the immediately preceding Fiscal Year. Moneys shall be considered unencumbered to the extent such moneys may be used for purposes relating to the System.

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

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

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“Net Revenues” means Gross Revenues less Operating Expenses.

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

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

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

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

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

“Project Cost” means all expenses associated with the acquisition, construction, installation, reconstruction, renewal or replacement of Water Supply Facilities, including without limitation: (1) land and interests therein, property rights, and easements of any nature whatsoever; (2) physical construction, reconstruction, renewal, replacement or completion; (3) acquisition and installation of machinery, equipment and other tangible personal property; (4) planning, architectural, engineering,

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surveying, legal, environmental and other consultant services; (5) fees and expenses associated with the issuance of Obligations, including but not limited to bond counsel, disclosure counsel, financial advisor, underwriters' discount, rating agencies, bond insurance, credit or liquidity facilities, and printing the Obligations and supporting documentation; (6) interest accruing on the Obligations for such period of time as Tampa Bay Water deems appropriate; (7) the debt service reserve fund or account, if any, established for the Obligations; and (8) all other expenses that are properly attributable thereto under generally accepted accounting principles, including reimbursement to Tampa Bay Water for any moneys advanced for such purposes and interest on any interfund loan for such purposes.

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

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

“Reserve Account Requirement” shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds, (2) 125% of the average Annual Debt Service for all Outstanding Bonds, or (3) the maximum amount allowed to be funded from proceeds of tax-exempt obligations and invested at an unrestricted yield pursuant to the Code; provided, however, the Issuer may establish by Supplemental Resolution a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a Series of Bonds pursuant to Section 4.05(B)(4) hereof. In computing the Reserve Account Requirement in respect of a series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of calculation, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The time of calculation for Variable Rate Bonds shall be each March 1. (Resolution 98-07TBW, Section 1.01)

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

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

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

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

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

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

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

Tampa Bay Water – 2017 Annual Budget Glossary

Acronyms

BEBR – Bureau of Economic and Business Research

BUDW – Brandon Urban Dispersed Wells

CBIR – Community Budget Issuance Request

CCA – Construction Completion Agreement

CFS – Cubic Feet per Second

CIF – Capital Improvement Fund

CIP – Capital Improvement Program

CMMS – Computerized Maintenance Management System

CWUP – Consolidated Water Use Permit

DBP – Disinfection By-Product

DE – Diatomaceous Earth

FAQ – Frequently Asked Questions

FASB – Financial Accounting Standards Board

FDEP – Florida Department of Environmental Protection

FGIC – Financial Guaranty Insurance Company

FTE – Full Time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board (GASB)

GFOA – Government Finance Officers Association

H₂S – Hydrogen Sulfide

IT – Information Technology

IW – Injection Well

MCC – Motor Control Center

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

Tampa Bay Water – 2017 Annual Budget
Glossary

NPDES – National Pollutant Discharge Elimination System

NWH – Northwest Hillsborough

O&M – Operation and Maintenance

OM&M – Operate, Manage & Maintain

OROP – Optimized Regional Operational Plan

POC – Point of Connection

PWS – Public Water Supply

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

SIPC – Securities Investor Protection Corporation

SWFWMD – Southwest Florida Water Management District

SWTP – Surface Water Treatment Plant

TBC – Tampa Bypass Canal

USEPA – United States Environmental Protection Agency

USGS – United States Geological Survey

VFD – Variable Frequency Drive

VOC – Volatile Organic Compounds

WTP – Water Treatment Plant



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