

Approved Operating Budget

Fiscal Year 2024



**Tampa Bay Water – 2024 Annual Budget
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Tampa Bay Water Board of Directors

May 2023

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

Ron Oakley _____ Chairman
Commissioner – Pasco County

Harry Cohen _____ Vice-Chair
Commissioner – Hillsborough County

Dave Eggers _____ Member
Commissioner – Pinellas County

Lisset Hanewicz _____ Member
Council Member – City of St. Petersburg

Chopper Davis _____ Member
Mayor – City of New Port Richey

Charlie Miranda _____ Member
Councilman City of Tampa

Kathleen Peters _____ Member
Commissioner – Pinellas County

Seth Weightman _____ Member
Commissioner – Pasco County

Joshua Wostal _____ Member
Commissioner – Hillsborough County



Tampa Bay Water Executive Team

May 2023



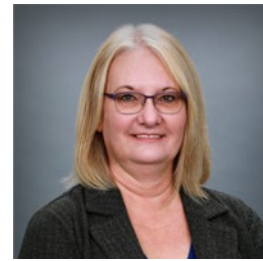
Charles Carden
General Manager



Barrie Buenaventura
Conn & Buenaventura – General Counsel



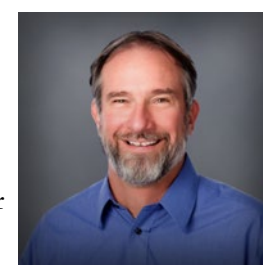
Michelle L. Stom, MPA, APR
Chief of Staff/Chief Strategy Officer



Christina Sackett, MBA
Chief Financial Officer



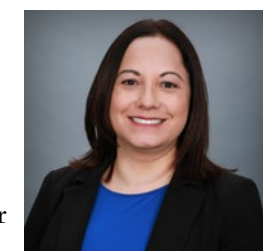
Warren Hogg, P.G.
Chief Science Officer



Paul Stanek
Chief Operating Officer



Casey LaLomia
Information Technology Director



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

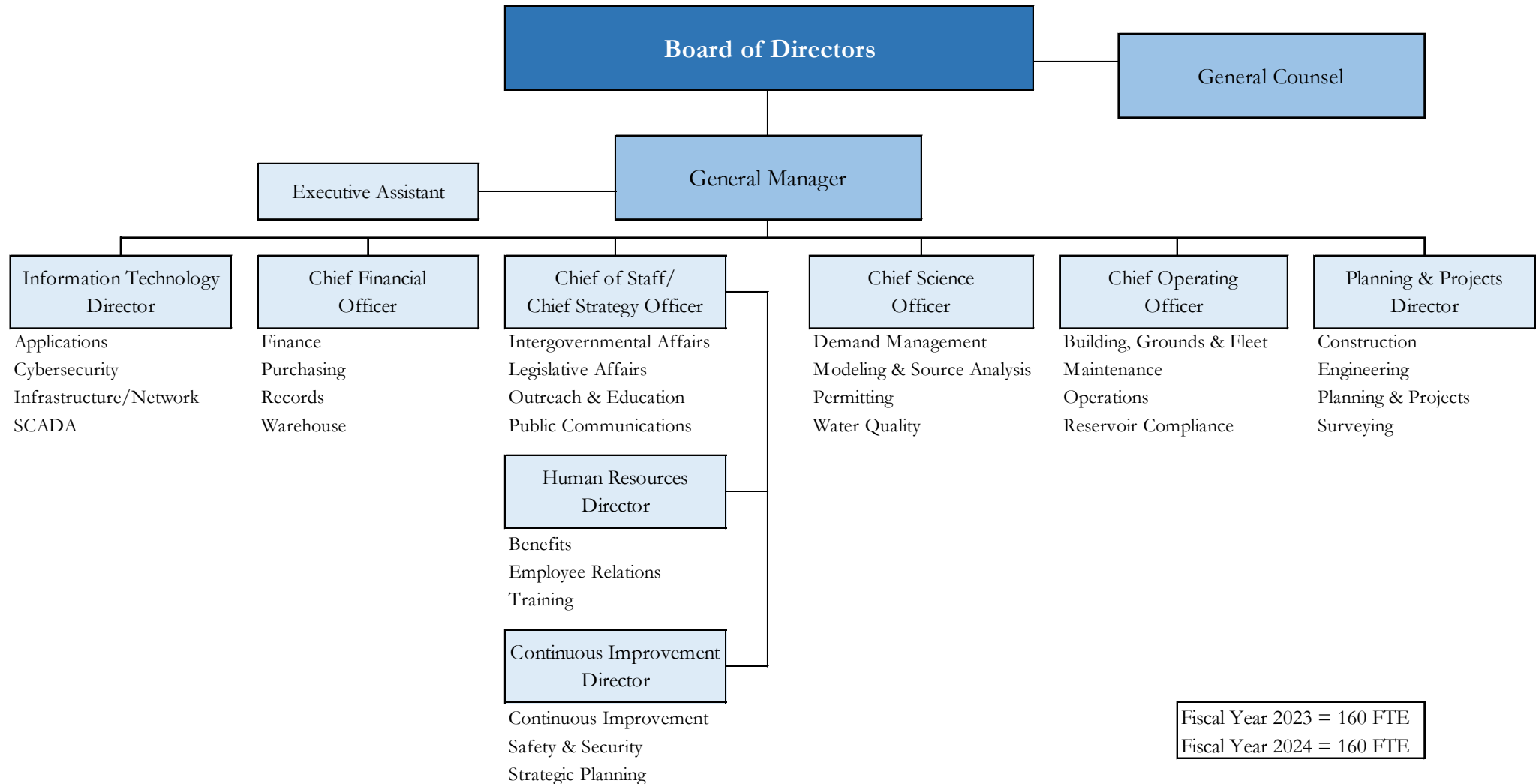


Wanda Dunnigan, SHRM-SCP
Human Resources Director



Tommy Brown
Continuous Improvement Director

**Tampa Bay Water
Organizational Chart
Fiscal Year 2024**



Tampa Bay Water – 2024 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.)

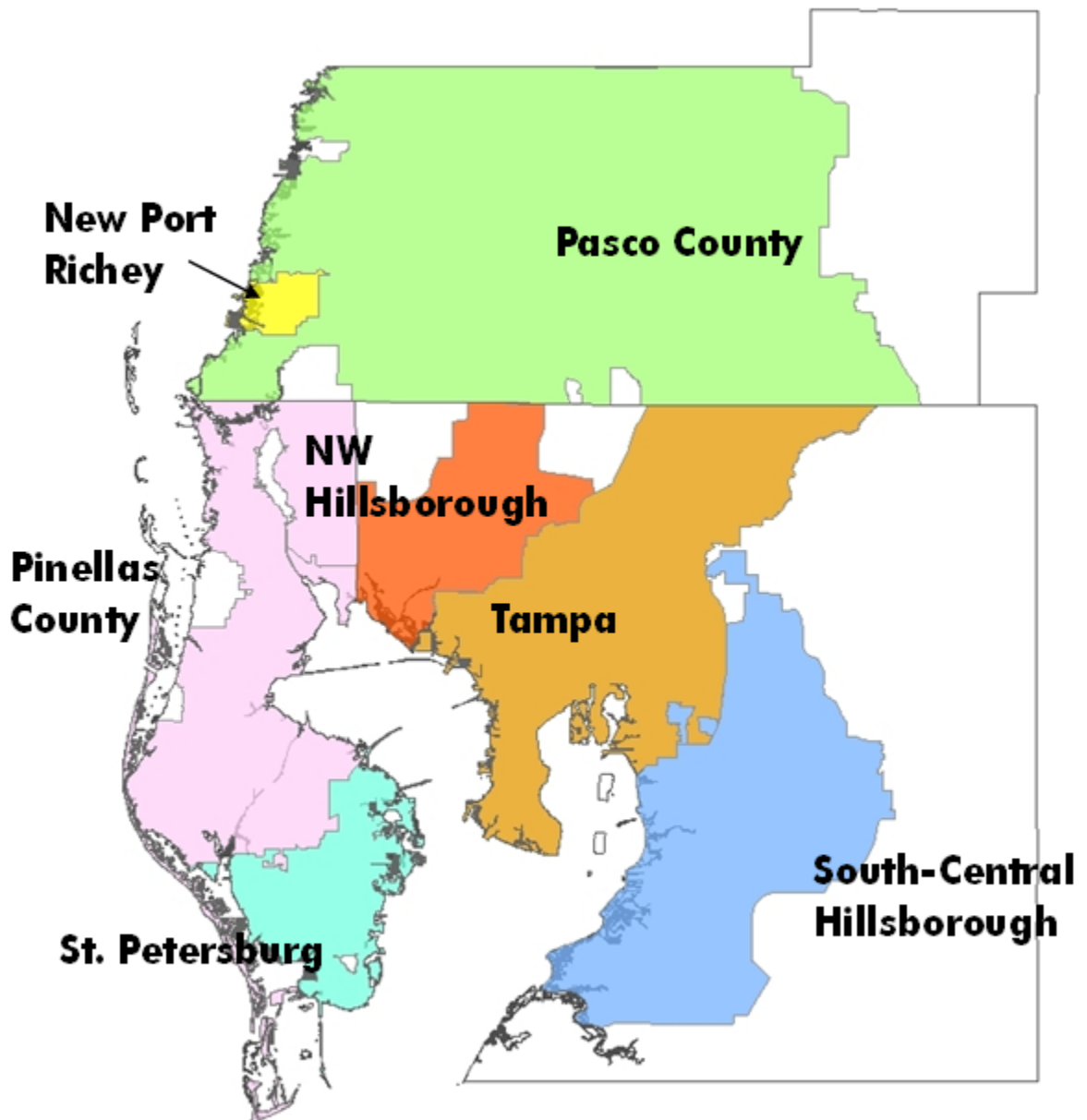
Since forming in 1998, Tampa Bay Water has successfully achieved all the goals to create a new, diverse water supply system and cut back on groundwater pumping. Operating as a true, regional utility, the Agency has met its commitments to our local governments, the Florida Legislature, the regulatory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

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

**Tampa Bay Water – 2024 Annual Budget
Agency Profile**

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

Tampa Bay Water Service Areas



Tampa Bay Water – 2024 Annual Budget Agency Profile

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

Groundwater:

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

Surface Water:

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

Desalinated Water:

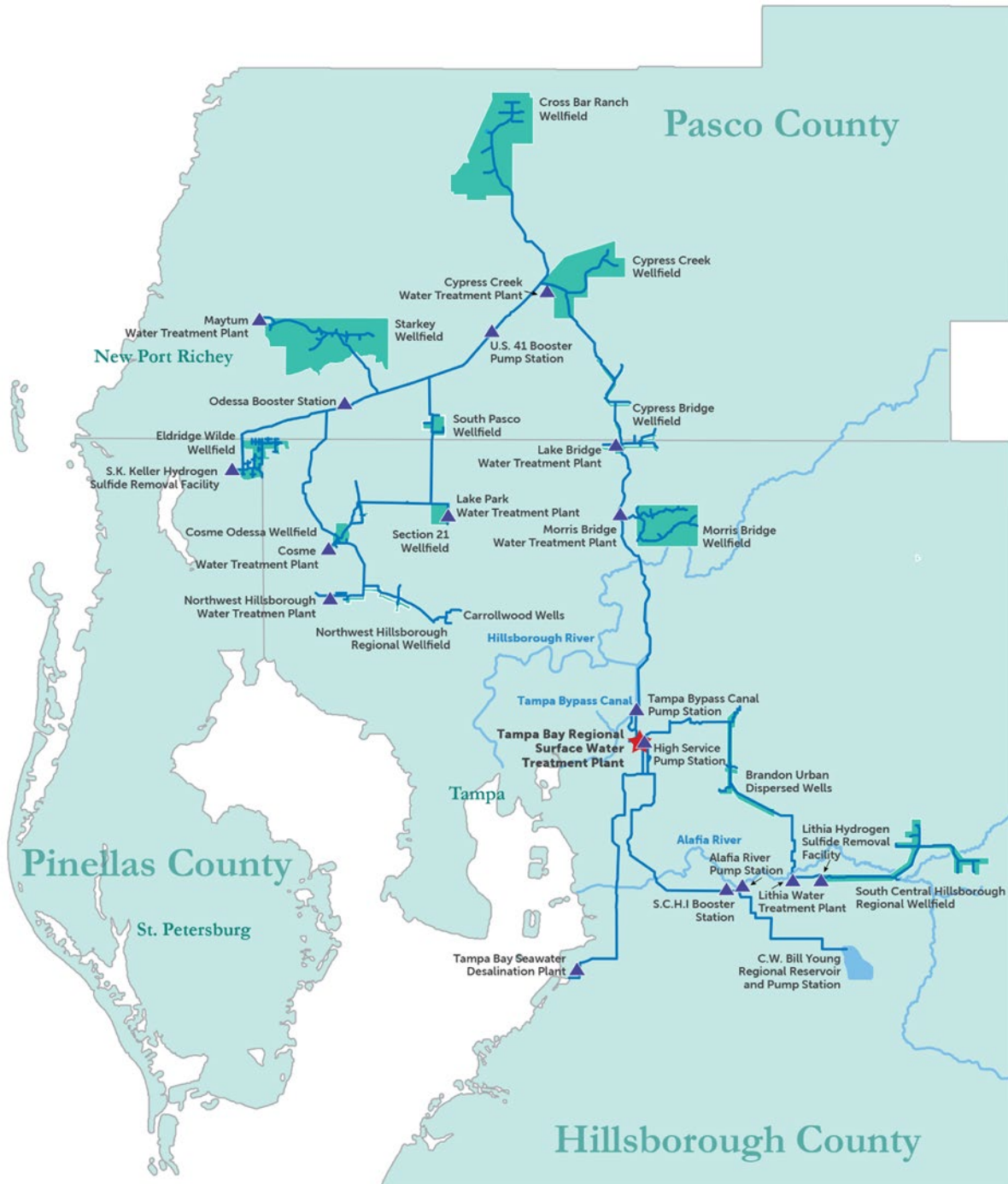
- Tampa Bay Water Seawater Desalination Plant

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

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

Tampa Bay Water – 2024 Annual Budget
Agency Profile

Tampa Bay Water Facility Locations



Tampa Bay Water – 2024 Annual Budget Agency Profile

Tampa Bay Water Strategic Plan – 2022-2027 – Introduction

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

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

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

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

Strategic Planning Process

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

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

Tampa Bay Water – 2024 Annual Budget Agency Profile

The role of the Core Planning Team was to be diverse and include existing and emergent agency leaders, to bring a wide range of perspectives to the strategic planning process and ultimately to build agency-wide acceptance for the strategic plan. During the workshops, team members were introduced to key performance indicators, understanding and working with different communications styles, using active listening skills, gaining staff endorsement, aligning everyday activities with the agency's mission and vision, and other tips for work prioritization.

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

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

Each of these inputs provided the group with direction for creating the strategic goals, objectives, strategies, and tactics.

The final products from the Core Planning Team effort include:

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

Mission

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

Vision

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

Water Supply – Goal 1 – Deliver Quality Water and Enhance System Reliability and Sustainability

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

1. *Achieve 100% compliance with regional contract requirements and permit limitations.*

The Compliance Objective was developed to guide implementation of the agency's core mandates and responsibilities and to ensure a reliable, high-quality water supply, environmental stewardship, and an asset management strategy for the regional system. Strategies under this Objective include:

- Maintaining the agency's regional water delivery capacity of 224.1 million gallons per day in an environmentally responsible manner ensures we can deliver on our commitments to our members.
- Meeting the future regional water supply delivers on a core Interlocal Agreement mandate.
- Improving the delivery of the agency's Capital Improvements Program ensures the most cost-effective investment in water supply infrastructure.

2. *Continually evaluate options to enhance water quality and public health protection.*

The Enhanced Water Quality and Public Health Protection Objective contains Strategies that focus on meeting the current and future challenges that assure the delivery of the highest quality water meeting Board of Directors' policies and the Interlocal Agreement's Quality Water standard. Strategies include:

- Improving future regional water quality meets our members' needs responsibly.
- Implementing source water assessment and protection program elements protects our regional water sources.

3. *Ensure resilience of infrastructure and supplies due to climate change and sea level rise.*

The Resilience Objective contains one Strategy that focuses on the agency's preparedness for Climate Change threats.

- Developing a Climate Adaptation Plan prepares the agency's water supply and utility system for threats from climate change and sea-level rise.

4. *Conserve an additional 11 million gallons per day regionally by 2030.*

The Conservation Objective contains one Strategy that focuses on modifying the agency's demand on the most cost-effective basis to minimize or defer future capital costs.

- Optimizing Tampa Bay Water Wise reduces demand and defers capital needs.

Continuous Improvement – Goal 2 – Continuously Improve Agency Operations

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

1. *Develop continuous improvement organizational program.*

Identifying an organizational continuous improvement program helps Tampa Bay Water to meet future challenges and identify new skills and business processes needed to improve knowledge retention and training and optimize operational responsiveness and efficiency. Strategies under this Objective include:

- Identifying an organizational continuous improvement program helps Tampa Bay Water be future ready.
- Agencywide development and codification of policies and procedures ensures progress towards an Environmental Management System.
- Implementing a unified staffing approach for Operations & Maintenance enhances operational effectiveness.
- Creating an organizational sustainability program aligned with our mission, vision and values enhances agency focus on environmental stewardship.

2. *Strengthen Information Technology and Data Management programs.*

Moving Tampa Bay Water master planning systems onto GIS platforms, increasing the usage of the agency's Computer Maintenance Management System and optimizing asset management practices improves agency performance. Strategies under this Objective include:

- Prioritizing, updating, and implementing GIS Master Plan improves information and asset management.
- Increasing Maximo usage and adoption improves the value of our maintenance management system.
- Optimizing the Asset Management Program ensures best possible asset lives and effective capital deployment.
- Improving the agency's enterprise data management strategy empowers data-driven decision making.
- Improving SCADA integration with OROP and other decision support tools enhances agency's environmental resource protection.

Financial Management – Goal 3 – Optimize Financial Stability and Sustainability

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

1. *Maintain uniform rate predictability.*

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

- Utilizing the Water Supply Infrastructure Planning Model improves rate analysis and planning.
- Identifying potential cost-savings opportunities minimizes revenue requirements.
- Increasing revenue improves financial stability.

2. *Preserve strong bond rating.*

Tampa Bay Water's cost of future capital funds is tied to rating agency bond ratings. Preserving a strong bond rating requires communicating with rating agencies on changes to rating methodologies and ensuring strong agency internal accounting controls. Strategies include:

- Understanding rating agency methodologies preserves strong bond rating.
- Achieving a clean audit annually demonstrates strong internal controls and assures financial accountability.

3. *Pursue outside funding.*

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

- Identifying and pursuing federal, state and local appropriations and grant opportunities reduces the agency's costs.
- Identifying and pursuing research funding opportunities delivers valuable knowledge gain to our region and minimizes agency research and development costs.
- Participating in rebate and incentive programs helps reduce operating costs.

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

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

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

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

- Focusing on policies for regional solutions helps to achieve agency mandates.
- Strengthening and expanding regional partnerships underscores the agency's position as the regional water leader.
- Promoting agency interests at federal and state levels establishes agency as a water expert.

2. *Increase collaboration with member governments.*

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

- Collaborating and cooperating with member government communications on water-related communications increases audience reach.
- Providing regular opportunities for collaboration with Member Governments improves relationships and level of service.

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

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

- Engaging the public on programs and projects provides actionable input, gains acceptance and support.
- Serving as the go-to resource on water topics enhances relationships with news media and increases the likelihood of coverage.

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

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

1. *Promote Workforce Training & Development*

This Objective enhances the agency's workforce leadership skills to promote sustainable management and develops agency training to improve employee skills and adaptability. Strategies under this Objective include:

- Developing workforce leadership skills promotes sustainable management.
- Developing comprehensive agency training & tracking program improves employee skills and adaptability.

2. *Recruit and Retain Engaged and Skilled Workforce*

This Objective focuses on employee engagement and retention and conducts collaborative workforce communications to provide feedback for agency continuous improvement efforts. Strategies include:

- Developing workforce planning tools increases employee engagement and retention.
- Conducting open and collaborative workforce communications enhances employee engagement and provides feedback to direct continuous improvement efforts.

3. *Prioritize Employee Safety*

This Objective creates a safety-first agency culture and creates tools that promote safe work environments. Strategies include:

- Promoting and supporting the safety committee is essential to creating a safety-first culture.
- Developing and implementing a job-specific safety assessment program promotes safe work environments.

Security and Readiness – Goal 6 – Safeguard Agency Infrastructure

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

1. *Improve agency risk and resiliency program.*

The Risk and Resiliency Objective tests the organization's emergency readiness and includes a Comprehensive Continuity of Operations Plan to ensure the ability to deliver on our commitments to our members. Strategies under this Objective include:

- Implementing an emergency exercise evaluation program assures organizational readiness.
- Having a tested Comprehensive Continuity of Operations Plan is essential to continuously delivering on our commitments to our members.

2. *Secure agency physical assets.*

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

- Implementing a Safety and Security Field Assessment Program is critical to operationalizing safety and security performance standards agencywide.
- Continued implementation of the Information Technology Asset Management Program protects the agency's information technology resources.

3. *Enhance comprehensive cyber security program.*

As critical infrastructure, it's imperative the agency has a comprehensive cybersecurity program to guard the agency and water system against cyber threats. Strategies under this Objective include:

- Developing and evolving cybersecurity measures and protocols promotes diligent safeguards against undesirable threats.
- Updating information technology strategic planning and implementing the recommendations helps assure organizational efficiency and performance.
- Aligning physical and cybersecurity initiatives protects agency infrastructure.

Tampa Bay Water – 2024 Annual Budget Agency Profile

Continuous Improvement and Departmental Performance Indicators

A key initiative in the agency’s board-approved strategic plan is creating a framework for continuous improvement across the agency. The Executive Team participated in several workshops in late 2022 to develop a business case for implementing continuous improvement across the agency and to begin to define a framework for a continuous improvement program based on program examples from other entities such as Denver Water and the Environmental Protection Agency. In March 2023, a Continuous Improvement Director was hired and will be responsible for leading agency-wide continuous improvement and championing innovation and efficiency through developing, testing and coordinating the implementation of technologies, processes and performance measurements. This position will coordinate the development of tactical plans at the department level to meet assigned objectives, including the identification of performance indicators and measures to include the information into the annual operating budget, starting in Fiscal Year 2025.

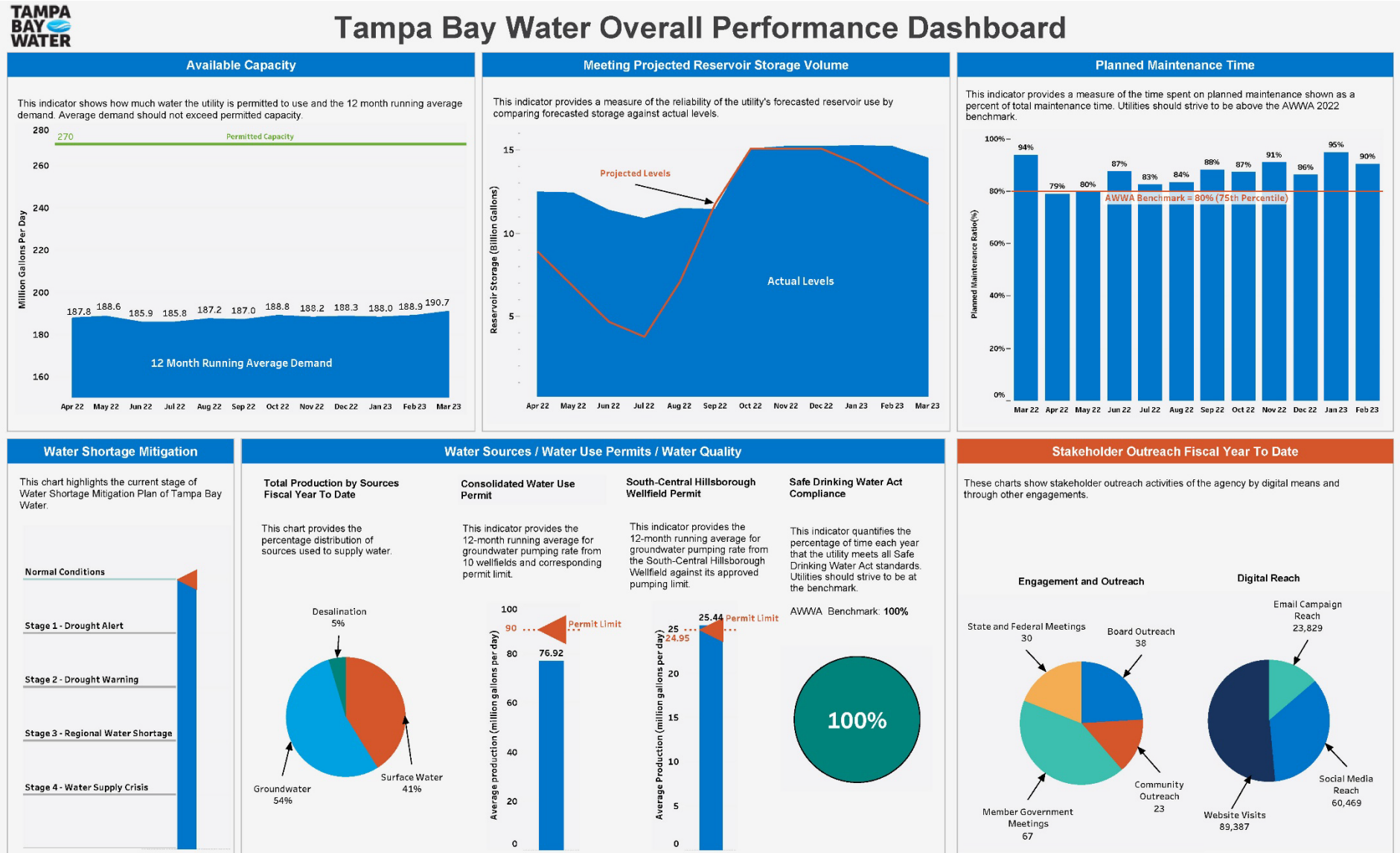
Tampa Bay Water Board Performance Dashboard

After the Board’s approval of the 2022 Strategic Plan, agency staff assigned key performance indicators to the Strategic Plan goals for measuring against Tampa Bay Water’s internal benchmarks and policies and the American Water Works Association’s water utility industry benchmarks using a performance dashboard. The performance dashboard provides the Board with a representation of the overall health of the agency.

Tampa Bay Water staff updated the Board Performance Dashboard to include metrics aligned with the most recent benchmarks from the 2022 American Water Works Association Utility Benchmarking Study. New or revised metrics including water shortage mitigation stage status, water sources used, stakeholder outreach, employee training, employee experience, Tampa Bay Water Wise savings and Capital Improvement Program spending are intended to provide the Board with a better picture of the Agency’s performance. The updated performance dashboard launched in April 2023.

Tampa Bay Water – 2024 Annual Budget Agency Profile

Below is the Tampa Bay Water Overall Performance Dashboard provided to the Board at the April 17, 2023 Board meeting



Tampa Bay Water – 2024 Annual Budget

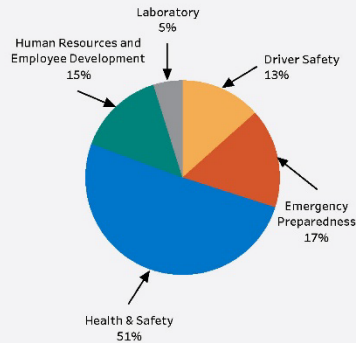
Agency Profile



Tampa Bay Water Overall Performance Dashboard

Employee Training Fiscal Year To Date

This chart shows the distribution of the type of training undertaken by Tampa Bay Water employees and average module duration for each of the course categories (Source: NeoGov).



Optimized Staffing Levels

Current Filled Positions

This indicator provides a measure of filled, full-time positions shown as a percentage of total positions for the fiscal year to date.

Current Filled Positions (FTE)	Current Staff Level (FTE)
148	160

93%



Employee Turnover Fiscal Year To Date

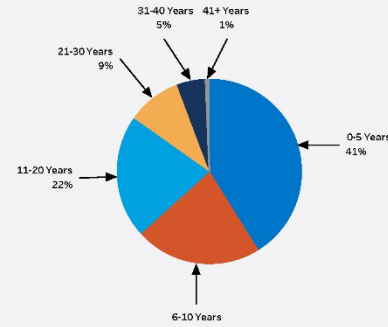
This indicator quantifies rate of employee departures. Utilities should strive to be below the benchmark at the end of the reporting period.

3.8%



Employee Experience Distribution

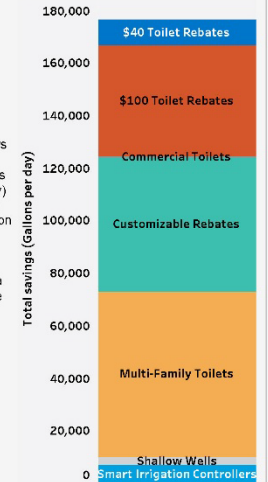
This chart shows relative distribution (percentage) of number of employees based on their total years of experience across all departments for fiscal year to date (Source: Munis).



Tampa Bay Water Wise Program Savings

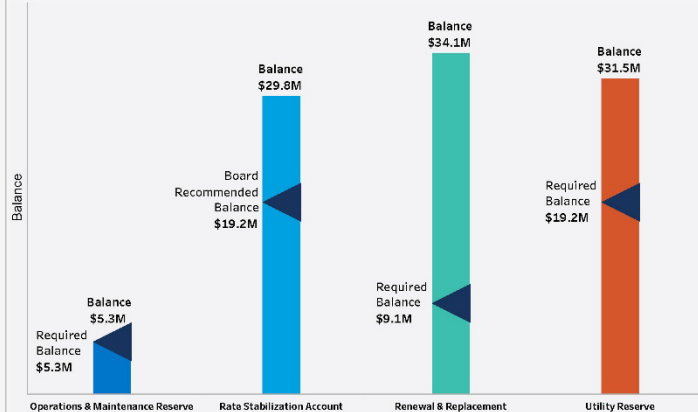
This chart shows the rebate program savings (gallons per day) for all programs since its inception on March 30, 2020.

(Source: Tampa Bay Water Wise Dashboard)



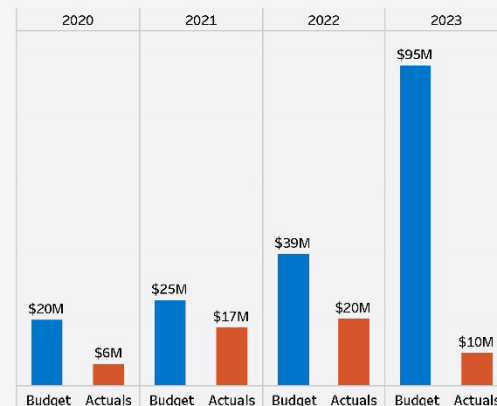
Reserve Funds Balance

This chart tracks the utility's total reserve fund balance across all types against its total contractual or policy based minimums (data current as of February 2023).



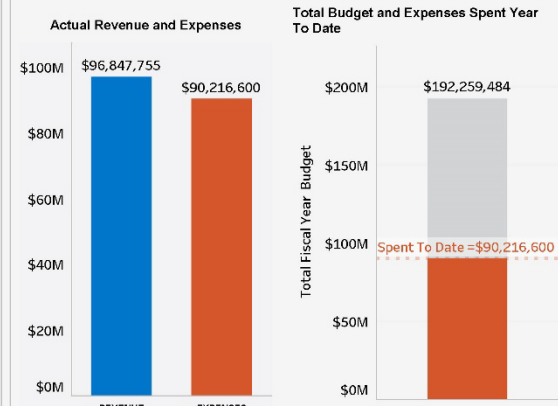
Capital Improvement Program

This chart shows the approved budget of the Capital Improvement Program against actual expenditures over fiscal years including fiscal year to date (Source: Masterworks/Munis).



Operating Within Budgets As Forecasted

This indicator provides a measure of the utility's ability to operate within budget forecasts (data current as of February 2023).





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Tampa Bay Water

Florida

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morill

Executive Director

General Manager's Budget Message and Executive Summary	Fiscal Year 2024
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The General Manager's Budget Message and Executive Summary section presents the key initiatives and priorities of the Fiscal Year 2024 Operating Budget and provides a summary of Tampa Bay Water's financial plan by highlighting major items in the fiscal year 2024 operating budget.

May 3, 2023

Members of the Board:

I am pleased to present the Tampa Bay Water annual Proposed Operating Budget for Fiscal Year 2024. The proposed budget focuses on the agency's future needs while being cost effective with the available resources and protecting the environment. Through implementation of the board approved strategic plan, we strive to be the leader in supplying sustainable, quality water.

In the Proposed Fiscal Year 2024 Operating Budget, we are committed to meeting the regional water supply needs with the expansion of the Surface Water Treatment Plant, building a pipeline to deliver additional water to the rapidly growing South Hillsborough County service area, and developing long-term solutions to tackle social, economic, and environmental challenges.

The proposed budget includes 160 full-time employees and no additional staff positions are being requested. A performance-based merit is proposed, alongside a cost-of-living adjustment. Water sales are estimated to total 197.7 million gallons per day (mgd) at a uniform rate of \$2.5989 per 1,000 gallons.

The following pages contain an executive summary with information about the proposed Fiscal Year 2024 budget along with policy goals and key factors driving budgetary decisions.

Thanks to the many staff members that meaningfully worked together to prepare Tampa Bay Water's annual budget. A separate recognition to the finance department for their efforts in bringing you this proposed budget.

Respectfully submitted,



Charles H. Carden
General Manager

Tampa Bay Water – 2024 Annual Budget Budget Message and Executive Summary

Policy Goals Used in Fiscal Year 2024 Budget Development

The Fiscal Year 2024 budget was put together with important agency policy goals in mind. Those goals included:

- Meeting the performance requirements of the Master Water Supply Contract to provide high-quality water to our six-member governments.
- Operating our water supply facilities to improve supply delivery while also maintaining full compliance with regulatory permits.
- Achieving the goals specified in the Agency’s updated strategic plan.
 - Deliver Quality Water and Enhance System Reliability and Sustainability
 - Continuously Improve Agency Operations
 - Optimize Financial Stability and Sustainability
 - Promote Open, Collaborative Relationships with Stakeholders
 - Ensure an Engaged, Skilled and Adaptable Workforce
 - Safeguard Agency Infrastructure
- Addressing recommendations from the 2020 Performance and Management Audit Report and allocating our staff and financial resources to meet the board’s objectives for a sustainable and affordable water supply system.
- Continuing to balance and blend our multiple supplies of water sources to deliver high-quality, affordable water to our member governments.
- Continuing to work on the Surface Water Treatment Plant Expansion Project to meet water demands by year 2028.
- Performing the future needs analysis to support the next 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 in the region’s water supply and delivery system to ensure that both the water quality and water quantity meet the needs of the more than 2.5 million people in our region. Protecting that investment includes:
 - Focusing on the safety and security of our employees and our water supply facilities by preparing and exercising 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 engage with community, environmental and educational organizations on projects that promote the protection of our drinking water sources through the Source Water Protection Mini-Grant Program.
- Implementing the Agency’s 2020 Succession Plan designed to proactively respond to shifts in staff attrition, address emerging recruitment challenges, and capitalize on development opportunities in a way that ensures business continuity and supports both immediate and long-range agency priorities.

Tampa Bay Water – 2024 Annual Budget Budget Message and Executive Summary

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

Key Factors Affecting the Fiscal Year 2024 Budget

Small Increase in Annual Water Sales

The agency is projecting a small increase of 0.2 million gallon per day (mgd) in water sales to our member governments over the 2023 budgeted water sales of 197.5 mgd. The Fiscal Year 2024 water delivery projection reflects an adjustment accounting for the actual water delivered in fiscal year 2022 being less than the budgeted water delivered. In addition, we are predicting normal weather conditions for Fiscal Year 2024. The agency expects a steady trend in growth of water sales for future years and budgets.

Net Revenue Required from Water Sales

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

Annual Debt Costs

In September 2022, the Board approved the issuance of the Series 2022 Bonds to fund a portion of capital projects and improvements to the utility system. This resulted in an increase of \$6,169,500 in the annual bond debt service for Fiscal Year 2024 totaling \$75,890,443.

Inflation Impact on Water Treatment Chemicals

Tampa Bay Water – 2024 Annual Budget

Budget Message and Executive Summary

One of the larger factors affecting the Fiscal Year 2024 budget is the inflation impact on water treatment chemicals. Chemical contracts are typically for one year with options to renew contracts for up to an additional three years one year at a time or a portion thereof. As part of the option renewal process, procurement researches industry information and other market conditions to indicate if it is in the best interest of the agency to renew existing contracts including price increases, instead of pursuing a new procurement. In August 2022, the Board approved 18 new or renewed chemical supply contracts that all reflected price increases, ranging from 13% up to 157%. This resulted in an increase of \$7,531,681 in the budgeted variable costs for water treatment chemicals totaling \$23,431,064.

Uniform Rate Increase

Due to the above factors, the Fiscal Year 2024 budget includes a small increase in the Uniform Rate for Tampa Bay Water's customers. The approved rate of \$2.5989 per 1,000 gallons is an increase of \$0.0208 or 0.81% over the Fiscal Year 2023 uniform rate and is \$0.0083 less than the Fiscal Year 2024 rate projected in the Fiscal Year 2023 budget.

Water Demand Used in the Fiscal Year 2024 Budget

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

The Fiscal Year 2024 budget was developed to reflect demand with average annual rainfall. The City of Tampa, Pasco County and the City of New Port Richey supply some water through their own facilities to meet a portion of their total water needs. The total regional water demand is reduced by the amount of water these members supply to themselves, resulting in the aggregate expected water demand for budget and planning purposes. The projected annual delivery to the member governments is significantly affected by the amount of water purchased by the City of Tampa, an uncertainty that is directly related to the amount of rainfall that may be experienced. For budgeting purposes, the City of Tampa's demand is budgeted at 6.0 million gallons per day (mgd) for fiscal year 2024, which is approximately the average amount of water the City of Tampa has purchased during the years they have needed to purchase water from the Agency. This 6.0 mgd is included in the total amount of water expected for delivery to the member governments. This projected total value of 197.7 mgd forms the basis of the budgeted uniform rate for fiscal year 2024. This compares to 197.5 mgd for fiscal year 2023. The increase in the projected demand is due to socio-economic projections which indicate that growth in the region is positive.

Tampa Bay Water – 2024 Annual Budget Budget Message and Executive Summary

The Agency's budget is developed each year with a focus on the expected rainfall for the year. Scenarios for operating the system are developed to maximize the use of available river water and manage groundwater resources to achieve environmental recovery around our wellfields and meet permit requirements. Source selection for fiscal year 2024 includes use of the desalination facility at an annual average rate of 4.0 mgd.

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

Operational Highlights for Fiscal Year 2024

The amount of funding required to meet the Agency's approved fiscal year 2024 expenditures is \$199,596,766. The total expenditures are comprised of \$36,983,172 to cover variable costs and the remaining \$151,070,434 to cover the fixed costs components, such as debt, operations, and operations and maintenance agreements. This is a \$7.3 million net increase over the approved Fiscal Year 2023 Budget, which is largely due to the \$7.5 million increase in the cost of water treatment chemicals.

Some of the key features of the Fiscal Year 2024 Budget include:

- Operation of the Tampa Bay Seawater Desalination Plant at a lower annual average of 4 mgd, due to Tampa Electric's modernization of their Big Bend plant, which temporarily limits the amount of intake water available for the agency.
- Full use of the C.W. Bill Young Regional Reservoir, the region's water savings account.
- An annual average production of 77.7 mgd at the Regional Surface Water Treatment Plant, using flows from the Hillsborough and Alafia rivers and the Tampa Bypass Canal, as well as water stored in the regional reservoir. The Plant production is managed to maximize the seasonally available higher river flows during wet-weather months. Like production at the desalination facility, Surface Water Treatment Plant production may be increased proportionately when river flows are available, to maintain the agency's groundwater pumping permitted levels.
- Use of 85.0 mgd on an annual average basis from the consolidated permit wellfields, which is 5.0 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 and Desal production is limited. Plus, an additional 31.0 mgd will come from other groundwater sources that are not part of the consolidated water permit.

The budget sub-total of \$199.6 million, totaling 100% of the budget, includes variable operating costs of \$37.0 million and fixed operating costs of \$162.6 million, 18.5% and 81.5% of the Agency's budget respectively. The \$162.6 million includes \$75.9 million for debt service, \$10.3 million for acquisition and water quality credits to the Members, and \$76.4 million in fixed operating costs, inclusive of \$16.1 million in professional services for the operations and maintenance agreements associated with the contracted water plant operations.

Tampa Bay Water – 2024 Annual Budget Budget Message and Executive Summary

The Fiscal Year 2024 budget includes the following \$11.5 million in other funding sources that reduces the amount needed in net revenue from water sales.

- \$5.6 million in unencumbered funds from FY 2023 to be carried over to FY 2024.
- \$5.1 million in Investment Revenue.
- \$392 thousand of revenue from surplus water sales at Tampa Bypass Canal.
- \$42 thousand for an Operation & Maintenance contract agreement with Pasco County at the Lake Bridge Facility.
- \$398 thousand of grant revenue from the Southwest Florida Water Management District

The total expenditures are adjusted by the other funding sources to provide the net revenue required from water sales. The net revenue required for the approved Fiscal Year 2024 budget is \$188,053,606, resulting in a uniform rate of \$2.5989 per 1,000 gallons.

Fiscal Year 2024 Budget Timing

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

The approved Fiscal Year 2024 budget was distributed to the member governments prior to April 15th for review, followed by meetings with Tampa Bay Water staff and member governments to discuss. The approved Fiscal Year 2024 budget was reviewed by the Board at a budget workshop held on April 17, 2023. A public hearing notice of the Board's intended adoption of the Fiscal Year 2024 budget on May 15, 2023 was published in compliance with requirements in the Amended and Restated Interlocal Agreement for final budget approval. Following the public hearing the Board was asked to approve the Operating Budget and Capital Improvement Program for Fiscal Year 2024 via approval of Resolution 2023-001.

Budget Communication

An electronic version of Tampa Bay Water's Approved Fiscal Year 2024 Operating Budget can be found on the Agency's website.

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

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

Tampa Bay Water – 2024 Annual Budget
Budget Message and Executive Summary

Analysis of Costs in the Fiscal Year 2024 Budget

Enterprise Funds	Approved FY 2023	Approved FY 2024	Variance +/-	Effect on Rate
<i>Sources of Funds</i>				
Water Sales	\$185,847,755	\$188,053,606	\$2,205,851	\$0.0305
Additional Credits/Surcharges (Board Approved)	42,000	42,000	-	-
Tampa Bypass Canal – Sale of Water	392,000	392,000	-	-
Grant Revenue	-	398,000	398,000	0.0055
Interest Income	1,931,424	5,135,727	3,204,303	0.0443
Sources Sub-total	\$188,213,179	\$194,021,333	\$5,808,154	\$0.0803
Unencumbered Funds from Prior Year ¹	4,046,205	5,575,433	1,529,228	0.0211
Total Sources	\$192,259,384	\$199,596,766	\$7,337,382	\$0.1014
<i>Uses of Funds</i>				
Personnel Services	\$23,728,800	\$25,377,300	\$1,648,500	\$0.0228
Materials & Supplies	3,474,026	3,279,648	(194,378)	(0.0027)
Professional Services	33,990,491	34,387,652	397,161	0.0055
Repairs & Other Services	8,349,824	8,204,458	(145,366)	(0.0020)
Rent & Insurance	2,512,379	3,311,226	798,847	0.0110
Legal Services	655,000	750,000	95,000	0.0013
Capital Expenditures	1,160,025	1,133,310	(26,715)	(0.0004)
Debt Service – Bonds ²	76,009,062	75,890,443	(118,619)	(0.0016)
Debt Service – Member Acquisition Credits	10,231,558	10,231,558	-	-
Member Water Quality Credits	48,000	48,000	-	-
Water Treatment Chemicals – Variable Cost	15,899,383	23,431,064	7,531,681	0.1041
Power/Electricity – Variable Cost	15,390,261	12,911,320	(2,478,941)	(0.0343)
Water for Resale – Variable Cost	534,500	640,788	106,288	0.0015
Uses Sub-total	\$191,983,309	\$199,596,766	\$7,613,458	\$0.1052
Transfer out to Renewal & Replacement Fund ²	276,075	-	(276,075)	(0.0038)
Total Uses	\$192,259,384	\$199,596,766	\$7,337,383	\$0.1014
Projected Water Demand (mgd)	197.5	197.7	0.2	
Projected Uniform Rate (\$/1,000 gallons)	\$2.5781	\$2.5989	\$0.0208	

Note 1 – Estimated unencumbered funds from prior year, for fiscal year 2024, are estimated at 3% of the fiscal year 2023 revenue from water sales. Funds transfer through the rate stabilization account at year-end.

Note 2 – Board approved transfer of \$5,723,925 from the Transfer out to Renewal & Replacement Fund line to the Debt Service line to cover Fiscal Year 2023 interest on the Series 2022 Bonds.

Annual Budget Development

Fiscal Year 2024

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

Tampa Bay Water – 2024 Annual Budget Annual Budget Development

Budget Format

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

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

Tampa Bay Water – 2024 Annual Budget

Annual Budget Development

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

Office of the General Manager

General Manager

- Legal Coordination

Business Strategies Division

Chief of Staff/ Chief Strategy Officer

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

Information Technology Department

Information Technology Director

- Applications
- Cybersecurity
- Infrastructure/Network
- SCADA

Finance and Administration Division

Chief Financial Officer

- Finance
- Records
- Purchasing
- Warehouse

Water Production Division

Chief Operating Officer

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

Science Division

Chief Science Officer

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

Planning & Projects Division

Planning and Projects Director

- Construction
- Engineering
- Real Estate

Tampa Bay Water – 2024 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 fourteen major expense categories and approximately 60 sub-categories.

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

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

The major expense categories consist of sub-categories to allow Tampa Bay Water’s divisions, 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 approved budget was presented at a Board workshop for further review by the Board. Meetings were also held with the staff of the six member governments to review the budget before approval.

Tampa Bay Water – 2024 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:

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

Annual Budget Requirements

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

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

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

Tampa Bay Water – 2024 Annual Budget

Annual Budget Development

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

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

Annual Budget Process

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

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

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

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

Tampa Bay Water – 2024 Annual Budget Annual Budget Development

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

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

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

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

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

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

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

Fiscal Year 2024 Budget Development Schedule

December 12, 2022	Budget packets distributed internally, meeting with Officers and Department Managers for "Fiscal Year 2024 Budget Kickoff."
January 13, 2023	Fiscal year 2024 budget submissions due from departments.
January 23-31, 2023	Finance meets with Executive Team and Department Managers to review department 2024 budget requests.
February 1, 2023	Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated

Tampa Bay Water – 2024 Annual Budget

Annual Budget Development

	Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area.
February 10, 2023	Preliminary draft of fiscal year 2024 division/department budget worksheet distributed internally for review and comments by all departments.
February 20-24, 2023	General Manager meetings with Executive Team and Department Managers to review program plans and outstanding issues.
March 3, 2023	Distribute revised draft of Proposed Fiscal Year 2024 division/department budget worksheet with changes resulting from February meetings.
March 9, 2023	Executive Team meet to review Proposed Fiscal Year 2024 Sources and Uses Budget Worksheet, Strategic Plan, FY2024-FY2033 Capital Improvement Program Plan and any related outstanding issues.
March 16, 2023	First draft of Proposed Fiscal Year 2024 Budget document and FY2024-FY2033 Capital Improvement Program Plan prepared and distributed for internal management review before external distribution.
March 27, 2023	The Proposed Fiscal Year 2024 Budget including annual estimate and FY2024-FY2033 Capital Improvement Program Plan distributed to staff, Member Governments, and Board.
April 3–April 7, 2023	Individual meetings with Member Governments to discuss Proposed Fiscal Year 2024 Budget and FY2024-FY2033 Capital Improvement Program Plan.
April 15, 2023	Tampa Bay Water contractual annual estimate due (distributed in late March).
April 17, 2023	Board workshop – Board reviews the Proposed Fiscal Year 2024 Budget and the FY2024-FY2033 Capital Improvement Program plan and schedule a public hearing for budget approval on May 15, 2023.
April 20-24, 2023	Executive Team meets to review any Board workshop requested changes, if applicable.
April 26, 2023	Distribute revised Proposed Fiscal Year 2024 Budget with any changes from Board workshop for internal management review.
May 5, 2023	Distribute revised Proposed Fiscal Year 2024 Budget and FY2024-FY2033 Capital Improvement Program Plan to the Member Governments, Board and Public.
May 15, 2023	Public Hearing – Fiscal Year 2024 Budget and Fiscal Year 2024 of the Capital Improvement Program approved by the Board and FY2025-FY2033 of Capital Improvement Program plan accepted by the Board.
October 1, 2023	Uniform Rate for Fiscal Year 2024 becomes effective.
October 15, 2023	Fiscal Year 2023 Annual True-up and reconciliation of fixed component to Fiscal Year 2024 annual estimate distributed to members.

Tampa Bay Water – 2024 Annual Budget

Annual Budget Development

Major Responsibilities

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

Tampa Bay Water – Finance Department

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

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

Tampa Bay Water – 2024 Annual Budget

Annual Budget Development

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

Tampa Bay Water – Executive Team and Department Managers

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

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

Member Governments

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

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

Tampa Bay Water – 2024 Annual Budget Annual Budget Development

Tampa Bay Water – Board

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

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

Budget Implementation

The approved annual budget is input to the Agency's financial accounting system at the beginning of each fiscal year. The system provides accountability and reporting of purchase order encumbrances and actual expenditures versus the approved budget. Agency staff, together with the 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.

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 2024

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

Tampa Bay Water – 2024 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 ensure that Tampa Bay Water complies with its bond covenant requirements including a requirement that Net Revenues plus Fund Balance (unencumbered monies on deposit in the Utility Reserve Fund on the preceding September 30th) be equal to or greater than 125% of annual debt service coming due in the fiscal year. A higher coverage may be established by the Board if circumstances warrant such coverage.

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

Rate Stabilization Account Policy

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

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

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

Tampa Bay Water – 2024 Annual Budget

Financial Management Policies

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

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

Fixed Asset Policy

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

Investment Policy

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

Tampa Bay Water – 2024 Annual Budget

Financial Management Policies

Debt Policy

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

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

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

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

Tampa Bay Water – 2024 Annual Budget

Financial Management Policies

Accounting, Auditing and Financial Reporting Policies

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

Auditing

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

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

Basis of Accounting and Accounting Systems

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

Performance Audit

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

Balanced Budget Policy

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

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

Financial Plan

Fiscal Year 2024

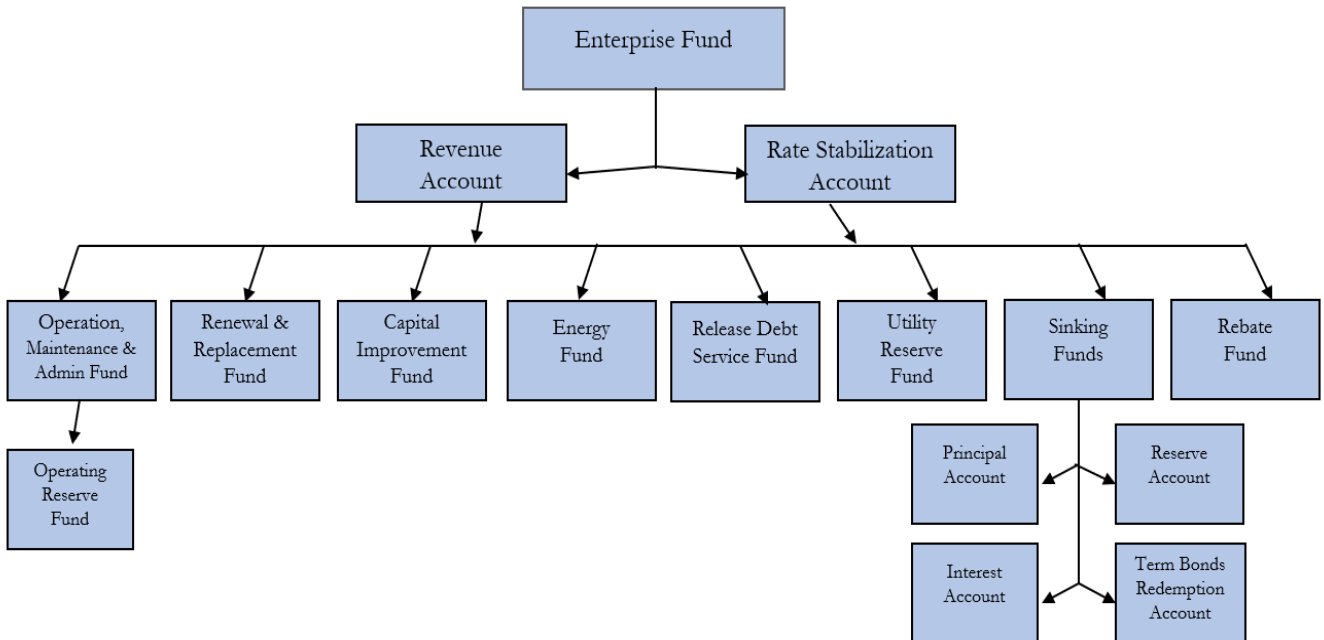
The Financial Plan section provides an overview of Tampa Bay Water's budgetary fund structure and information on revenue and expenditures, as well as capital spending for the budget year.

Tampa Bay Water – 2024 Annual Budget

Financial Plan

Funds Structure Overview

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



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

Tampa Bay Water – 2024 Annual Budget

Financial Plan

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

Reserves and Restricted Funds

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

Operating Reserve

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

The Operating Reserve balance on October 1, 2023, is estimated to be \$5,304,024. This is two months of the fiscal year 2023 estimated variable costs of \$31,824,144. A transfer of \$859,838, which is about 16% of the fund balance will be made from the Rate Stabilization account at the beginning of fiscal year 2024 to bring the Operating Reserve to a level equal to two months of increased variable costs in fiscal year 2024 of \$36,983,172.

Renewal and Replacement Fund

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

The Renewal and Replacement fund balance on October 1, 2023, is estimated at \$21,006,535. Tampa Bay Water has developed a Renewal and Replacement Program that identifies all critical components of the water delivery system and assists in developing a schedule for replacing or improving components to maintain the reliability of the system. The current estimate for program projects scheduled during 2024 is \$6,193,062, which is about 29% of the beginning fund balance. The large change in the fund balance is a result of Tampa Bay Water hiring an Integrated Program Manager in September 2021 to augment staff. Staff augmentation will ensure the growing portfolio of capital projects are coordinated in a timely manner and improve the delivery of the agency's Capital Improvement Program.

Tampa Bay Water – 2024 Annual Budget Financial Plan

Capital Improvement Fund

Capital Improvement charges collected, or other funds received which are designated by the Board as Capital Improvement Funds are deposited to this fund. Investment earnings are deposited into the Revenue Fund and are available for any lawful purpose. The Capital Improvement Fund balance on October 1, 2023, is estimated at \$21,580,737. The current estimate for Capital Improvement program projects scheduled during 2024 is \$6,233,744, which is about 29% of the beginning fund balance. The large change in the fund balance is a result of Tampa Bay Water hiring an Integrated Program Manager in September 2021 to augment staff. Staff augmentation will ensure the growing portfolio of capital projects are coordinated in a timely manner and improve the delivery of the agency's Capital Improvement Program.

Energy Fund

Funds generated from an agreement with Tampa Electric's (TECO) Commercial Demand Response Program Provider, Enel X, and reimbursement from Withlacoochee River Electric Cooperative (WREC) are used to fund projects which result in an energy savings to Tampa Bay Water. Investment earnings are deposited into the Revenue Fund and are available for any lawful purpose. The Energy Fund balance on October 1, 2023, is estimated at \$1,031,216. No projects are scheduled during 2024 in the Energy fund.

Released Debt Service Fund

Upon the issuance of the Series 2022 Bonds, the maturity of the agency's total outstanding bonds was extended to Fiscal Year 2053. Therefore, the Debt Service Reserve account requirement changed from the Maximum Annual Debt Service for all outstanding bonds to 125% of the average Annual Debt Service for all outstanding bonds reducing the required balance of the Debt Service Reserve Fund and releasing reserve funds for funding the Capital Improvement Program. The Released Debt Service Fund balance on October 1, 2023, is estimated at \$23,673,605. The current estimate for Capital Improvement program projects scheduled using Released Debt Service Funds during 2024 is \$2,212,184.

Utility Reserve Fund

Tampa Bay Water is required to transfer any unexpended funds remaining at the end of each fiscal year to the Utility Reserve Fund. The fund balance must be sufficient to cover 10% of the yearly budgeted Gross Revenues and is maintained at balances sufficient to meet bond coverage requirements. The Utility Reserve Fund may be used for any lawful purpose relating to the System. Investment earnings more than the reserve requirement are deposited into the Revenue Fund and are available for any lawful purpose. The estimated account balance on October 1, 2023, is \$31,340,323.

Sinking Fund – Interest and Principal Accounts

Funds collected to pay annual interest and principal on debt are deposited into the accounts and expended for debt service payments as they come due. Investment earnings more than the funding requirement are deposited into the Revenue Fund and are available for any lawful purpose. Funds in the account at the end of the fiscal year are used to pay debt due on October 1st of the new fiscal year. The estimated account balance on October 1, 2023, is \$58,953,369.

Tampa Bay Water – 2024 Annual Budget Financial Plan

Sinking Fund Debt Service Reserve Account

Tampa Bay Water is required to fund and maintain an amount equal to the lesser of maximum annual aggregate debt service coming due in any fiscal year or 125% of the average annual debt service over the life of the Bonds outstanding. These funds may be used only to satisfy an insufficiency in the Debt Service Reserve until such time as the Bonds are paid off. When the amount of cash in the Reserve Account together with other amounts in the Debt Service Accounts, are sufficient to fully pay all outstanding Bonds in accordance with their terms, the funds on deposit in the Reserve Account may be used for payment of the Bonds. This reserve is fully funded. Investment earnings more than the reserve requirement are deposited into the Revenue Fund and are available for any lawful purpose. The estimated account balance on October 1, 2023, is \$47,053,624.

Rebate Fund

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

Rate Stabilization Account

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

The Rate Stabilization account balance on October 1, 2023, is estimated at \$35,396,743 and is available for reduction of current and future year rates to the extent that it has not been designated by the Board for specific purposes including unanticipated legal and mitigation costs. A transfer of \$859,838 will be made to the Operating Reserve account to bring it equal to two months of the fiscal year 2024 variable costs. A withdraw of \$5,575,433, equal to the estimated amount of unexpended 2023 funds, will be withdrawn from the account and will carry-forward into fiscal year 2024. The estimated fiscal year 2024 unencumbered funds of \$5,641,608, will be transferred into the Rate Stabilization fund to be carried forward into fiscal year 2025. Unexpended funds available for carryforward are deposited into the Rate Stabilization account at year-end and then withdrawn from the account the following fiscal year.

**Tampa Bay Water – 2024 Annual Budget
Financial Plan**

Projected Changes in Fund Equity – Fiscal Year 2024 Budget

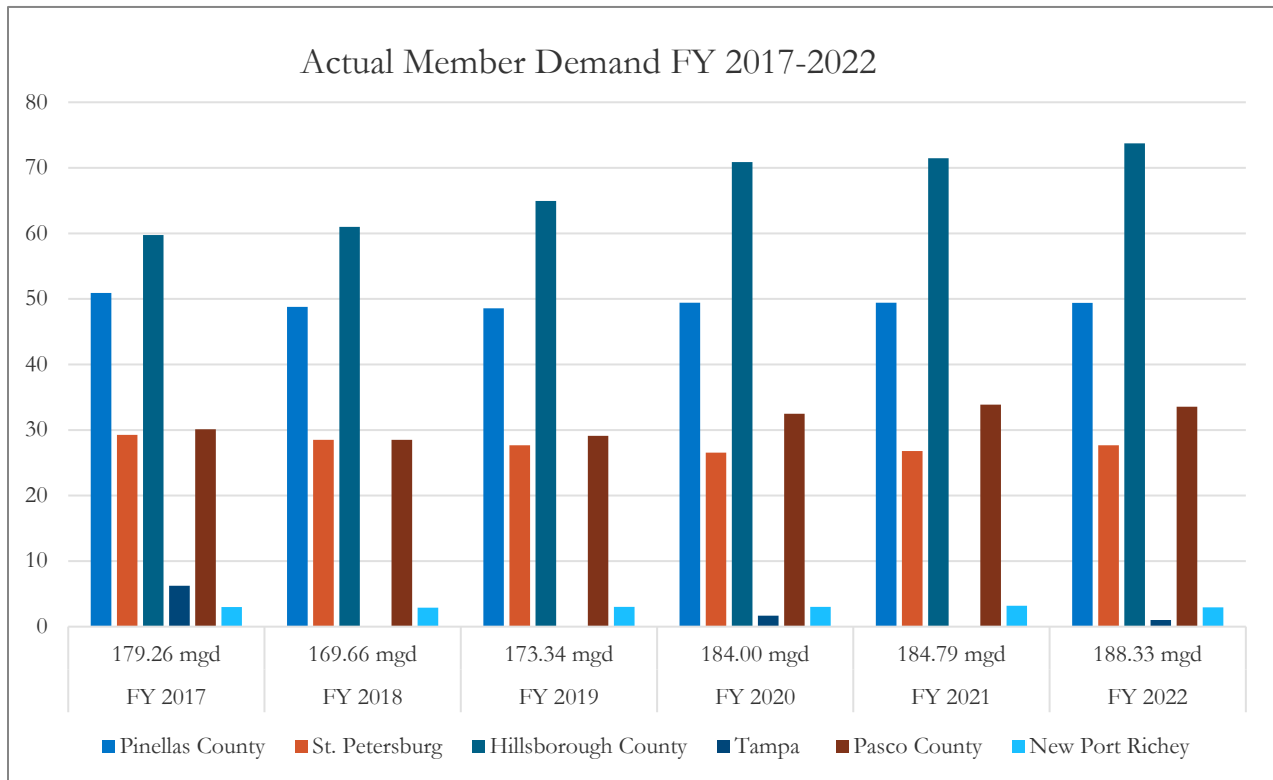
Estimated	Operations	Operating Reserve	Renewal & Replacement Fund	Capital Improvement Fund	Energy Fund	Released Debt Service Fund	Utility Reserve Fund	Sinking Fund (Interest/Principal)	Sinking Fund (Debt Service Reserve)	Rebate Fund	Rate Stabilization Account	Total Enterprise Funds
Beginning Balance	\$15,008,187	\$5,304,024	\$21,006,535	\$21,580,737	\$1,031,216	\$23,673,605	\$31,340,323	\$58,953,369	\$47,053,624	\$ -	\$35,396,743	\$260,348,363
Revenues												
Water Sales	188,053,606											188,053,606
Water Sales – Tampa Bypass Canal	392,000											392,000
Interest Earned	299,368	105,799	419,016	430,470	20,570	472,216	625,144	1,175,940	938,576	-	648,628	5,135,727
Lake Bridge O&M – Pasco	42,000											42,000
Expenditures												
Fixed Costs	(76,443,594)											(76,443,594)
Variable Costs	(36,983,172)											(36,983,172)
Debt Service – Bonds								(74,644,091)				(74,644,091)
Debt Service – Acquisition Credits	(10,231,558)											(10,231,558)
Water Quality Credits	(48,000)											(48,000)
Capital Project Expenditures												
Capital Improvement Projects				(6,233,744)								(6,233,744)
Renewal & Replacement Projects			(6,193,062)									(6,193,062)
Energy Projects												-
Released Debt Service Projects						(2,212,184)						(2,212,184)
Grants	398,000											398,000
Interest	4,836,359	(105,799)	(419,016)	(430,470)	(20,570)	(472,216)	(625,144)	(1,175,940)	(938,576)	-	(648,628)	-
Interest/Principal Accounts	(75,890,443)							75,890,443				-
Rate Stabilization Account	(66,175)	859,838									(793,663)	-
Renewal/Replacement Fund												-
Capital Improvement Fund												-
Ending Balance	\$9,366,578	\$6,163,862	\$14,813,473	\$15,346,993	\$1,031,216	\$21,461,421	\$31,340,323	\$60,199,721	\$47,053,624	\$ -	\$34,603,080	\$241,380,291

Tampa Bay Water – 2024 Annual Budget

Financial Plan

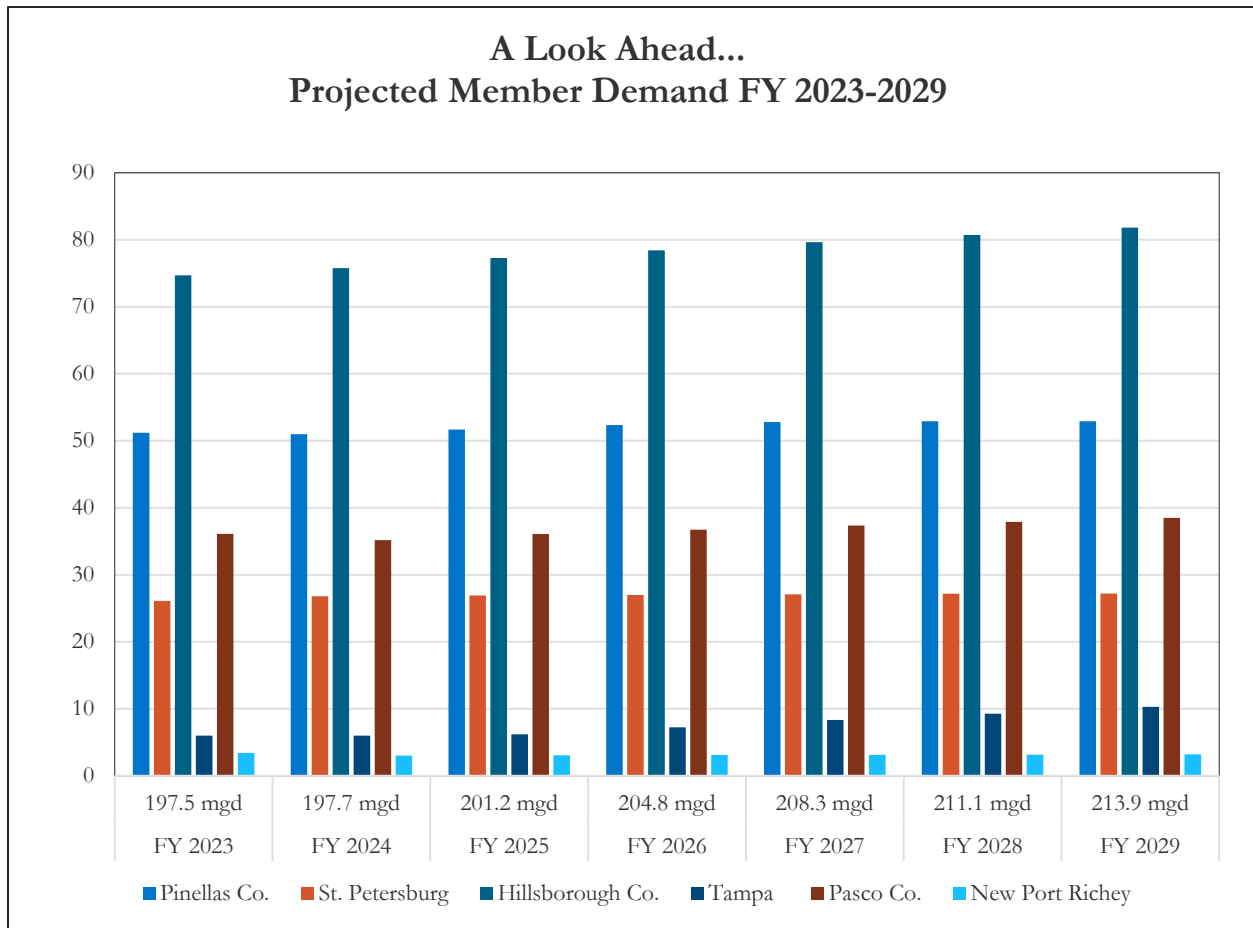
Financial Planning and Trends

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.



The Tampa Bay Region began to see an upturn in growth starting in 2016, largely within Hillsborough and Pasco County's service areas. Pinellas County's demand decreased slightly when the county lost wholesale water customers. In the past five years, the City of Tampa purchased an average of 1.79 million gallons per day from Tampa Bay Water. In 2018, the city was able to supply their service area without purchasing any water from Tampa Bay Water.

Tampa Bay Water – 2024 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 a 20-30-year horizon.

Member demand for fiscal year 2023 and future demand projections are based on average rainfall years. It is also projected that economic growth will be moderate resulting in gradual population growth and economic development for the Tampa Bay Region.

Tampa Bay Water – 2024 Annual Budget

Financial Plan

Below is the projected member government demands for fiscal year 2023 through fiscal year 2029 in million gallons per day (mgd) and in percentage of overall demand for the fiscal year.

	Hillsborough Co.	Tampa	Pasco Co.	New Port Richey	Pinellas Co.	St. Petersburg	Total
FY23 - mgd	74.7	6.0	36.1	3.4	51.2	26.1	197.50
FY23 - %	37.8%	3.0%	18.3%	1.7%	25.9%	13.2%	100%
FY24 - mgd	75.8	6.0	35.2	3.0	51.0	26.8	197.70
FY24 - %	38.3%	3.0%	17.8%	1.5%	25.8%	13.5%	100%
FY25 - mgd	77.3	6.2	36.1	3.1	51.7	26.9	201.20
FY25 - %	38.4%	3.1%	17.9%	1.5%	25.7%	13.4%	100%
FY26 - mgd	78.4	7.2	36.7	3.1	52.3	27.0	204.80
FY26 - %	38.3%	3.5%	17.9%	1.5%	25.6%	13.2%	100%
FY27 - mgd	79.6	8.3	37.3	3.1	52.8	27.1	208.30
FY27 - %	38.2%	4.0%	17.9%	1.5%	25.3%	13.0%	100%
FY28 - mgd	80.7	9.3	37.9	3.2	52.9	27.2	211.10
FY28 - %	38.2%	4.4%	17.9%	1.5%	25.1%	12.9%	100%
FY29 - mgd	81.8	10.3	38.5	3.2	52.9	27.2	213.90
FY29 - %	38.2%	4.8%	18.0%	1.5%	24.7%	12.7%	100%
FY23-FY29 Total mgd	548.3	53.3	257.8	22.0	364.8	188.2	1,434.4
FY23-FY29 Total %	38.2%	3.7%	18.0%	1.5%	25.4%	13.1%	100%

Long-term Master Water Plan

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

System Configuration II of the Master Water Plan was completed in 2011. This program involved expanding the treatment and pumping capacity of Tampa Bay Water’s Regional Surface Water Treatment system. It is estimated that the Tampa Bay Water Regional System, including the System Configuration II enhancements, will meet the Member Governments’ water supply needs for the next 10 years. The District, the Tampa Bay-area Basin Boards, and the State funded \$122 million of the \$226 million System Configuration II capital costs.

Tampa Bay Water – 2024 Annual Budget

Financial Plan

The original Master Water Plan also includes public information and involvement along with a demand management component to reduce anticipated potable demand across the region. Tampa Bay Water worked closely with its member governments to ensure that projected annual average potable demand was reduced by 10 million gallons per day by 2000, and that a total potable demand reduction of 18 mgd was achieved by 2005. Additional reduction of projected demand by 6 mgd due to active potable conservation programs was achieved through 2018, to a total of at least 24 mgd for the region (actual demand reductions can occur through both active and passive savings). The Board also approved the implementation of the regional 2018 Demand Management Plan. The Demand Management Plan identifies potential conservation initiatives of around 11 mgd that could further delay the need for new regional supply.

An update to the Long-Term Master Water Plan is conducted every five years to help achieve Goal one of the Agency's Strategic Plan. The latest update to the Long-Term Master Water Plan was completed in 2018. The 2018 update of the Plan identified that:

- Approximately 20 million gallons per day (mgd) of new supplies need to be developed over the 2040 planning horizon, and
- Approximately 10 mgd of this 20 mgd will need to be brought online by 2028.

By approving the Long-Term Master Water Plan 2018, the Board directed that the Agency conducts feasibility studies on the top-three ranked projects identified in the Plan and recommended for further study. Those projects are:

- South Hillsborough Wellfield (New Wellfield via South Hillsborough Aquifer Recharge Project (SHARP) Credits)
- Desalination Water Treatment Plant Expansion with Existing Source Water
- Surface Water Treatment Plant Expansion with Existing Source Water

Detailed feasibility evaluations on these projects were completed in fiscal year 2022 and multiple configurations were evaluated and scored using the Board approved ranking framework and criteria: environmental stewardship, cost, and reliability.

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

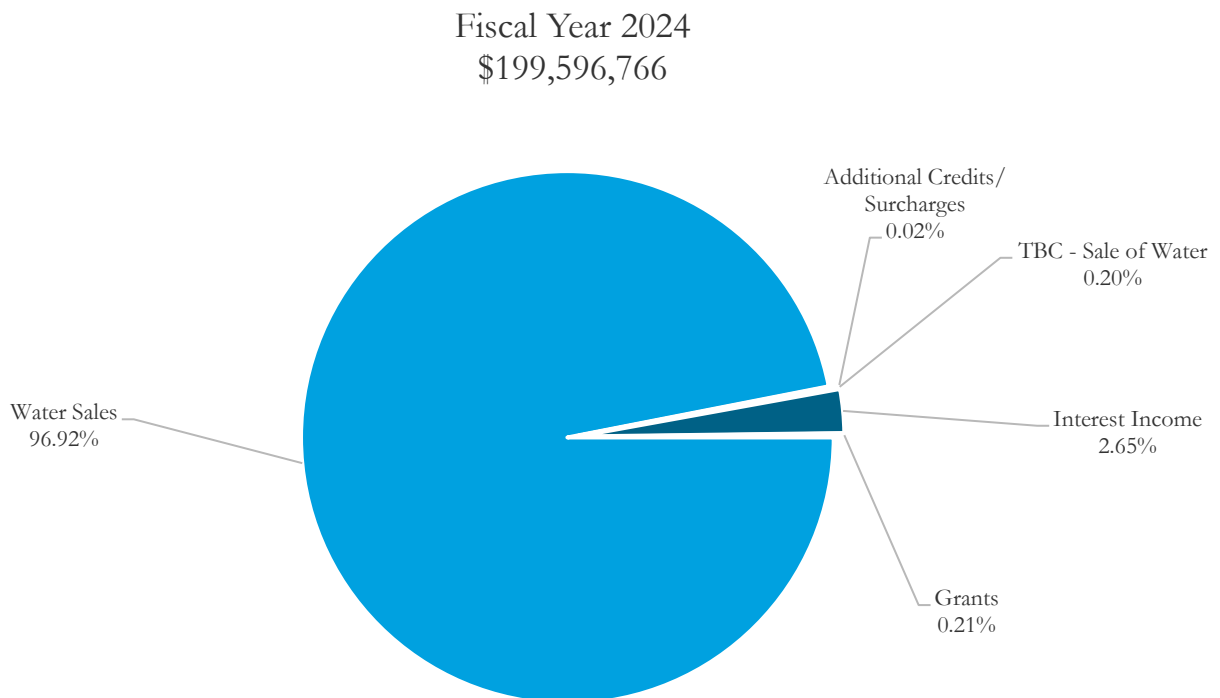
The Long-Term Master Water Plan 2023 update will be provided to the Board in late 2023.

Tampa Bay Water – 2024 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.

Where the Money Comes From ...

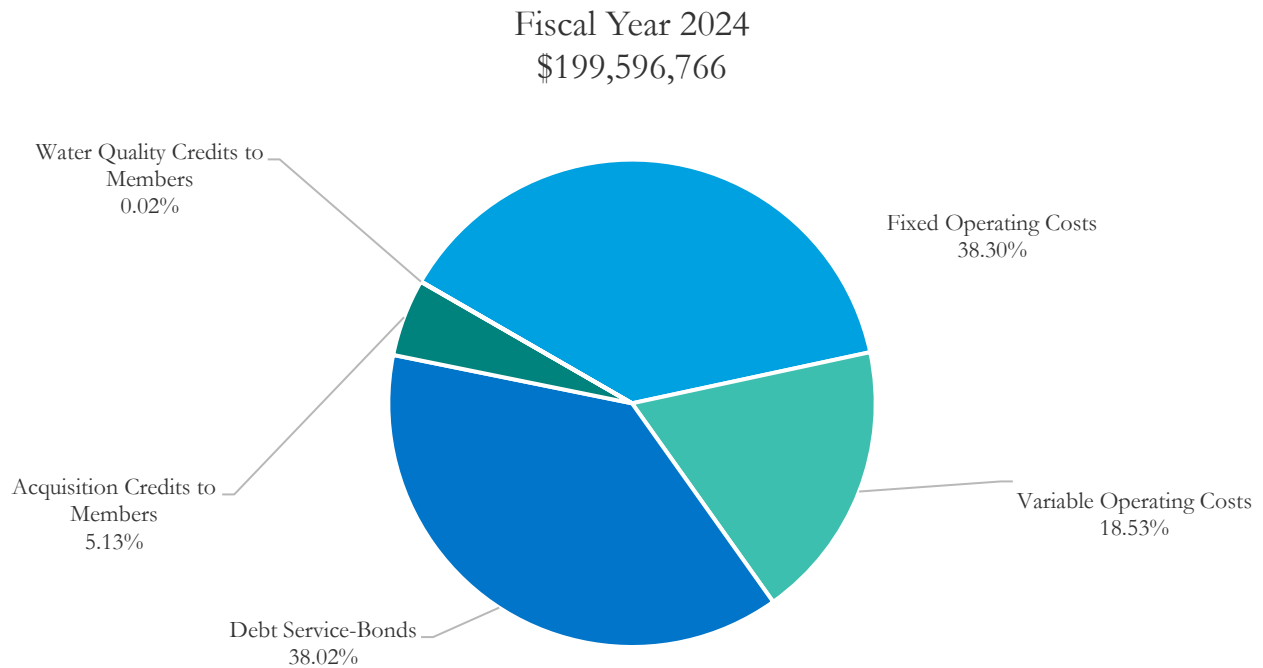


Tampa Bay Water – 2024 Annual Budget Financial Plan

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.

Where the Money Goes ...



Balanced Budget

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

Tampa Bay Water – 2024 Annual Budget
Financial Plan

Sources and Uses of Funds – Actuals 2022, Approved 2023 and Approved 2024

Enterprise Funds	Actual 2022	Approved 2023	Approved 2024
Sources of Funds			
Water Sales	\$ 179,241,230	\$ 185,847,755	\$ 188,053,606
Additional Credits/ Surcharges	52,618	42,000	42,000
TBC - Sale of Water	125,328	392,000	392,000
Interest Income	2,263,510	1,931,424	5,135,727
Litigation & Insurance Recoveries	7,979	-	-
Grants (SWFWMD)	183,657	-	398,000
Miscellaneous Income	549,319	-	-
Subtotal	\$ 182,809,887	\$ 188,213,179	\$ 194,021,333
Transfers In from Rate Stabilization Account	17,261,829	-	-
Est. Unencumbered Funds from Prior Year (note 1)	4,312,953	4,046,205	5,575,433
Transfer in from Renewal & Replacement	4,689,749	-	-
Transfer In from Energy Funds	935,063	-	-
Transfer In from Capital Improvement Fund	7,962,913	-	-
	\$ 217,972,393	\$ 192,259,384	\$ 199,596,766
Uses of Funds			
Personnel Services	\$ 19,004,429	\$ 23,728,800	\$ 25,377,300
Materials & Supplies	2,593,534	3,474,026	3,279,648
Professional Services	29,410,301	33,990,491	34,387,652
Repairs & Other Services	6,170,474	8,349,824	8,204,458
Rent & Insurance	2,176,221	2,512,379	3,311,226
Legal Services	369,220	655,000	750,000
Capital Expenditures	727,927	1,160,025	1,133,310
Debt Service-Bonds	70,459,815	76,009,062	75,890,443
Debt Service-Acquisition Credit to Member	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, Energy, CIP Projects	13,810,720	-	-
Water Treatment Chemicals -Variable Cost	14,392,959	15,899,383	23,431,064
Power / Electricity -Variable Cost	13,151,033	15,390,261	12,911,320
Water for Resale -Variable Cost	501,616	534,500	640,788
Subtotal	\$ 183,047,806	\$ 191,983,309	\$ 199,596,766
Transfer Out to Capital Improvement Fund	4,914,769	-	-
Transfer Out to Renewal & Replacement Fund	3,195,309.90	276,075	-
Transfer Out to Energy Savings Fund	268,316	-	-
Transfer Out to Operating Reserve	-	-	-
Transfer Out to Rate Stabilization Account	26,499,532	-	-
Transfer Out to Utility Reserve	46,659	-	-
Total Uses	\$ 217,972,393	\$ 192,259,384	\$ 199,596,766
Note 1: Estimated unencumbered funds from prior year in FY 2024 are estimated at 3.0% of prior year revenue from water sales. Funds transfer through the rate stabilization account at year end.			

**Tampa Bay Water – 2024 Annual Budget
Financial Plan**

Sources and Uses of Funds – Budget Projections 2025 through 2029

Enterprise Funds	Budget Projections				
	2025	2026	2027	2028	2029
Sources of Funds					
Water Sales	\$ 194,042,532	\$ 201,302,552	\$ 208,711,070	\$ 216,380,204	\$ 223,009,385
Additional Credits/ Surcharges	42,000	42,000	42,000	42,000	42,000
TBC - Sale of Water	392,000.00	392,000.00	392,000.00	392,000.00	392,000.00
Interest Income	5,523,666	5,217,859	5,342,859	5,461,539	5,346,589
Subtotal	\$ 200,000,198	\$ 206,954,411	\$ 214,487,929	\$ 222,275,743	\$ 228,789,973
Rate Stabilization Account Transfer In	-	-	-	12,000,000	-
Unencumbered Funds from Prior Year	5,641,608	5,821,276	6,039,077	6,261,332	6,491,406
Anticipated SWFWMD Grants	500,000	500,000	500,000	500,000	500,000
Total Sources	\$ 206,141,806	\$ 213,275,687	\$ 221,027,005	\$ 241,037,075	\$ 235,781,379
Uses of Funds - Fixed					
Personnel Services	\$ 26,392,392	\$ 27,448,088	\$ 28,546,011	\$ 29,687,852	\$ 30,875,366
Materials & Supplies	3,378,037	3,479,379	3,583,760	3,691,273	3,802,011
Professional Services	35,419,282	36,481,860	37,576,316	38,703,605	39,864,713
Repairs & Other Services	8,450,592	8,704,109	8,965,233	9,234,190	9,511,215
Rent & Insurance	3,410,563	3,512,880	3,618,266	3,726,814	3,838,618
Legal Services	772,500	795,675	819,545	844,132	869,456
Capital Expenditures	1,167,309	1,202,329	1,238,398	1,275,550	1,313,817
Debt Service-Bonds	73,032,037	74,092,889	74,098,141	94,564,423	95,072,986
Debt Service-Members Acquisition Credits	10,231,558	10,231,558	10,231,558	10,231,558	-
Member's Water Quality Credits	48,000	535,000	535,000	535,000	48,000
Uses of Funds - Variable					
Water Treatment Chemicals	24,884,732	26,180,907	27,779,881	29,275,372	30,664,302
Power / Electricity	15,794,793	16,431,202	17,834,689	18,546,095	19,178,046
Water for Resale	660,012	679,812	700,206	721,213	742,849
	\$ 203,641,806	\$ 209,775,687	\$ 215,527,005	\$ 241,037,075	\$ 235,781,379
Transfers Out					
To Capital Improvement Fund		-	-	-	-
To R&R Fund	2,500,000	3,500,000	5,500,000	-	-
Total Uses	\$ 206,141,806	\$ 213,275,687	\$ 221,027,005	\$ 241,037,075	\$ 235,781,379

Note 1: Estimated unencumbered funds from prior year are estimated between 2.25% to 3.0% of prior year revenue from water sales. Funds transfer through the rate stabilization account at year end.

Note 2: An inflation rate range of 3.3% 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. Projections for Debt Service-Bonds includes anticipated future debt issuances when appropriate.

**Tampa Bay Water – 2024 Annual Budget
Financial Plan**

Explanation of Significant Operating Expenditures Variances

Budget Category	Approved 2023	Approved 2024	Variance +/-	Explanation
Personnel Services	\$ 23,728,800	\$ 25,377,300	\$1,648,500	Health Insurance Increase, FRS Increase, 3% COLA and up to 3% Merit increase
Materials & Supplies	3,474,026	3,279,648	(194,378)	
Professional Services	33,990,491	34,387,652	397,161	
Repairs & Other Services	8,349,824	8,204,458	(145,366)	
Rent & Insurance	2,512,379	3,311,226	798,847	Property insurance premiums increase
Legal Services	655,000	750,000	95,000	General Counsel services increase
Capital Expenditures	1,160,025	1,133,310	(26,715)	
Debt Service-Bonds	76,009,062	75,890,443	(118,619)	
Acquisition Credit to Member Governments	10,231,558	10,231,558	-	
Water Quality Credit to Member Governments	48,000	48,000	-	
Water Treatment Chemicals - Variable Cost	15,899,383	23,431,064	7,531,681	Increase in demand and unit prices
Power / Electricity -Variable Cost	15,390,261	12,911,320	(2,478,941)	Decrease in usage of Desalination Plant
Water for Resale -Variable Cost	534,500	640,788	106,288	Increase cost for surplus water from New Port Richey
Total Operating Expenses	\$ 191,983,309	\$199,596,767	\$7,613,458	

The approved budget for 2024 operating expenses increased \$7,613,458 from the approved 2023 budget.

The predominant significant increases in the 2024 budget are in Personnel Services, Rent and Insurance and Water Treatment Chemicals. The increase in Personnel Services is due health insurance costs have gone up and Florida Retirement System contributions costs have increased as well. The increase also includes cost-of-living adjustments (COLA) and performance-based merits. The increase to Rent and Insurance is due to a large increase in property insurance premiums. The increase in Water Treatment Chemicals is due to significant increases in unit costs for chemicals.

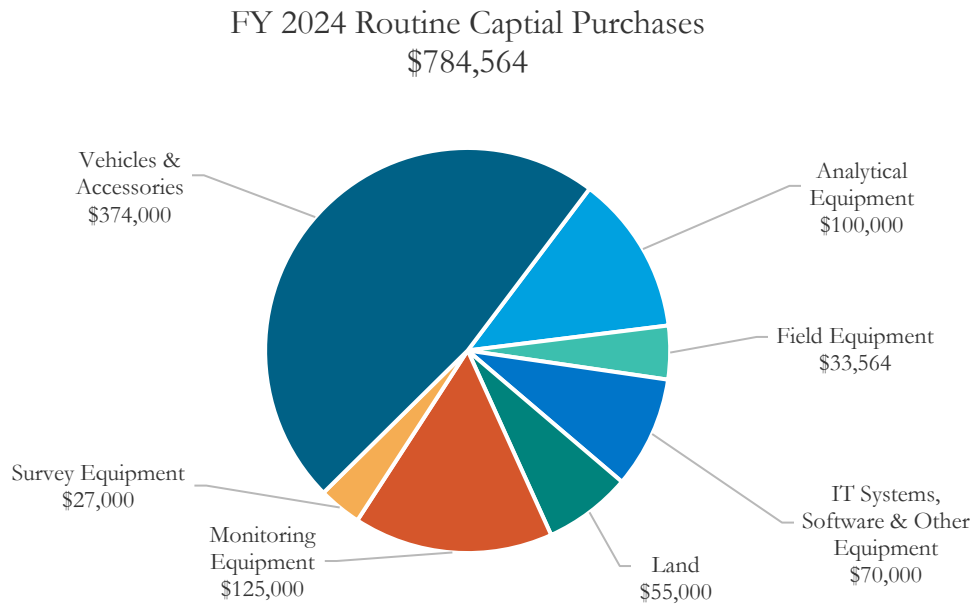
Tampa Bay Water – 2024 Annual Budget Financial Plan

Routine Capital Purchases

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

The 2024 operating budget includes \$1,133,310 for Capital Purchases of which \$784,564 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 2024 through the Uniform Rate.

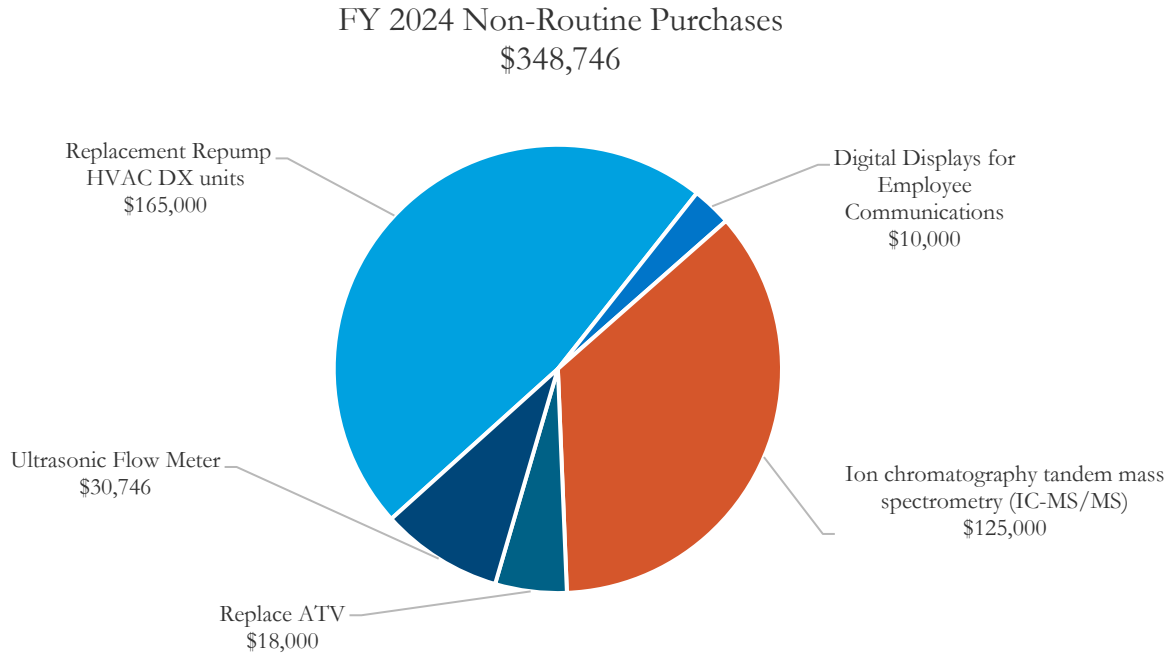


Tampa Bay Water – 2024 Annual Budget Financial Plan

Non-Routine Capital Purchases

The 2024 operating budget includes funding for non-routine capital property and equipment purchases through the Uniform Rate.

The following chart summarizes non-routine capital purchases budgeted for fiscal year 2024 through the Uniform Rate.



Annual Rate Setting & Member Costs

Fiscal Year 2024

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 – 2024 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 way each Member will be invoiced for water purchased in 2024.

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 2024 is \$48,000.

The primary source of revenue to Tampa Bay Water is the sale of quality water to our members. The projected revenue requirements must cover operation and maintenance expenses, debt service payments, bond coverage, required deposits to reserves, and capital expenditures. Revenue from sale of water and unrestricted interest income fund the operating and maintenance costs of Tampa Bay Water. Water sales for fiscal year 2024 are budgeted at \$188,053,606. Interest income available for operations is estimated to be \$5,135,727. It is estimated that \$5,575,433 of unencumbered monies from fiscal year 2023 will be transferred through the Rate Stabilization account for use in fiscal year 2024. The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .195 per 1,000 gallons for 2024.

Tampa Bay Water – 2024 Annual Budget Annual Rate Setting and Member Costs

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 – 2024 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:

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

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.

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

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

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

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

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

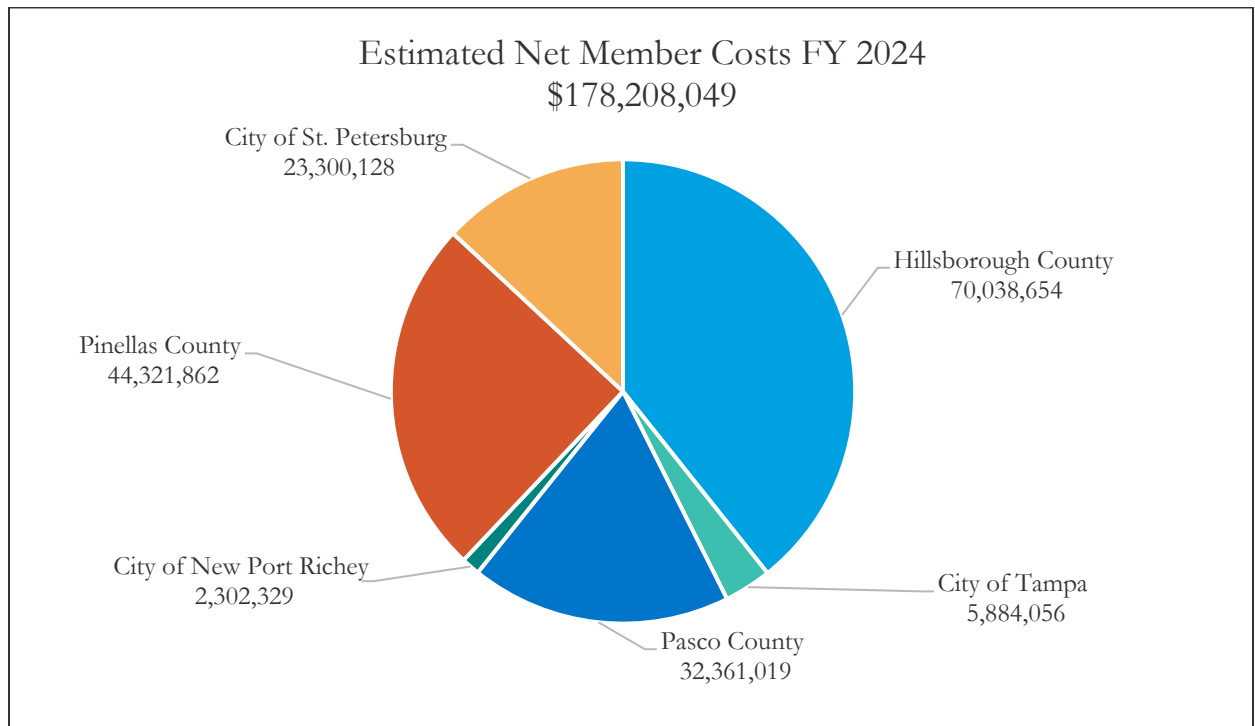
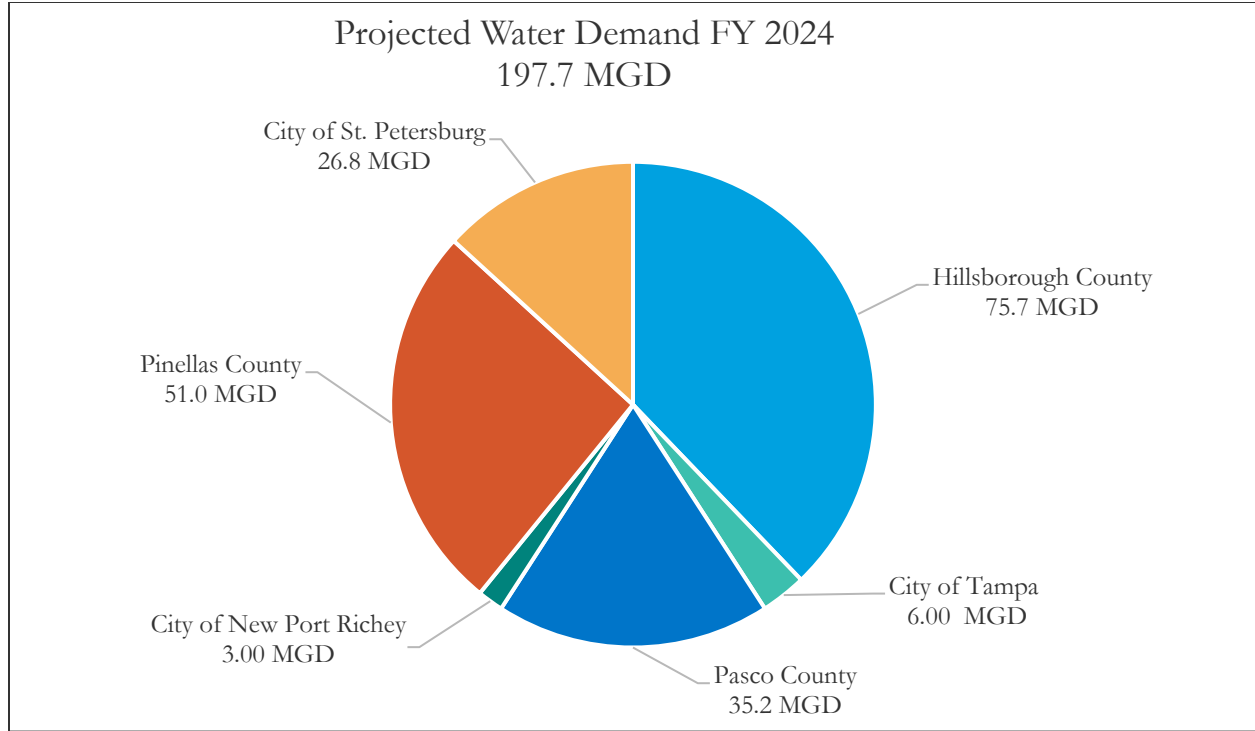
The unit rate for delivery of water to the City of Tampa from the Tampa Bypass Canal facility is presented to the Board for approval as part of the annual budget approval process for the ensuing fiscal year. The rate for 2024 is \$.195 (\$/1,000 gallons).

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

Other Budget Factors

- For fiscal year 2024, \$5,135,727 has been estimated for interest income. Interest income will be applied to offset projected expenditures, to the extent permitted.
- The fund balance in the Operating Reserve will be equal to two times the monthly average variable costs as provided in the budget. A deposit of an estimated \$859,838 will be transferred from the Rate Stabilization account to the Operating Reserve account on 10/1/2023.
- The Uniform Rate is segregated into Fixed Costs (do not vary because of water production) and billed at 1/12 of total Fixed Costs monthly per Member. The Variable Costs (vary with water production); electricity, chemicals, and water for re-sale; are billed monthly based on actual production.
- Acquired Member facilities are included in this budget as Tampa Bay Water owned supply systems and are being paid for through debt issuance and facility acquisition credits back to Members.
- Water quality standards are established, and costs are budgeted to sustain the standards. Water Quality Credits related to hydrogen sulfide removal for fiscal year 2024 have been established and will be credited to Hillsborough County, and New Port Richey

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**



**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

Uniform Rates

Cost Category	Approved	Budget Projections				
	2024 ¹	2025	2026	2027	2028 ¹	2029
Fixed Operating Costs ²	\$ 76,443,594	\$ 78,990,674	\$ 81,624,319	\$ 84,347,529	\$ 87,163,415	\$ 90,075,196
Variable Operating Costs	36,983,172	41,339,537	43,291,921	46,314,776	48,542,680	50,585,197
Debt Service – Bonds ³	75,890,443	73,032,037	74,092,889	74,098,141	94,564,423	95,072,986
Debt Service – Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	-
Water Quality Credits to Members	48,000	48,000	535,000	535,000	535,000	48,000
Total Costs	\$199,596,766	\$203,641,806	\$209,775,687	\$215,527,005	\$241,037,075	\$235,781,379
Adjustments						
Less: Estimated Unencumbered Funds from Prior Years ⁴	(5,575,433)	(5,641,608)	(5,821,276)	(6,039,077)	(6,261,332)	(6,491,406)
Less: Estimated Credits/Surcharges	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)
Less: Estimated Revenues from TBC	(392,000)	(392,000)	(392,000)	(392,000)	(392,000)	(392,000)
Less: Estimated Interest Earned	(5,135,727)	(5,523,666)	(5,217,859)	(5,342,859)	(5,461,539)	(5,346,589)
Less: Transfer in from Rate Stabilization Account	-	-	-	-	(12,000,000)	-
Less: SWFWMD Grant	(398,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Plus: Transfer out to Capital Improvement Fund	-	-	-	-	-	-
Plus: Transfer out to Renewal & Replacement Fund	-	2,500,000	3,500,000	5,500,000	-	-
Plus: Transfer out to Rate Stabilization Account	-	-	-	-	-	-
Sub-total	(11,543,160)	(9,599,274)	(8,473,135)	(6,815,936)	(24,656,872)	(12,771,995)
Total Net Revenues Required	\$188,053,606	\$194,042,531	\$201,302,551	\$208,711,069	\$216,380,204	\$223,009,384
Projected Water Demand (mgd) ⁵	197.70	201.16	204.79	208.30	211.11	213.86
Projected Uniform Water Rate (\$/1,000 gallons)	\$ 2.5989	\$ 2.6428	\$ 2.6931	\$ 2.7451	\$ 2.8004	\$ 2.8569
Projected Uniform Rate difference over prior fiscal year- \$	\$ 0.021	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.06	\$ 0.06
Projected Uniform Rate difference over prior fiscal year- %	0.81%	1.69%	1.90%	1.93%	2.02%	2.02%
Projected Variable rate per 1,000 gallons	\$ 0.5111	\$ 0.5630	\$ 0.5792	\$ 0.6092	\$ 0.6283	\$ 0.6480
Percentage of uniform rate applied to variable costs	19.70%	21.30%	21.51%	22.19%	22.43%	22.68%

1 - Leap Year – uniform rate calculated using 366 days

2 – An inflation rate between 3%-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 for new facilities currently under construction. No operating cost provision is made for projects which have not been selected by the Board for construction.

3 – Debt service for FY 2028 and FY 2029 includes \$17.7 million for \$353.5 million debt issuance in late 2024.

4 – The estimated Unencumbered funds from prior years is estimated at 3% of prior year water revenue from water sales. Funds transfer through the rate stabilization account at year end.

5 – Projected water demand is based on information obtained from the Tampa Bay Water Demand Forecasting Model.

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Net Member Costs Details – Fiscal Year 2024

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)	\$ 2.5989	\$ 2.5989	\$ 2.5989	\$ 2.5989	\$ 2.5989	\$ 2.5989	\$ 2.5989
Member Water demand Projections (mgd) for FY 2024	75.77	6.00	35.17	3.00	50.98	26.78	197.70
Percentage of Total Water Sales	38.3257%	3.0349%	17.7896%	1.5175%	25.7865%	13.5458%	100.0000%
Member Water Purchase FY 2023	74.70	6.00	36.10	3.40	51.20	26.10	197.50
Percentage of FY 2023 Total Water Sales	37.8228%	3.0380%	18.2785%	1.7215%	25.9241%	13.2152%	100.0000%
Total Member Fixed Cost Before Credits/Surcharge FY 2024	57,139,045.32	4,589,481.55	27,613,380.67	2,600,706.21	39,163,575.91	19,964,244.75	151,070,434.41
Total Est. Member Variable Cost Before Credits/Surcharge FY 2024	14,174,076.59	1,122,402.79	6,579,151.03	561,201.40	9,536,682.39	5,009,657.80	36,983,172.00
Total Member Cost Before Credits/ Surcharge FY 2024	\$ 71,313,121.91	\$ 5,711,884.34	\$ 34,192,531.70	\$ 3,161,907.61	\$ 48,700,258.30	\$ 24,973,902.55	\$ 188,053,606.41
Additional Credits/ Surcharges (Board Approved)	\$ -	\$ -	\$ 42,000.00	\$ -	\$ -	\$ -	\$ 42,000.00
Sale of Surface Water (TBC)	-	392,000.00	-	-	-	-	392,000.00
Water Quality Credits to Member Governments for FY 2024	(36,000.00)	-	-	(12,000.00)	-	-	(48,000.00)
Facilities Acquisition Credits to Member Governments for FY 2024	(1,238,467.88)	(219,828.35)	(1,873,512.61)	(847,578.83)	(4,378,395.83)	(1,673,774.05)	(10,231,557.55)
Net Annual Member Credits	\$ 70,038,654.03	\$ 5,884,055.99	\$ 32,361,019.09	\$ 2,302,328.78	\$ 44,321,862.47	\$ 23,300,128.50	\$ 178,208,048.86

Variable costs are allocated based upon the Member Government's projected annual water demand (mgd) for FY 2024.

Fixed costs are billed to Member Governments in FY 2024 based upon the actual FY 2023 purchase and a true-up to the actual FY 2024 purchase is completed as FY 2024 year-end.

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

Hillsborough County		
Total Water Demand (mgd) through September 30, 2023		197.50
Hillsborough County Water Demand (mgd) through September 30, 2023		74.70
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		37.82%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		75.77
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 57,139,045.32	\$ 4,761,587.11
Variable Rate (\$/ 1000 gallons) = \$0.5111	14,174,076.59	1,181,173.05
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2024	(36,000.00)	(3,000.00)
Annual Facilities Acquisition Credits	(1,238,467.88)	(103,205.66)
TOTAL	\$ 70,038,654.03	\$ 5,836,554.50

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

Pasco County		
Total Water Demand (mgd) through September 30, 2023		97.50
Pasco County Water Demand (mgd) through September 30, 2023		36.10
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		18.28%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		35.17
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 27,613,380.67	\$ 2,301,115.06
Variable Rate (\$/ 1000 gallons) = \$0.5111	6,579,151.03	548,262.59
Additional Credits/ Surcharges	42,000.00	3,500.00
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2024	-	-
Annual Facilities Acquisition Credits	(1,873,512.61)	(156,126.05)
TOTAL	\$ 32,361,019.09	\$ 2,696,751.60

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

Pinellas County		
Total Water Demand (mgd) through September 30, 2023		197.50
Pinellas County Water Demand (mgd) through September 30, 2023		51.20
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		25.92%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		50.98
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 39,163,575.91	\$ 3,263,631.33
Variable Rate (\$/ 1000 gallons) = \$0.5111	9,536,682.39	794,723.53
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2024	-	-
Annual Facilities Acquisition Credits	(4,378,395.83)	(364,866.32)
TOTAL	\$ 44,321,862.47	\$ 3,693,488.54

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

City of New Port Richey		
Total Water Demand (mgd) through September 30, 2023		97.50
City of New Port Richey Water Demand (mgd) through September 30, 2023		3.40
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		1.72%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		3.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 2,600,706.21	\$ 216,725.52
Variable Rate (\$/ 1000 gallons) = \$0.5111	561,201.40	46,766.78
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2024	(12,000.00)	(1,000.00)
Annual Facilities Acquisition Credits	(847,578.83)	(70,631.57)
TOTAL	\$ 2,302,328.78	\$ 191,860.73

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

City of St. Petersburg		
Total Water Demand (mgd) through September 30, 2023		197.50
City of St. Petersburg Water Demand (mgd) through September 30, 2023		26.10
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		13.22%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		26.78
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 19,964,244.75	\$ 1,663,687.06
Variable Rate (\$/ 1000 gallons) = \$0.5111	5,009,657.80	417,471.48
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2024	-	-
Annual Facilities Acquisition Credits	(1,673,774.05)	(139,481.17)
TOTAL	\$ 23,300,128.50	\$ 1,941,677.37

**Tampa Bay Water – 2024 Annual Budget
Annual Rate Setting and Member Costs**

City of Tampa		
Total Water Demand (mgd) through September 30, 2023		197.50
City of Tampa Water Demand (mgd) through September 30, 2023		6.00
Percentage of FY 2023 Water Demand/ Total Water Demand (Applied to FY 2024 Fixed Costs)		3.04%
Variable Rate is Based on Percentage of Projected FY 2024 Water Demand (mgd)		6.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 4,589,481.55	\$ 382,456.80
Variable Rate (\$/ 1000 gallons) = \$0.5111	1,122,402.79	93,533.57
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	392,000.00	32,666.67
Water Quality Credits FY 2024	-	-
Annual Facilities Acquisition Credits	(219,828.35)	(18,319.03)
TOTAL	\$ 5,884,055.99	\$ 490,338.01

Debt Service

Fiscal Year 2024

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 – 2024 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 bond issues. Series 2011A, 2015A, 2015B, 2016A, 2016B, 2016C and the Master Bond: Tranche 1 (2020), Tranche 2 (2021) were only refunding bonds.

Master Bond, Tranche 3 (2023) will refund the outstanding Series 2013 and is scheduled to close on July 6, 2023.

In October 2022, the Agency issued \$122,075,000 of Utility System Revenue Bonds, Series 2022 including a premium in the amount of \$9,043,101. These proceeds less the cost of issuance of \$1,118,101 allowed the Agency to deposit \$130,000,000 into a project fund to build and maintain the pipelines, pump stations and water treatment plants that make-up the Tampa Bay region's existing water supply system and to fund the expansion of the Surface Water Treatment Plant to increase the region's drinking water supply and construction of a new transmission main in southern Hillsborough to meet the service areas increased demand. The interest on the Bonds, Series 2022 is between 5% to 5.25%, and fully mature on October 1, 2052.

Tampa Bay Water – 2024 Annual Budget
Debt Service

Tampa Bay Water’s projected outstanding bonds at 9/30/24 will consist of the following.

Original Issue	Series	Projected Outstanding 9/30/24	All-In True Interest Cost	Final Maturity	Purpose
309,370,000	Refunding Revenue Bonds, Series 2001 A	50,000,000	5.13%	10/1/29	Partial defeasance of 1999 Bonds
174,965,000	Refunding Revenue Bonds, Series 2005	26,180,000	3.99%	10/1/24	Partial defeasance of 1998 A, 1998 B and 2001 B Bonds; Fund Capital Improvement Program
180,835,000	Refunding Revenue Bonds, Series 2015A	180,835,000	3.07%	10/1/36	Partial defeasance of 2006 Bonds; partial defeasance of 2011A and 2011B Bonds
95,975,000	Refunding Revenue Bonds, Series 2015B	88,645,000	3.07%	10/1/31	Partial defeasance of 2011A and 2011B Bonds
96,630,000	Refunding Revenue Bonds, Series 2016A	96,630,000	3.52%	10/1/38	Defeasance of 2008 Bonds
32,785,000	Refunding Revenue Bonds, Series 2016B	30,895,000	3.54%	10/1/31	Partial defeasance of 2011B Bonds
55,345,000	Refunding Revenue Bonds, Series 2016C	55,345,000	2.12%	10/1/27	Partial defeasance of 2010 Bonds
6,709,000	Refunding Revenue Master Bond Tranche 1-2020	6,239,000	2.36%	10/1/25	Advance refund remaining balance of the outstanding Refunding Revenue Bonds, Series 2010
46,662,000	Refunding Revenue Master Bond Tranche 2-2021	15,825,000	2.36%	10/1/24	Advance refund remaining balance of the outstanding Refunding Revenue Bonds, Series 2011A
76,220,000	Refunding Revenue Master Bond Tranche 3-2023	75,954,000	2.36%	10/1/38	Advance refund remaining balance of the outstanding Refunding Revenue Bonds, Series 2013
122,075,000	Series 2022 Bonds	122,075,000	4.60%	10/1/52	Fund Capital Improvement Program
		748,623,000			

**Tampa Bay Water – 2024 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:

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

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

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

Net Revenues = Gross Revenues - Operating Expenses

Rate Coverage Test

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

Rate Coverage Test =	<u>Net Revenues + Utility Reserve Fund Balance</u> Total Debt Service
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Debt Coverage Test

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

Debt Coverage Test =	<u>Net Revenues</u> Total Debt Service + Required Contribution to Capital Improvement Fund + Required Contribution to Renewal & Replacement Fund
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Tampa Bay Water – 2024 Annual Budget Debt Service

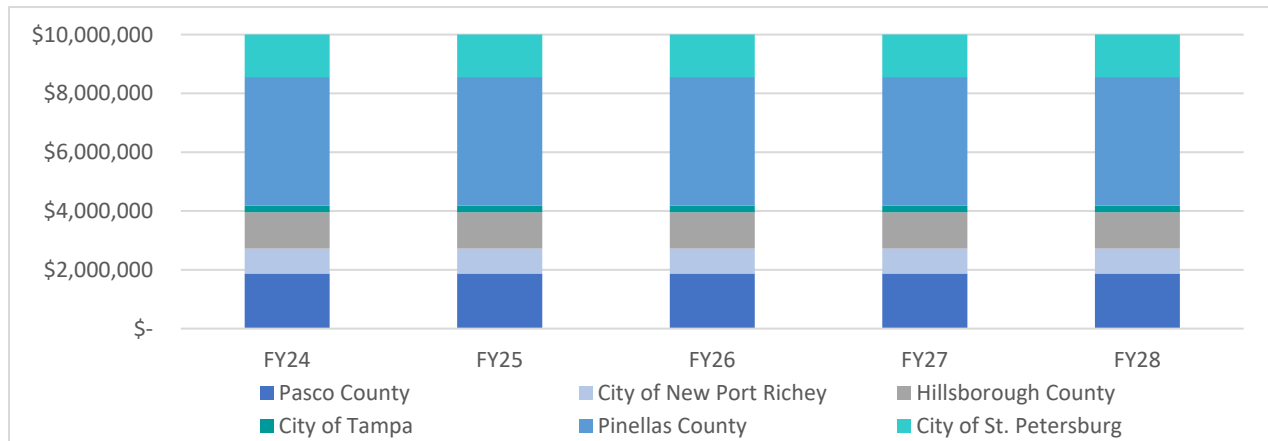
Facility Acquisition Credits

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.

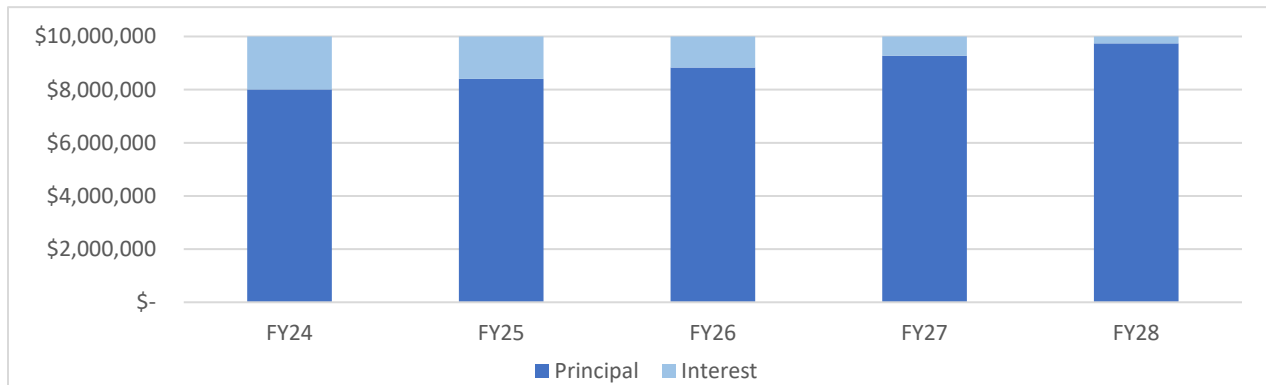
Member Government’s Projected Outstanding Facility Acquisition Credit Balances

Member	Projected at 10/1/23	Projected at 9/30/24
Pasco County	\$8,104,607	\$6,638,756
City of New Port Richey	3,666,532	3,003,379
Hillsborough County	5,357,474	4,388,487
City of St. Petersburg	7,240,560	5,930,986
Pinellas County	18,940,453	15,514,762
City of Tampa	950,953	778,958
	\$ 44,260,579	\$ 36,255,327

The chart below shows Tampa Bay Water’s annual acquisition credits by Member Government for the outstanding facility acquisition credits at 9/30/24.



The chart below shows the principal and interest breakdown of the annual acquisition credits for the outstanding facility acquisition credits at 9/30/24.



**Tampa Bay Water – 2024 Annual Budget
Debt Service**

Summary of Fiscal Year 2024 Debt Service

Bonds	Principal	Interest	Total
Refunding Revenue Bond, Series 2001 A		\$3,000,000	\$3,000,000
Refunding Revenue Bond, Series 2005	\$26,180,000	1,439,900	27,619,900
Refunding Revenue Bond, Series 2015 A		7,611,150	7,611,150
Refunding Revenue Bond, Series 2015 B	955,000	2,699,779	3,654,779
Refunding Revenue Bond, Series 2016 A		4,356,688	4,356,688
Refunding Revenue Bond, Series 2016 B	265,000	1,072,960	1,337,960
Refunding Revenue Bond, Series 2016 C		2,767,250	2,767,250
Refunding Revenue Master Bond Tranche 1-2020	153,000	144,121	297,121
Refunding Revenue Master Bond Tranche 2-2021	15,825,000	365,558	16,190,558
Refunding Revenue Master Bond Tranche 3-2023	1,131,000	1,754,537	2,885,537
Revenue Bond, Series 2022	-	6,169,500	6,169,500
Debt Service - Bonds	\$44,509,000	\$31,381,443	\$75,890,443
Facility Acquisition Credits	Principal	Interest	Total
Pasco County	\$1,465,851	\$407,662	\$1,873,513
City of New Port Richey	663,152	184,427	847,579
Hillsborough County	968,987	269,481	1,238,468
City of St. Petersburg	1,309,574	364,200	1,673,774
Pinellas County	3,425,691	952,705	4,378,396
City of Tampa	171,995	47,833	219,828
Debt Service - Facility Acquisition Credits	\$8,005,250	\$2,226,307	\$10,231,558
TOTAL DEBT SERVICE FY 2024	\$52,514,250	\$33,607,750	\$86,122,000

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

**Tampa Bay Water – 2024 Annual Budget
Debt Service**

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

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

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

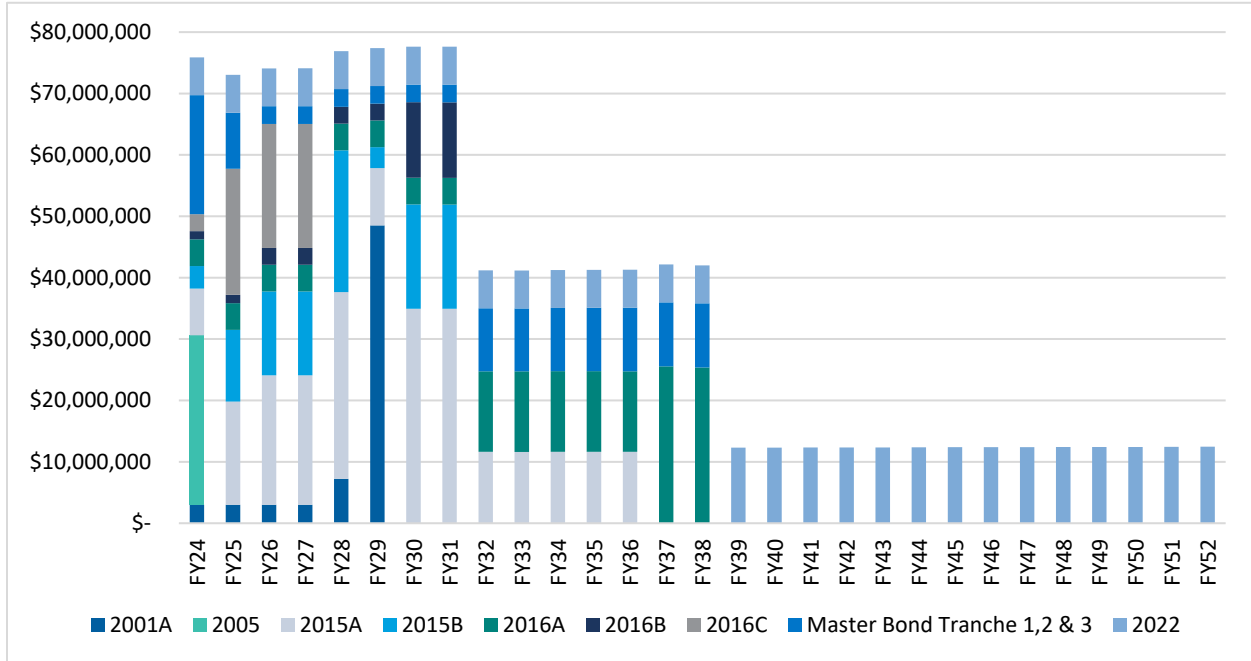
Outstanding Bond Issue	Moody's	Fitch	Standard & Poor's
2001A Bonds	A1	AA-	A+
2005 Bonds	Aa3	AA-	A+
2013 Bonds	Aa2	AA+	AA+
2015A Bonds	Aa1	AA+	AA+
2015B Bonds	Aa1	AA+	AA+
2016A Bonds	Aa1	AA+	AA+
2016B Bonds	Aa1	AA+	AA+
2016C Bonds	Aa1	AA+	AA+
Master Bond Tranche 1-2020	Not Yet Rated	Not Yet Rated	Not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

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

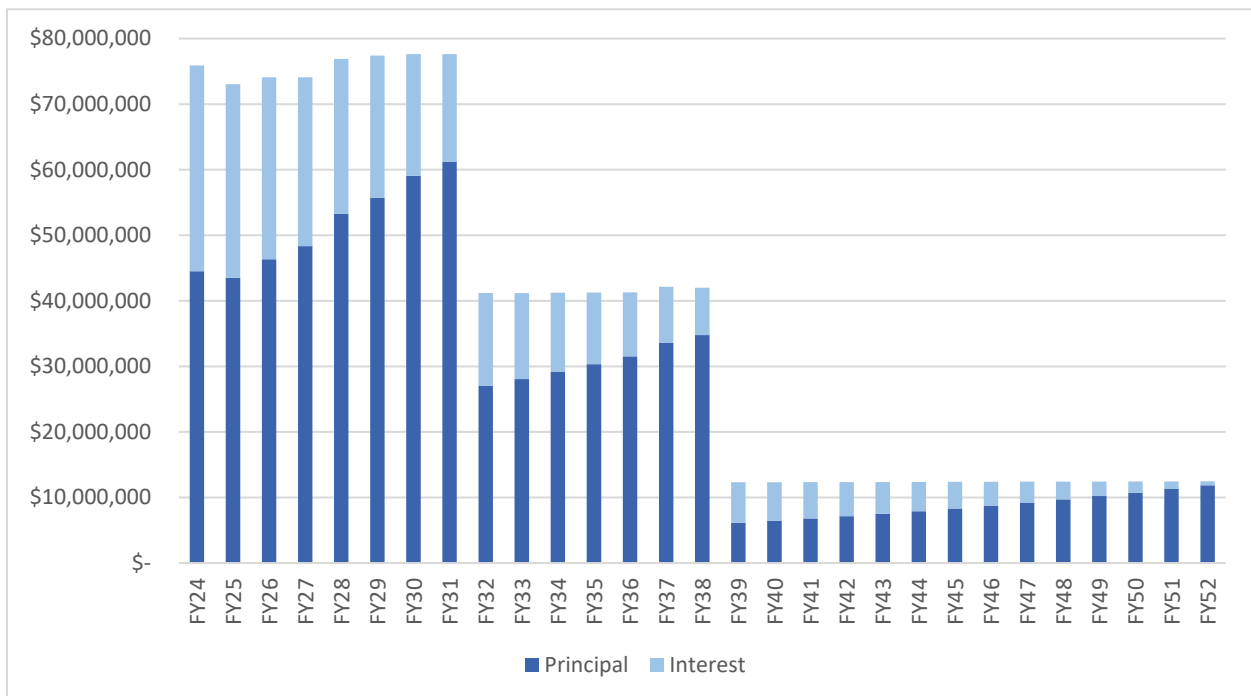
Tampa Bay Water – 2024 Annual Budget Debt Service

Outstanding Debt Service

The chart below shows Tampa Bay Water’s annual debt service payments by Bond Series for the existing outstanding bonds at 9/30/24.



The chart below shows the principal and interest breakdown of Tampa Bay Water’s annual debt service payments for the existing outstanding bonds at 9/30/24.

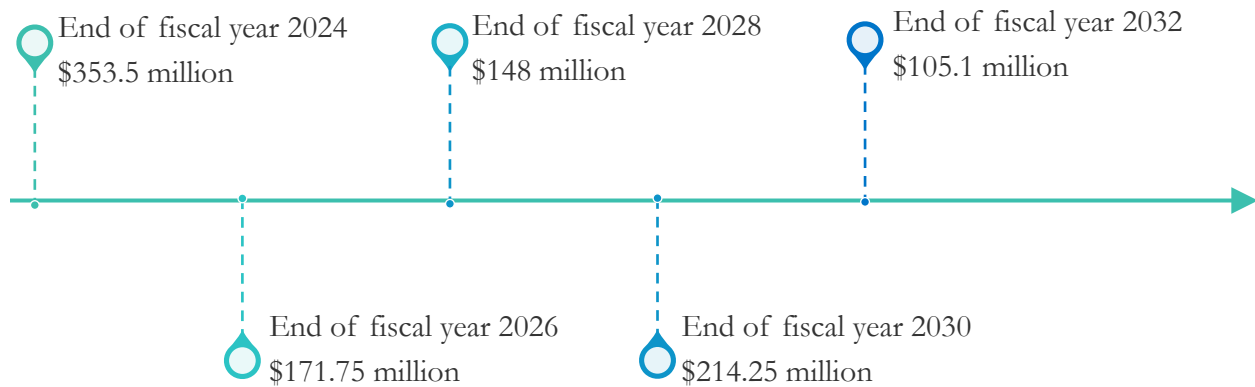


Tampa Bay Water – 2024 Annual Budget Debt Service

Future Borrowing

The Fiscal Year 2024 to Fiscal Year 2033 Capital Improvement Program shows a need for an estimated additional funding of \$992.6 million over the next ten years. An estimated \$353.5 million by fiscal year 2025, will be largely needed for construction of the new transmission main to deliver water to the South Hillsborough County, expansion of the Surface Water Treatment Plant to increase the region's drinking water supply and water quality treatment improvements. Additional funding needed for maintaining the agency's infrastructure and water quality improvement projects is estimated at \$171.75 million by fiscal year 2027, \$148 million by fiscal year 2029, \$214.25 million by fiscal year 2031 and \$105.1 million by fiscal year 2033.

Estimated Timeline & Amounts of Future Borrowing



However, this additional funding does include water quality improvement projects for additional removal of total organic carbons totaling \$565.7 million that have not yet been approved by the Board for implementation and does not include the future water supply project needed to meet increased demands in Fiscal Year 2033. Both the timing and amounts of the future funding needs will likely change based upon future Board decisions related to water quality projects and the selection of the future water supply project needed for the Fiscal Year 2033 demands. As the Board makes these decisions the Capital Improvement Program will be updated to reflect timing and amounts. Tampa Bay Water will continue to evaluate various funding strategies, such as bonds, loans, grants and other state and federal programs to address the future funding needs of the Agency.

Capital Improvement Program

Fiscal Year 2024

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 2024.

Capital Improvement Planning and Financing

Planning

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

Financing

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

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

Tampa Bay Water – 2024 Annual Budget Capital Improvement Program

Capital Improvement Program Definition

A capital project is defined as planned activities that result in

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

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

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

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

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

The Fiscal Year 2024 through Fiscal Year 2033 Capital Improvement Program Plan includes 88 total projects, with staff actively working on 30 projects from planning through close-out. The planned expenditures for the comprehensive ten-year plan, including what remains in Fiscal Year 2023 totals \$1,524,836,835. This includes 13 individual projects for Phases I and II of the Water Quality Program for the treatment of total organic carbon (TOC) that have not yet been approved by the Board. These projects may impact future operating budgets starting in Fiscal Year 2030. The total planned Fiscal Year 2024 expenditures is \$86,514,175.

Please refer to the full FY 2024 – FY 2033 Capital Improvements Program document for more detailed information.

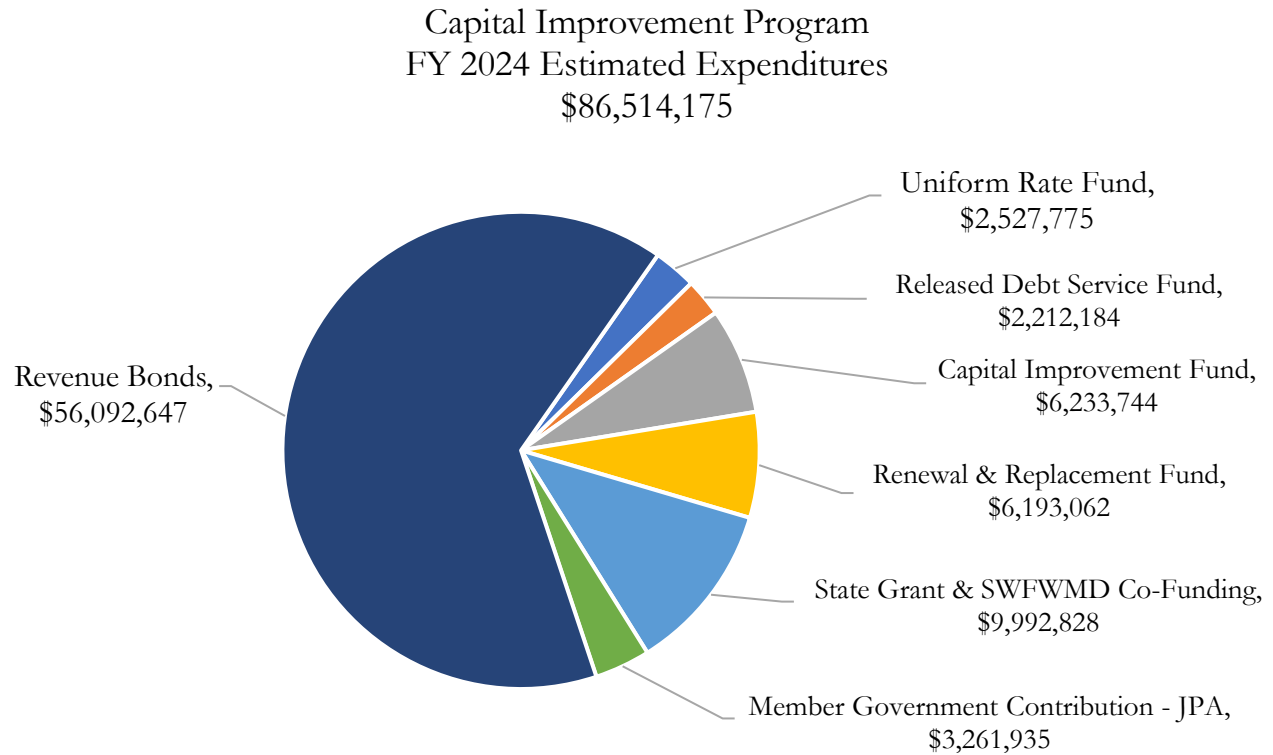
<https://www.tampabaywater.org/agency/tampa-bay-water-budget-and-financial-information/>

Tampa Bay Water's Board is presented the Fiscal Year 2024 estimated expenditures for approval. Fiscal Year 2025 through Fiscal Year 2033 of the Capital Improvement Program is presented to the Board for acceptance.

**Tampa Bay Water – 2024 Annual Budget
Capital Improvement Program**

Capital Improvement Program Expenditures Fiscal Year 2024

The following chart summarizes the Capital Improvement Program estimated expenditures for fiscal year 2024 by funding source.



Divisional Operating Budget Detail

Fiscal Year 2024

The Divisional Operating Budget Detail section provides an overall view of the fiscal year 2024 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 – 2024 Annual Budget

Divisional Operating Budget Detail

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

As the Agency continues to focus on the efficient operation and timely maintenance of its robust and integrated regional supply system, it also concentrates on strategic business planning and the planning, design, and construction of new supplies and new delivery systems. Therefore, changes to the organizational chart were developed and two divisions were created, Business Strategies and Planning and Projects.

Employees and communication are two important pieces of a successful strategic plan implementation and continuous improvement process. Therefore, the Business Strategies division unites the five departments responsible for inter-agency coordination, communications, employee relations, continuous improvement, and the safety and security of the agency personnel and infrastructure, to improve the alignment of these business operations to achieve the agency’s strategic and long-term initiatives and vision.

The agency’s Capital Improvement Program has changed gears from maintaining the agency’s system to developing new infrastructure. The Planning and Projects division combines the planning and projects, real estate, engineering, surveying, and construction departments to provide unified direction, management, business planning, budgeting, and automation efforts of a portfolio of major projects.

The new organizational design separates the agency into six divisions: Business Strategies, Finance & Administration, Information Technology, Planning & Projects, Science, and Water Production which report directly to the General Manager. Each division focuses on the Mission, Vision, and Value statements, and better positions the agency to implement the Board’s Strategic Plan.

Staffing

The table below shows the number of agency full-time employees by area for fiscal years 2019 through 2023 and approved for fiscal year 2024.

Area	Approved FY 2019	Approved FY 2020	Approved FY 2021	Approved FY 2022	Approved FY2023	Approved FY2024
General Manager	2	2	2	2	2	2
General Counsel ¹	-	-	-	-	-	-
Business Strategies ²	4	5	5	6	6	12
Finance & Administration	29	30	30	30	18	18
Information Technology ³	-	-	-	-	13	13
Planning & Projects ⁴	-	-	-	-	-	18
Science	39	41	41	41	40	34
Water Production	74	75	75	78	79	63
Full-time Employees	150	155	155	159	160	160

1 – General Counsel has been outsourced since May 2012.

2 – Business Strategies includes Public Affairs, Human Resources, Continuous Improvement & Safety Services starting in FY 2024.

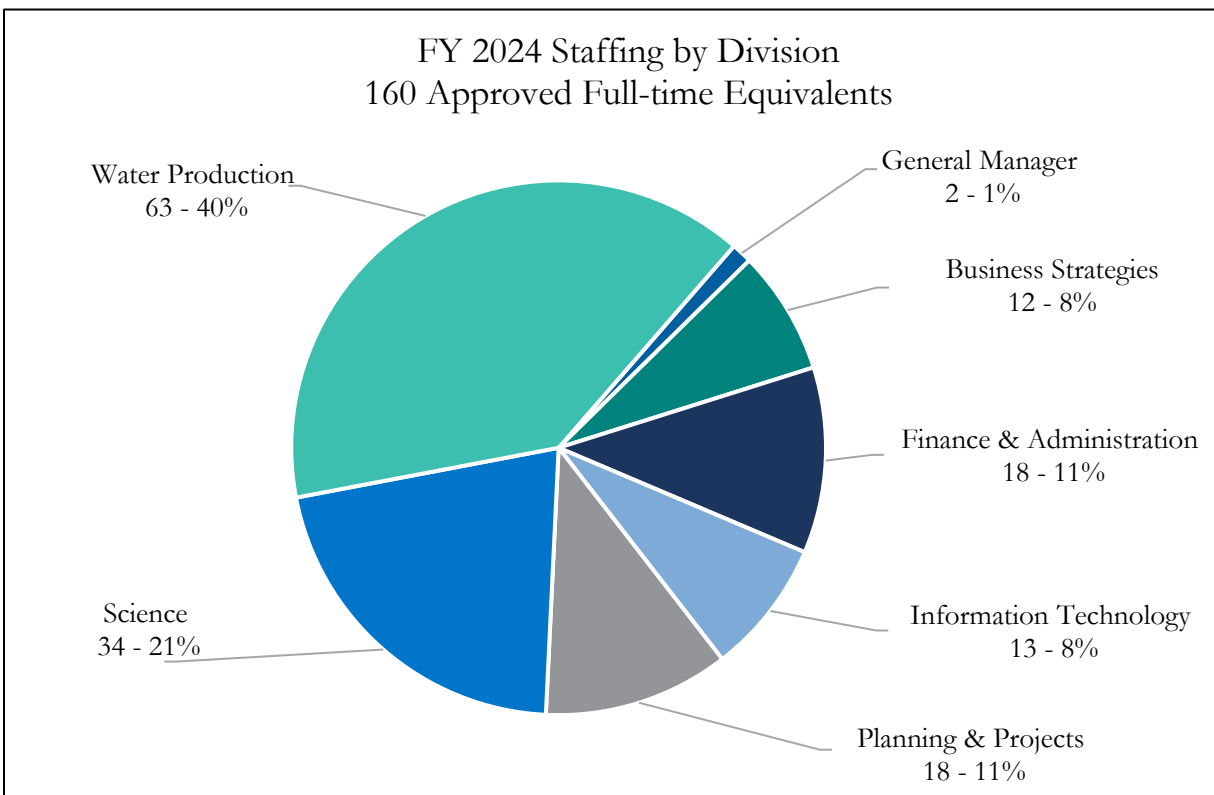
3 – Information Technology was part of Science in FY 2018 and part of Finance & Administration in FY 2019 through FY 2022.

4 – Planning & Projects includes Engineering, Construction, Surveying, Real Estate, and Planning & Projects, in FY 2019 through FY 2023 these departments were part of the Science Division and the Water Production Division.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

In fiscal year 2024, personnel services funding is approximately 13% or \$25,377,300 of the Operating Budget. Personnel Services includes the Agency’s expenses for wages, payroll taxes, retirement contributions, employees’ insurance, workers’ compensation, unemployment compensation, other post-employee benefits, and the GASB Statement No. 68 retirement reporting requirements for 160 full-time employees, plus 12 part-time co-op positions.

The chart below shows the number and percentage of full-time employees per division approved for FY 2024.



Position Requests for Fiscal Year 2024

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

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

**Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail**

Operating Budget - Uniform Rate	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	11,706,407	12,622,898	12,490,703	12,862,555	14,834,800	15,321,000
41300 Other Salaries & Wages	13,448	13,958	7,380	13,791	15,300	16,100
41310 Employee Awards	1,610	1,285	1,383	1,103	3,000	2,700
41340 Auto Allowance	5,214	5,309	1,142	4,580	4,900	5,900
41410 Overtime	83,405	77,604	95,965	116,011	108,000	117,400
41420 Shift Differential	62,177	62,416	58,878	55,169	70,600	68,900
41430 On-Call Pay	69,566	64,536	65,245	68,921	73,300	80,400
42100 FICA	859,739	926,040	924,579	947,431	1,156,700	1,194,600
42200 FRS	3,000,883	3,406,963	814,602	2,356,384	3,983,400	4,473,100
42300 Life & Health Insurance	2,232,669	2,522,946	2,253,941	2,531,192	3,323,800	3,952,200
42305 FSA Health Care Med Excess	1,692	1,799	(3,593)	748	-	-
42400 Workers' Compensation	100,827	83,650	85,349	80,534	105,000	105,000
42500 Unemployment Compensation	-	-	3,812	(230)	10,000	5,000
42600 Other Post Employee Benefits	21,269	49,220	32,940	(33,759)	40,000	35,000
Total Personnel Services	18,158,904	19,838,623	16,832,326	19,004,429	23,728,800	25,377,300
55100 Office Supplies	24,478	29,833	25,558	36,388	34,500	34,650
55200 Operating Supplies	1,674,511	1,532,172	1,863,057	2,039,439	2,629,743	2,602,068
55260 Computer Software Expense	35,753	44,208	16,353	32,616	60,000	10,000
55400 Books, Publs., Subsc., Mbrshps	338,743	320,092	348,506	386,665	490,096	380,485
55500 Training	138,353	110,736	122,917	98,331	259,687	252,445
Total Materials & Supplies	2,211,837	2,037,041	2,376,391	2,593,439	3,474,026	3,279,648

**Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail**

Operating Budget - Uniform Rate	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
63120 Engineering Services	1,884,285	2,331,297	4,025,717	3,927,869	5,733,000	4,087,000
63125 Engineering Services-Own All	60,784	138,946	157,223	20,000	-	-
63130 Hydrological Services	457,868	606,892	613,954	567,274	1,122,500	799,500
63140 Ecological Services	2,459,778	2,972,854	2,141,553	1,958,937	2,404,440	2,269,054
63181 Mitigation	1,143	1,953	7,448	3,467	50,000	50,000
63182 Augmentation	155,523	40,483	42,179	21,757	43,000	43,000
63190 Other Professional Services	3,260,472	5,098,807	6,102,418	4,238,040	4,766,501	5,304,366
63200 Accounting & Auditing	118,500	304,000	123,000	129,000	181,000	181,000
63400 Other Services	2,669,491	3,428,252	3,816,092	4,136,591	4,563,363	5,587,044
63410 O&M Agreements	13,986,036	12,539,695	13,903,088	14,407,366	15,126,687	16,066,688
Total Professional Services	25,053,882	27,463,179	30,932,673	29,410,301	33,990,491	34,387,652
64000 Travel & Per Diem	93,079	34,516	7,483	42,709	149,727	167,752
64005 Mileage & Tolls	23,882	12,074	6,594	12,311	26,075	26,703
64100 Communications Services	836,592	850,568	1,137,545	1,189,742	1,216,200	1,260,400
64120 Freight & Postage Services	70,733	63,173	67,264	63,854	76,475	78,175
64320 Water, Sewer & Other Utilities	214,103	254,845	228,234	246,755	273,510	254,000
64600 Repair & Maintenance	3,497,375	4,825,780	4,525,797	4,116,807	5,989,252	5,820,862
64605 Repair & Maintenance-Own All	2,604	-	43,383	-	-	-
64700 Printing & Binding	36,669	16,509	15,508	33,941	38,300	44,000
64800 Promotional Activities	123,321	38,300	31,100	58,504	106,250	102,250
64810 Advertising	23,714	67,457	28,807	89,738	158,740	122,068
64990 Other Current Charges	177,111	304,986	223,558	226,323	233,775	251,150
64991 Permits	74,346	75,503	76,391	87,060	81,520	77,098
64995 P-Card Fees	1,125	1,959	1,105	2,730	-	-
64996 Employee Outing Fees	10	-	-	-	-	-
Total Repairs & Other Services	5,174,663	6,545,669	6,392,770	6,170,474	8,349,824	8,204,458

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

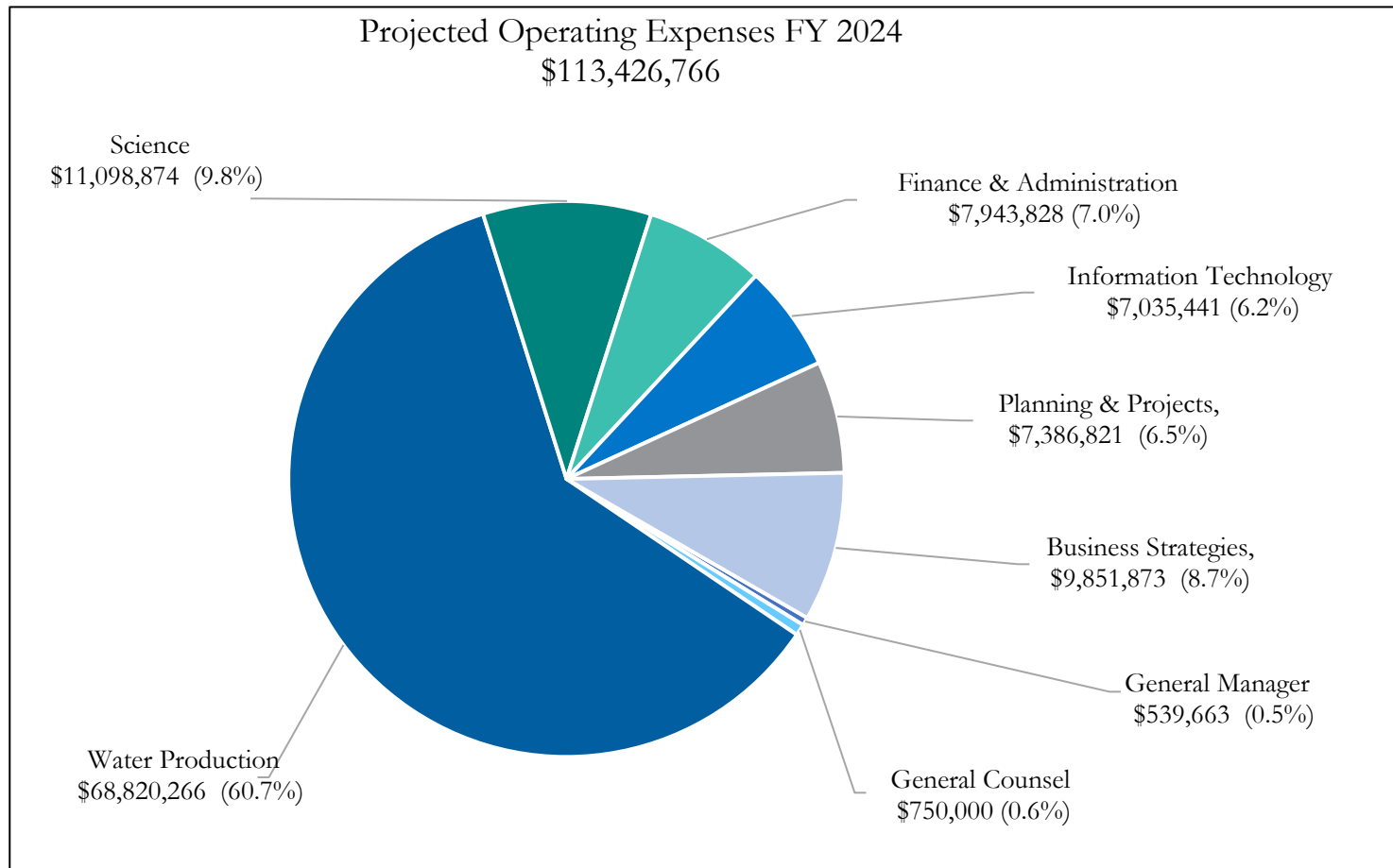
Operating Budget - Uniform Rate	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
64400 Rentals & Leases	221,822	299,424	215,543	184,206	286,864	262,630
64410 Lease Amortized Expense	-	-	-	50,955	-	-
64411 Lease Interest Expense	-	-	-	23,596	-	-
64500 Insurance	1,462,074	1,656,851	1,809,899	1,917,464	2,225,515	3,048,596
Total Rent & Insurance	1,683,896	1,956,275	2,025,442	2,176,221	2,512,379	3,311,226
63110 Legal Services	359,880	301,613	363,802	369,220	655,000	750,000
86100 Land Acquisition Cost-Purchase	728,151	527,291	-	-	20,000	30,000
86110 Land Acquisition Cost-Legal	-	-	-	-	35,000	5,000
86110 Land Acquisition Cost-Settlmt Atty	-	-	-	-	-	20,000
86190 Land Acquisition Cost-Other	15,469	22,645	567	-	-	-
86300 Capital Improvement Facility	24,917	2,406,725	4,614,041	32,685	165,000	165,000
86305 Capital Improvement Facility-Own.	-	32,937	344,351	-	-	-
86400 Machine & Equipment Purchase	2,062,674	878,739	2,283,309	675,305	940,025	913,310
86610 Software to Amortize	61,275	445,010	84,261	-	-	-
Total Capital Expenditures	2,892,485	4,313,347	7,326,528	707,990	1,160,025	1,133,310
86500 Construction in Progress	-	-	1,981,838	11,478	-	-
86505 Construction-Owners Allowance	-	-	-	8,459	-	-
Total Construction in Progress	-	-	2,134,805	19,937	-	-

**Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail**

Operating Budget - Uniform Rate	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
77210 Interest Bonds	37,252,276	35,517,860	33,317,840	30,506,815	28,394,137	31,381,443
77310 Issue Costs Bonds	-	229,055	-	-	-	-
87114 Principal 2004 Bonds	5,005,000	-	-	-	-	-
87116 Principal 2005 Bonds	15,030,000	21,140,000	22,290,000	23,530,000	24,820,000	26,180,000
87140 Principal 2011 Bonds	11,710,000	12,290,000	12,915,000	-	-	-
87141 Principal 2011A Bonds	35,000	35,000	40,000	910,000	-	-
87145 Principal 2015B Bonds	855,000	870,000	890,000	250,000	930,000	955,000
87147 Principal 2016B Bonds	235,000	240,000	245,000	250,000	260,000	265,000
87150 Principal Master Bond-Tranche 1	-	33,000	142,000	146,000	149,000	153,000
87151 Principal Master Bond-Tranche 2	-	-	254,000	15,117,000	15,466,000	15,825,000
87152 Principal Master Bond-Tranche 3	-	-	-	-	266,000	1,131,000
Total Bond Debt Service	70,122,276	70,354,915	70,093,840	70,709,815	70,285,137	75,890,443
77250 Interest Facility Acquisition	3,968,187	3,653,140	3,322,245	2,974,707	2,609,687	2,226,307
87125 Principal Facility Acquisition	6,263,370	6,578,418	6,909,312	7,256,851	7,621,870	8,005,250
Total Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
55250 Water Quality Credit	48,000	48,000	48,000	48,000	48,000	48,000
82820 Renewal & Replacement Funding	5,509,008	4,988,288	3,333,679	3,195,310	6,000,000	-
82830 Rate Stabilization Funding	5,274,114	1,737,848	5,450,399	26,499,531	-	-
82844 Energy Funding	270,869	338,228	260,453	268,316	-	-
82870 Capital Improvement Funding	5,356,993	7,427,045	8,805,449	4,914,769	-	-
Total Reserve Funding	16,410,985	14,491,410	17,849,980	34,877,927	6,000,000	-
55210 Water Treatment Chemicals	8,915,227	9,935,948	10,579,523	14,392,959	15,899,383	23,431,064
64310 Power & Light	10,378,812	11,364,291	11,893,161	13,151,033	15,390,261	12,911,320
64380 Water For Resale	538,440	708,172	528,245	501,616	534,500	640,788
Total Variable Operating Costs	19,832,479	22,008,410	23,000,929	28,045,608	31,824,144	36,983,172
Grand Total	72,180,845	179,590,040	189,609,042	204,364,919	192,259,384	199,596,766

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

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



1 – Projected Operating Expenses FY 2024 does not include bond debt service, member acquisition credits, water quality credits or reserve funding.

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

FY 2024 Operating Budget	General Manager	General Counsel	Business Strategies	Finance & Admin. ¹	Information Technology	Planning & Projects	Science	Water Production
41000 Regular Salaries	352,600	-	1,540,800	1,591,900	1,458,000	1,962,400	3,331,400	5,083,900
41300 Other Salaries & Wages	16,100	-	-	-	-	-	-	-
41310 Employee Awards (FRS Exempt)	-	-	2,700	-	-	-	-	-
41340 Auto Allowance	5,900	-	-	-	-	-	-	-
41410 Overtime	-	-	1,100	900	800	-	2,400	112,200
41420 Shift Differential	-	-	-	-	-	-	-	68,900
41430 On-call pay	-	-	-	-	23,900	-	200	56,300
42100 FICA	27,000	-	118,400	122,000	113,600	150,300	255,600	407,700
42200 FRS	101,800	-	288,000	2,254,700	237,900	291,700	506,300	792,700
42300 Life & Health Ins	-	-	3,952,200	-	-	-	-	-
42400 Workers' Compensation	-	-	105,000	-	-	-	-	-
42500 Unemployment Comp	-	-	5,000	-	-	-	-	-
42600 Other Post-Employment Benefits	-	-	35,000	-	-	-	-	-
Total Personnel Services	503,400	-	6,048,200	3,969,500	1,834,200	2,404,400	4,095,900	6,521,700
55100 Office Supplies	-	-	2,500	32,000	-	-	-	150
55200 Operating Supplies	400	-	95,260	319,700	166,000	36,300	377,581	1,606,827
55260 Computer Software Expense	-	-	-	-	10,000	-	-	-
55400 Books, Pubs., Subs., Memberships	23,263	-	45,831	10,140	9,400	18,403	258,264	15,184
55500 Training	2,000	-	77,050	30,650	12,000	50,195	35,730	44,820
Total Materials & Supplies	25,663	-	220,641	392,490	197,400	104,898	671,575	1,666,981
63120 Engineering Services	-	-	-	-	-	2,750,000	960,000	377,000
63130 Hydrological Services	-	-	-	-	-	-	799,500	-
63140 Ecological Services	-	-	-	-	-	-	2,269,054	-
63181 Mitigation	-	-	-	-	-	-	50,000	-
63182 Augmentation	-	-	-	-	-	-	43,000	-
63190 Other Professional Services	-	-	867,000	91,750	1,128,371	1,037,500	1,554,745	325,000
63200 Accounting & Auditing	-	-	-	181,000	-	363,000	-	-
63400 Other Services	-	-	1,759,832	15,900	2,322,670	-	2,750	1,122,892
63410 O&M Agreements	-	-	-	-	-	-	-	16,066,688
Total Professional Services	-	-	2,626,832	588,650	3,451,041	4,150,500	5,679,049	17,891,580

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

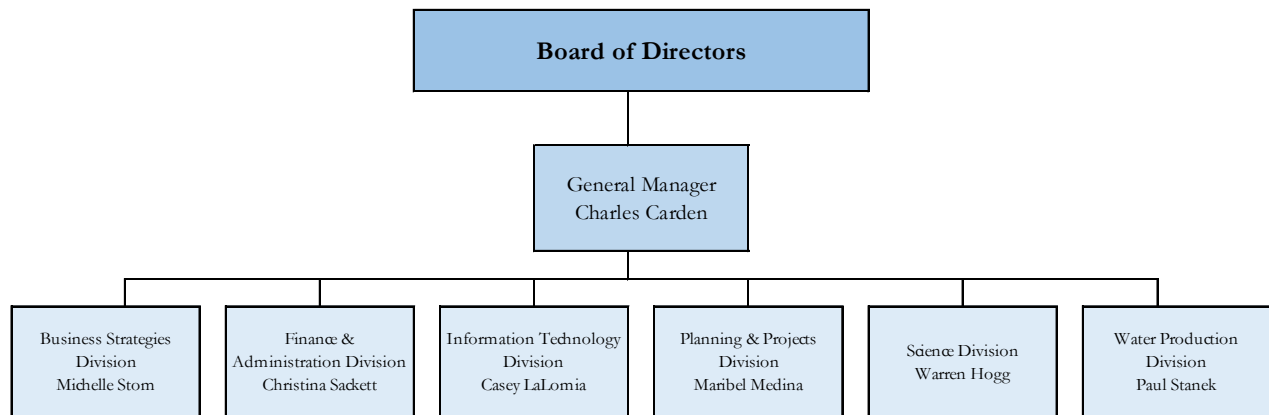
FY 2024 Operating Budget	General Manager	General Counsel	Business Strategies	Finance & Admin. 1	Information Technology	Planning & Projects	Science	Water Production
64000 Travel & Per Diem	5,000	-	22,300	32,000	10,000	23,880	48,190	26,382
64005 Mileage & Tolls	750	-	6,300	4,750	3,000	1,803	6,000	4,100
64100 Communications Services	-	-	29,400	-	1,231,000	-	-	-
64120 Freight & Postage Services	-	-	4,300	44,075	800	3,500	9,500	16,000
64320 Water, Sewer, & Other Utilities	-	-	-	-	-	-	-	254,000
64600 Repair & Maint. -Eq & Grounds	-	-	585,500	1,000	220,000	337,500	259,484	4,417,378
64700 Printing & Binding	-	-	27,000	15,000	-	2,000	-	-
64800 Promotional Activities	-	-	101,500	750	-	-	-	-
64810 Advertising	1,250	-	115,000	1,500	-	1,740	2,578	-
64990 Other Current Charges	3,600	-	38,700	13,750	-	173,100	-	22,000
64991 Permits	-	-	-	-	-	1,500	75,598	-
Total Repairs & Other Services	10,600	-	930,000	112,825	1,464,800	545,023	401,350	4,739,860
64400 Rentals & Leases	-	-	26,200	49,800	8,000	100,000	1,000	77,630
64500 Insurance	-	-	-	2,830,563	-	-	-	218,033
Total Rent & Insurance	-	-	26,200	2,880,363	8,000	100,000	1,000	295,663
63110 Legal Services	-	750,000	-	-	-	-	-	-
86100 Land Acquisition Cost-Purchase	-	-	-	-	-	30,000	-	-
86110 Land Acquisition Cost-Legal	-	-	-	-	-	5,000	-	-
86120 Land Acquisition Cost-Prop	-	-	-	-	-	20,000	-	-
86300 Capital Improve Facility	-	-	-	-	-	-	-	165,000
86400 Machinery & Equipment	-	-	-	-	80,000	27,000	250,000	556,310
Total Capital Expenditures	-	-	-	-	80,000	82,000	250,000	721,310
55210 Water Treatment Chemicals	-	-	-	-	-	-	-	23,431,064
64310 Power and Light	-	-	-	-	-	-	-	12,911,320
64380 Water for Resale-Variable	-	-	-	-	-	-	-	640,788
Total Variable Costs	-	-	-	-	-	-	-	36,983,172
GRAND TOTAL	539,663	750,000	9,851,873	7,943,828	7,035,441	7,386,821	11,098,874	68,820,266

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

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Office of the General Manager

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

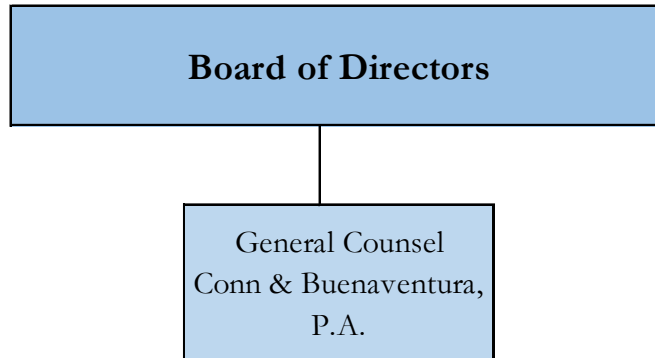


The General Manager provides considerable interaction and coordination with members of the Board and members of other public agencies conducting business with the Agency. The General Manager promotes the overall mission and strategic planning of the Agency. He anticipates and keeps apprised of key issues 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.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Office of the General Counsel

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



General Counsel Changes

In March 2023, the contract for General Counsel services with Conn & Buenaventura, P.A. was extended until December 31, 2023, at which time Conn & Buenaventura, P.A. will step away from their General Counsel responsibilities. The Board of Directors tasked the General Manager with working with one of the Agency's contracted utility management consultants to evaluate options for General Counsel services as of January 1, 2024. Tampa Bay Water's utility management consultant, Hazen & Sawyer developed a scope of work to evaluate the agency's general counsel needs and provide the Board with recommendations on bringing the function back in-house, continuing to outsource or potentially looking at a hybrid option. Hazen and Sawyer will present their recommendation to the Board at the May 2023 Board meeting. Outsource General Counsel services is included in the legal services of \$750,000 in the Fiscal Year 2024 Budget. If the Board decides to bring the function back in-house or move forward with a hybrid option, a partial budget transfer from legal services to personnel services will be requested to cover the internal position(s).

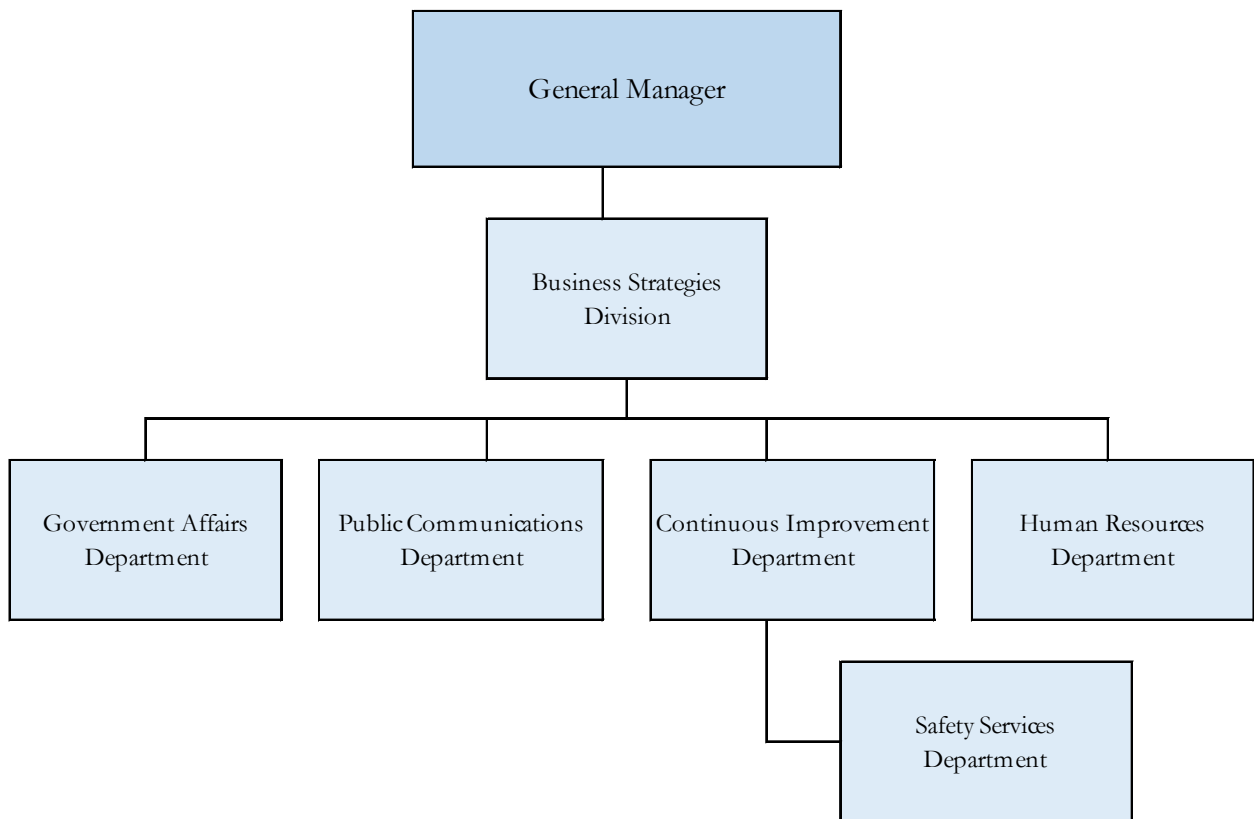
Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Office of the General Manager (Including Office of the General Counsel)	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	293,533	307,313	304,065	318,990	335,700	352,600
41300 Other Salaries & Wages	13,448	13,958	7,380	13,791	15,300	16,100
41340 Auto Allowance	5,214	5,309	1,142	4,580	4,900	5,900
42100 FICA	17,283	22,545	22,272	23,496	25,700	27,000
42200 FRS	62,710	34,025	36,656	42,468	83,500	101,800
42300 Life & Health Insurance	20,022	61,423	38,821	32,836	-	-
Total Personnel Services	412,209	444,572	410,335	436,161	465,100	503,400
55100 Office Supplies	37	40	-	514	-	-
55200 Operating Supplies	-	-	392	556	300	400
55400 Books, Pubs., Subs., Mbrshps	20,573	21,320	20,953	22,093	22,413	23,263
55500 Training	930	690	-	1,125	2,000	2,000
Total Materials & Supplies	21,540	22,050	21,345	24,288	24,713	25,663
63190 Other Professional Services	286	-	-	483	185,000	-
Total Professional Services	286	-	-	483	185,000	-
64000 Travel & Per Diem	4,181	1,421	-	1,559	5,000	5,000
64005 Mileage & Tolls	580	203	-	219	750	750
64120 Freight & Postage Services	-	-	12	-	-	-
64810 Advertising	861	855	988	912	1,500	1,250
64990 Other Current Charges	2,381	2,282	3,380	3,350	3,100	3,600
Total Repairs & Other Services	8,003	4,760	4,380	6,040	10,350	10,600
63110 Legal Services	359,880	301,613	363,802	369,220	655,000	750,000
Grand Total	801,918	772,996	799,862	836,192	1,340,163	1,289,663

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Business Strategies Division

The Business Strategies Division is responsible for strategic business planning for the agency and supports and directs change management throughout the agency while building and maintaining key relationships across the organization, with member governments, elected officials, stakeholders, and the public. The Chief of Staff/Chief Strategy Officer oversees the division which includes the Government Affairs, Public Communications, Continuous Improvement, Safety Services and Human Resources departments.



Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Government Affairs Department

Government 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.

Agency Goal – Promote Open, Collaborative Relationships with Stakeholders

Priority – Promoting Agency Interests at Federal and State Levels

- Support federal and state legislation and policies which may positively affect Tampa Bay Water and 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 and oppose regulatory agency policies and rules that would be negative for Tampa Bay Water.
- Participate in national and state professional organization efforts to promote beneficial federal, state, and regional water policies and drinking water supply funding opportunities.

Agency Goal – Optimize Financial Stability & Sustainability

Priority – Pursue Outside Funding

- 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.

Public Communications Department

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

Agency Goal – Promote Open, Collaborative Relationships with Stakeholders

Priority – Increase Awareness of Agency as Water Leader

- Complete the agency's annual report to the legislature, board members, local water utility managers, water utility consultants and other interested stakeholders.
- Manage direct communications with the public including facility tours and Speakers Bureau coordination, and in-person, telephone, and email communications.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Priority – Increase Awareness of Agency Projects and Initiatives

- 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 the agency's digital/Web/online communication channels including all Agency websites, e-newsletters, social media, mobile and intranet.
- Implement the annual water wise awards program and source water protection mini grant program communications.

Continuous Improvement Department

Continuous Improvement leads continuous improvement agency-wide and champions innovation and efficiency through developing, testing and coordinating the implementation of technologies, processes, and performance measurements. The department is responsible for leading and supporting the agency's strategic planning efforts and overseeing the safety and security of the agency's employees and assets.

Agency Goal – Continually Improve Agency Operations

Priority – Develop Continual Improvement Organizational Program

- Coordinate agency initiatives in organizational design, strategic planning and performance measurement, and safety services.
- Research methods for improving agency performance in support of the mission, vision, and values.
- Create a performance measurement system to assess the progress of the agency toward the fulfillment of goals included in the agency's strategic plan.
- Catalog and submit existing agency policies and procedures and prioritize future policies and procedures needed for training and knowledge retention.

Safety Services Department

The Safety Services Department is responsible for emergency preparedness, and the safety and security of agency personnel and infrastructure. This Continuous Improvement Director oversees the Safety Services Department.

Agency Goal – Ensure an Engaged, Skilled and Adaptable Workforce

Priority – Prioritize Employee Safety

- Promote and support safety committee.
- Develop a job-specific safety assessment program.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Agency Goal – Safeguard Agency Infrastructure

Priority – Improve Agency Risk and Resiliency Program

- Annually review, update agency emergency readiness plans
- Conduct annual safety/security tabletop training exercise

Priority – Secure Agency Physical Assets

- Conduct assessment of physical facilities security & security officer performance
- Implement field assessment tool kit for managers.

Human Resources Department

Human Resources is responsible for establishing and administering human resources policies and procedures in accordance with federal, state, and local laws and requirements. The department is responsible for employee recruitment and retention, employee relations, training and development and employee compensation. Additionally, the department provides support and assistance to employees and retirees through the administration of benefits and oversight of the Employee Appreciation Team.

Agency Goal – Ensure an Engaged, Skilled and Adaptable Workforce

Priority – Recruit and Retain Engaged and Skilled Workforce

- Recruit and hire 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.
- Promote 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.
- Conduct annual employee survey.

Priority – Promote Workforce Training and Development

- Provide employees with the tools, training, and knowledge that motivates them to perform in the most effective and efficient manner possible.
- Inspiring and encouraging a high level of employee morale through recognition, effective communication, and providing effective feedback.
- Provide professional training in effective management techniques that will assure effective leadership qualities in our managers.

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

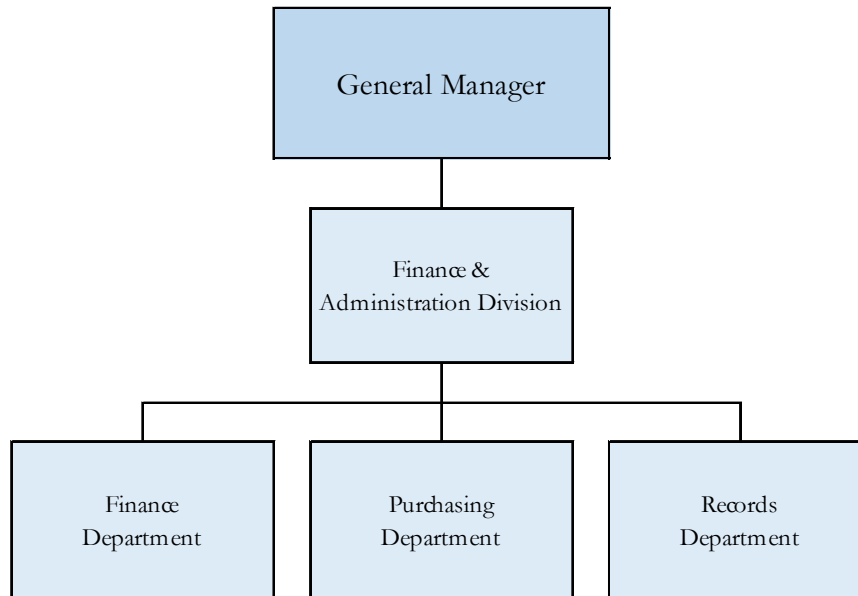
Business Strategies		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000	Regular Salaries	726,127	619,799	654,819	765,358	1,081,200	1,540,800
41310	Employee Awards	1,610	1,285	1,383	1,103	3,000	2,700
41410	Overtime	183	206	453	871	800	1,100
42100	FICA	41,374	45,470	47,965	56,375	83,000	118,400
42200	FRS	87,579	68,623	78,940	101,894	157,100	288,000
42300	Life & Health Insurance (Note 1)	82,669	123,880	144,141	112,227	3,323,800	3,952,200
42305	FSA Health Care Med Excess	1,692	1,799	(3,593)	-	-	-
42400	Workers' Compensation	100,827	83,650	85,349	80,534	105,000	105,000
42500	Unemployment Compensation	-	-	3,812	(230)	10,000	5,000
42600	Other Post Employee Benefits	21,269	49,220	32,940	(33,759)	40,000	35,000
Total Personnel Services		1,063,329	993,931	1,046,208	1,084,371	4,803,900	6,048,200
55100	Office Supplies	55	37	102	1,025	1,600	2,500
55200	Operating Supplies	9,415	29,077	21,529	30,497	37,350	95,260
55260	Computer Software Expense	3,367	3,749	-	154	-	-
55400	Books, Pubs., Subs., Mbrshps	34,317	15,304	30,541	60,416	139,211	45,831
55500	Training	18,045	10,758	10,502	6,491	36,000	77,050
Total Materials & Supplies		65,198	58,925	62,673	98,582	214,161	220,641
63190	Other Professional Services	242,962	286,560	413,962	503,637	543,500	867,000
63400	Other Services	97,676	106,534	134,914	82,716	143,283	1,759,832
Total Professional Services		340,638	393,094	548,876	586,353	686,783	2,626,832
64000	Travel & Per Diem	4,499	-	2,243	3,768	10,000	22,300
64005	Mileage & Tolls	4,035	2,196	611	2,840	6,000	6,300
64100	Communications Services	-	-	-	-	-	29,400
64120	Freight & Postage Services	4,730	3,487	2,221	2,520	6,600	4,300
64600	Repair & Maintenance	1,029	-	-	5,265	8,000	585,500
64700	Printing & Binding	23,754	6,018	10,148	24,202	22,300	27,000
64800	Promotional Activities	123,261	38,300	31,100	58,504	105,000	101,500
64810	Advertising	19,308	63,400	23,882	82,739	152,000	115,000
64990	Other Current Charges	20,940	28,216	19,632	29,220	31,900	38,700
64996	Employee Outing Fees	10	-	-	-	-	-
Total Repairs & Other Services		201,565	141,616	89,837	209,059	341,800	930,000
64400	Rentals & Leases	4,458	3,141	-	2,361	12,500	26,200
Total Rent & Insurance		4,458	3,141	-	2,361	12,500	26,200
86400	Machine & Equipment Purchase	101,712	14,279	-	15,209	-	-
Total Capital Expenditures		101,712	14,279	-	15,209	-	-
Grand Total		1,776,900	1,604,986	1,747,593	1,995,936	6,059,144	9,851,873

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

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Finance & Administration Division

The Finance & Administration Division is responsible for the Agency's financial systems, accounting, cash management, payroll, debt management, financial reporting, procurement, inventory, risk management, and vital records. The Chief Financial Officer oversees the division which includes the Finance, Purchasing, and Records departments.



Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Finance Department

The Finance Department ensures compliance of financial and reporting activities with Agency policies, bond covenants and disclosures, contractual obligations and various rules, regulations and state and federal laws. The department manages budget, payroll, accounts payable and receivable, assets, investments, debt management, financial reporting and assists with the training and maintenance of the agency's financial system, MUNIS.

Agency Goal – Optimize Financial Stability and Sustainability

Priority – Maintain Uniform Rate Predictability

- Plan, develop, organize, and implement the annual budget.
- Integrate the Water Supply Infrastructure Planning model with current financial system.
- Review market conditions to optimize rate of return on investments.

Priority – Preserve Strong Bond Rating

- Prepare financial statements in conformity with Generally Accepted Accounting Principles.
- Continuously review upcoming FASB/GASB pronouncements.
- Maintain proper internal controls and support for financial statement audit and follow financial protocol to ensure unmodified opinion audits.

Purchasing Department

The Purchasing Department ensures that all procurement activities are conducted in compliance with statutes, policies, and best value solutions for the Agency. The department issues, processes, and administers the appropriate solicitations to ensure the availability of all materials and services to support the agency in providing timely treatment and delivery of drinking water. The department is also responsible for the management and accountability of the Agency's warehouse and inventory items.

Agency Goal – Optimize Financial Stability and Sustainability

Priority – Maintain Uniform Rate Predictability

- Identify cost savings opportunities through consolidating repetitive items into solicitations.
- Streamline procurement and contract processing using standardization and Agency's e-procurement system, Bonfire.
- Review and update inventory minimum/maximum and replenishment policies, as needed.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Agency Goal – Promote Open, Collaborative Relationships with Stakeholders

Priority – Increase Awareness of Agency Projects and Initiatives

- Provide education and information for internal staff and suppliers through the agency website, reverse trade shows and supplier events.
- Enhance Diversity Supplier outreach, tracking and reporting.
- Identify and implement sustainable purchasing practices.

Records Department

The Records Department manages the central repository for the Agency's records efficiently and effectively through their life cycle and assists staff in complying with applicable public records laws regarding retention, management, and disposition of records. The department is also responsible for responding to public records requests and assists with agenda preparation. Additionally, the department is responsible for managing the Agency's insurance program and provides staff and vendors assistance regarding required insurance coverage.

Agency Goal – Optimize Financial Stability and Sustainability

Priority – Maintain Uniform Rate Predictability

- Review developed, purchased, or enhanced systems for possibility of automating record-keeping process.
- Minimize agency liability exposure and to contain costs related to agency insurance coverage.

Agency Goal – Continually Improve Agency Operations

Priority – Strengthen Information Technology Program

- Ensure records management requirements are addressed when new or enhanced IT systems are developed or purchased.
- Review Legacy Files for disposition or scan to eliminate old unsupported software.

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Finance & Administration Division	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	2,429,181	2,710,703	2,424,511	1,460,574	1,537,000	1,591,900
41410 Overtime	1,391	763	1,287	-	1,100	900
41430 On-Call Pay	19,420	19,658	18,850	-	-	-
42100 FICA	169,551	198,862	187,245	107,583	118,000	122,000
42200 FRS	2,016,218	2,309,509	(403,445)	838,413	2,210,100	2,254,700
42300 Life & Health Insurance	434,837	541,790	413,589	336,701	-	-
Total Personnel Services	5,070,598	5,781,285	2,642,037	2,743,272	3,866,200	3,969,500
55100 Office Supplies	23,994	26,016	24,508	33,646	31,800	32,000
55200 Operating Supplies	467,155	337,633	391,415	202,843	416,250	319,700
55260 Computer Software Expense	32,386	40,459	16,353	-	-	-
55400 Books, Pubs., Subs., Mbrshps	23,290	21,411	10,984	7,522	10,000	10,140
55500 Training	37,787	40,348	38,986	19,947	31,245	30,650
Total Materials & Supplies	584,612	465,867	482,246	263,959	89,295	392,490
63190 Other Professional Services	1,044,370	1,171,330	1,253,594	125,306	302,000	391,750
63200 Accounting & Auditing	118,500	304,000	123,000	129,000	181,000	181,000
63400 Other Services	963,858	1,321,136	1,631,965	28,135	38,400	15,900
Total Professional Services	2,126,728	2,796,466	3,008,559	282,440	521,400	588,650
64000 Travel & Per Diem	28,879	7,529	-	11,846	34,500	32,000
64005 Mileage & Tolls	8,187	3,796	1,067	1,810	4,750	4,750
64100 Communications Services	832,558	844,456	1,118,666	-	-	-
64120 Freight & Postage Services	39,016	39,315	40,027	33,235	43,075	44,075
64600 Repair & Maintenance	410	275	25,869	1,776	1,000	1,000
64700 Printing & Binding	12,916	10,399	5,254	9,738	15,000	15,000
64800 Promotional Activities	60	-	-	-	1,250	750
64810 Advertising	2,486	495	1,269	1,356	1,500	1,500
64990 Other Current Charges	149,032	272,076	22,380	10,793	10,150	13,750
64995 P-Card Fees	1,125	1,959	1,105	2,730	-	-
64996 Employee Outing Fees	-	-	-	-	-	-
Total Repairs & Other Services	1,074,668	1,180,300	1,215,638	73,283	111,225	112,825

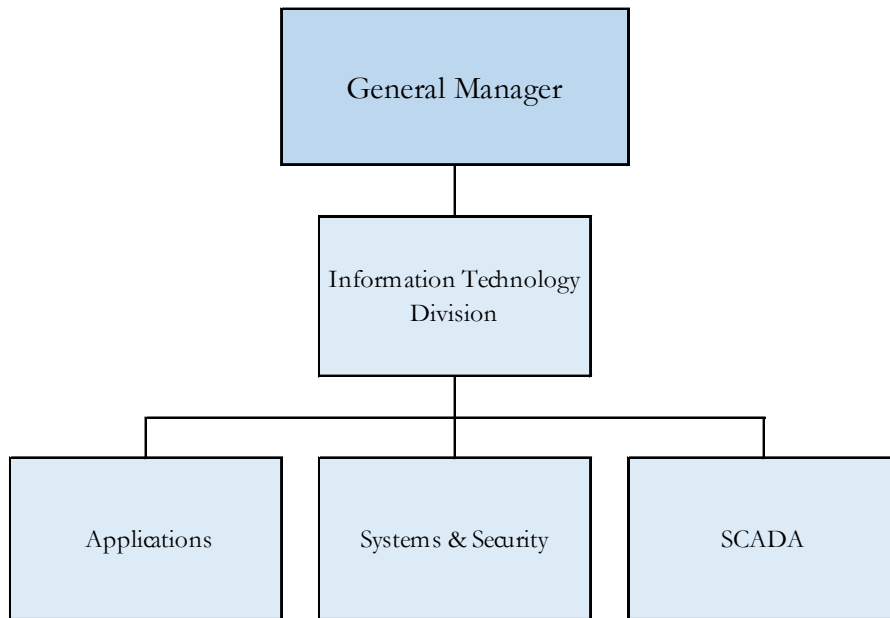
Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Finance & Administration Division	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
64400 Rentals & Leases	116,424	9,144	57,359	33,740	49,800	49,800
64410 Lease Amortization Expense	-	-	-	2,671	-	-
64411 Lease Interest Expense	-	-	-	43	-	-
64500 Insurance		1,437,512	1,608,660	1,723,001	1,992,650	2,830,563
Total Rent & Insurance		1,606,655	1,666,018	1,759,455	2,042,450	2,880,363
86190 Land Acquisition Cost-Other	500	159	75	-	-	-
86400 Machine & Equipment Purchase	735,498	33,150	1,502,742	7,736	-	-
86610 Software to Amortize	61,275	445,010	84,261	-	-	-
Total Capital Expenditures	797,272	478,319	1,587,078	7,736	-	-
77210 Interest Bonds	37,252,276	35,517,860	33,317,840	30,506,815	28,394,137	31,381,443
77310 Issue Costs Bonds	-	229,055	-	-	-	-
87114 Principal 2004 Bonds	5,005,000	-	-	-	-	-
87116 Principal 2005 Bonds	15,030,000	21,140,000	22,290,000	23,530,000	24,820,000	26,180,000
87140 Principal 2011 Bonds	11,710,000	12,290,000	12,915,000	-	-	-
87141 Principal 2011A Bonds	35,000	35,000	40,000	-	-	-
87145 Principal 2015B Bonds	855,000	870,000	890,000	910,000	930,000	955,000
87147 Principal 2016B Bonds	235,000	240,000	245,000	250,000	260,000	265,000
87150 Principal Master Bond-Tranche 1	-	33,000	142,000	146,000	149,000	153,000
87151 Principal Master Bond-Tranche 2	-	-	254,000	15,117,000	15,466,000	15,825,000
87152 Principal Master Bond-Tranche 3	-	-	-	-	266,000	1,131,000
Total Bond Debt Service	70,122,276	70,354,915	70,093,840	70,459,815	70,285,137	75,890,443
77250 Interest Facility Acquisition	3,968,187	3,653,140	3,322,245	2,974,707	2,609,687	2,226,307
87125 Principal Facility Acquisition	6,263,370	6,578,418	6,909,312	7,256,851	7,621,870	8,005,250
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 Funding	5,509,008	4,988,288	3,333,679	3,195,310	6,000,000	-
82830 Rate Stabilization Funding	5,274,114	1,737,848	5,450,399	26,499,531	-	-
82844 Energy Funding	270,869	338,228	260,453	268,316	-	-
82870 Capital Improvement Funding	5,356,993	7,427,045	8,805,449	4,914,769	-	-
Total Reserve Funding	16,410,985	14,491,410	17,849,980	34,877,927	6,000,000	-
Grand Total	107,808,926	107,386,775	108,776,953	120,699,444	93,547,265	94,065,829
Agency FRS (GASB 68), bond debt service, member acquisition credits and reserve funding expenditures are budgeted in the Finance and Administration Division.						

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Information Technology Division

The Information Technology Division designs, builds, supports, manages, and maintains information technology systems, applications, networks, and databases to optimize agency productivity. The primary responsibilities of this division are the efficient management and security of the Agency's data, electronic information, and network systems. The Information Technology Director oversees the division which includes three core cross-functional teams: Business and Applications, IT Security and Infrastructure and SCADA (Supervisory and Control and Data Acquisition).



Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Applications Team

The Applications Team supports data and software systems built within various technologies. This includes development, maintenance, and procurement for custom applications, databases and flows, and third-party software including MUNIS, Maximo, Aurigo Masterworks, Bonfire and Geospatial Information Systems (GIS).

Agency Goal – Continually Improve Agency Operations

Priority – Strengthen Information Technology Program

- Maintenance and documentation of the agency’s enterprise database including data acquisition (SCADA, Wireless, Manual, SWFWMD, NOAA, USGS) and QA/QC, support for regulatory compliance reporting and data transfers.
- Develop policy/procedure that clearly delineates data management roles and responsibilities of the IT Department and other Agency departments and functional units.
- Create data dictionary of terms and unique identifiers (UIDs).

Agency Goal – Safeguard Agency Infrastructure

Priority – Secure Agency Physical Assets

- Obtain Service Organization Control (SOC) reports for IT service providers and review reports for internal controls.

Systems & Security Team

The Systems & Security Team manages the Agency’s enterprise technology infrastructure encompassing: PCs, computer peripherals, servers, networks, data centers, cloud environments, and telecommunication systems. The team also oversees cybersecurity systems, polices, risk assessments, and vulnerability scanning, including ongoing system patching and backups.

Agency Goal – Safeguard Agency Infrastructure

Priority – Secure Agency Physical Assets

- Rollout IT asset inventory system for physical IT hardware.
- Drafting Standard Operating Procedures to standardize IT processes.

Agency Goal – Safeguard Agency Infrastructure

Priority – Enhance Comprehensive Cyber Security Program

- Align physical and cyber security initiatives.
- Standardize network documentation and diagrams.
- Develop incident response plan for internal IT staff in coordination with outside resources.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

SCADA Team

The SCADA Team is responsible for the ongoing development, maintenance, and security of the SCADA system, including managing dedicated hardware, software, networks, and telecommunications. The SCADA (Supervisory and Control and Data Acquisition) system is a mission critical component of Tampa Bay Water managing and monitoring water production facilities both physically and wirelessly connected.

Agency Goal – Continually Improve Agency Operations

Priority – Strengthen Information Technology Program

- Improve SCADA integration with OROP and other decision support tools.
- Replace and enhance SCADA hardware at Cypress Creek and HSPS.

Agency Goal – Safeguard Agency Infrastructure

Priority – Strengthen Information Technology Program

- Add system monitoring to provide detection of any incidents or abnormal security events.

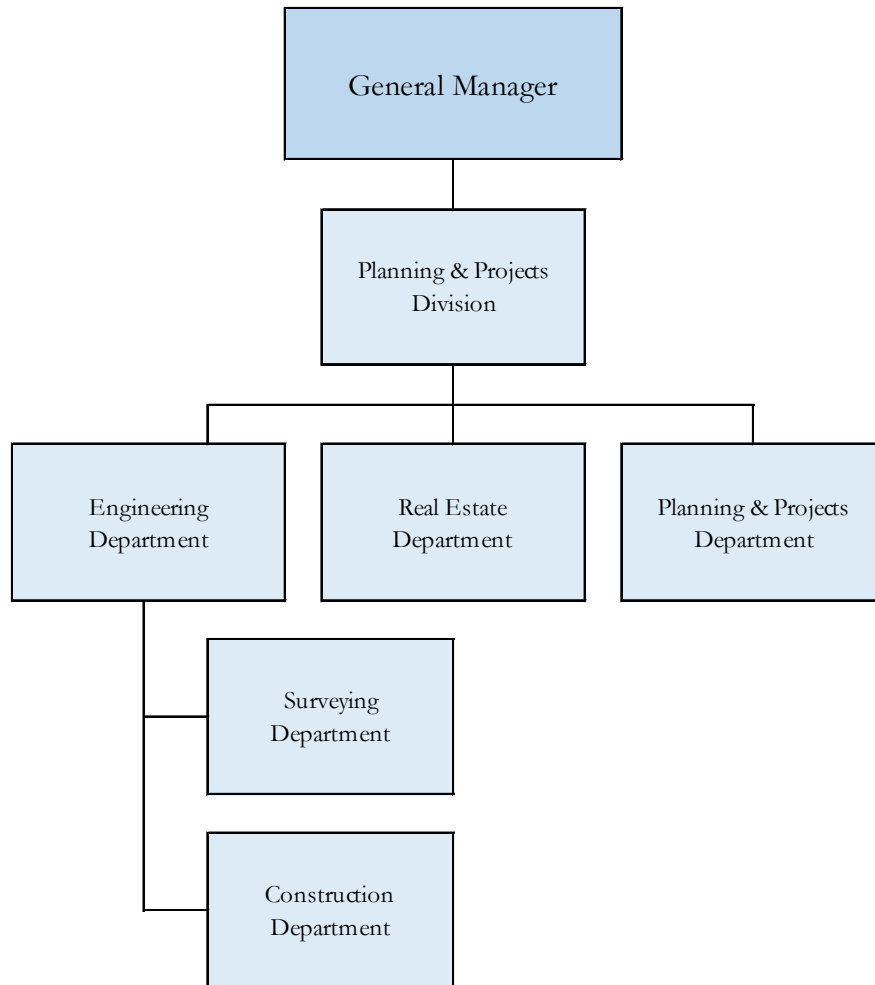
Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Information Technology Division ¹	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	-	-	-	1,197,331	1,407,100	1,458,000
41410 Overtime	-	-	-	533	1,100	800
41430 On-Call Pay	-	-	-	21,108	21,200	23,900
42100 FICA	-	-	-	88,193	109,500	113,600
42200 FRS	-	-	-	159,403	195,700	237,900
42300 Life & Health Insurance	-	-	-	196,634	-	-
Total Personnel Services	-	-	-	1,663,203	1,734,600	1,834,200
55200 Office Supplies	-	-	-	64	-	-
55200 Operating Supplies	-	-	-	127,749	166,000	166,000
55260 Computer Software Expense	-	-	-	30,368	10,000	10,000
55400 Books, Pubs., Subs., Mbrshps	-	-	-	12,866	9,400	9,400
55500 Training	-	-	-	6,326	30,000	12,000
59999 P-Card Suspense	-	-	-	94	-	-
Total Materials & Supplies	-	-	-	177,468	215,400	197,400
63190 Other Professional Services	-	-	-	841,721	930,136	1,128,371
63400 Other Services	-	-	-	1,889,563	1,971,600	2,322,670
Total Professional Services	-	-	-	2,731,284	2,901,736	3,451,041
64000 Travel & Per Diem	-	-	-	5,319	13,000	10,000
64005 Mileage & Tolls	-	-	-	1,066	3,000	3,000
64100 Communications Services	-	-	-	1,167,412	1,191,000	1,231,000
64120 Freight & Postage Services	-	-	-	152	800	800
64600 Repair & Maintenance	-	-	-	300	67,000	220,000
Total Repairs & Other Services	-	-	-	1,174,248	1,274,800	1,464,800
64400 Rentals & Leases	-	-	-	37,246	40,000	8,000
Total Rent & Insurance	-	-	-	37,246	40,000	8,000
86400 Machine & Equipment Purchase	-	-	-	22,150	50,000	80,000
Total Capital Expenditures	-	-	-	22,150	50,000	80,000
Grand Total	-	-	-	5,805,599	6,216,536	7,035,441
1 - Information Technology Division was previously a department and was part of the Finance & Administration Division in FY 2019 - FY 2021						

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Planning & Projects Division

The Planning & Projects Division is responsible for the delivery of the Agency’s Capital Improvements Program including design, permitting, and construction of capital projects. Additionally, the division is responsible for engineering evaluations, surveying, utility conflict management, and real estate management and acquisition. The Planning and Projects Director oversees the division which is comprised of five departments: Engineering, Surveying, Construction, Real Estate, and Planning & Projects.



Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Engineering Department

The Engineering Department conducts limited in-house design, conducts engineering studies and assessments, manages Agency design standards and specifications, ensures that all capital projects meet Agency's engineering standards and specifications, and provides quality review of capital projects design completed by outsourced services. Additionally, the department oversees the Surveying and Construction Departments. The Engineering Senior Manager oversees the Surveying and Construction Departments.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Improving the Delivery of the Agency's Capital Improvement Program

- Develop cathodic protection program standard operating procedures and repair program approach.
- Evaluate Pasco County's Points of Connections (POC) to identify if Agency can hydraulically supply members increased demands moving forward into 2035.
- Identify, document, quantify and evaluate the water transmission system attributes and refine and reprioritize future capital investments for the water transmission system.
- Manage FY 2024 Capital Improvement Program design projects.

Surveying Department

The Surveying Department manages the utility conflicts and cathodic protection programs, manages and conducts surveys, and manages and maintains record drawings. The department is responsible for maintaining and developing computer-aided design (CAD) and geospatial data in the geographic information system (GIS) for the Agency.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Improving the Delivery of the Agency's Capital Improvement Program

- Support utility conflicts and tickets program and complete procedures for utility locates.
- Complete as-built surveys for FY 2024 Capital Improvement Program projects.

Agency Goal – Continually Improve Agency Operations

Priority – Strengthen Information Technology and Data Management Programs

- Prioritize GIS Master Plan components

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Construction Department

The Construction Department administers capital project's construction contracts to follow the design, permitting, regulatory requirements, property rights, budget, schedule, and all related agreements. The department is also responsible for construction inspections for capital improvement projects needed to operate the system.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Improving the Delivery of the Agency's Capital Improvement Program

- Develop construction management procedures and updates to Division 1 Specifications.
- Manage FY 2024 Capital Improvement Program construction projects.

Real Estate Department

The Real Estate Department is responsible in organizing, planning, negotiating, and coordinating the acquisition and management of real property supporting the Agency's facilities, pipelines, and monitoring locations. Additionally, the department manages existing lease and license agreements, property address changes, verifies taxes due or exemption status, and disposes of surplus property.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Improving the Delivery of the Agency's Capital Improvement Program

- Provide real estate coordination for acquisition of parcels and enforcement of existing property rights for the South Hillsborough Pipeline project.
- Transfer existing records from old Real Estate Manager system into Masterworks.

Planning & Projects Department

The Planning & Projects Department manages the development of processes, policies, tools, methods, and training to support a standardized project management capability within the Agency. Additionally, the department is responsible for the management, update, and implementation of the Long-term Master Water Plan, the Capital Improvements Program, and the Energy Management Program.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Improving the Delivery of the Agency's Capital Improvement Program

- Manage Capital Improvement Program and Energy Management Program
- Coordinate multiple capital projects to minimize schedule and cost impacts
- Expedite project scheduling through project packaging and procurement

Priority – Meeting the Future Regional Water Supply

- Manage the Long-term Master Water Plan

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

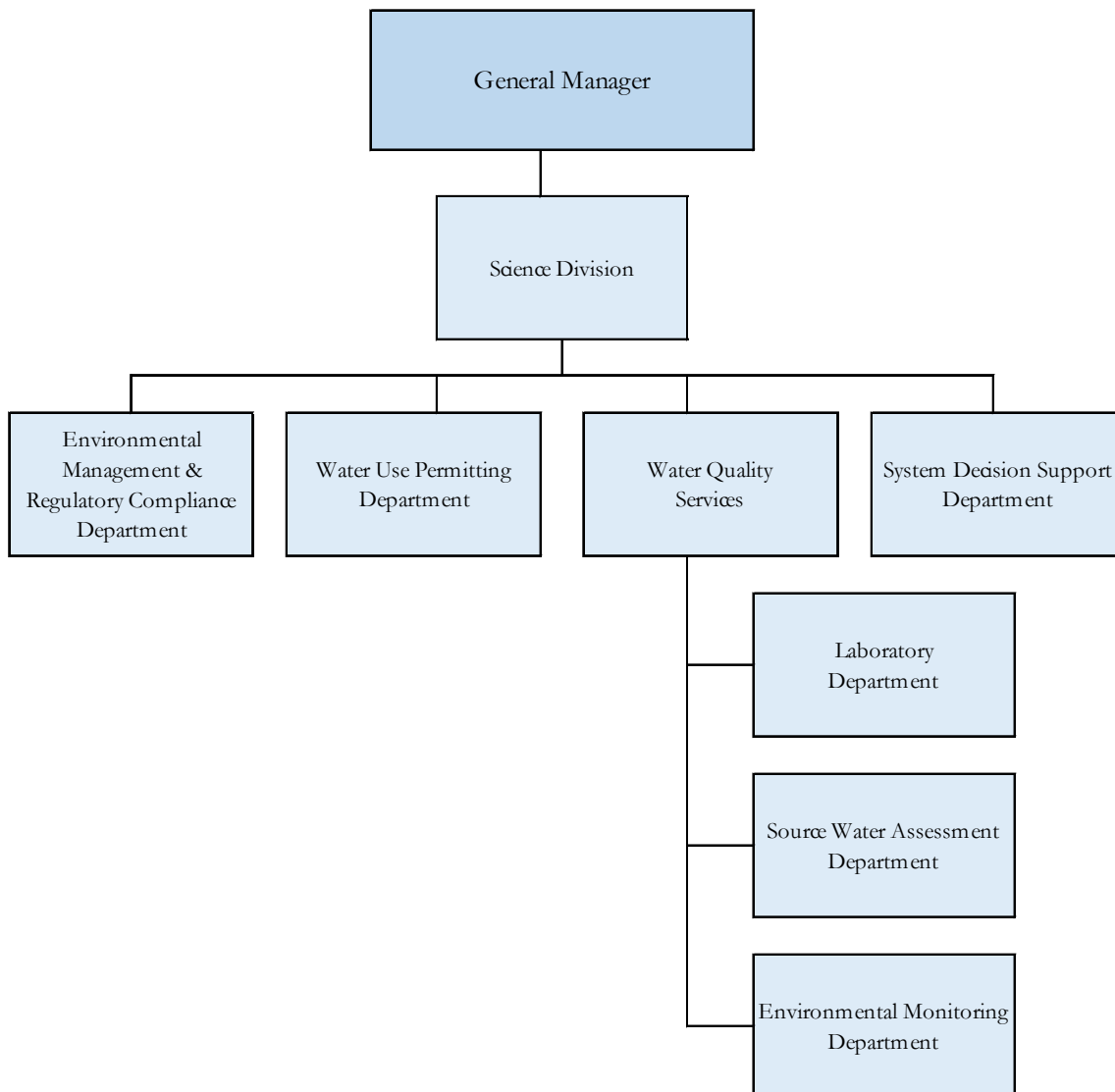
Planning & Projects Division ¹	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	-	-	-	-	-	1,962,400
42100 FICA	-	-	-	-	-	150,300
42200 FRS	-	-	-	-	-	291,700
42300 Life & Health Insurance	-	-	-	-	-	-
Total Personnel Services	-	-	-	-	-	2,404,400
55100 Office Supplies	-	-	-	-	-	-
55200 Operating Supplies	-	-	-	-	-	36,300
55400 Books, Pubs., Subs., Mbrshps	-	-	-	-	-	18,403
55500 Training	-	-	-	-	-	50,195
Total Materials & Supplies	-	-	-	-	-	104,898
63120 Engineering Services	-	-	-	-	-	2,750,000
63125 Engineering Services-Own All	-	-	-	-	-	-
63190 Other Professional Services	-	-	-	-	-	1,037,500
63400 Other Services	-	-	-	-	-	363,000
Total Professional Services	-	-	-	-	-	4,150,500
64000 Travel & Per Diem	-	-	-	-	-	23,880
64005 Mileage & Tolls	-	-	-	-	-	1,803
64120 Freight & Postage Services	-	-	-	-	-	3,500
64600 Repair & Maintenance	-	-	-	-	-	337,500
64605 Repair & Maintenance-Own All	-	-	-	-	-	-
64700 Printing & Binding	-	-	-	-	-	2,000
64810 Advertising	-	-	-	-	-	1,740
64990 Other Current Charges	-	-	-	-	-	173,100
64991 Permits	-	-	-	-	-	1,500
Total Repairs & Other Services	-	-	-	-	-	545,023
64400 Rentals & Leases	-	-	-	-	-	100,000
64500 Insurance	-	-	-	-	-	-
Total Rent & Insurance	-	-	-	-	-	100,000
86100 Land Acquisition Cost-Purchase	-	-	-	-	-	30,000
86110 Land Acquisition Cost-Legal	-	-	-	-	-	5,000
86120 Land Acquisition Cost-Prop. Sttlmt Atty	-	-	-	-	-	20,000
86300 Capital Improvement Facility	-	-	-	-	-	-
86305 Capital Improvement Facility-Own. All	-	-	-	-	-	-
86400 Machine & Equipment Purchase	-	-	-	-	-	27,000
Total Capital Expenditures	-	-	-	-	-	82,000
Grand Total	-	-	-	-	-	7,386,821
1 - Planning and Projects Division is a new Division for FY 2024						

Tampa Bay Water – 2024 Annual Budget

Divisional Operating Budget Detail

Science Division

The Science Division leads the Agency in the efficient management of data and information to support all regulatory permitting and reporting services, water supply planning, source water assessment, and decision support activities. The Chief Science Officer oversees the division which includes seven departments: Environmental Management & Regulatory Compliance, Water Use Permitting, Water Quality Services, Laboratory, Source Water Assessment, Environmental Monitoring and System Decision Support.



Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Environmental Management & Regulatory Compliance Department

The Environmental Management and Regulatory Compliance Department is responsible for guiding implementation of an environmental management system and oversees all regulatory permitting and compliance activities including 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.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Achieve 100% Compliance with Regional Contract Requirements and Permit Limitations

- Keep apprised of new regulations, standards, policies, and guidance issued by relevant regulatory authorities that impact the Agency
- Implement revised process for Correction/Prevention Action Reports (CPAR)
- Coordinate with regulatory agencies, member governments, and contract operators on all regulatory matters

Water Use Permitting Department

The Water Use Permitting Department is responsible for the acquisition and renewal of, and compliance with, agency water use permits, including implementation of the Domestic Well Mitigation Program. The department also monitors and manages wetland impacts associated with construction and/or past operation of agency facilities and infrastructure.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Achieve 100% Compliance with Regional Contract Requirements and Permit Limitations

- Monitor environmental systems near agency facilities to minimize impacts to water resources and operate our facilities in an environmentally sustainable manner.
- Complete the annual permit-required compliance reports for all agency water supply facilities required by agency water use permits.
- Calculate and permit any unused wetland mitigation credits associated with the Regional Reservoir Wetland Mitigation Areas for new construction projects within the region.

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Water Quality Services Department

The Water Quality Services Department is responsible for laboratory testing, water quality compliance reporting, environmental/hydrologic/hydrobiological monitoring, source water assessment and protection, research on drinking water treatment and water quality treatment support with our member governments. The Water Quality Senior Manager oversees the Laboratory, Source Water Assessment and Environmental Monitoring Departments.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Continually Evaluate Options to Enhance Water Quality and Public Health Protection

- Coordinate UCMR5 Sampling with Member Governments
- Develop recommendations to minimize water quality impacts related to chloramine decay in transmission mains.

Laboratory Department

The Laboratory Department 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. The department maintains state and federal certification for analytical work which includes inspections, reporting and performance testing.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Continually Evaluate Options to Enhance Water Quality and Public Health Protection

- Maintain full compliance with all Laboratory certifications
- Expand analytical capabilities for compliance and regional system performance.
- Be attentive to changes including resource quality conditions that may affect the Agency
- Keep apprised of new regulations, standards, policies, and guidance issued by relevant regulatory authorities that impact laboratory performance

Source Water Assessment Department

The Source Water Assessment Department assists in the acquisition and renewal of, and compliance with, agency drinking water permits, managing the Hydrobiological Monitoring programs, and implementation of source water assessment activities. The department inspects agency facilities and analyze data to assure compliance with facility permits.

**Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail**

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Continually Evaluate Options to Enhance Water Quality and Public Health Protection

- Implement new source water assessment program.
- 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.

Environmental Monitoring Department

The Environmental Monitoring Department leads and supports the Agency in complying with permit requirements related to the acquisition of hydrologic data. 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.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Continually Evaluate Options to Enhance Water Quality and Public Health Protection

- Maintain Agency’s domestic well program to ensure compliance with all permit and agency policy requirements.
- Automate augmentation systems throughout the system.
- Keep apprised of new regulations, standards, policies, and guidance issued by relevant regulatory authorities that impact monitoring and mitigation requirements

System Decision Support Department

The System Decision Support Department designs, implements, and maintains water resources optimization tools, integrated hydrological models, decision support systems, system performance and reliability analysis, water demand forecasting models, supply forecasting models and tools all in support of both operational and long-range planning. The department created and continues to maintain the Optimized Regional Operations Plan, a one of kind optimization tool for source allocation. Additionally, the department manages the Tampa Bay Water Wise conservation program.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Maintain the Agency’s Regional Water Delivery Capacity

- Implement development of operational level system-wide performance evaluation model.
- Review and update the Water Shortage Mitigation Plan.
- Provide weekly Optimized Regional Operational Plan (OROP) guidance for water production.

**Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail**

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Meeting the Future Regional Water Supply

- Begin model development leveraging current knowledge and data to produce in-house model to update OROP and Master Water Plan modeling tools and improve regional system planning/operation.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Ensure Resilience of Infrastructure and Supplies due to Climate Change and Sea Level Rise

- Continue research projects which improve the Agency’s understanding of the effects of climate change on assets vulnerability and long-term water supplies.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Conserve an Additional 11 Million Gallons Per Day Regionally by 2030

- Develop new initiatives/program modifications to increase water savings.

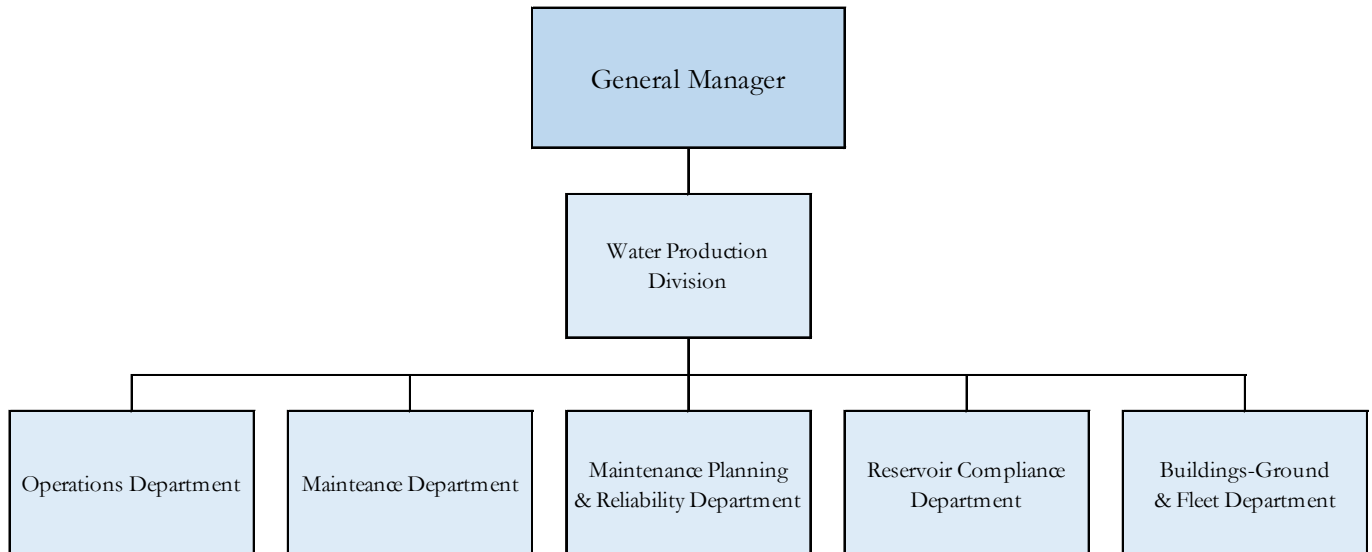
Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Science Division		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000	Regular Salaries	3,364,285	3,672,165	3,600,848	2,949,168	3,477,400	3,331,400
41410	Overtime	2,515	1,874	1,974	1,276	2,900	2,400
41430	On-Call Pay	-	-	-	76	-	200
42100	FICA	247,908	269,397	263,757	217,230	266,800	255,600
42200	FRS	315,986	406,573	438,633	392,629	450,600	506,300
42300	Life & Health Insurance	583,679	733,958	595,600	540,228	-	-
Total Personnel Services		4,514,373	5,083,966	4,900,813	4,100,607	4,197,700	4,095,900
55100	Office Supplies	-	44	-	73	-	-
55200	Operating Supplies	164,093	138,957	175,229	310,753	447,931	377,581
55260	Computer Software Expense	-	-	-	-	-	-
55400	Books, Pubs., Subs., Mbrshps	224,430	230,048	236,777	248,580	253,978	258,264
55500	Training	21,793	7,763	6,937	18,778	24,515	35,730
Total Materials & Supplies		410,317	376,812	418,944	578,185	726,424	671,575
63120	Engineering Services	166,060	747,148	911,637	1,054,858	1,320,000	960,000
63130	Hydrological Services	457,868	522,059	416,580	557,986	1,122,500	799,500
63140	Ecological Services	2,313,414	2,808,002	2,068,099	1,958,937	2,404,440	2,269,054
63181	Mitigation	1,143	1,953	7,448	3,467	50,000	50,000
63182	Augmentation	155,523	40,483	42,179	21,757	43,000	43,000
63190	Other Professional Services	1,141,420	3,185,124	3,610,396	1,805,330	1,640,865	1,554,745
63400	Other Services	26,234	232,200	17,599	57,422	2,400	2,750
Total Professional Services		4,261,663	7,536,967	7,073,939	5,459,757	6,583,205	5,679,049
64000	Travel & Per Diem	28,417	15,868	1,615	9,763	41,400	48,190
64005	Mileage & Tolls	6,325	2,653	1,477	2,392	5,750	6,000
64100	Communications Services	362	399	-	-	-	-
64120	Freight & Postage Services	5,675	4,778	5,474	7,686	6,500	9,500
64320	Water, Sewer & Other Utilities	-	-	-	-	-	-
64600	Repair & Maintenance	68,133	63,887	156,086	83,909	495,326	259,484
64700	Printing & Binding	-	92	106	-	-	-
64810	Advertising	949	2,037	2,240	4,586	1,950	2,578
64990	Other Current Charges	2,717	796	-	1,359	-	-
64991	Permits	69,920	70,295	63,767	87,060	78,520	75,598
Total Repairs & Other Services		182,497	160,804	230,765	196,755	629,446	401,350
64400	Rentals & Leases	209	-	-	-	750	1,000
Total Rent & Insurance		209	-	-	-	750	1,000
86400	Machine & Equipment Purchase	287,299	416,682	223,336	96,053	281,050	250,000
86610	Software to Amortize	-	-	-	-	-	-
Total Capital Expenditures		287,299	416,682	223,336	96,053	281,050	250,000
Grand Total		9,656,359	13,575,232	12,847,796	10,431,356	12,418,575	11,098,874

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Water Production Division

The Water Production Division operates, supports, monitors, and maintains Agency facilities to continuously provide high-quality drinking water to our members. The Chief Operating Officer oversees the Division which is divided into five departments: Operations, Maintenance, Maintenance Planning and Support, Reservoir Compliance, and Building-Grounds and Fleet.



Operations & Maintenance Departments

The Operations and Maintenance Departments are responsible ensuring that the Agency's production assets are maintained and operated in a sustainable and resilient manner to fulfill drinking water needs of the member governments. The departments provide continuous attention to the system, adjusting to changing conditions and in compliance with permit and environmental recovery constraints.

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Maintaining the Agency's Regional Water Delivery Capacity

- Operate the regional system and points of connection in compliance with Exhibit C and D and all federal, state, and local regulations/permits
- Manage the consolidated wellfield production below the permit condition of 90 mgd
- Manage the non-consolidated wellfield production below the respective permit limits
- Manage the Desalination Facility OM&M Contract
- Manage the Regional Water Treatment Facility OM&M Contract

Tampa Bay Water – 2024 Annual Budget Divisional Operating Budget Detail

Maintenance Planning & Reliability Department

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

Agency Goal – Continually Improve Agency Operations

Priority – Strengthen Information Technology and Data Management Programs

- Complete applicable field conditions assessments and provide output from the Renewal and Replacement computer application.
- Evaluate re-implementation of the GIS integration with Maximo

Reservoir Compliance Department

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

Agency Goal – Deliver Quality Water and Enhance System Reliability and Sustainability

Priority – Achieve 100% Compliance with Regional Contract Requirements & Permit Limitations

- Complete the Reservoir monitoring and maintenance
- Complete the Comprehensive Annual Reservoir Report (CARR)

Building, Grounds & Fleet Department

The Building, Grounds & Fleet Department is responsible for maintain the primary physical plants of each facility, including HVAC systems, roadways, fire safety systems and roofing and coating systems. The department is also responsible for the acquisition and maintenance of fleet vehicles for the Agency.

Agency Goal – Safeguard Agency Infrastructure

Priority – Secure Agency Physical Assets

- Perform maintenance on agency office buildings and grounds
- Manage and maintain agency's fleet program

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Water Production Division	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
41000 Regular Salaries	5,073,865	5,312,921	5,506,461	6,171,393	6,996,400	5,083,900
41410 Overtime	79,317	74,760	92,250	113,332	102,100	112,200
41420 Shift Differential	62,177	62,416	58,878	55,169	70,600	68,900
41430 On-Call Pay	50,145	44,878	46,395	47,737	52,100	56,300
42100 FICA	383,624	389,766	403,340	454,573	553,700	407,700
42200 FRS	518,390	588,233	663,818	821,611	886,400	792,700
42300 Life & Health Insurance	1,111,463	1,061,896	1,061,791	1,312,461	-	-
Total Personnel Services	7,278,980	7,534,870	7,832,933	8,976,275	8,661,300	6,521,700
55100 Office Supplies	392	3,697	948	1,066	1,100	150
55200 Operating Supplies	1,033,847	1,026,505	1,274,492	1,367,343	1,561,912	1,606,827
55260 Computer Software Expense	-	-	-	2,095	50,000	-
55400 Books, Pubs., Subs., Mbrshps	36,134	32,008	49,252	35,187	55,094	15,184
55500 Training	59,798	51,178	66,492	45,664	135,927	44,820
Total Materials & Supplies	1,130,171	1,113,387	1,391,183	1,451,355	1,804,033	1,666,981
63120 Engineering Services	1,718,225	1,584,150	3,114,080	2,873,011	4,413,000	377,000
63125 Engineering Services-Own All	60,784	138,946	157,223	20,000	-	-
63130 Hydrological Services	-	84,833	197,374	9,288	-	-
63140 Ecological Services	146,364	164,852	73,454	-	-	-
63190 Other Professional Services	831,434	455,794	824,466	961,564	1,165,000	325,000
63400 Other Services	1,581,722	1,768,383	2,031,614	2,078,755	2,407,680	1,122,892
63410 O&M Agreements	13,986,036	12,539,695	13,903,088	14,407,366	15,126,687	16,066,688
Total Professional Services	18,324,566	16,736,652	20,301,299	20,349,984	23,112,367	17,891,580
64000 Travel & Per Diem	27,104	9,699	3,625	10,455	45,827	26,382
64005 Mileage & Tolls	4,755	3,226	3,440	4,018	5,825	4,100
64100 Communications Services	3,672	5,713	18,879	22,330	25,200	-
64120 Freight & Postage Services	21,313	15,592	19,529	20,262	19,500	16,000
64320 Water, Sewer & Other Utilities	214,103	254,845	228,234	246,755	273,510	254,000
64600 Repair & Maintenance	3,427,803	4,761,618	4,343,842	3,926,770	5,417,926	4,417,378
64605 Repair & Maintenance-Own All	2,604	-	43,383	-	-	-
64700 Printing & Binding	-	-	-	-	1,000	-
64800 Promotional Activities	-	-	-	-	-	-
64810 Advertising	111	670	428	144	1,790	-
64990 Other Current Charges	2,041	1,617	178,166	181,601	188,625	22,000
64991 Permits	4,426	5,208	12,624	-	3,000	-
Total Repairs & Other Services	3,707,930	5,058,188	4,852,150	4,412,334	5,982,203	4,739,860

Tampa Bay Water – 2024 Annual Budget
Divisional Operating Budget Detail

Water Production Division	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Approved FY 2023	Approved FY 2024
64400 Rentals & Leases	100,731	127,139	158,185	116,101	183,814	77,630
64410 Lease Amortization Expense	-	-	-	(13,218)	-	-
64411 Lease Interest Expense	-	-	-	23,511	-	-
64500 Insurance	188,268	219,340	201,239	194,463	232,865	218,033
Total Rent & Insurance	288,999	346,479	359,424	320,857	416,679	295,663
86100 Land Acquisition Cost-Purchase	728,151	527,291	-	-	20,000	-
86110 Land Acquisition Cost-Legal	-	-	-	-	35,000	-
86190 Land Acquisition Cost-Other	14,969	22,486	492	-	-	-
86300 Capital Improvement Facility	24,917	2,406,725	4,614,041	32,685	165,000	165,000
86305 Capital Improvement Facility-Own. All	-	32,937	344,351	-	-	-
86400 Machine & Equipment Purchase	938,164	414,628	557,231	534,157	608,975	556,310
Total Capital Expenditures	1,706,201	3,404,067	5,516,114	566,842	828,975	721,310
86500 Construction in Progress	-	-	1,981,838	11,478	-	-
86505 Construction-Owners Allowance	-	-	152,967	8,459	-	-
Total Construction in Progress	-	-	2,134,805	19,937	-	-
55250 Water Quality Credit	48,000	48,000	48,000	48,000	48,000	48,000
55210 Water Treatment Chemicals	8,915,227	9,935,948	10,579,523	14,392,959	15,899,383	23,431,064
64310 Power & Light	10,378,812	1,364,291	11,893,161	13,151,033	15,390,261	12,911,320
64380 Water For Resale	538,440	708,172	528,245	501,616	534,500	640,788
Total Variable Operating Costs	19,832,479	22,008,410	23,000,929	28,045,608	31,824,144	36,983,172
Grand Total	52,317,326	56,250,053	65,436,837	64,191,192	72,677,701	68,868,266

Summary of Contracts and Resolutions

Fiscal Year 2024

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 – 2024 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 2024 budget is developed within the framework of these agreements. This section provides key terms and conditions of the agreements.

Amended and Restated Interlocal Agreement

Section 2.08 - Annual Budget

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

Section 3.03 - Obligation to meet Water Needs

This section includes the following key requirements:

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

**Tampa Bay Water – 2024 Annual Budget
Summary of Contracts and Resolutions**

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

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

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

Section 3.04 - Uniform Rate

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

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

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

Section 3.08(D) - Surface Water Sources

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

Master Water Supply Contract

Section 8 - Authority's Agreement to Provide Water Service

This section of the contract provides that:

- (A) The Agency shall sell and deliver sufficient Quality Water to the Member Governments to meet their needs and the Member Governments shall purchase and receive the Quality Water delivered.
- (B) The Agency shall be in default under the contract if it fails to supply the Quality Water needs of the Member Governments, except when due to force majeure.

Section 13-Rate

The following excerpts are fundamental to the budget process.

- (B) Rates in effect each fiscal year shall be sufficient to pay the annual estimate established by Tampa Bay Water. Monthly charges for such water service are based on the rate approved by Tampa Bay Water and total volume of quality water delivered to such Member Governments by Tampa Bay Water.
- (C) The rate to be charged may include the following components:
 - Operation, Maintenance, and Administrative costs;
 - Debt service charges;
 - Renewal and Replacement charges;
 - Bond coverage costs;
 - Capital Improvement charges;
 - Operating Reserve Funds;
- (D) The Member Governments agree that Tampa Bay Water may establish a rate stabilization fund. Operation, Maintenance and Administrative costs and/or Operating Reserve Funds may be utilized by Tampa Bay Water to fund such Rate Stabilization Fund.
- (E) Annual True-up: Following the end of each fiscal year, an annual adjustment in the fixed costs component of bills paid during that fiscal year shall be computed on the basis of:
 - The fixed costs which are provided in the Annual Estimate in effect during the fiscal year then ended
 - The actual amount of quality water delivered to each of the Member Governments during the fiscal year then ended
- (F) Carry Forward: Any unencumbered monies of Tampa Bay Water present at the end of the fiscal year shall be budgeted by Tampa Bay Water for the succeeding fiscal year and shall be utilized for the same purposes for which rates are charged by Tampa Bay Water.

**Tampa Bay Water – 2024 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	=	$\frac{\text{Total Fixed Costs}}{12}$	X	$\frac{\text{Amount of Quality Water consumed byMember Government during the priorFiscal Year (A)}}{\text{Total Amount of Quality Waterconsumed by all Member Governmentsduring the prior Fiscal Year (B)}}$
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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.

**Tampa Bay Water – 2024 Annual Budget
Summary of Contracts and Resolutions**

Variable Costs

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

Monthly Variable Costs Billed to the Member Government	=	Amount of Monthly Quality Water Consumed Prior Month	X	Uniform Rate	X	Total Variable Costs (C) [total variable costs included in the approved annual budget for the current fiscal year] Total Annual Estimate (D) [the net annual revenue required for the current fiscal year]
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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 Water Supply Contract to perform an annual true-up of Variable Costs at the end of the fiscal year. Tampa Bay Water recognizes that the actual annual revenues (Variable Costs element only) may be different from the budgeted Variable Costs, if the actual amount of Quality Water delivered to the Member Governments for the given fiscal year is different from the projected amount of Quality Water used for the rate calculation for such fiscal year. Any overage or shortage in actual revenues as a result of this contractual provision is not expected to be material since the Variable Costs are expected to change in direct proportion to changes in the volume of Quality Water delivered to the Member Governments.

Surface Water Source(s)

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

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

Master Bond Resolution 98-07TBW

Section 1.01 Definitions

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

Section 1.04. Findings

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

Section 4.04. Creation of Funds and Accounts

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

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

Section 4.06 Capital Improvement Fund

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

- (A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment date) into the Interest account, the Principal Account and the Term Bonds Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Utility Reserve Fund, the Reserve Account, the Renewal and Replacement Fund and the Rate Stabilization Account for such purpose pursuant to Section 4.05(B)(7), 4.05(B)(4), 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 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 2024

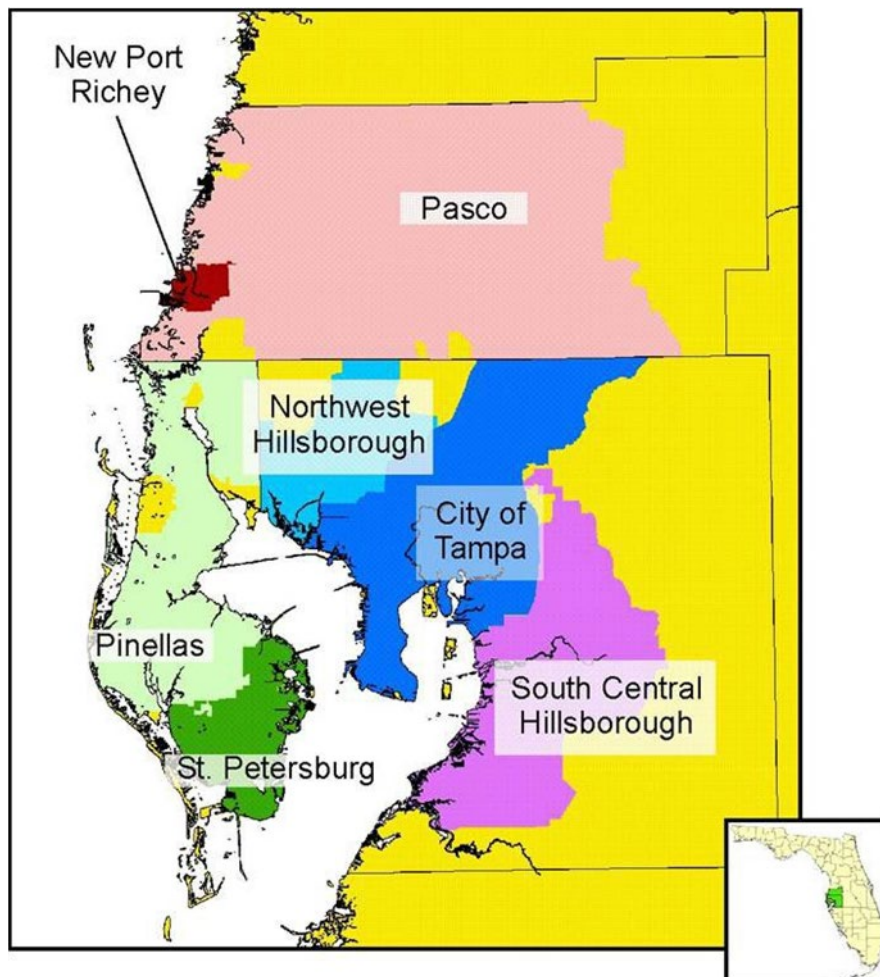
The Appendix includes a schedule of key dates for the budget process for fiscal year 2024. It also provides demographic and statistical information for Tampa Bay Water's service area, and information to assist the Member Governments in the planning of their annual budgets.

Tampa Bay Water Service Area Demographics and Statistical Information

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

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

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

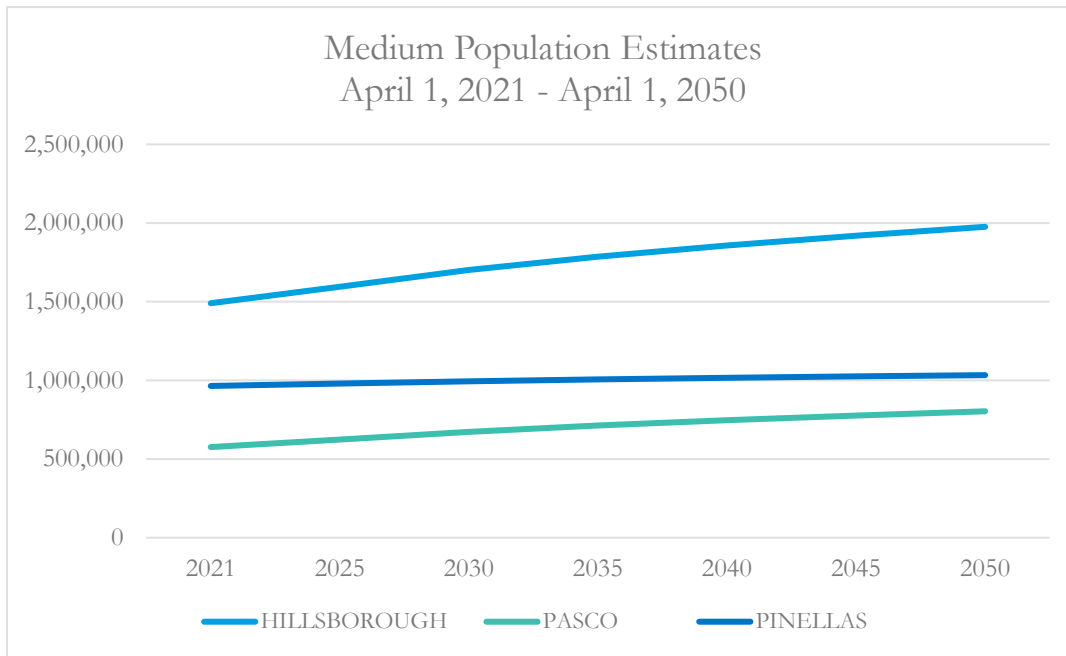


¹ Northwest Hillsborough and South-Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

Tampa Bay Water – 2024 Annual Budget Appendix

Population

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



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.

Tampa Bay Water – 2024 Annual Budget
Appendix

Households

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

	Census, April 1, 2010		Census, April 1, 2020		Estimates, April 1, 2022	
	Households	Average Household Size	Households	Average Household Size	Households	Average Household Size
FLORIDA	7,420,802	2.48	8,529,067	2.47	8,838,661	2.47
Hillsborough	474,030	2.55	559,949	2.55	583,914	2.55
Pasco	189,612	2.42	225,214	2.46	237,388	2.46
Pinellas	415,876	2.16	442,789	2.12	449,708	2.12

Numerical Change

	Households		Average Household Size	
	2010–20	2020–22	2010–20	2020–22
FLORIDA	1,108,265	309,594	-0.01	0.00
Hillsborough	85,919	23,965	0.00	0.00
Pasco	35,602	12,174	0.04	0.00
Pinellas	26,913	6,919	-0.04	0.00

Percentage Change

	Households		Average Household Size	
	2010–20	2020–22	2010–20	2020–22
FLORIDA	14.9	3.6	-0.4	0.0
Hillsborough	18.1	4.3	0.0	0.0
Pasco	18.8	5.4	1.7	0.0
Pinellas	6.5	1.6	-1.9	0.0

Source: B.E.B.R.

Tampa Bay Water – 2024 Annual Budget Appendix

Climate Data

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

Weather Stations Used in Modeling

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

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

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

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

Tampa Bay Water – 2024 Annual Budget
Appendix

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

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

	Mean Maximum Daily Temperature						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	70.919	70.346	70	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 County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	7.542	7.877	6.869	6.627	6.59	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

Tampa Bay Water – 2024 Annual Budget
Appendix

	Mean Number of 1-inch Rainy Days						
	Pasco County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	0.847	0.768	0.652	0.626	0.615	0.646	0.547
Feb	0.737	0.616	0.636	0.642	0.636	0.623	0.644
Mar	1.156	1.247	0.98	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 County	City of New Port Richey	NW Hillsborough County	SC Hillsborough County	City of Tampa	Pinellas County	City of St. Petersburg
Jan	3.145	3.011	2.687	2.644	2.585	2.713	2.58
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

**Tampa Bay Water – 2024 Annual Budget
Appendix**

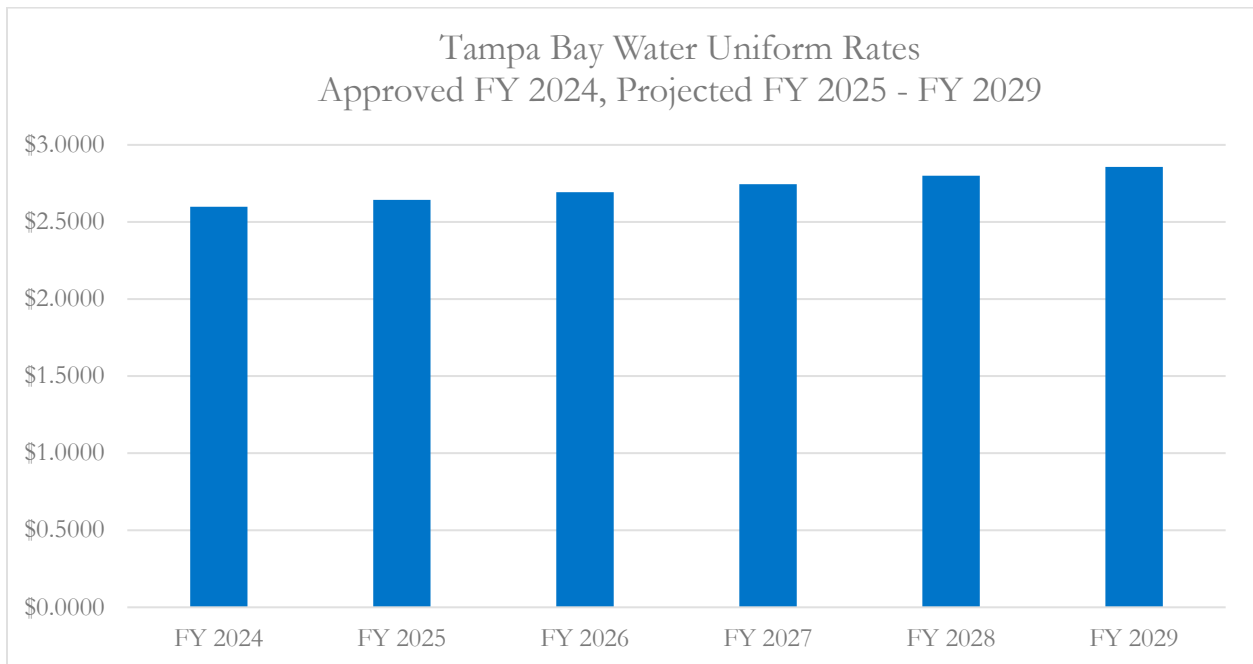
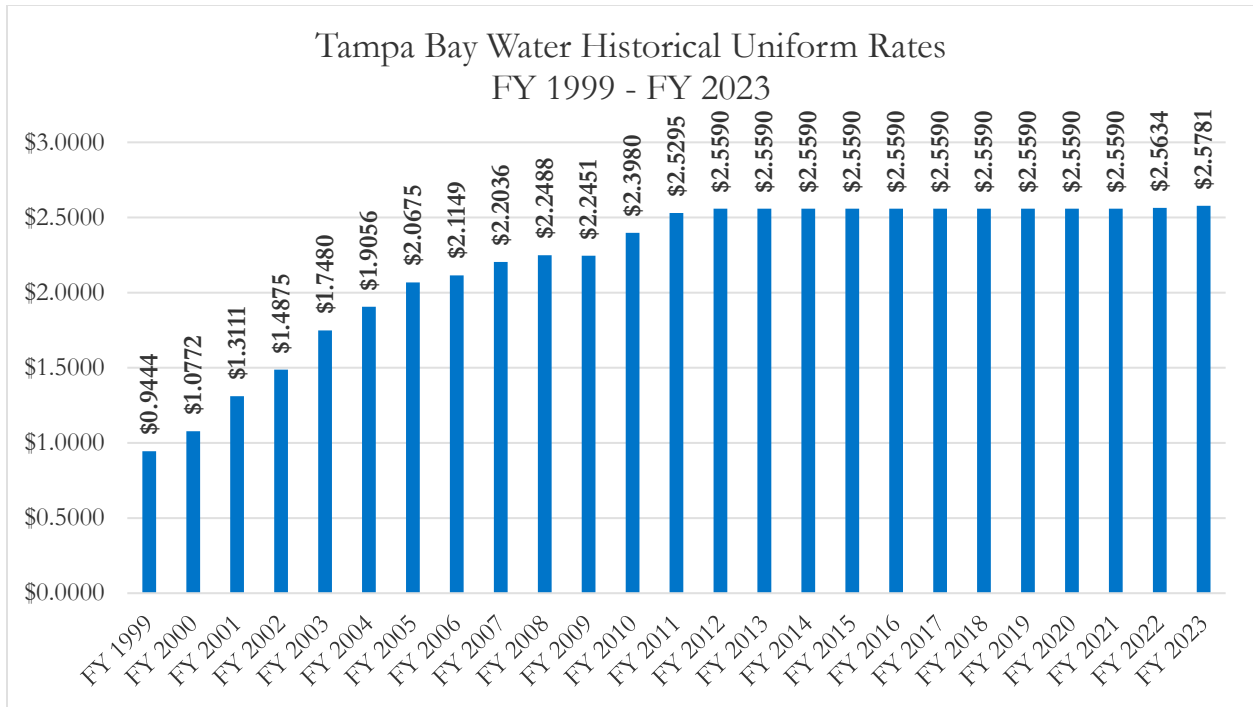
POTENTIAL TRUE UP FOR FY 2023 AS OF 3/31/2023

Monthly Demand

MONTH-YEAR	ST PETE	PINELLAS	TAMPA (Morris Br)	HILLSBOROUGH	PASCO	NEW PORT RICHEY	TOTALS		
Oct-22	902.87	1,544.74	-	2,400.76	1,094.16	94.95	6,037.48		
Nov-22	850.07	1,426.62	-	2,209.37	960.43	89.27	5,535.76		
Dec-22	852.09	1,462.01	-	2,251.24	948.48	89.15	5,602.97		
Jan-23	837.54	1,470.40	-	2,197.00	965.13	89.51	5,559.58		
Feb-23	777.23	1,403.05	-	2,172.42	931.58	84.32	5,368.60		
Mar-23	899.88	1,680.82	-	2,659.75	1,161.18	97.98	6,499.61		
Apr-23							-		
May-23							-		
Jun-23							-		
Jul-23							-		
Aug-23							-		
Sep-23							-		
FY 22 FYE	10,104.32	18,031.00	374.87	26,915.19	12,243.49	1,072.50	68,741.37	188.33	MGD
FY 23 YTD	5,119.68	8,987.64	-	13,890.54	6,060.96	545.18	34,604.00	190.13	MGD
+ / -	(4,984.64)	(9,043.36)	(374.87)	(13,024.65)	(6,182.53)	(527.32)	(34,137.37)	1.80	MGD

FY23 YTD MGD	28.13	49.38	-	76.32	33.30	3.00	190.13
% of YTD	14.80%	25.97%	0.00%	40.14%	17.52%	1.58%	100.00%
FY 22 MGD	27.68	49.40	1.03	73.74	33.54	2.94	188.33
% of FY 22	14.70%	26.23%	0.55%	39.15%	17.81%	1.56%	100.00%
Fixed billed FY23	\$ 22,639,988.82	\$ 40,400,703.69	\$ 839,942.98	\$ 60,306,839.11	\$ 27,433,065.92	\$ 2,403,069.97	\$ 154,023,610.49
Actual fixed based on % of ytd	\$ 22,787,874.18	\$ 40,004,299.00	\$ -	\$ 61,827,277.84	\$ 26,977,544.28	\$ 2,426,615.19	\$ 154,023,610.49
Potential True-up	\$ 147,885.36	\$ (396,404.69)	\$ (839,942.98)	\$ 1,520,438.73	\$ (455,521.64)	23,545.22	0.00

**Tampa Bay Water – 2024 Annual Budget
Appendix**



Glossary

Fiscal Year 2024

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.

**Tampa Bay Water – 2024 Annual Budget
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 2024 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.

“Balanced Budget” means the projected revenue covers the projected operating costs and other financial requirements for the ensuring fiscal year.

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

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

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

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“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.

“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 30th of the immediately preceding Fiscal Year. Moneys shall be considered unencumbered to the extent such moneys may be used for purposes relating to the System.

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

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

“Net Assets” means the value of Tampa Bay Water’s assets minus liabilities.

“Net Revenues” means Gross Revenues less Operating Expenses.

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

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

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

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“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.

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

“Quality Water” means Water which (1) meets State and federal drinking water regulations and standards as defined in Rule 62-550, Florida Administrative Code, as it may be amended or superseded from time to time, including regulations pertaining to surface water or groundwater under the direct influence of surface waters, but excluding regulations pertaining to disinfection and corrosivity, and

(2) would not cause a particular Member Government utility to adopt new treatment techniques beyond modified chemical dosages and/or optimization of existing unit processes to meet a moderately altered source of Water. Except as otherwise provided in the Master Water Supply Agreement, the provisions of this definition are not intended as permission for a Member Government to reject the type of Quality Water to be provided by Tampa Bay Water to such Member Government; provided, however, Tampa Bay Water shall pay for any additional treatment costs required to meet the standards for Quality Water as described in the Master Water Supply Agreement.

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

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

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

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

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

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

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

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

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

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

Acronyms

ACFR – Annual Comprehensive Financial Report

BEBR – Bureau of Economic and Business Research

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

CAD – Computer-aided Design

CARR – Comprehensive Annual Reservoir Report

CIF – Capital Improvement Fund

CIP – Capital Improvement Program

CMMS – Computerized Maintenance Management System

COLA – Cost of Living Adjustment

CPAR – Correction/Prevention Action Report

CWUP – Consolidated Water Use Permit

DBP – Disinfection By-Product

DE – Diatomaceous Earth

ERP – Environmentally Resource Permit

FAQ – Frequently Asked Questions

FASB – Financial Accounting Standards Board

FDEP – Florida Department of Environmental Protection

FGIC – Financial Guaranty Insurance Company

FTE – Full Time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board (GASB)

GFOA – Government Finance Officers Association

GIS – Geographic Information System

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H₂S – Hydrogen Sulfide

HSPS – High Service Pump Station

IRS – Internal Revenue Service

IT – Information Technology

IW – Injection Well

LTMWP – Long-term Master Water Plan

MCC – Motor Control Center

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

NPDES – National Pollutant Discharge Elimination System Permit

NWH – Northwest Hillsborough

O&M – Operations and Maintenance

OM&M – Operate, Manage & Maintain

OROP – Optimized Regional Operational Plan

POC – Point of Connection

PWS – Public Water Supply

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

SHARP – South Hillsborough Aquifer Recharge Project

SIPC – Securities Investor Protection Corporation

SOC – Service Organization Control

SWFWMD – Southwest Florida Water Management District

SWTP – Surface Water Treatment Plant

TBC – Tampa Bypass Canal

TECO – Tampa Electric Company

UCMR – Unregulated Contaminant Monitoring Rule

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UID – Unique Identifiers

USEPA – United States Environmental Protection Agency

USGS – United States Geological Survey

VFD – Variable Frequency Drive VOC – Volatile Organic Compounds

WREC – Withlacoochee River Electric Cooperative

WTP – Water Treatment Plant

WUP – Water Use Permit