

APPROVED OPERATING BUDGET

FISCAL YEAR 2020



Fiscal Year 2020 – Fiscal Year 2029
Projected Expenditures



Fiscal Year 2020 Projected CIP Expenditures
\$19,679,348

Tampa Bay Water – 2020 Annual Budget
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Tampa Bay Water's Board of Directors
June 2019

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.



Chairman
Commissioner
[Sandra L. Murman](#)
[Hillsborough County](#)



Vice Chairman
Commissioner
[Dave Eggers](#)
[Pinellas County](#)



Mayor
[Rob Marlow](#)
[City of New Port Richey](#)



Council Member
[Charlie Miranda](#)
[City of Tampa](#)



Commissioner
[Ron Oakley](#)
[Pasco County](#)



Commissioner
[Kathleen Peters](#)
[Pinellas County](#)



Council Member
[Darden Rice](#)
[City of St. Petersburg](#)



Commissioner
[Mariella Smith](#)
[Hillsborough County](#)



Commissioner
[Kathryn Starkey](#)
[Pasco County](#)



Hillsborough
County Florida



Tampa Bay Water Executives
June 2019

Matt Jordan, General Manager

Barrie S. Buenaventura, General Counsel, *Conn & Buenaventura, P.A.*

Charles Carden, Chief Operating Officer

Ken Herd – Chief Science and Technical Officer

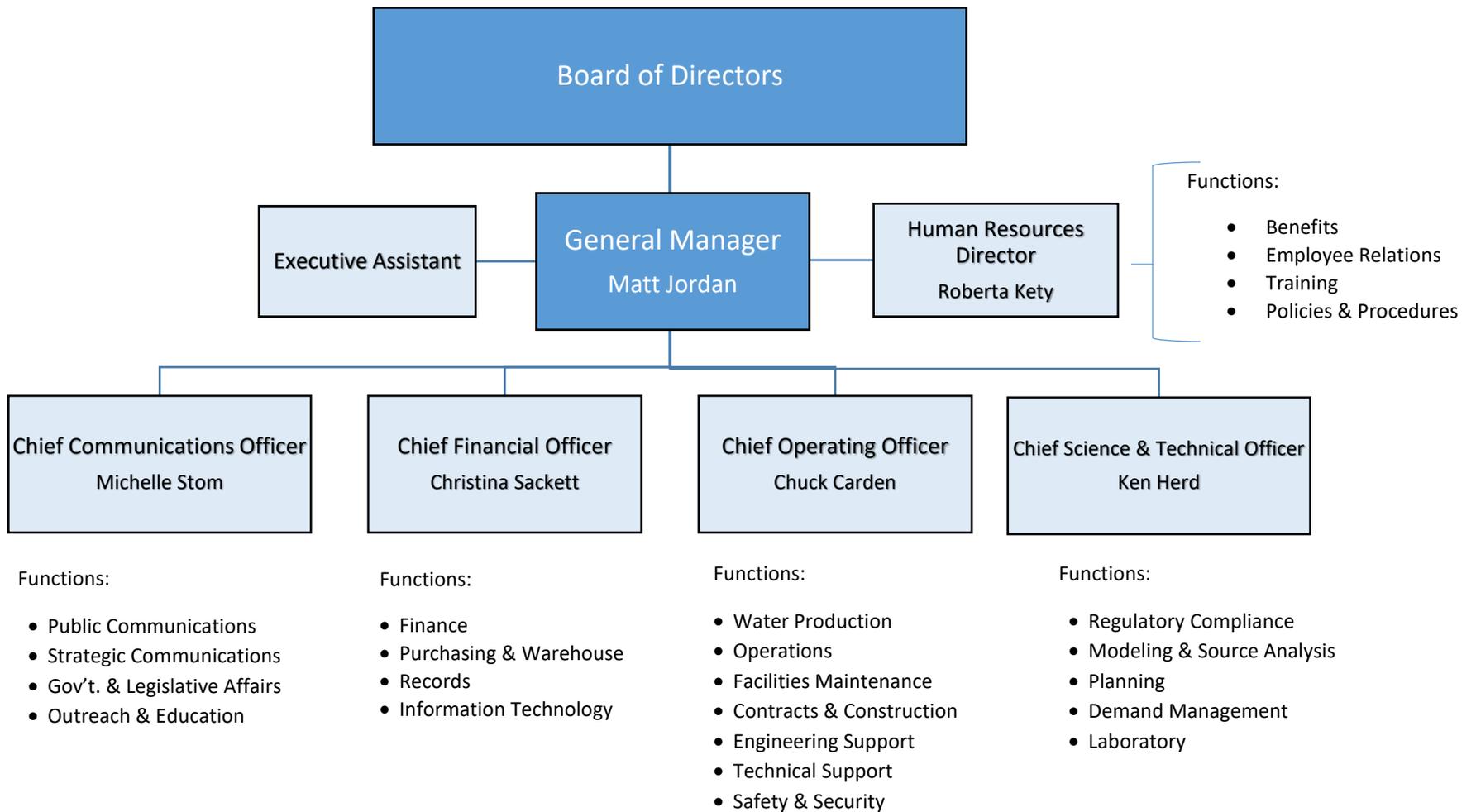
Christina Sackett, Chief Financial Officer

Michelle Stom, Chief Communications Officer

Tampa Bay Water – 2020 Budget Organizational Chart

FY 2019 = 150 FTE

FY 2020 = 150 FTE + 5 FTE Approved



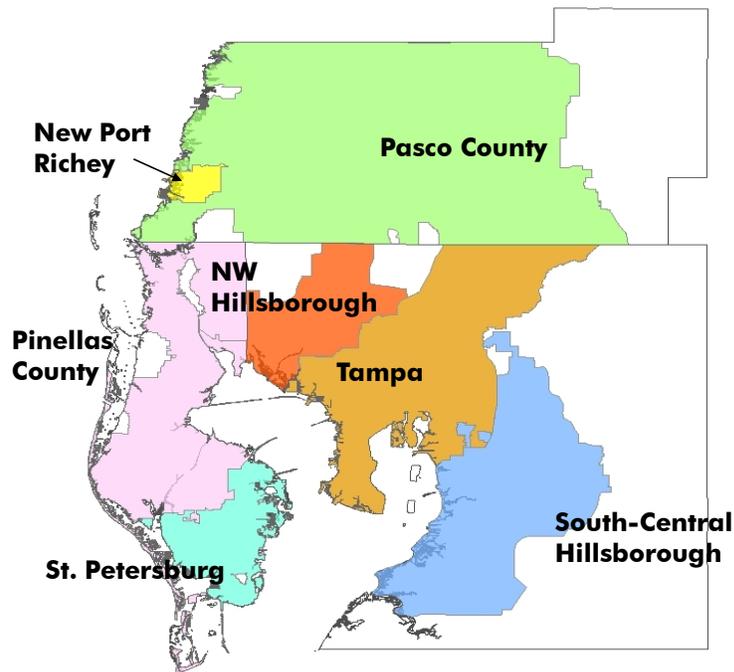
Tampa Bay Water – 2020 Annual Budget Agency Profile

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

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

The Agency provides quality drinking water to its six-member governments whose water service areas serve the approximately 2.5 million residents in the Tampa Bay region.

Tampa Bay Water Service Areas



Tampa Bay Water – 2020 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 Management and Laboratory facilities at the Cypress Creek Wellfield in Land O' Lakes, Florida. The Agency's diverse water system includes the following facilities located in Pasco, Pinellas and Hillsborough Counties:

Groundwater:

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

Surface Water:

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

Desalinated Water:

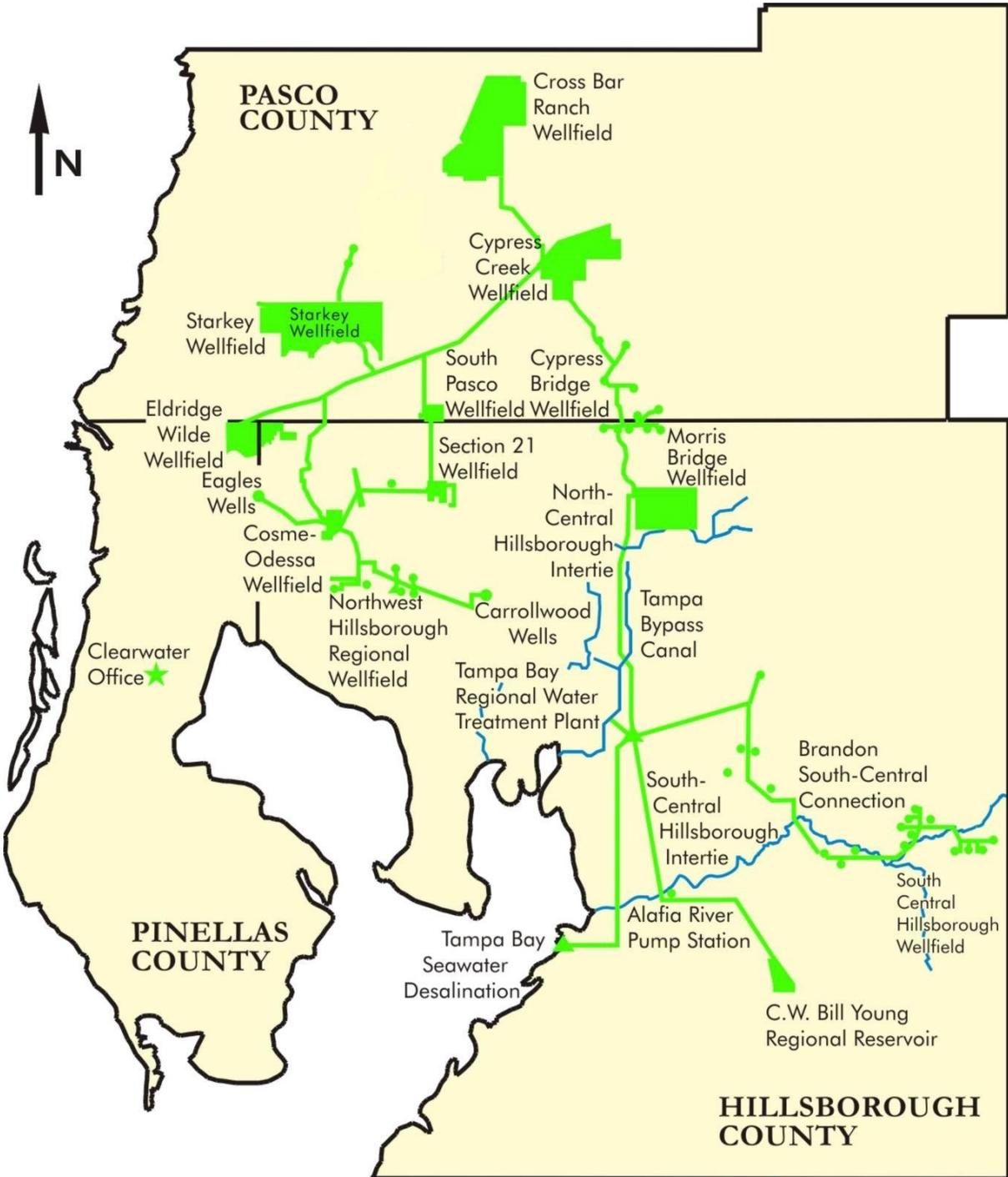
- Tampa Bay Water Seawater Desalination Facility

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

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

Tampa Bay Water – 2020 Annual Budget
Agency Profile

Tampa Bay Water Facility Locations





TAMPA BAY WATER STRATEGIC PLAN

UPDATED SPRING 2019

OVERVIEW

Tampa Bay Water is the wholesale water provider for the Tampa Bay region and serves six member governments: Hillsborough County, Pasco County, Pinellas County, and the cities of New Port Richey, St. Petersburg and Tampa. The members, in turn, serve more than 2.5 million people in the Tampa Bay region.

MISSION:

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

VISION:

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

VALUES:

- Our employees and their safety are the keys to agency success.
 - We strive for continuous improvement in everything we do.
 - We fulfill our mission in partnership with our stakeholders in a responsible, efficient and environmentally sustainable manner.
-

STRATEGIC PLAN

To achieve the mission and vision of the agency, a strategic plan has been created for use as a road map for the next five years. The Plan was last updated and approved by the Board of Directors at its February 2016 board meeting. The plan was created to meet the Board's overarching goals of balancing a reliable water supply, environmental sustainability, and cost to the ratepayers.

GOAL 1: MAINTAIN WATER SUPPLY AND DELIVERY SYSTEM RELIABILITY AND SUSTAINABILITY

Tampa Bay Water's obligation is to meet its member governments' water demands continuously. The reliability of the agency's water supply system is dependent upon the agency's ability to manage its risks while meeting its customers' demands.

KEY PERFORMANCE INDICATORS INCLUDE:

- Available capacity
- Meeting projected reservoir levels
- Compliance with Consolidated Water Use Permit
- Safe Drinking Water Act compliance
- Preventative maintenance time
- Energy consumption



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

Water supply reliability underlies Tampa Bay Water's efforts to meet demands now and into the future and sets expectations for how dependable the water supply is under varying hydrologic conditions.

STRATEGIES:

1. Update the agency Capital Improvement Program annually and implement
2. Renew the Consolidated Water Use Permit by 2021 to provide at least 90 million gallons per day
3. Achieve 90 percent accurate forecasting in weekly surface water availability versus actual availability
4. Maintain the 2014 Asset Management Implementation Plan

OBJECTIVE 1-2: Update Long-term Master Water Plan and obtain Board approval by December 2018

To assure the sustainability of Tampa Bay Water's regional water supply system, the agency needs to provide a framework for dependable source water usage in the future.

STRATEGIES:

1. Update the Water Use Efficiency Plan (Board resolution 2013-006)
2. Update member government water demand needs, water supply alternatives, and conservation measures to meet demands through 2040 planning horizon through coordination with member government representatives
3. Identify legal, regulatory and permitting issues and requirements that will have an impact on the development and implementation of the Agency's Long-term Master Water Plan
4. Continue implementation of Water Shortage Mitigation Plan

MAINTAIN WATER SUPPLY AND DELIVERY SYSTEM RELIABILITY AND SUSTAINABILITY

OBJECTIVE 1-3: Achieve 100 percent regulatory compliance

Tampa Bay Water's compliance with applicable legal requirements is essential to providing a reliable supply of drinking water to its members. Implementing the following strategies ensures the agency is operating in compliance with environmental laws and regulations.

STRATEGIES:

1. On-time submission of required applications, plans and reports
2. Run the Optimized Regional Operations Plan (OROP) weekly to establish source rotation schedule for operations
3. Implement environmental measurement and monitoring programs to meet permit requirements
4. Maintain water quality within regulatory-required limits

OBJECTIVE 1-4: Achieve compliance with water quality requirements at all points of connection

Providing clean, safe drinking water is a top priority for Tampa Bay Water and its members. The drinking water provided to member governments meets or is better than all local, state and federal drinking water regulations. The following strategies help to ensure Tampa Bay Water remains in compliance with all water quality requirements.

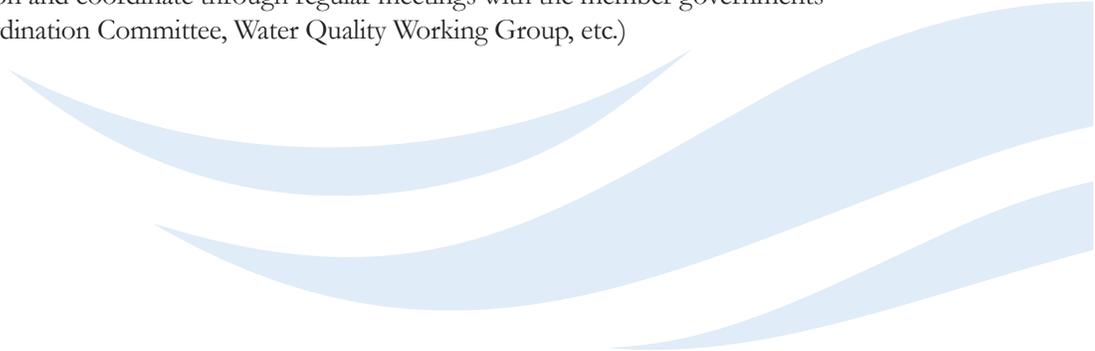
STRATEGIES:

1. Implement critical source water reliability and protection activities
2. Assess current and future source water quality issues that may limit operational flexibility
3. Complete a comprehensive source water assessment program and implementation plan
4. Assess the online water quality analyzer monitoring program
5. Maintain compliance with Exhibit D (local water quality standards)

OBJECTIVE 1-5: Meet member government daily water demands and water pressure requirements at the points of connection

Providing a reliable supply of drinking water every day is central to fulfilling Tampa Bay Water's mission. The agency will coordinate internally and externally to ensure its members' drinking water and supply systems needs are continuously met.

STRATEGIES:

1. Evaluate actual versus projected weekly demand forecasts at each point of connection
 2. Perform monthly updates for source allocation
 3. Achieve 95 percent accuracy in predicting annual water delivery versus actual water delivery for the member governments' water demand planning areas
 4. Gather information and coordinate through regular meetings with the member governments (Operations Coordination Committee, Water Quality Working Group, etc.)
- 

GOAL 2: INCREASE EFFICIENCY OF ALL AGENCY OPERATIONS

Since its creation in 1998, Tampa Bay Water has performed as a lean, efficient agency through outsourcing to experts when short-term, technical expertise is needed; engaging in public-private partnerships; establishing and maintaining processes to define standards; and measuring, improving and maintaining the efficiency of the agency’s water supply and delivery operations, as well as the agency’s engineering, scientific and administrative support functions. The agency strives to continually improve and become more efficient in operating and maintaining the supply system, and planning for the region’s future water needs.

KEY PERFORMANCE INDICATORS INCLUDE:

- Operating cost of water
- Optimized staff levels and training



OBJECTIVE 2-1: Review, track, and continually improve the level of service

The agency will identify and investigate the innovative practices of its peer utility agencies and other public agencies, including the six member governments, to incorporate successful, innovative practices into Tampa Bay Water’s operations and support functions and thereby improve the efficiency of agency operations.

STRATEGIES:

1. Create a process to submit, review and recommend stand-alone efficiency project/process ideas
2. Develop procedures and policies to identify reoccurring and repetitive failures through tools such as root cause analysis, failure modes and effects analysis, or statistical analysis
3. Establish a dashboard or report to regularly measure and evaluate various operating metrics throughout the agency; create an internal process to identify and implement agency operational improvements
4. Identify and report key performance indicators of agency success
5. Implement the 2014 Information Technology Strategic Plan
6. Perform Agency Performance and Management Audit in 2020
7. Establish, implement and maintain an Environmental Management System within the agency that conforms to the requirements set out in ISO 14001
8. Ensure integration of new and updated computer systems with records management program

INCREASE EFFICIENCY OF ALL AGENCY OPERATIONS

OBJECTIVE 2-2: Strengthen internal workforce analysis, planning, and employee development

The agency will ensure the continuation of its collective efforts in process improvement through the development of an employee succession plan; implementation of a comprehensive program to capture and transfer technical knowledge, including improved practices; and, by providing prioritized training based on the succession plan.

STRATEGIES:

1. Review and revise essential job skills, functions, and experience needed to perform job assignments in coordination with agency staffing or pay and class studies
2. Develop succession plans for key agency positions
3. Maintain a competitive benefit & compensation package to ensure successful recruitment and retention of qualified employees
4. Finalize centralized retention of training records
5. Develop an umbrella training framework for the agency; audit and make changes periodically

GOAL 3

GOAL 3: MAINTAIN FINANCIAL STABILITY AND SUSTAINABILITY

The agency steadily increased water rates to purchase our members' water supply facilities and incorporate them with more than \$1 billion in new infrastructure to develop a regional water supply system with diverse water sources. The use of a rate stabilization fund allowed the agency to counterbalance large rate increases and minimize the year-to-year impact of increasing rates on water ratepayers. As we move into the future, the agency will uphold and preserve the agency's financial stability for the member governments.

KEY PERFORMANCE INDICATORS INCLUDE:

- Bond rating
- Appropriate reserve funds
- Operating within budgets as forecasted



OBJECTIVE 3-1: Preserve budget predictability annually

The agency considers its overarching responsibilities; reliable water supply, environmental stewardship, cost-effective rates, when preparing the balanced budget. Source scenarios are established for maximizing and managing use of the agency's water sources. It will appropriately utilize its rate stabilization account fund to moderate any needed rate increases year to year and maintain a strong cash balance to manage any unexpected changes in expenditures.

STRATEGIES:

1. Utilize the computer maintenance management system to forecast operating and maintenance costs
2. Continue utilization of various demand forecasting tools
3. Develop source water allocation model that accounts for both demand and supply uncertainty and cost of water production
4. Annually review the Capital Improvement Program for resource allocation and performance evaluation to improve efficiency
5. Annually review the chemical and electrical model for accuracy of data
6. Annually provide detailed rate information, performance indicators of historical, projected and targeted budget, rate goals, and performance measures to enhance transparency

MAINTAIN FINANCIAL STABILITY AND SUSTAINABILITY

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

The agency will continue to explore new and innovative ways to save costs such as improving and maintaining the energy efficiency of our facilities and partnering with our member governments to purchase chemicals and supplies.

STRATEGIES:

1. Annually review and evaluate out-sourced services for potential cost savings
2. Utilize the financial software system and the computerized maintenance management system to optimize inventory levels and processes
3. Annually identify, implement and track potential operational tactics for optimizing variable costs
4. Continue participation in efficiency rebate and incentive programs with the electrical providers
5. Annually review federal and state appropriations and grant funding opportunities
6. Utilize the computerized maintenance management system to minimize unplanned costs and maximize asset life
7. Quarterly analyze market conditions to identify investment opportunities to increase revenue.
8. Annually identify potential procurement saving opportunities

OBJECTIVE 3-3: Pursue highest bond rating available

Tampa Bay Water issues Utility System Revenue Bonds to build and maintain the pipelines, pump stations and water treatment plants that make up the regional water supply system. Achieving the highest bond rating available will allow Tampa Bay Water to issue bonds at lower interest rates, saving the agency millions over the life of the bonds.

STRATEGIES:

1. Uphold current bond rating
2. Annually review “Big Three” credit rating agencies’ rating methodologies
3. Prepare and present financial statements in conformity with U.S. generally accepted accounting principles
4. Employ comprehensive and manageable 10-year Capital Improvement Plan

GOAL 4

GOAL 4: MAINTAIN OPEN, COLLABORATIVE RELATIONSHIPS WITH MEMBER GOVERNMENTS AND OTHER STAKEHOLDERS

Partnership and collaboration with stakeholders have been fundamental to the success of Tampa Bay Water. Since 1998, the agency has maintained an active outreach program with stakeholders that include the members of the board of directors, member government staff, regulatory agencies, and the public. The agency plans to develop relationships with new stakeholders and improve and maintain our collaborative relationships with current stakeholders. This goal will be accomplished through existing outreach programs, as well as new programs that might include customer service survey research, online communications and public education programs.

KEY PERFORMANCE INDICATORS INCLUDE:

- External stakeholder outreach
- Internal stakeholder outreach
- Public opinion



OBJECTIVE 4-1: Communicate projects and initiatives, successes, water policy, and regional supply and demand

Tampa Bay Water continues to take a visible communications role as it investigates potential new water supply projects through the Long-term Master Water Plan. Tampa Bay Water has a long track record of proactive public outreach to ensure transparency and ensure community values are incorporated into proposed projects. Additionally, Tampa Bay Water is a government agency with numerous responsibilities that affect various stakeholders, including permits, water quality, environmental sustainability and source water protection.

STRATEGIES:

1. Implement regional water quality campaign
2. Perform public opinion survey and report results to the board of directors at least every three years
3. Annually inventory projects/programs that have communications/marketing elements and develop communications strategies
4. Implement comprehensive long-term planning outreach program and report results to the board
5. Create a tool to track staff involvement with professional speaking engagements, published articles, and involvement in professional organizations and research projects

MAINTAIN OPEN, COLLABORATIVE RELATIONSHIPS WITH MEMBER GOVERNMENTS AND OTHER STAKEHOLDERS

OBJECTIVE 4-2: Implement and update employee relations and communications plan

To accomplish the goals and objectives set out in the strategic plan, there must be a common understanding of the agency mission, goals and objectives among employees. Employees must also understand their roles and responsibilities in accomplishing the mission, goals and objectives.

STRATEGIES:

1. Perform an employee satisfaction survey to establish a baseline for measuring employee satisfaction biennially
2. Implement agency employee communications plan and report results to the executive team annually
3. Create employee ambassador program for social media and outreach
4. Annually update and implement employee recognition program

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

Tampa Bay Water will continue to work with our six member governments to understand the issues they face at a local level and discuss ways of collaborating while maintaining our obligation to deliver regional water. This program also establishes grant planning efforts at state, regional and federal levels.

STRATEGIES:

1. Identify and pursue federal and state appropriations and grant opportunities annually to fund projects
2. Develop priorities for member government coordination and implementation plan
3. Develop outreach priorities for state agencies, other governmental entities and the implementation plan
4. Assess national and state professional organizations and other utilities' legislative, regulatory, and policy initiatives and determine level of participation



GOAL 5: ENSURE THE SAFETY AND SECURITY OF AGENCY EMPLOYEES AND FACILITIES

The agency works continually to protect our employees and the public water supply system, facilities and infrastructure from today's dynamic threats and risks. We do this by employing a programmatic approach to assessing, measuring, analyzing and continually improving physical security, cyber security, health and safety initiatives and emergency response plans.

KEY PERFORMANCE INDICATORS INCLUDE:

- Number of incidents
- Number of near misses
- Security breaches
- Completed training



OBJECTIVE 5-1: Maintain and continually improve the safety service

Tampa Bay Water promotes a culture of health and safety through collaboration and engagement of all agency employees. The agency's Safety Services department reviews safety programs, analyzes results, and provides resources for employees to improve health, safety and security.

STRATEGIES:

1. Obtain a central learning management system for safety and security-related training; report annually to executive team
2. Conduct annual audit of the Safety Service plans and exercise activities and report annually to executive team
3. Develop agency department-specific safety plans
4. Complete job safety analysis for individual work functions that reflect tasks in job descriptions

OBJECTIVE 5-2: Maintain emergency preparedness through planning and employee training

The agency is prepared to address both internal and external emergency response using its Water Emergency Incident Command System Plan. The function and effectiveness the Plan is tested via exercise activities.

STRATEGIES:

1. Conduct agency emergency preparedness activities using the Homeland Security Exercise Evaluation Program
2. Develop Water Emergency Incident Command System and staff training improvements based upon Homeland Security Exercise Evaluation Program (HSEEP) data

ENSURE THE SAFETY AND SECURITY OF AGENCY EMPLOYEES AND FACILITIES

OBJECTIVE 5-3: Ensure agency cyber and physical security to ensure operational resilience

Tampa Bay Water has a responsibility to the community and staff to continually evaluate and improve the agency's safety and security plans. As physical and cyber security of water utilities are becoming increasingly intertwined, it is important that they are considered of similar value and are continually evaluated and upgraded to ensure operational resilience.

STRATEGIES:

1. Implement an expanded, on-going threat assessment process to include cyber threats
2. Annual employee training to understand risks and shared responsibility to protect agency cyber network
3. Maintain vulnerability assessment and associated plan
4. Continue coordinating with local emergency response teams and to develop response plans
5. Improve the reporting and investigations process
6. Update and maintain the continuity of operations plan



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Tampa Bay Water
Florida**

For the Fiscal Year Beginning

October 1, 2018

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Tampa Bay Water, Florida for its 2019 annual operating budget. In order to receive this award, a government unit must publish a budget document that meets criteria as a policy document, an organizational guide, a financial plan, and a communication device.

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

General Manager's Budget Message

Fiscal Year 2020

The General Manager's Budget Message provides a summary of Tampa Bay Water's financial plan by highlighting major issues to be addressed in fiscal year 2020.



Board of Directors

Sandra Murman
Dave Eggers
Rob Marlowe
Charlie Miranda
Ron Oakley
Kathleen Peters
Darden Rice
Mariella Smith
Kathryn Starkey

General Manager

Matthew W. Jordan

General Counsel

Barrie S. Buenaventura
Conn & Buenaventura, P.A.

June 18, 2019

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

Commissioner Murman and Members of the Board:

I am pleased to present the approved Tampa Bay Water annual budget for Fiscal Year 2020 in accordance with Section 2.08 of the Amended and Restated Interlocal Agreement. This budget balances the board's three overarching goals of maintaining a reliable water supply system, being good stewards of the environment, and maintaining cost-effective rates. Additionally, this budget was put together with an eye toward meeting the goals in the Agency's Strategic Plan, which include:

- Maintain water supply and delivery system reliability and sustainability
- Increase efficiency of all Agency operations
- Maintain financial stability and sustainability
- Maintain open, collaborative relationships with member governments and other stakeholders
- Ensure the safety and security of Agency employees and facilities

For Fiscal Year 2020, the Agency anticipates total water sales of 180.8 million gallons per day (mgd) and a uniform rate of \$2.559 per 1,000 gallons, **marking the ninth consecutive year the agency has charged this uniform water rate to its customers.** The Agency accomplishes holding the line on rates once again, due, in part, to the efficient and effective operation of its system.

Since forming in 1998, Tampa Bay Water has successfully achieved all 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.

Policy Goals Used in Fiscal Year 2020 Budget Development

The Fiscal Year 2020 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 recently updated strategic plan.
- Focusing on continually improving the efficiency and effectiveness of the agency's operations through ongoing implementation of the asset management program.
- Addressing key recommendations from the 2010 and 2015 Performance and Management Audit Reports and allocating our staff and financial resources to meet the boards' objectives for a sustainable and affordable water supply system.
- Continuing to balance and blend our multiple supplies of water sources to deliver high-quality, affordable water to our member governments.
- Examining the agency's use of outside consultants and evaluating staffing needs across the agency to ensure both human and fiscal resources are being efficiently allocated.
- Performing feasibility studies on future water supply projects and completing the future needs analysis to support the update of the Long-Term Master Water Plan.
- Refining the models used to accurately predict the need for new water supplies in the future.
- Safeguarding the public's investment in the region's water supply and delivery system to ensure that both the water quality and water quantity meet the needs of the 2.5 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 procedures and emergency preparedness plans for the staffing and operations of our water production facilities in disaster events.
 - Renewing and replacing existing infrastructure to ensure the optimal operation of our facilities over time.
 - Continuing to award community, environmental and educational organizations for projects that promote the protection of our drinking water sources through the Source Water Protection Mini-Grant Program.
- Continuing to develop and implement an employee training and knowledge retention program to address the succession planning required over the next several years as long-term employees leave the agency.
- Expanding the agency's outreach and education program to underscore the importance of a reliable, sustainable water supply for economic and regional growth and development.
- Working with our member governments on the coordination and sharing of utility best management practices.
- Working with our colleagues around the country on continuing research into changes in weather patterns and the impact of climate change upon the surface water systems serving our area.

- Maintaining a strong relationship with the Southwest Florida Water Management District, the Florida Department of Environmental Protection, and other regulatory agencies to ensure open and honest communication on regulatory, planning and financial matters.

Key Factors Affecting the Fiscal Year 2020 Budget

Increase in Annual Water Sales

The agency is projecting a 2.3 million gallon per day increase in water sales to our member governments over the 2019 budgeted water sales of 178.5 mgd. This is partly due to an upturn in growth in a few of our member governments' service areas, particularly in the South-Central Hillsborough service area. Despite our member governments losing some wholesale water customers, the agency expects a steady trend in growth of water sales for future years and budgets. In addition, we are predicting normal weather conditions for fiscal year 2020.

Net Revenue Required from Water Sales

Another important factor in calculating the agency's water rate is net revenue required from water sales. The net revenue required must cover 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.

Reduction in Annual Debt Costs Due to Bond Refunding

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

Ninth Consecutive Year at the Same Uniform Rate

Additionally, management focused on providing another year at the same Uniform Rate for Tampa Bay Water's customers. The proposed rate of \$2.559 per 1,000 gallons is the ninth consecutive year at this rate and is one percent less than the rate projected for Fiscal Year 2020 in the Fiscal Year 2019 budget.

Water Demand Used in the 2020 Budget

The projected water sales to the six-member governments is 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 each December. These demand projections are also compared with each member government's annual report.

The 2020 budget was developed to reflect demand with average annual rainfall. The City of Tampa, Pasco County and New Port Richey supply water through their own facilities to meet a portion of their total water needs. The total regional water demand is reduced by the amount of water these members supply to themselves, resulting in the aggregate expected water demand for budget and planning purposes. The projected annual delivery to the member governments is significantly affected by the amount of water purchased by the City of Tampa, an uncertainty that is directly related to the amount of rainfall that may be experienced. For budgeting purposes, the City of Tampa's demand is budgeted at 6 million gallons per day (mgd) for Fiscal Year 2020, which reflects the average amount of water the City of Tampa has purchased during the years when they have needed to purchase water from the Agency. This 6 mgd is added back to the total amount of water expected for delivery to the member governments. This final value forms the basis of the budgeted uniform rate for Fiscal Year 2020. The projected water delivery to the member governments for Fiscal Year 2020 is 180.8 mgd. This compares to 178.5 mgd for Fiscal Year 2019. The increase in the projected demand is due to socio-economic projections which indicate that growth in the region is positive.

The Agency's budget is developed each year with a focus on the expected rainfall for the year. Scenarios for operating the system maximize the use of available river water and managing groundwater resources to achieve environmental recovery around our wellfields and meet permit requirements. Source selection for 2020 includes use of the desalination facility at an annual average rate of 9 mgd. This will also assist in meeting environmental recovery.

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 the long term. This allows 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 2020

The amount of funding required to meet the Agency's proposed Fiscal Year 2020 total expenditures is \$184,036,207. The total expenditures are comprised of \$6,956,644 million for funding reserves and pay as you go funds, plus 50% of the City of Tampa's feasibility study for the Tampa Augmentation Project (TAP) up to \$1,600,000 and \$175,479,563 to cover variable costs and the remaining fixed costs components, such as debt, renewal and replacement projects, operations and operations and maintenance agreements. This is a \$6.2 million net increase over the approved Fiscal Year 2019 budget. The cost of the additional water treatment chemicals needed to meet the increased demand is \$1.8 million of this increase. Professional services are increasing by \$1.3 million, mainly due to feasibility activities related to the Master Water Plan, which are anticipated to receive co-funding through SWFWMD. In addition, expenditures increase for scheduled renewal and replacement projects by \$1.5 million, plus an increase of \$1.7 million in pay as you go funding, in an effort to minimize future debt issuance. These increases are offset largely by a decrease in water for resale of

\$1 million, resulting from the Tampa-Hillsborough Interconnect being off-line and therefore no surplus water available. Plus, non-routine capital expenditures decrease by \$600 thousand.

Some of the key features of the Fiscal Year 2020 budget include:

- Operation of the Tampa Bay Seawater Desalination Plant at an annual average of 9 mgd. For fiscal year 2020, the agency will be running the plant for 9 months to achieve the annual average. This is a shift in the way the plant has been operated to increase efficiency and decrease maintenance costs at the plant.
- Full use of the C.W. Bill Young Regional Reservoir, the region's water saving account.
- An annual average production of 62.3 mgd at the Regional Surface Water Treatment Plant, using flows from the Hillsborough and Alafia rivers and the Tampa Bypass Canal, as well as water stored in the regional reservoir. The Plant production is managed to maximize the seasonally available higher river flows during wet-weather months. Like production at the desalination facility, Surface Water Treatment Plant production may be increased proportionately when river flows are available, to maintain the agency's groundwater pumping permitted levels.
- Use of 82.5 mgd on an annual average basis from the consolidated permit wellfields, which is 7.5 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. An additional 27 mgd will come from other groundwater sources that are not under the consolidated water permit.

The budget sub-total of \$175.5 million, totaling 95.4%, includes variable operating costs of \$26.7 million and fixed operating costs of \$148.8 million, 14.5% and 80.9% of the Agency's budget respectively. The \$148.8 million includes \$70.1 million for debt service, \$10.3 million for acquisition and water quality credits to the Members, \$6.6 million for renewal and replacement projects, and \$61.8 million in fixed operating costs, inclusive of \$14.5 million in professional services for the operations and maintenance agreements associated with the contracted water plant operations. The remaining 4.6% of the Agency's budget, totaling \$8.5 million, is for funding reserves, member contributions and pay as you go funds, such as the Capital Improvement Fund and the Renewal & Replacement Fund.

The Fiscal Year 2020 budget includes the following \$14.7 million in other funding sources that reduces the amount needed in net revenue from water sales.

- \$4.1 million in unencumbered funds from 2019 to be carried over to Fiscal Year 2020.
- \$1.9 million in Investment Revenue.
- \$6.7 million transfer in from the Renewal and Replacement fund to cover project expenditures scheduled in Fiscal Year 2020.
- \$392 thousand of revenue from surplus water sales at Tampa By Pass Canal.
- \$1.6 million transfer in from Rate Stabilization Account to cover 50% of the City of Tampa's cost of the TAP feasibility study, as recommended and approved by the Board at the April 17, 2019 Board meeting. Tampa Bay Water's cost cannot exceed \$1.6 million.

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 proposed Fiscal Year 2020 budget is \$169,332,978, resulting in a uniform rate of \$2.5590 per 1,000 gallons for the ninth consecutive year.

Analysis of Costs in the FY 2020 Budget

Enterprise Funds	Approved 2019	Proposed 2020	Variance +/-	Effect on Rate
Sources of Funds				
Water Sales	\$ 166,722,403	\$ 169,332,978	\$ 2,610,575	0.0363
Additional Credits/ Surcharges (Board Approved)	42,000	42,000	-	-
TBC - Sale of Water	-	392,000	392,000	0.0055
Investment Revenue	1,262,480	1,893,889	631,409	0.0088
Subtotal	\$ 168,026,883	\$ 171,660,867	\$ 3,633,984	0.0505
Transfers In from Rate Stabilization Account	1,153,898	1,600,000	446,102	0.0062
Est. Unencumbered Funds from Prior Year	3,618,988	4,168,060	549,072	0.0076
Transfer In from Renewal & Replacement	5,078,843	6,607,280	1,528,437	0.0213
Total Sources	\$ 177,878,612	\$ 184,036,207	\$ 6,157,595	0.0856
Uses of Funds				
Personnel Services	\$ 19,080,537	\$ 19,264,485	\$ 183,948	0.0026
Materials & Supplies	2,404,871	2,490,060	85,189	0.0012
Professional Services	28,679,403	29,990,768	1,311,365	0.0182
Repairs & Other Services	6,118,841	5,806,396	(312,445)	(0.0043)
Rent & Insurance	2,031,048	2,168,358	137,310	0.0019
Legal Services	545,000	545,000	-	-
Capital Expenditures	2,176,550	1,536,805	(639,745)	(0.0089)
Total Debt Service-Bonds	70,122,276	70,133,315	11,039	0.0002
Acquisition Credit to Member Governments	10,231,558	10,231,558	-	-
Water Quality Credit to Member Governments	48,000	48,000	-	-
Misc./Other-R&R Projects	5,078,843	6,607,280	1,528,437	0.0213
Water Treatment Chemicals -Variable Cost	10,801,430	12,606,616	1,805,186	0.0251
Power / Electricity -Variable Cost	13,666,498	13,548,122	(118,376)	(0.0016)
Water for Resale -Variable Cost	1,512,378	502,800	(1,009,578)	(0.0140)
Subtotal	\$ 172,497,233	\$ 175,479,563	\$ 2,982,330	\$ 0.0415
Transfer Out to Capital Impr. Fund (interest)	92,481	143,772	51,291	0.0007
Transfer Out to Capital Improvement Fund	-	2,200,000	2,200,000	0.0306
Transfer Out to R&R Fund	5,000,000	4,500,000	(500,000)	(0.0070)
Transfer Out to Member Contribution-City of Tampa		1,600,000	1,600,000	0.0222
Transfer Out to Operating Reserve	288,898	112,872	(176,026)	(0.0024)
Total Uses	\$ 177,878,612	\$ 184,036,207	\$ 6,157,595	0.0856
Projected Water Demand (mgd)	178.50	180.80	2.30	
Projected Uniform Water Rate (\$/1000 gal.)	\$ 2.5590	\$ 2.5590	\$ (0.0000)	

Fiscal Year 2020 Budget Schedule

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 proposed budget was distributed to member governments in March 2019 for review and Tampa Bay Water staff met with member governments to discuss the proposed document in late March/early April. The proposed Fiscal Year 2020 budget was reviewed by the board at the budget workshop held on April 15, 2019. A public hearing notice of the Board's intended adoption of the proposed Fiscal Year 2020 budget at the June 17, 2019 board meeting was published in compliance with requirements in the Amended and Restated Interlocal Agreement for final budget approval.

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

Respectfully submitted,



Matt Jordan
General Manager

Annual Budget Development

Fiscal Year 2020

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

**Tampa Bay Water – 2020 Annual Budget
Annual Budget Development**

Budget Format

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

- A. The **General Manager’s Budget Message** is designed to provide a summary of Tampa Bay Water’s financial plan by highlighting major issues to be addressed in fiscal year 2020.
- B. The **Annual Budget Development** section provides an overview of the key requirements for the annual budget development and of the approval process.
- C. The **Financial Management Policies** section provides a summary of Tampa Bay Water’s primary financial policies.
- D. The **Financial Plan** section provides an overview of Tampa Bay Water’s budgetary fund structure and information on revenue and expenditures, as well as capital spending for the budget year.
- E. The **Annual Rate Setting and Member Costs** section provides summarized information and schedules including current and projected rates and Member Costs. Charts and graphs are provided that depict the components of the budget and the rate impacts. Separate charts and schedules are provided for each Member Government to assist them in planning and coordination of their budgets and financial obligations associated with Tampa Bay Water’s contractual commitments.
- F. The **Debt Service** section provides a listing of the outstanding debt of the Agency, the Agency’s bond ratings, and the details of the debt requirements shown in the Financial Plan section. The section also provides information on debt coverage requirements and future Debt Service.
- G. The **Capital Improvement Program** section provides summary information about the Agency’s capital projects. This includes projects that are scheduled to be in the feasibility, design and construction phases during fiscal year 2020.
- H. The **Divisional Operating Budget Detail** section provides information on Tampa Bay Water’s office and divisional organization and responsibilities. It also includes the fiscal year 2020 budget for each division.
- I. The **Summary of Contracts and Resolutions** section provides key contractual requirements of the Master Water Supply Contract, the Amended and Restated Interlocal Agreement, and the Master Bond Resolution.
- J. The **Appendix** includes a schedule of key dates for the budget process for fiscal years 2020. 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 – 2020 Annual Budget
Annual Budget Development**

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

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

- **Office of the General Manager**
 - General Manager
 - Legal Coordination

- **Human Resource Department**
 - Human Resource Director
 - Benefits
 - Employee Relations
 - Training
 - Policies and Procedures

- **Water Production Division**
 - Chief Operating Officer
 - Water Production
 - Operations
 - Facilities Maintenance
 - Construction
 - Engineering
 - Technical Support

- **Science and Technical Division**
 - Chief Science & Technical Officer
 - Regulatory Compliance
 - Modeling & Source Analysis
 - Planning
 - Laboratory

- **Finance and Administration Division**
 - Chief Financial Officer
 - Finance
 - Purchasing
 - Board Records
 - Information Technology

- **Public Affairs Division**
 - Chief Communications Officer
 - Public Communications
 - Strategic Communications
 - Outreach Program
 - Inter-Governmental Program

Tampa Bay Water – 2020 Annual Budget Annual Budget Development

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

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

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

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

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

Tampa Bay Water – 2020 Annual Budget Annual Budget Development

Budget Basis

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

- Principle payments on long-term debt are treated as current expenditures for the budget basis, as opposed to being recorded as a reduction of outstanding liabilities for the GAAP basis.
- Capital expenditures funded from the rate are treated as current expenditures under the budget basis, but are treated as acquisition of capital assets under the GAAP basis.
- Capital expenditures funded from debt proceeds are not reflected under the budget basis and are capital asset acquisitions under the GAAP basis.
- The budget basis includes only that 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.

Tampa Bay Water – 2020 Annual Budget Annual Budget Development

Annual Budget Requirements

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

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

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

**Tampa Bay Water – 2020 Annual Budget
Annual Budget Development**

Annual Budget Process

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

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

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

**Tampa Bay Water – 2020 Annual Budget
Annual Budget Development**

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

**Tampa Bay Water – 2020 Annual Budget
Annual Budget Development**

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

Major Responsibilities

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

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

• **Tampa Bay Water – Budget Administrator**

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

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

Tampa Bay Water – 2020 Annual Budget Annual Budget Development

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

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

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

Tampa Bay Water – 2020 Annual Budget Annual Budget Development

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

- **Member Governments**

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

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

- **Tampa Bay Water – Board**

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

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

Budget Implementation

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

**Tampa Bay Water – 2020 Annual Budget
Annual Budget Development**

Budget Amendments

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

Financial Management Policies

Fiscal Year 2020

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

Tampa Bay Water – 2020 Annual Budget Financial Management Policies

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

Utility Reserve Fund (Fund Balance) Policy

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

To insure compliance with Master Water Supply requirements, any Gross Revenues which remain on deposit at the end of the fiscal year and which are not required to pay liabilities existing at the end of the fiscal year (unexpended funds) shall be deposited to the Utility Reserve Fund. The 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 amount of encumbrances being carried forward or (c) the amount of monies deposited to the Rate Stabilization Account may be applied as Revenue in the first succeeding fiscal year, with the approval of the General Manager. Such funds are to be used for purposes of funding encumbrances carried forward and/or other approved activities. Encumbrances which exist at the end of the fiscal year just ended and which are being funded from the Uniform Rate may also be carried to the first succeeding fiscal year with the approval of the General Manager to allow for completion of tasks that were budgeted and approved in the fiscal year just ending.

Any monies placed in the Rate Stabilization Account in excess of the 3% of budgeted revenue amount will be applied to the first succeeding fiscal year either to pay expenditures of the first succeeding fiscal year for which rates are collected or to remain in the Rate Stabilization Account for use in a subsequent year. Any application of these monies in excess of 3% requires approval of the Board of Directors.

Tampa Bay Water – 2020 Annual Budget Financial Management Policies

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

Fixed Asset Policy

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

Debt Policy

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

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

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

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

Tampa Bay Water – 2020 Annual Budget Financial Management Policies

- Schedule debt service payments to provide for gradual impacts on the uniform rate charged to the member governments over a period not to exceed the lesser of the useful life of the project or thirty years

Investment Policy

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

Accounting, Auditing and Financial Reporting Policies

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

- **Auditing:**

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

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

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

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

**Tampa Bay Water – 2020 Annual Budget
Financial Management Policies**

- **Performance Audit:**

The Agency is required to have a performance audit and management study of its operations at five-year intervals. The performance audit and management study reviews program results and makes recommendations regarding the Agency's governance structure and the proper, efficient, and economical operation and maintenance of the Agency's water supply facilities. The latest performance audit was completed in fiscal year 2015 by KPMG, LLP. A performance audit will take place during fiscal year 2020.

Financial Plan

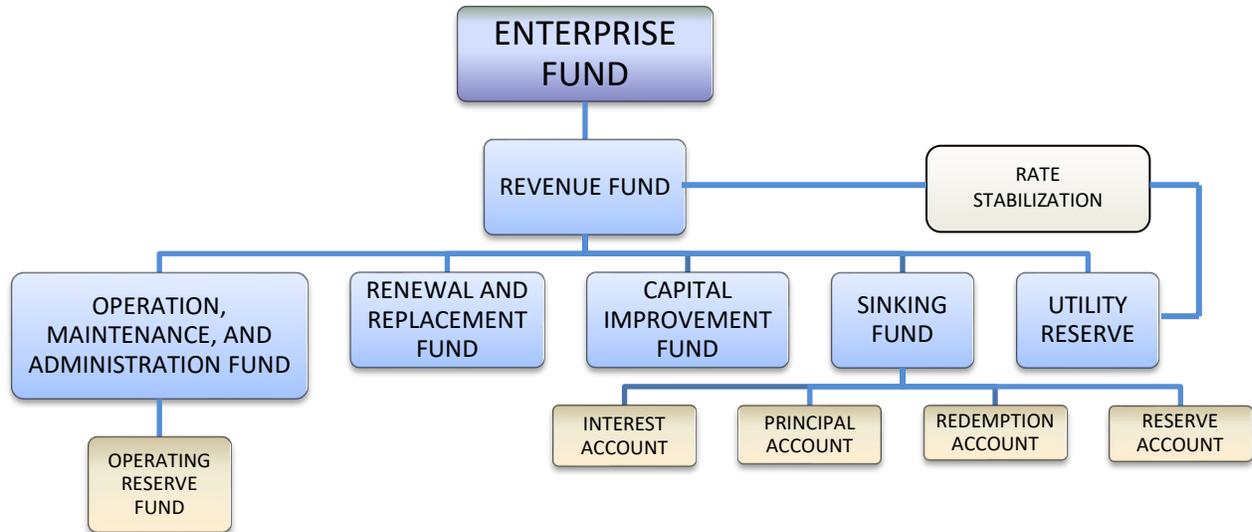
Fiscal Year 2020

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 – 2020 Annual Budget Financial Plan

Funds Structure Overview

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



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

Reserves and Restricted Funds

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

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

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

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

The Operating Reserve balance at October 1, 2019 is estimated to be \$4,330,051. Variable costs for fiscal year 2020 are estimated to be \$26,657,538. Two months of variable costs will equal \$4,442,923. Therefore; a transfer of \$112,872 will be made from the Rate Stabilization account at the start of fiscal year 2020 to bring the Operating Reserve to a level equal to two months of variable costs.

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

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

The Renewal and Replacement fund balance at October 1, 2019 is estimated at \$28,899,902. Tampa Bay Water has developed a Renewal and Replacement Program that identifies all critical components of the water delivery system. The program assists in developing a schedule for replacing or improving components in order to maintain the reliability of the system. The current estimate for program projects that will be scheduled during 2020 is \$6,607,280. The total amount to be funded into the Renewal and Replacement Fund is \$5,000,000.

- **Capital Improvement Fund** – Capital Improvement charges collected or other funds received which are designated by the Board as Capital Improvement Funds are deposited to this fund. The Capital Improvement Fund balance at October 1, 2019 is estimated at \$19,169,633. These funds are budgeted in conjunction with the Capital Improvement Program. The current program estimated that projects funded with Capital Improvement Funds during fiscal year 2020 will total \$6,047,598.

- **Sinking Fund Interest and Principal Accounts** – Funds collected to pay annual interest and principle on debt are deposited into the accounts and expended for debt service payments as they come due. Investment earnings on the accounts remain in the accounts and are used to pay debt payments. Funds in the account at the end of the fiscal year are used to pay debt due on October 1st of the new fiscal year. The estimated account balance at year end 2019 is \$50,714,307.

- **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

Tampa Bay Water – 2020 Annual Budget Financial Plan

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

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

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

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

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

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

The Rate Stabilization account balance at October 1, 2019 is estimated at \$31,534,818 and is available for reduction of current and future year rates to the extent that it has not been designated by the Board for specific purposes including unanticipated legal and mitigation costs. It is anticipated that a total of 5,880,932 will be withdrawn from the Rate Stabilization account in fiscal year 2020. A transfer of \$112,872 to the Operating Reserve will be transferred from the Rate Stabilization account. A withdrawal of \$4,168,060 equal to the estimated amount of unexpended 2019 funds that will carry-forward into fiscal year 2020. Unexpended funds available for carry-forward are deposited into the Rate Stabilization account at year-end and then withdrawn from the account the following fiscal year. In addition, at the April 2019 Board Meeting, the Board approved funding 50% of The City of Tampa's feasibility study for the Tampa Augmentation Project (TAP) up to \$1,600,000. The funding will be withdrawn from the Rate Stabilization Fund.

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

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

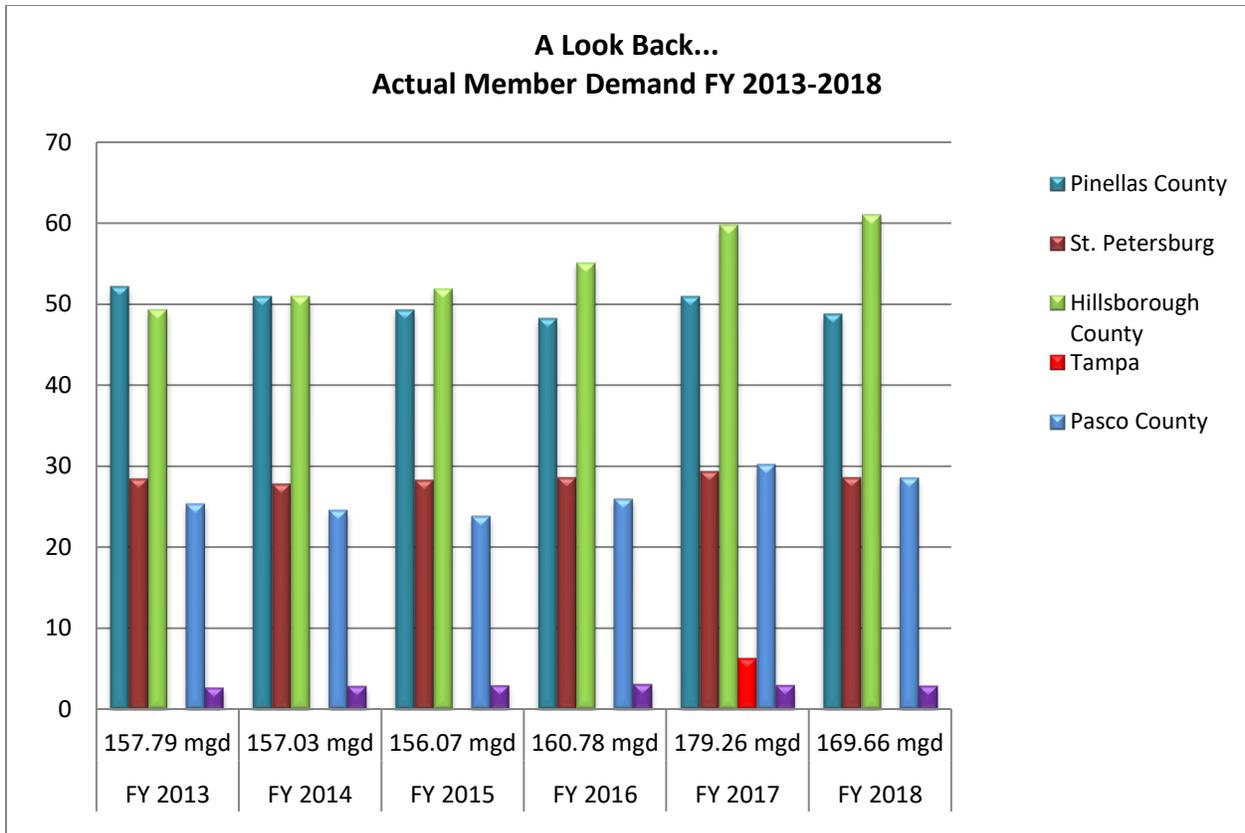
**Tampa Bay Water
Projected Changes in Fund Equity
Budget Year 2020**

	Operations	Operating Reserve	Renewal and Replacement Fund	Capital Improvement Fund	Energy Fund	Sinking Funds		Utility Reserve Fund	Rate Stabilization Account	Rebate Fund	Total Enterprise Fund
						Interest & Principal Accounts	Debt Service Account				
Estimated Beginning Fund Balance	\$ 11,692,067	\$ 4,330,051	\$ 28,899,902	\$ 19,169,633	\$ 553,050	\$ 50,714,307	\$ 75,972,447	\$ 29,652,353	\$ 31,534,818	\$ -	\$ 252,518,628
Revenues											
Water Sales	169,332,978	-	-	-	-	-	-	-	-	-	169,332,978
Water Sales - Tampa Bypass Canal	392,000	-	-	-	-	-	-	-	-	-	392,000
Interest Earned	87,691	32,475	216,749	143,772	4,148	380,357	569,793	222,393	236,511	-	1,893,889
Lake Bridge Operations & Maintenance - Pasco	42,000	-	-	-	-	-	-	-	-	-	42,000
Expenditures											
Fixed Cost	(61,801,872)	-	-	-	-	-	-	-	-	-	(61,801,872)
Variable Costs	(26,657,538)	-	-	-	-	-	-	-	-	-	(26,657,538)
Debt Service - Bonds	-	-	-	-	-	(70,133,315)	-	-	-	-	(70,133,315)
Debt Service - Acquisition Credits	(10,231,558)	-	-	-	-	-	-	-	-	-	(10,231,558)
Water Quality Credits	(48,000)	-	-	-	-	-	-	-	-	-	(48,000)
Capital Project Expenditures											
Capital Improvement Fund Projects	-	-	-	(6,047,598)	(122,593)	-	-	-	-	-	(6,170,191)
Renewal & Replacement Fund	(6,607,280)	-	-	-	-	-	-	-	-	-	(6,607,280)
Grants	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers											
Transfer interest available for operations	1,806,198	(32,475)	(216,749)	(143,772)	(4,148)	(380,357)	(569,793)	(222,393)	(236,511)	-	-
Transfer from Operations to Debt Service Fund	(70,133,315)	-	-	-	-	70,133,315	3,024,552	-	-	-	3,024,552
Transfer from Rate Stabilization Account	5,768,060	112,872	-	-	-	-	-	-	(5,880,932)	-	-
Transfer from Renewal & Replacement	6,607,280	-	(6,607,280)	-	-	-	-	-	-	-	-
Transfer to Renewal & Replacement	(4,500,000)	-	4,500,000	-	-	-	-	-	-	-	-
Transfer to Capital Imp. Fund (interest)	(143,772)	-	-	143,772	-	-	-	-	-	-	-
Transfer to Capital Improvement Fund	(2,200,000)	-	-	2,200,000	-	-	-	-	-	-	-
	\$13,404,939	\$ 4,442,923	\$ 26,792,622	\$ 15,465,807	\$ 430,457	\$ 50,714,307	\$ 78,996,999	\$ 29,652,353	\$ 25,653,886	\$ -	\$ 245,554,293

Tampa Bay Water – 2020 Annual Budget Financial Plan

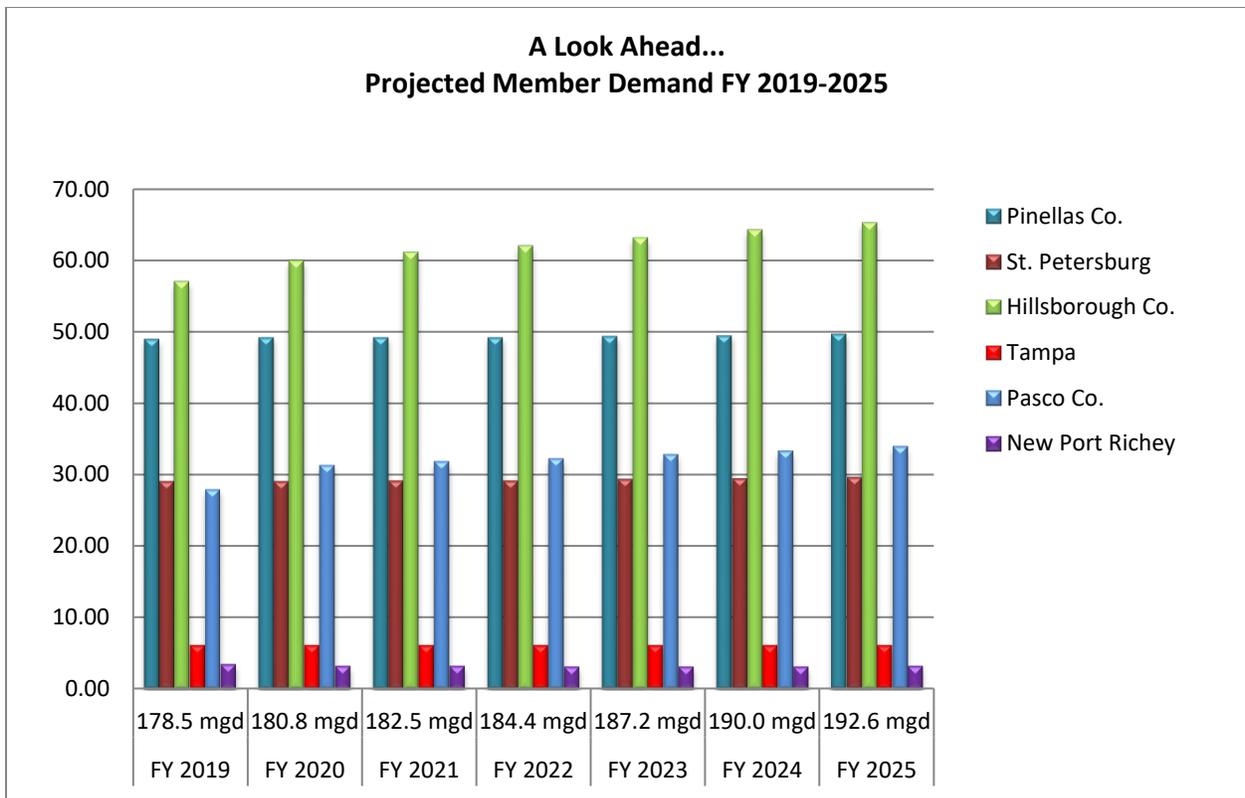
Financial Planning and Trends

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 saw very little population growth and economic recovery between 2013 and 2015. In 2016, an upturn in growth was realized in a few of our member's service areas within Hillsborough and Pasco Counties. Pinellas County's demand decreased slightly when the county lost wholesale water customers. The City of Tampa was able to supply their service area without purchasing any water from Tampa Bay Water with the exception of 2017.

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**



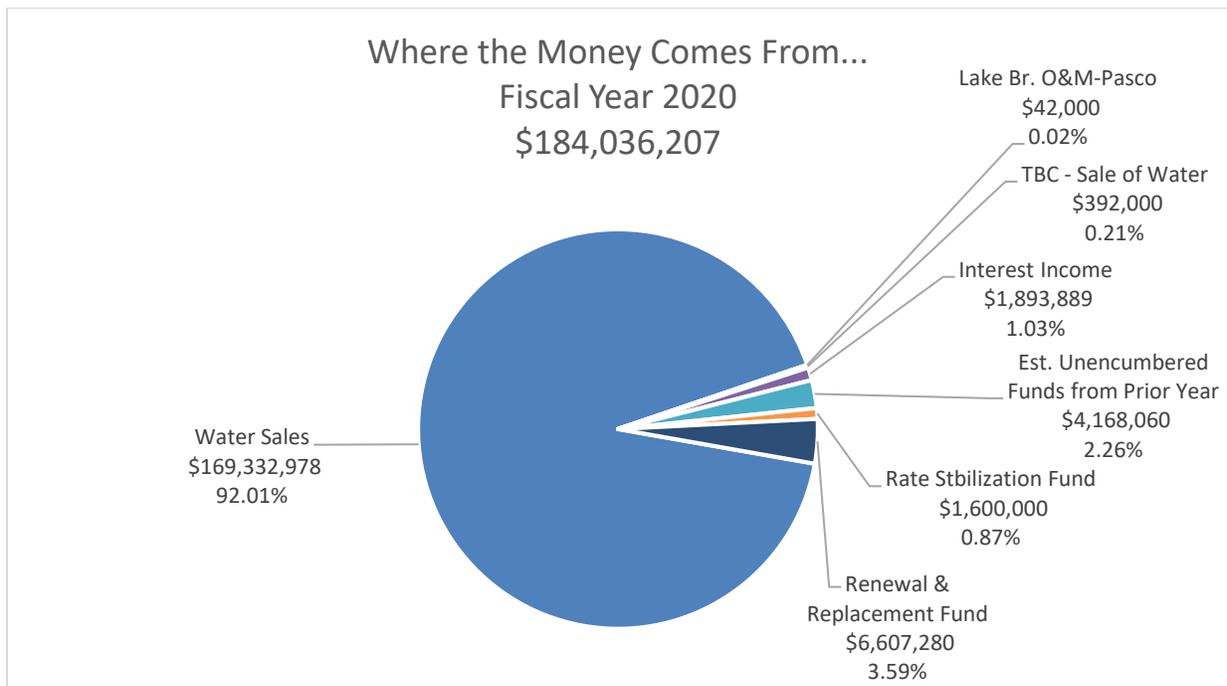
Tampa Bay Water provides regional water demand forecasts for its six-member governments to project the amount of water supply needed within Tampa Bay Water’s service area. The agency’s Long-term Demand Forecasting models are designed primarily for the purpose of long-term planning and forecasting over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

Member demand for fiscal year 2019 is based on a slightly drier than normal rainfall predictions. The fiscal year 2020 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 – 2020 Annual Budget Financial Plan

Revenues

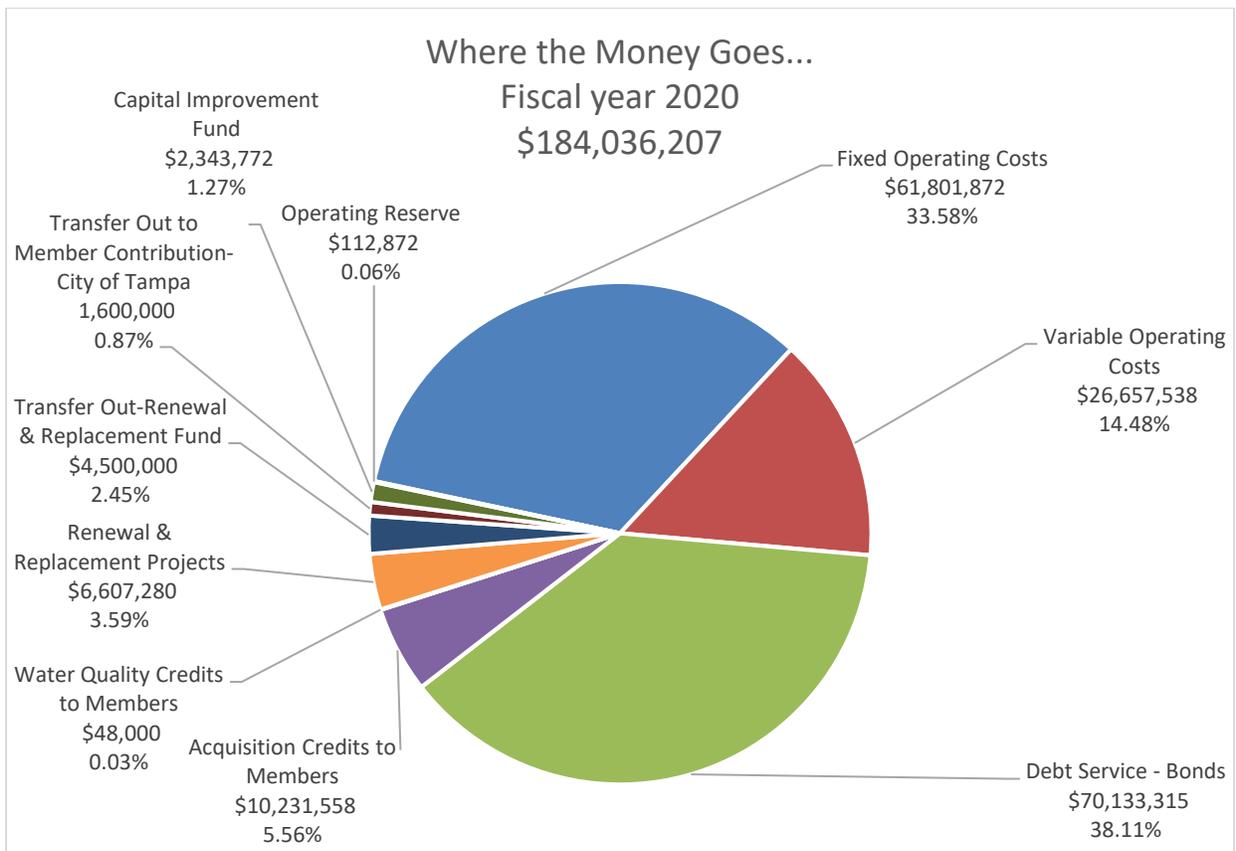
The Agency's primary revenue source is sale of water to its six-member governments. The Master Water Supply Contract establishes a budget process through which the Agency establishes an annual Uniform Rate which is charged to the Members. A fixed cost component of the rate is established and billed monthly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



Tampa Bay Water – 2020 Annual Budget Financial Plan

Expenditures

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



Balanced Budget

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

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

Sources and Uses of Funds

Actuals 2018 Approved 2019 and Approved 2020

Enterprise Funds	Actual 2018	Approved 2019	Approved 2020
Sources of Funds			
Water Sales	\$ 160,487,626	\$ 166,722,403	\$ 169,332,978
Additional Credits/ Surcharges	36,736	42,000	42,000
TBC - Sale of Water	315,441	-	392,000
Interest Income	2,440,815	1,262,480	1,893,889
Litigation & Insurance Recoveries	18,178	-	-
Grants (SWFWMD)	28,616	-	-
Miscellaneous Income	754,619	-	-
Subtotal	\$ 164,082,032	\$ 168,026,883	\$ 171,660,867
Transfers In from Rate Stabilization Account	6,479,981	1,153,898	1,600,000
Est. Unencumbered Funds from Prior Year (note 1)	3,472,702	3,618,988	4,168,060
Transfer in from Energy Fund	97,653	-	-
Transfer In from Capital Improvement	344,247	-	-
Transfer In from Renewal & Replacement	1,438,279	5,078,843	6,607,280
Total Sources	\$ 175,914,894	\$ 177,878,612	\$ 184,036,207
Uses of Funds			
Personnel Services	\$ 16,317,669	\$ 19,080,537	\$ 19,264,485
Materials & Supplies	2,047,959	2,404,871	2,490,060
Professional Services	27,099,427	28,679,403	29,990,768
Repairs & Other Services	4,769,135	6,118,841	5,806,396
Rent & Insurance	1,502,831	2,031,048	2,168,358
Legal Services	379,962	545,000	545,000
Capital Expenditures	2,174,726	2,176,550	1,536,805
Total Debt Service-Bonds	70,133,614	70,122,276	70,133,315
Total 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 Projects	-	5,078,843	6,607,280
Water Treatment Chemicals -Variable Cost	8,370,525	10,801,430	12,606,616
Power / Electricity -Variable Cost	10,644,646	13,666,498	13,548,122
Water for Resale -Variable Cost	1,282,092	1,512,378	502,800
Subtotal	\$ 155,002,144	\$ 172,497,233	\$ 175,479,563
Transfer Out to Capital Improvement Fund	\$ 4,215,354	\$ -	\$ 2,200,000
Transfer Out to Capital Improve Fund (Interest)	-	92,481	143,772
Transfer Out to R&R Fund	3,325,468	5,000,000	4,500,000
Transfer Out to Energy Savings Fund	269,487	-	-
Transfer Out to Operating Reserve	-	288,898	112,872
Transfer Out to Rate Stabilization Account	12,908,523	-	-
Transfer Out to Member Contribution-City of Tampa (note 2)	-	-	1,600,000
Transfer Out to Utility Reserve	193,918	-	-
Total Uses	\$ 175,914,894	\$ 177,878,612	\$ 184,036,207
<p>Note 1: FOR 2020, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2.5% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END.</p> <p>Note 2: At the April 17, 2019 Board Meeting, the Board approved reimbursing the City of Tampa 50% for the cost of a feasibility study for the Tampa Augmentation Project (TAP). Tampa Bay Water's contribution is not to exceed \$1.6M.</p>			

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

**Sources and Uses of Funds
Budget Projections 2021 through 2025**

Enterprise Funds	Budget Projections				
	2021	2022	2023	2024	2025
Sources of Funds					
Water Sales	\$ 171,332,385	\$ 173,614,103	\$ 178,008,406	\$ 181,983,807	\$ 185,497,014
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	2,005,306	1,888,434	1,828,335	1,789,479	1,760,532
Subtotal	\$ 173,771,691	\$ 175,936,537	\$ 180,270,741	\$ 184,207,286	\$ 187,691,546
Transfers In from Rate Stabilization Account	-	1,500,000	5,800,000	5,500,000	2,500,000
Est. Unencumbered Funds from Prior Year	3,809,992	3,854,979	3,906,317	4,005,189	4,094,636
Transfer In from Renewal & Replacement	6,719,344	11,263,277	4,349,942	3,371,308	8,122,028
Total Sources	\$ 184,301,027	\$ 192,554,793	\$ 194,327,001	\$ 197,083,783	\$ 202,408,210
Uses of Funds					
Personnel Services	\$ 20,035,064	\$ 20,836,467	\$ 21,669,926	\$ 22,536,723	\$ 23,438,192
Materials & Supplies	2,564,762	2,641,705	2,720,956	2,802,584	2,886,662
Professional Services	30,890,491	31,817,206	32,771,722	33,754,874	34,767,520
Repairs & Other Services	5,980,588	6,160,006	6,344,806	6,535,150	6,731,204
Rent & Insurance	2,233,409	2,300,411	2,369,423	2,440,506	2,513,721
Legal Services	561,350	578,191	595,536	613,402	631,804
Capital Expenditures	1,582,909	1,630,396	1,679,308	1,729,688	1,781,578
Total Debt Service-Bonds	70,138,699	71,176,455	75,875,252	75,871,327	72,784,840
Total Debt Service-Acquisition Credit to Member Governments	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
Water Quality Credit to Member Governments	48,000	48,000	48,000	48,000	48,000
Misc./Other-R&R Projects	6,719,344	11,263,277	4,349,942	3,371,308	8,122,028
Water Treatment Chemicals -Variable Cost	12,853,530	13,466,869	14,223,750	15,045,088	15,783,245
Power / Electricity -Variable Cost	13,743,485	14,619,944	15,604,494	16,284,670	16,879,912
Water for Resale -Variable Cost	517,884	533,421	549,423	565,906	582,883
Subtotal	\$ 178,101,073	\$ 187,303,904	\$ 189,034,095	\$ 191,830,783	\$ 197,183,147
Transfer Out to Capital Improvement Fund	123,726	-	-	-	-
Transfer Out to R&R Fund	4,500,000	5,000,000	5,000,000	5,000,000	5,000,000
Transfer Out to Operating Reserve	76,227	250,889	292,905	253,000	225,063
Total Uses	\$ 182,801,027	\$ 192,554,793	\$ 194,327,001	\$ 197,083,783	\$ 202,408,210
Note 1: ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2.25% OF PRIOR YEAR WATER 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.					

**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

Explanation of Significant Variances

Budget Category	Approved 2019	Approved 2020	Variance +/-	Explanation of Variance
Personnel Services	\$19,080,537	\$19,264,485	\$ 183,948	
Materials & Supplies	2,404,871	2,490,060	85,189	
Professional Services	28,679,403	29,990,768	1,311,365	-Tampa Bay Water's portion of activities related to the Master Water Plan feasibility detail study. It is anticipated that the study will also be funded through SWFWMD
Repairs & Other Services	6,118,841	5,806,396	(312,445)	
Rent & Insurance	2,031,048	2,168,358	137,310	
Legal Services	545,000	545,000	-	
Capital Expenditures	2,176,550	1,536,805	(639,745)	-increased capitalization limit from \$1,001 to \$5,001. Less items will be considered capital equipment.
Total Debt Service-Bonds	70,122,276	70,133,315	11,039	
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	10,801,430	12,606,616	1,805,186	-Increase in demand estimate of 2.3-mgd
Power / Electricity -Variable Cost	13,666,498	13,548,122	(118,376)	
Water for Resale -Variable Cost	1,512,378	502,800	(1,009,578)	¹ -Tampa Hillsborough Interconnect will be off-line and therefore Surplus Water will not be available
Total Operating Expenses Funded through Rate	\$167,418,390	\$168,872,283	\$1,453,893	

Budget Category	Approved 2019	Approved 2020	Variance +/-	Explanation of Variance
Misc./Other-R&R Projects	5,078,843	6,607,280	1,528,437	- Increase use of R&R Funds for FY 2020 project expenditures. Expenditures in this category will be paid through the Renewal & Replacement account.
Total Expenses Funded through R&R Fund	\$ 5,078,843	\$ 6,607,280	\$1,528,437	

Total Operating Expenses (Rate + R&R Fund)	\$172,497,233	\$175,479,563	\$2,982,330
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The approved budget for 2020 increased \$2,982,330 from the approved 2019 budget. Of the \$2,982,330 increase \$1,528,437 of expenses will be paid from the Renewal and Replacement Account.

The predominant significant increases in the 2020 approved budget is in Professional Services and the Water Treatment Chemicals budget categories.

A decrease in Surplus Water is anticipated due to the Tampa/Hillsborough Interconnect will be off-line during fiscal year 2020. Therefore, the City of Tampa will not be able to provide Tampa Bay Water with surplus water.

Capital Improvements 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 in compliance with its obligations under the Amended and Restated Interlocal Agreement. It can take as long as 10 years to plan, permit, design, and build drinking water facilities. Tampa Bay Water develops its Master Water Supply Plans through this long-term planning effort. This process is a multi-step process including determination of need, identification of potential projects, feasibility studies, review and selection by the Board of projects to be studied further through preliminary design, and final selection by the Board of projects to be constructed.

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

- **Financing:**

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

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

Capital Improvement Program Definition

A capital project is defined as planned activities that result in

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

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

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 – 2020 Annual Budget Financial Plan

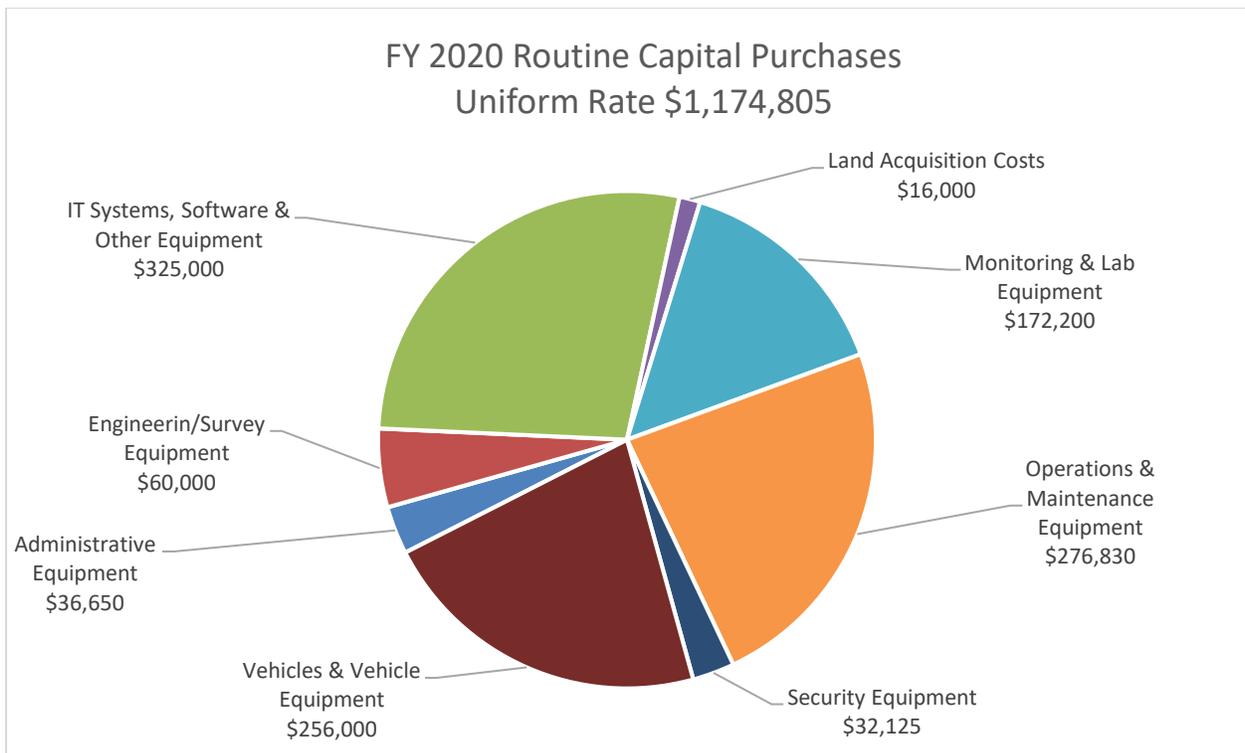
Routine Capital Purchases

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 2020 approved budget includes \$1,536,805 for Capital Purchases of which \$1,174,805 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 2020.

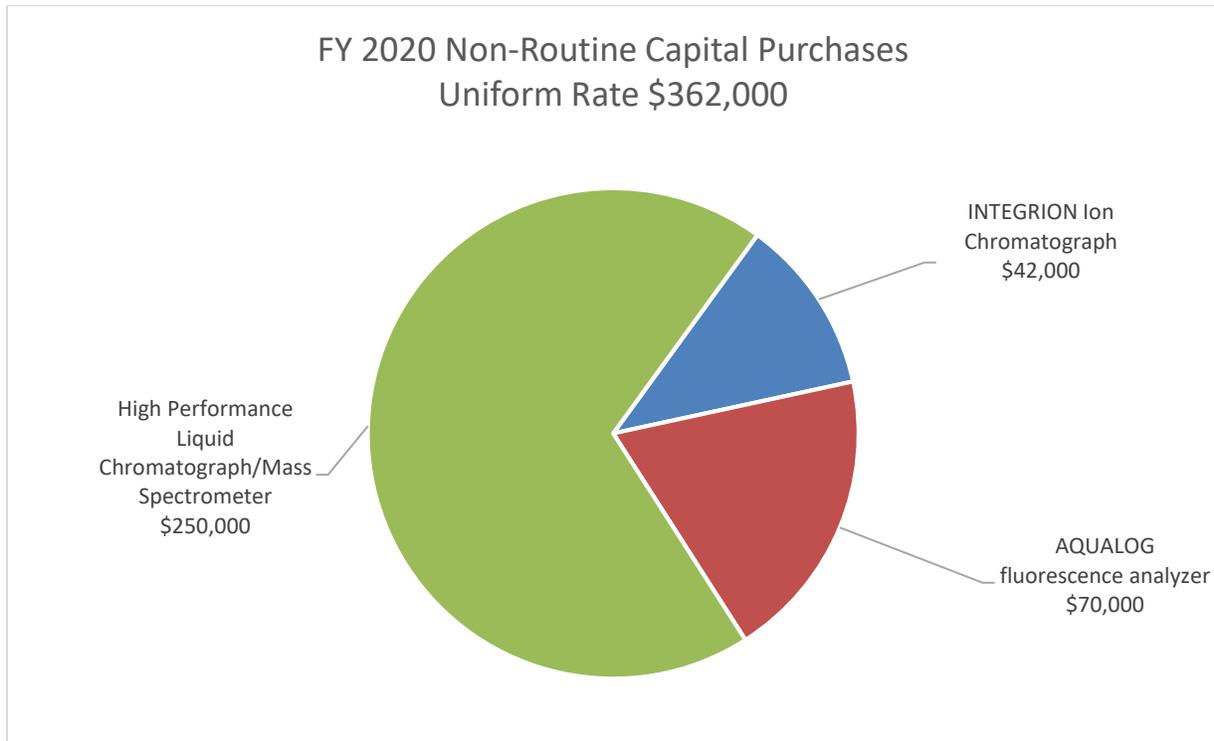


**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

Non-Routine Capital Purchases

The 2020 approved budget includes funding for non-routine capital purchases through the Uniform Rate.

The following chart summarizes non-routine capital purchases budgeted for fiscal year 2020.

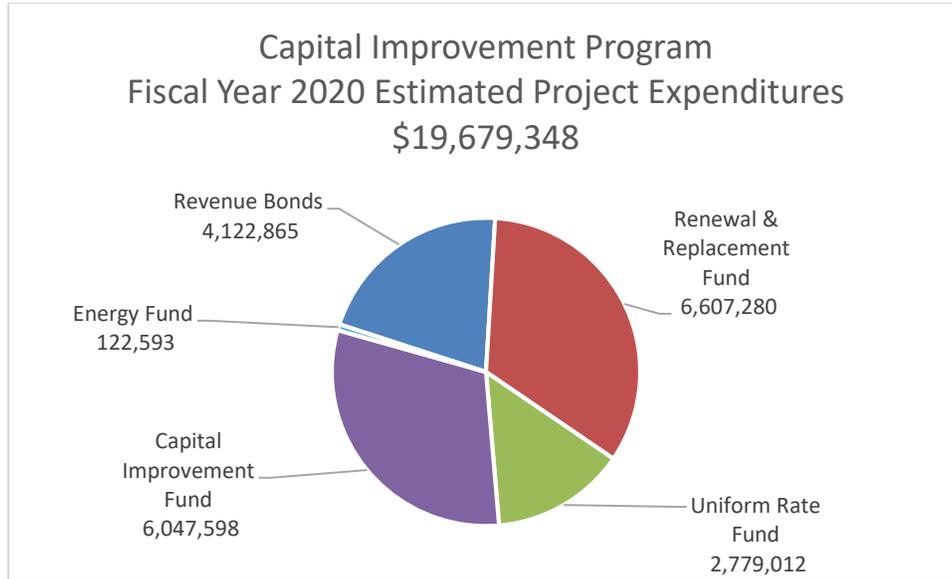


The approved budget includes three pieces of equipment requested by the Laboratory department. An Inegration Ion Chromatograph which will replace an ICS-2000 model that is no longer supported. An Aqualog fluorescence analyzer for TOC characterization. Plus, a High-Performance Liquid Chromatograph/Mass Spectrometer (HPLC/MS) for analysis of contaminants of emerging concern (CEC's) such as Per-fluorinated alkylated substances (PFAS).

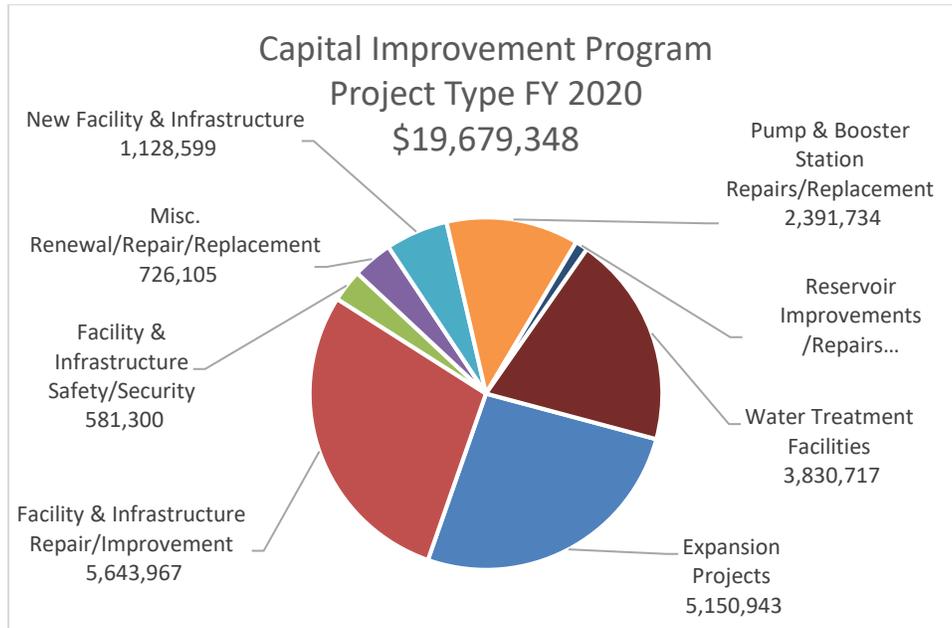
**Tampa Bay Water – 2020 Annual Budget
Financial Plan**

Capital Improvement Program Expenditures Fiscal Year 2020

The following chart summarizes the Capital Improvement Program estimated expenditures for fiscal year 2020 by funding source.



The following chart summarizes the Capital Improvement Program estimated expenditures for fiscal year 2020 by project type.



Annual Rate Setting & Member Costs

Fiscal Year 2020

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 – 2020 Annual Budget Annual Rate Setting and Member Costs

This section presents a summary of the budgeted components which make up the approved Uniform Rate and the manner in which each Member will be invoiced for water purchased in 2020.

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 2020 is \$48,000.

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

Revenue from sale of water and unrestricted interest income fund the operating and maintenance costs of Tampa Bay Water. Water sales for fiscal year 2020 are budgeted at \$169,332,978. Interest income available for operations is estimated to be \$1,893,889.

It is estimated that \$4,168,060 of unencumbered monies from fiscal year 2019 will transferred through the Rate Stabilization account for use in fiscal year 2020. In addition, at the April 2019 Board Meeting, the Board approved funding 50% of The City of Tampa’s feasibility study for the Tampa Augmentation Project (TAP) up to \$1,600,000. The funding will be withdrawn from the Rate Stabilization Fund.

Tampa Bay Water – 2020 Annual Budget Annual Rate Setting and Member Costs

The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .195 per 1000 gallons for 2020.

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 – 2020 Annual Budget Annual Rate Setting and Member Costs

Uniform Rate Elements

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

Fixed Costs

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

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

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

Variable Costs

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

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

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Rate for City of Tampa from Tampa Bypass Canal

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

TBC Rate = (Allocated Overhead + Direct Costs) ÷ Qty. of Surface Water (to be delivered)

The unit rate for delivery of water to the City of Tampa from the Tampa Bypass Canal facility is presented to the Board for approval as part of the annual budget approval process for the ensuing fiscal year. The approved rate for 2020 is \$.195 (\$/1,000 gallons).

	Allocated Overhead	Direct Costs	Estimated MGD
\$0.195 per 1000 gal	= (433,790	+ 250,328)	÷ (9.6 mgd x 365 x 1000)

Other Budget Factors

- For fiscal year 2020, \$1,893,889 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 \$112,872 will be transferred from the Rate Stabilization account to the Operating reserve account on 10/1/2019
- The Uniform Rate is segregated into Fixed Costs (do not vary as a result of water production) and billed at 1/12 of total Fixed Costs monthly per Member. The Variable Costs (vary with water production); electricity, chemicals, and water for re-sale; are billed monthly based on actual production.
- Acquired Member facilities are included in this budget as Tampa Bay Water owned supply systems and are being paid for through debt issuance and credits back to Members.
- Water quality standards are established, and costs are budgeted to sustain the standards. Water Quality Credits related to hydrogen sulfide removal for fiscal year 2020 have been established and will be credited to Hillsborough County, and New Port Richey.

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Uniform Water Rates

Cost Category	Approved	Budget Projections				
	2020	2021	2022	2023	2024	2025
Fixed Operating Costs (note 1)	\$ 61,801,872	\$ 63,848,573	\$ 65,964,381	\$ 68,151,677	\$ 70,412,927	\$ 72,750,682
Variable Operating Costs	26,657,538	27,114,899	28,620,234	30,377,667	31,895,664	33,246,040
Debt Service - Bonds (note 2)	70,133,315	70,138,699	71,176,455	75,875,252	75,871,327	72,784,840
Debt Service - Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
Water Quality Credits to Members	48,000	48,000	48,000	48,000	48,000	48,000
Misc./ Other - Renewal & Replacement Projects	6,607,280	6,719,344	11,263,277	4,349,942	3,371,308	8,122,028
Total Costs	\$ 175,479,563	\$ 178,101,073	\$ 187,303,904	\$ 189,034,095	\$ 191,830,783	\$ 197,183,147
Adjustments						
Less : Estimated Unencumbered Funds from Prior Years (note 3)	(4,168,060)	(3,809,992)	(3,854,979)	(3,906,317)	(4,005,189)	(4,094,636)
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 : Est. Interest Earned (Includes Capital Imp. Fund)	(1,893,889)	(2,005,306)	(1,888,434)	(1,828,335)	(1,789,479)	(1,760,532)
Less : Transfer In from Rate Stabilization Account (note 4)	(1,600,000)	-	(1,500,000)	(5,800,000)	(5,500,000)	(2,500,000)
Less : Transfer In from Renewal & Replacement Fund	(6,607,280)	(6,719,344)	(11,263,277)	(4,349,942)	(3,371,308)	(8,122,028)
Plus : Transfer Out to Capital Improvement Fund (Interest)	143,772	123,726	-	-	-	-
Plus : Transfer Out to Capital Improvement Fund	2,200,000	1,500,000	-	-	-	-
Plus : Transfer Out to R&R Fund	4,500,000	4,500,000	5,000,000	5,000,000	5,000,000	5,000,000
Plus : Transfer Out to Operating Revenue	112,872	76,227	250,889	292,905	253,000	225,063
Plus : Transfer Out to Rate Stabilization Account	-	-	-	-	-	-
Plus : Transfer Out to City of Tampa 50% reimbursement for feasibility of TAP (not to exceed \$1.6M)-(Note 6)	1,600,000	-	-	-	-	-
Subtotal	(6,146,585)	(6,768,688)	(13,689,801)	(11,025,689)	(9,846,976)	(11,686,133)
Total Net Revenues Required	\$ 169,332,978	\$ 171,332,385	\$ 173,614,103	\$ 178,008,406	\$ 181,983,807	\$ 185,497,014
Projected Water Demand (mgd) - (Note 5)	180.80	182.50	184.40	187.20	190.00	192.60
Projected Uniform Water Rate (\$/1000 gal.)	\$ 2.5590	\$ 2.5721	\$ 2.5795	\$ 2.6052	\$ 2.6241	\$ 2.6387

Note1: An inflation rate of 3.3% is used for future cost projections where staff believes this is appropriate. Cost projections are also modified to include first year and subsequent years 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.

Note 2: Debt Service for FY 2021 - 2025 includes \$4.7M FOR \$94M Debt Issuance in FY 2023

Note 3: For FY 2020 Estimated Unencumbered Funds from Prior Year is estimated at 2.5% of prior year Water Revenue from Water Sales. Funds transfer through the Rate Stabilization Account at year end.

Note 4: Assumes Excess Revenue of \$1,500,000 annually to be deposited into Rate Stabilization, maintaining a minimum balance of 8.5%.

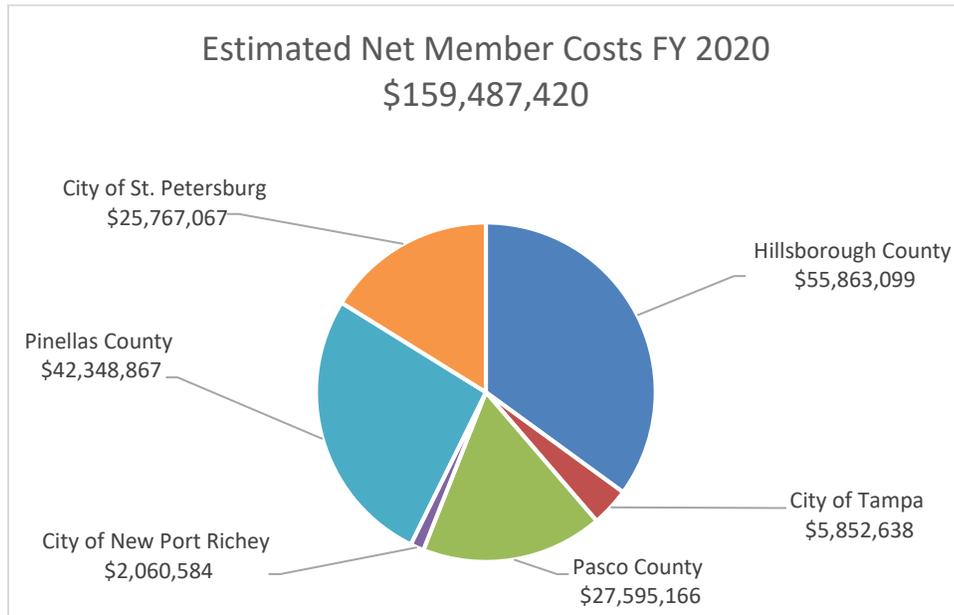
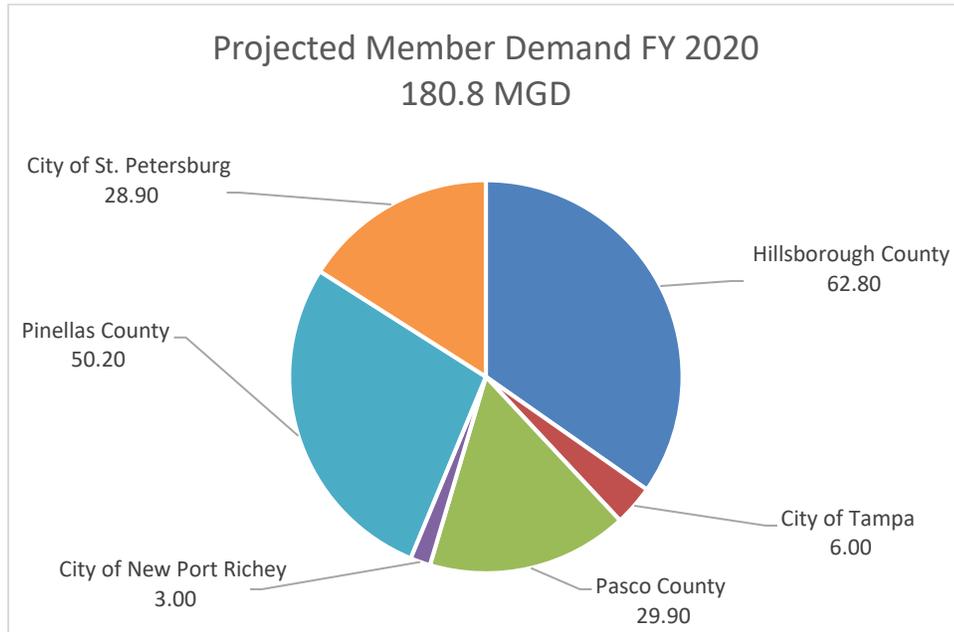
Note 5- Projected Water Demand is based on information obtained from the Tampa Bay Water Demand Forecasting Model.

Note 6- : At the April 17, 2019 Board Meeting, the Board approved reimbursing the City of Tampa 50% for the cost of a feasibility study for the Tampa Augmentation Project (TAP). Tampa Bay Water's contribution is not to exceed \$1.6M.

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost Fiscal Year 2020							
Uniform Rate Budget	Hillsborough County	City of Tampa	Pasco County	City of New Port Richey	Pinellas County	City of St. Petersburg	Total
Uniform Water Rate (\$/ 1000 gallons)	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590	\$ 2.5590
Member Water demand Projections (mgd) for FY 2020	62.80	6.00	29.90	3.00	50.20	28.90	180.80
Percentage of Total Water Sales	34.7345%	3.3186%	16.5376%	1.6593%	27.7655%	15.9845%	100.0000%
Member Est. Water Purchase FY 2019	59.90	6.00	31.30	3.10	49.20	29.00	178.50
Percentage of Total Water Sales	33.5574%	3.3613%	17.5350%	1.7367%	27.5630%	16.2465%	100.0000%
Total Member Fixed Cost Before Credits/Surcharge FY 2020	\$ 47,878,200.73	\$4,795,813.09	\$25,018,158.31	\$ 2,477,836.77	\$39,325,667.37	\$23,179,763.29	\$142,675,439.56
Total Member Variable Cost Before Credits/Surcharge FY 2020	9,259,366.08	884,652.81	4,408,519.84	442,326.40	7,401,595.17	4,261,077.70	26,657,538.00
Total Member Cost Before Credits/ Surcharge FY 2020	\$ 57,137,566.81	\$5,680,465.90	\$29,426,678.15	\$ 2,920,163.17	\$46,727,262.54	\$27,440,840.99	\$169,332,977.56
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 2020	(36,000.00)	-	-	(12,000.00)	-	-	(48,000.00)
Facilities Acquisition Credits to Member Governments for FY 2020	(1,238,467.87)	(219,828.36)	(1,873,512.61)	(847,578.83)	(4,378,395.83)	(1,673,774.06)	(10,231,557.56)
Net Annual Member Credits	\$ 55,863,098.94	\$5,852,637.54	\$27,595,165.54	\$ 2,060,584.34	\$42,348,866.71	\$25,767,066.93	\$159,487,420.00
Note 1: VARIABLE COSTS ARE ALLOCATED BASED ON THE MEMBER GOVERNMENT'S PROJECTED ANNUAL WATER DEMAND (MGD) FOR FY 2020							
Note 2: FIXED COSTS BILLED TO MEMEBR GOVERNMENTS IN FY 2019 ARE BASED ON THE ACTUAL FY 2019 PRODUCTION. A TRUE - UP TO THE ACTUAL FY 2018 IS COMPLETED AT FY 2019 YEAR END.							

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**



**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost Fiscal Year 2020

Hillsborough County		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
Hillsborough County Water Demand (mgd) through September 30, 2019		59.90
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		33.56%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		62.80
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 47,878,200.73	\$ 3,989,850.06
Variable Rate (\$/ 1000 gallons) = \$0.4028	9,259,366.08	771,613.84
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2020	(36,000.00)	(3,000.00)
Annual Facilities Acquisition Credits	(1,238,467.87)	(103,205.66)
TOTAL	\$ 55,863,098.94	\$ 4,655,258.24

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost Fiscal Year 2020

City of Tampa		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
City of Tampa Estimated Water Demand (mgd) through September 30, 2019		6.00
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		3.36%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		6.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 4,795,813.09	\$ 399,651.09
Variable Rate (\$/ 1000 gallons) = \$0.4028	884,652.81	73,721.07
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	392,000.00	32,666.67
Water Quality Credits FY 2020	-	-
Annual Facilities Acquisition Credits	(219,828.36)	(18,319.03)
TOTAL	\$ 5,852,637.54	\$ 487,719.80

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2020

Pasco County		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
Pasco County Estimated Water Demand (mgd) through September 30, 2019		31.30
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		17.54%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		29.90
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 25,018,158.31	\$ 2,084,846.53
Variable Rate (\$/ 1000 gallons) = \$0.4028	4,408,519.84	367,376.65
Additional Credits/ Surcharges	42,000.00	3,500.00
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2020	-	-
Annual Facilities Acquisition Credits	(1,873,512.61)	(156,126.05)
TOTAL	\$ 27,595,165.54	\$ 2,299,597.13

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2020

City of New Port Richey		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
City of New Port Richey Estimated Water Demand (mgd) through September 30, 2019		3.10
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		1.74%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		3.00
	Annual Billing	Monthly Billing
Fixed Cost Summary	2,477,836.77	\$ 206,486.40
Variable Rate (\$/ 1000 gallons) = \$0.4028	442,326.40	36,860.53
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2020	(12,000.00)	(1,000.00)
Annual Facilities Acquisition Credits	(847,578.83)	(70,631.57)
TOTAL	\$ 2,060,584.34	\$ 171,715.36

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2020

Pinellas County		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
Pinellas County Estimated Water Demand (mgd) through September 30, 2019		49.20
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		27.56%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		50.20
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 39,325,667.37	\$ 3,277,138.95
Variable Rate (\$/ 1000 gallons) = \$0.4028	7,401,595.17	616,799.60
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2020	-	-
Annual Facilities Acquisition Credits	(4,378,395.83)	(364,866.32)
TOTAL	\$ 42,348,866.71	\$ 3,529,072.23

**Tampa Bay Water – 2020 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Costs Fiscal Year 2020

City of St. Petersburg		
Total Estimated Water Demand (mgd) through September 30, 2019		178.50
City of St. Petersburg Estimated Water Demand (mgd) through September 30, 2019		29.00
Percentage of FY 2019 Water Demand/ Total Water Demand (Applied to FY 2020 Fixed Costs)		16.25%
Variable Rate is Based on Percentage of Projected FY 2020 Water Demand (mgd)		28.90
	Annual Billing	Monthly Billing
Fixed Cost Summary	\$ 23,179,763.29	\$ 1,931,646.94
Variable Rate (\$/ 1000 gallons) = \$0.4028	4,261,077.70	355,089.81
Additional Credits/ Surcharges	-	-
Sale of Surface Water (TBC)	-	-
Water Quality Credits FY 2020	-	-
Annual Facilities Acquisition Credits	(1,673,774.06)	(139,481.17)
TOTAL	\$ 25,767,066.93	\$ 2,147,255.58

Debt Service

Fiscal Year 2020

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 – 2020 Annual Budget
Debt Service**

Bonds

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

The Series 2015A, 2015B, 2016A, 2016B and 2016C bond issues were focused on providing savings to the Agency by advanced refunding all or a portion of the Series 2006, 2008 and 2010 bonds. Plus refunding the medium-term notes associated with the 2011A and 2011B bonds.

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

Original Issue		Projected Balance Outstanding 10/1/2019	All-In True Interest Cost	Final Maturity	Purpose
309,370,000	Refunding Revenue Bonds, Series 2001 A	50,000,000	5.13%	2029	Partial defeasance of 1999 Bonds
174,965,000	Refunding Revenue Bonds, Series 2005	132,990,000	3.99%	2024	Partial defeasance of 1998 A, 1998 B and 2001 B Bonds; Fund Capital Improvement Program
66,980,000	Refunding Revenue Bonds, Series 2010	6,395,000	4.19%	2027	Final defeasance of 1998 A and 1998 B Bonds; partial defeasance of 2001 B Bonds
104,645,000	Refunding Revenue Bonds, Series 2011	36,915,000	3.38%	2021	Partial defeasance of 2001A Bonds
140,645,000	Refunding Revenue Bonds, Series 2011A	46,175,000	5.93%	2024	Partial defeasance of 2001A Bonds; terminate 2007 Swaptions
75,295,000	Revenue Bonds, Series 2013	75,295,000	3.88%	2038	Fund Capital Improvement Program
180,835,000	Refunding Revenue Bonds, Series 2015A	180,835,000	3.07%	2036	Partial defeasance of 2006 Bonds; partial defeasance of 2011A and 2011B Bonds
95,975,000	Refunding Revenue Bonds, Series 2015B	93,100,000	3.07%	2036	Partial defeasance of 2011A and 2011B Bonds
96,630,000	Refunding Revenue Bonds, Series 2016A	96,630,000	3.52%	2038	Defeasance of 2008 Bonds
32,785,000	Refunding Revenue Bonds, Series 2016B	32,125,000	3.54%	2031	Partial defeasance of 2011B Bonds
55,345,000	Refunding Revenue Bonds, Series 2016C	55,345,000	2.12%	2027	Partial defeasance of 2010 Bonds
		805,805,000			

**Tampa Bay Water – 2020 Annual Budget
Debt Service**

Rate Covenant

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

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

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

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

Net Revenues = (Gross Revenues – Operating Expenses)

Rate Coverage Test:

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

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

Debt Coverage Test:

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

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

**Tampa Bay Water – 2020 Annual Budget
Debt Service**

Facility Acquisition Credits

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

Facility Acquisition Credits	Projected Balance Outstanding 10/1/19	Projected Balance Outstanding 9/30/20
Pasco County	\$13,298,821	\$12,094,240
City of New Port Richey	6,016,399	5,471,445
Hillsborough County	8,791,061	7,994,783
City of St. Petersburg	11,881,010	10,804,851
Pinellas County	31,079,323	28,264,217
City of Tampa	1,560,415	1,419,076
	\$ 72,627,030	\$ 66,048,612

<u>Summary of 2020 Debt Service</u>			
<u>Bonds</u>	Principal	Interest	Total
Refunding Revenue Bond, Series 2001 A		\$3,000,000	3,000,000
Refunding Revenue Bond, Series 2005	21,140,000	6,487,800	27,627,800
Refunding Revenue Bond, Series 2010		319,750	319,750
Refunding Revenue Bond, Series 2011	12,290,000	1,260,250	13,550,250
Refunding Revenue Bond, Series 2011 A	35,000	2,260,150	2,295,150
Revenue Bond, Series, 2013		3,619,550	3,619,550
Refunding Revenue Bond, Series 2015 A		7,611,150	7,611,150
Refunding Revenue Bond, Series 2015 B	870,000	2,780,245	3,650,245
Refunding Revenue Bond, Series 2016 A		4,356,688	4,356,688
Refunding Revenue Bond, Series 2016 B	240,000	1,095,482	1,335,482
Refunding Revenue Bond, Series 2016 C		2,767,250	2,767,250
DEBT SERVICE BONDS	\$34,575,000	\$35,558,314	\$70,133,314
<u>Facility Acquisition Credits</u>	Principal	Interest	Total
Pasco County	1,204,582	668,931	1,873,513
City of New Port Richey	544,954	302,625	847,579
Hillsborough County	796,278	442,190	1,238,468
City of St. Petersburg	1,076,159	597,615	1,673,774
Pinellas County	2,815,106	1,563,290	4,378,396
City of Tampa	141,339	78,489	219,828
DEBT SVC. FACILITY ACQUISITION CREDITS	\$6,578,418	\$3,653,140	\$10,231,558
TOTAL DEBT SERVICE FY 2020	\$41,153,418	\$39,211,453	\$80,364,871

Tampa Bay Water – 2020 Annual Budget
Debt Service

Rating Agency Analysis

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

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

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

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

Tampa Bay Water – 2020 Annual Budget
Debt Service

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

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

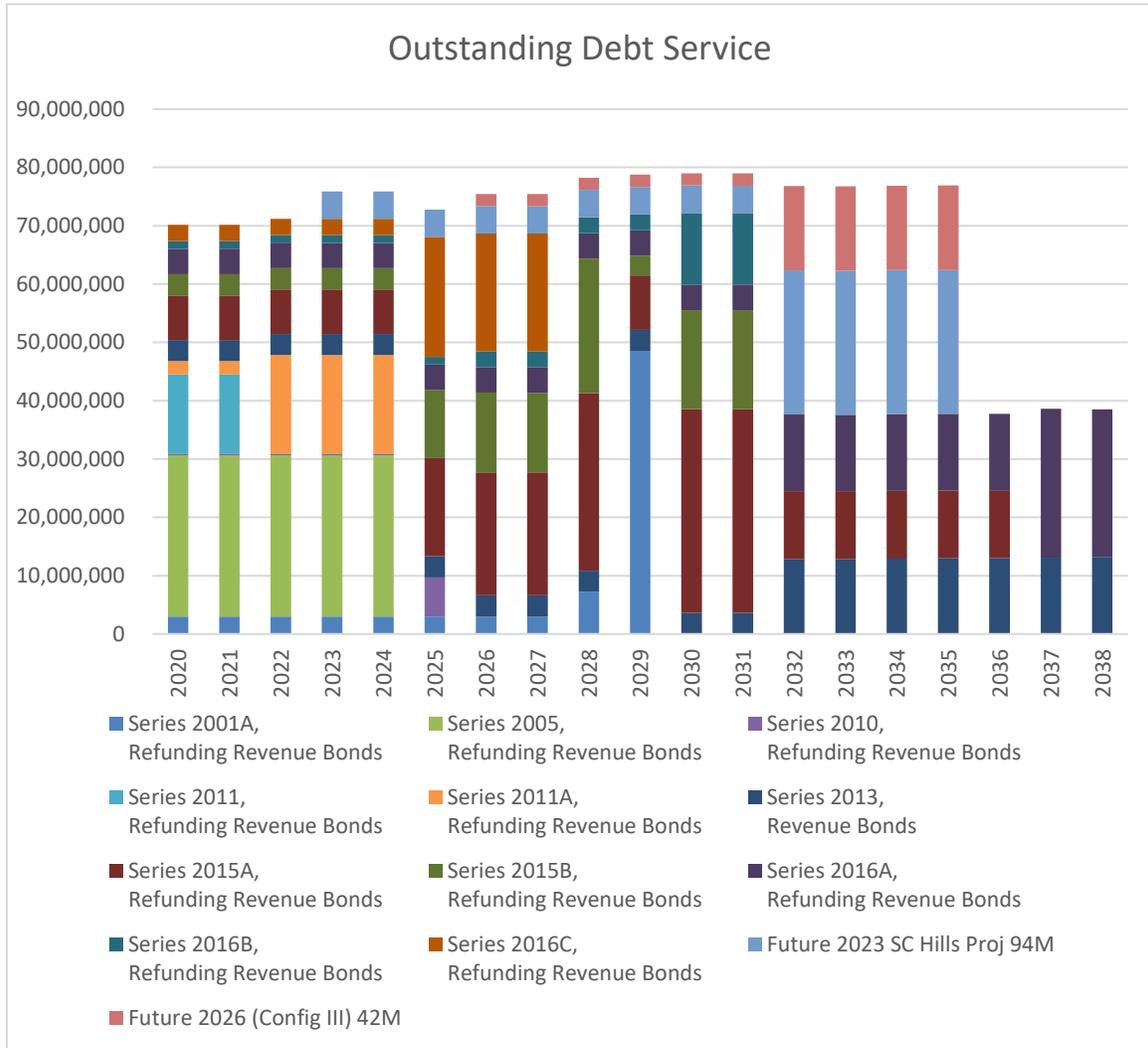
Bond Issue	Moody's	Fitch	Standard & Poor's
2001A Bonds	A1	AA-	A+
2005 Bonds	Aa3	AA-	A+
2010 Bonds	Aa2	AA+	AA+
2011 Bonds	Aa2	AA+	AA+
2011A Bonds	Aa2	AA+	AA+
2013 Bonds	Aa2	AA+	AA+
2015A Bonds	Aa1	AA+	AA+
2015B Bonds	Aa1	AA+	AA+
2016A Bonds	Aa1	AA+	AA+
2016B Bonds	Aa1	AA+	AA+
2016C Bonds	Aa1	AA+	AA+

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

Tampa Bay Water – 2020 Annual Budget Debt Service

Outstanding Debt Service

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



Future Borrowing

The Capital Improvement Program shows a need for additional financing, estimated at \$94 million, in fiscal year 2023. will be needed to deliver water to the South-Central Hillsborough delivery area. Plus, an estimated \$42 million additional financing in fiscal year 2026.

Capital Improvement Program

Fiscal Year 2020

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 2020.

Tampa Bay Water – 2020 Annual Budget Capital Improvement Program

In fiscal year 2010, Tampa Bay Water redeveloped its capital planning procedures. This has resulted in a more efficient and comprehensive project evaluation and prioritization process. Tampa Bay Water’s ten-year plan for its Capital Improvement Program is presented in a separate document titled “Capital Improvement Program Fiscal Years 2020 through 2029”.

This section will provide details of only those projects Tampa Bay Water will be managing during fiscal year 2020.

Capital Improvement Program Background

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

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

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

For those projects receiving funding through the Uniform Rate, the Renewal and Replacement Fund or the Capital Improvement Fund, the 2020 CIP Budget is the basis for budgeted expenditures when adopting the 2020 Annual Budget.

Goals

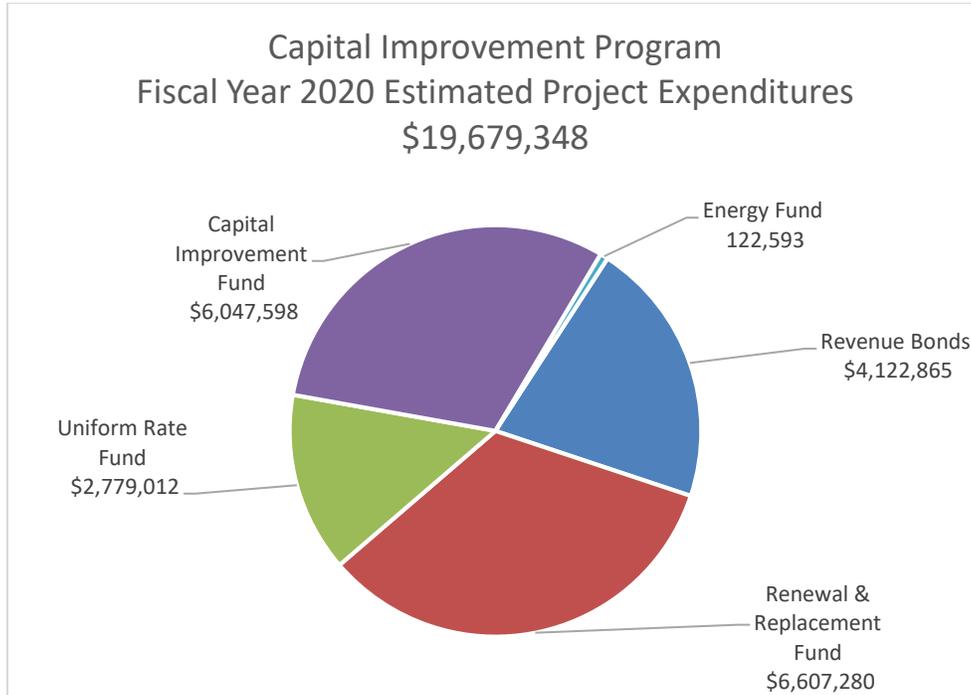
The following goals are used by Tampa Bay Water staff to develop the annual capital budget and the CIP:

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

Tampa Bay Water – 2020 Annual Budget Capital Improvement Program

2020 Capital Improvement Program Funding

For fiscal year 2020, Tampa Bay Water has \$19,679,348 of planned projects. Financing for scheduled Capital Improvement Program projects is summarized by funding source in the following chart.



Capital Improvement Financing

Revenue Bonds

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

Capital Improvement Fund

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

Renewal and Replacement Fund

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

Uniform Rate

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

**Tampa Bay Water – 2020 Annual Budget
Capital Improvement Program**

Energy Program Fund

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

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

Projects using Energy Program Funds must result in energy savings.

Other Funding Sources

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

FISCAL YEAR 2020 PROJECT LIST BY FUNDING SOURCE

Renewal and Replacement Fund Projects

Proj #	Project Name	FY 2020
50016	Eldridge-Wilde WF Pumps & Motors Replacement	550,000
50023	Starkey Wellfield Improvements	1,553,441
50031	Cypress Bridge Wellfield Improvements	226,637
50033	South-Central WF Generators	1,220,449
50040	Eldridge Wilde WF Underground Powerline	628,745
50041	Northwest Hillsborough Wellfield Improvements	122,227
50046	Lake Bridge Chemical Piping Replacement	458,797
50049	High Service Pump Station Chemical Piping Replacement	556,488
50050	Renewal and Replacement Program As-needed Activities (<\$100,000/each)	97,360
50064	TBC MLK Starters Replacement	860,792
50066	High Service Pump Station and Cypress Creek Water Treatment Plant Diesel Piping Improvements	116,290
50067	Cathodic Protection at HSPS, SCHBPS and Regional TM	175,995
50073	Cypress Creek Water Treatment Plant 72-Inch Valve	40,059
Totals		\$6,607,280

**Tampa Bay Water – 2020 Annual Budget
Capital Improvement Program**

Capital Improvement Fund Projects

Proj. #	Project Name	FY 2020
01610	Southern Hillsborough County Supply Expansion: Pipeline	1,376,210
06319	Reservoir Siren Upgrade	193
07010	Regional Facility Site Pump Station Expansion	945,040
07032	Tampa Bay Desalination Facility Intake Connection Improvements	1,067,952
07067	Reservoir Office Space	103,158
07069	SCADA and IT Security Systems Improvements	405,305
07072	Tampa Bypass Canal Gates Automation	282,248
07537	Tampa Bay Desalination Facility Intake Connection Improvements	25,758
50016	Eldridge-Wilde WF Pumps & Motors Replacement	1,841,734
Totals		\$6,047,598

Revenue Bonds Projects

Proj. #	Project Name	FY 2020
01610	Southern Hillsborough County Supply Expansion: Pipeline	452,308
06317	South Central Hillsborough Regional WF Improvements	1,335,976
06320	Purchasing Warehouse	1,128,599
07131	Cosme Water Treatment Plant Yard Piping Improvements	593,343
07539	HSPS Switchgear Modifications	612,639
Totals		\$4,122,865

Energy Fund Projects

Proj. #	Project Name	FY 2020
52004	C.W. Bill Young Regional Reservoir Solar Energy System	122,593
Totals		\$ 122,593

Uniform Rate Funded Projects

Proj. #	Project Name	FY 2020
01611	Southern Hillsborough County Expansion: Test Well	510,053
01612	Southern Hillsborough County Expansion: Wellfield	250,399
01613	Southern Hillsborough County Expansion: Wellfield Water Treatment Plant & Transmission Main	166,933
06317	South Central Hillsborough Regional WF Improvements	42,197
06319	Reservoir Siren Upgrade	39
09012	Surface Water Treatment Plant Entrance Canopy	347,306
09014	Surface Water Treatment Plant Expansion: Feasibility	350,000
09015	Tampa Bay Desalination Water Treatment Plant Expansion: Feasibility	1,100,000
50066	High Service Pump Sta. & Cypress Creek Water Treatment Plant Diesel Piping Improvements	12,085
Totals		\$2,779,012

Further program and project detail are provided in a separate document titled “Tampa Bay Water’s Capital Improvement Program Fiscal 2020-2029”.

Divisional Operating Budget Detail

Fiscal Year 2020

The Divisional Operating Budget Detail section provides an overall view of the fiscal year 2020 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 – 2020 Annual Budget Divisional Operating Budget Detail

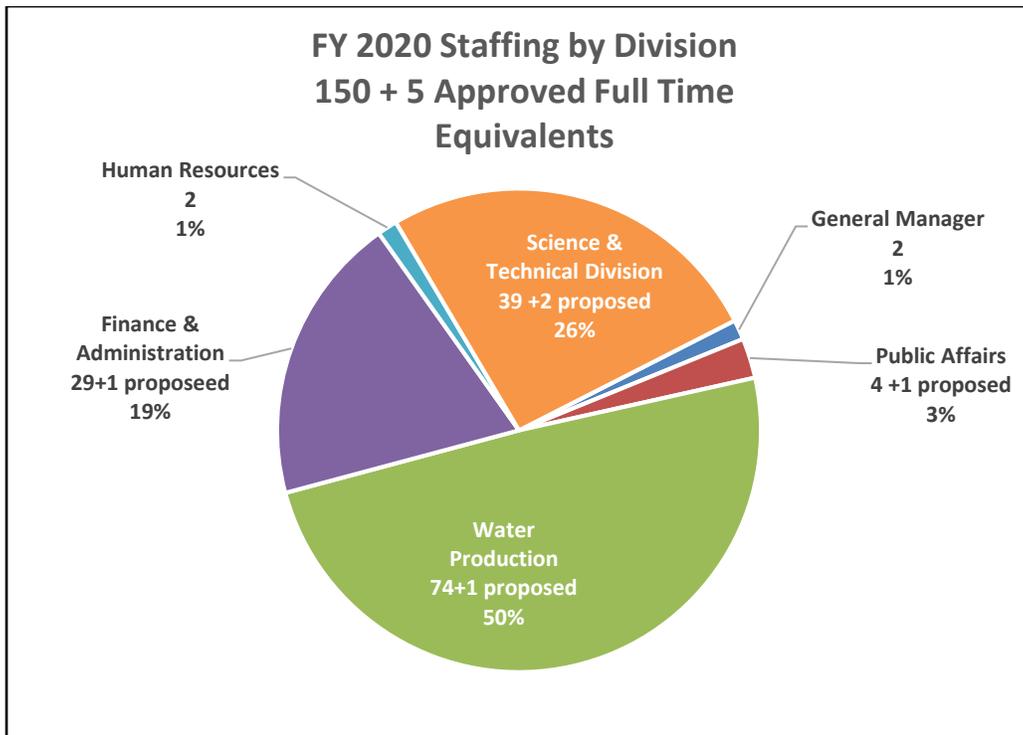
This section provides summaries of Tampa Bay Water’s new divisional organizations, mission, responsibilities, as well as historical budget trends.

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

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

Staffing

For fiscal year 2020, \$19,264,485 or approximately 10.5 percent of the Operating Budget is funding for 150 full time employees plus 5 approved fulltime positions and 6 Co-op students. The chart below shows the breakdown of full-time employees per division for FY 2020.



**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

The chart below shows agency full-time employees and co-op positions for fiscal years 2015 through 2020. The approved fiscal year 2020 staffing column includes the 5 full-time approved positions.

Area	Approved FY 2015	Approved FY 2016	Approved FY 2017	Approved FY 2018	Approved FY 2019	Approved FY 2020
General Manager	2	2	2	2	2	2
Public Affairs	5	4	4	4	4	4+1 new
General Counsel	*	*	*	*	*	*
Water Production	63	72	73	73	74	74+1 new
Finance & Administration	20	16	17	17	29	29+1 new
Human Resources	2	2	2	2	2	2
Science & Technical	41	46	48	50	39	39+2 new
Full Time Employees	133	142	146	148	150	150 + 5 new

*General Counsel outsourced since FY 2014

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Position Requests for Fiscal Year 2020

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

-Water Production Division – One full-time position requested

Real Estate Management position

Real estate activity varies with the need to support facilities; real estate support for design of new facilities, especially pipelines, represents peak property acquisition activity. Currently, the senior engineering support manager has performed real estate management on a part-time basis along with outsourced legal services being provided through the offices of General Counsel and new eminent domain has not been required. From 2012 to present 19 significant land transactions have been completed (three per year) and lesser property transactions have averaged six to eight per year. This level of activity requires approximately 25% of the senior engineering manager's time.

The next expansion of the Tampa Bay Water system through the Master Water Plan is in the early to mid-2020's. Many of the options under consideration include pipeline(s) which will increase real estate activity. Low level real estate activity is expected to continue for the next few years and will not be a full-time responsibility during these times of maintenance activity. This position will also free up approximately two-thirds of an in-house engineering staffs time allowing them to focus more on their engineering responsibilities. These responsibilities include activities such as utility conflict management, engineering records management and other secondary responsibilities.

Budget Impact – This would be a paygrade level 12 position, \$56,963 - \$93,989. Approval for this position reduces professional services by \$60,000 in fiscal year 2020 plus an additional \$65,000 in future years and allows engineers to focus on their core responsibilities.

-Public Affairs Division – One full-time position requested

Public Communications Audio-Visual Specialist position

The following analysis supports a conclusion that adding an audio-visual specialist will offset salary costs by reducing future budgets and increase productivity and quality in audio-visual duties. Adding the position will free up time (up to 20 percent) for the public communications manager and public affairs coordinator to focus on core job responsibilities. The new position would be responsible for maintaining sophisticated audio-visual systems in the board room, the agency's emergency operations center, and related equipment in the north and south consoles. The position would also be responsible for video production needs of the agency, including producing live board meetings.

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

Audio-visual systems management is a growing need for Tampa Bay Water as we expand the system to include more rooms and upgrade the technology to perform functions beyond board meeting production. Using video as a communication tool isn't a new idea but what's changed is how important it is to every communications platform and channel including news media, social media, websites and email. Studies show that video is the preferred communications medium for consumers receiving information from brands. Knowing this, social media platforms like Facebook assign higher priority to video content in the algorithms that determine what its users see in their news feeds with both organic and paid content. This position will be responsible for producing video content in accordance with ADA accessibility requirements under the direction of the public communication manager. There's growing need from departments to create videos for internal communications. Information technology, safety, human resources, public affairs, finance and more can all benefit from using video to communicate how-tos, policies and procedures via training video content. Staff trainings and onboardings can become more efficient and effective with video. This position will work interdepartmentally to produce video for trainings and internal communications in accordance with ADA accessibility requirements under the direction of the public communications manager.

Budget Impact – This would be a paygrade level 8 position, \$43,584 - \$71,914. Approval for this new position reduces contracted services costs by \$33,000 in fiscal year 2020, plus an additional \$60,400 in future years.

-Finance & Administration Division – One full-time position requested

IT Network Specialist

The Information Technology department is becoming more critical to the Agency's work and is being relied upon more profoundly to support various processes and functions within the Agency, including our core responsibility of delivering quality drinking water. Information Technology is relied upon to support data analytics necessary for the Agency's staff to more effectively and efficiently operate the supervisory control and data acquisition (SCADA) systems and various other supporting systems. Tampa Bay Water has implemented additional services and systems including remote network devices, physical security network management, expanded network services in various facilities plus multiple cyber security systems.

Information Technology's growing, core role that supports all functions within the utility is challenging and is made more so by the fact that Agency's information infrastructure is aging; it is difficult to support growing operational needs with an information system that is itself in need of attention and additional staff is needed to meet this need. Additional staff will also support future Information Technology enhancements such as after-hours support capabilities, infrastructure equipment maintenance and continue to increase and meet new cyber-security requirements and issues.

Budget Impact – This would be a paygrade level 9 position, \$45,981 - \$75,870. Approval for this position will address the increased information technology needs to support critical agency work and meet emerging requirements.

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

–Science & Technical Division – Two full-time position requested

Water Resources System Engineer position

Within the context of uncertain climate, supply, and demand, Tampa Bay Water has increasingly emphasized sustainability and reliability of supply sources and the delivery system. Throughout the current Master Water Plan process, staff have used models to evaluate the sustainability and reliability of many project concepts. These models reproduce the climatic and hydrologic processes of the Tampa Bay region and the flow rates and storage properties throughout the Tampa Bay Water delivery system. These models have and will continue to evolve with Agency needs. In the Tampa Bay region, evidence clearly indicates that dynamic feedback responses occur between the surface-water and ground-water systems. Furthermore, accurate representation of interaction among supply, operations, and the delivery system depends on an accurate representation of the dynamic, hydrologic feedback responses.

Increasing competitive demands for the small percentage of rainfall (5%) that can become supply sources and increasing regulations compel improvements in the accuracy, flexibility, and capability of the water resources evaluation models to be prepared for future operations, supply, and regulatory inquiries. Competitive demands and competing interests also compel Tampa Bay Water to develop the most accurate and capable water resources evaluation models which can strengthen the Agency’s position to maintain current permitted withdrawal rates at the wellfields. It is strategically important for Tampa Bay Water to renew and maintain compliance with the Consolidated Water Use Permit and all other ground-water Water Use Permits, which comprise approximately 55% to 60% of the current supply source.

Budget Impact - This would be a paygrade level 14 position, \$63,401 - \$104,612. Approval for this position will address the readiness of the various data analysis and modeling support for operations, engineering, permitting, and finance departments, for general water resources and to evaluate wellfield recovery, MFLs, uncertainty, and water quality.

-Administrative Assistant position

The Science and Technical Division is responsible for the implementation of the Environmental Management System and addressing new regulatory requirements, such as the America’s Water Infrastructure Act of 2018. Currently, the administrative tasks associated with this work is being handled by managers and other internal staff taking them away from their core responsibilities.

This position will manage correspondence, reports and documents, take and distribute minutes of meetings, maintain schedules and calendars, implement and maintain office and filing systems, collate information from various sources, maintain databases, serve as a central point for disseminating inter-departmental communication and coordinate the follow of information externally and internally.

Budget Impact - This would be a paygrade level 3 position, \$31,609 - \$52,155. Approval for this position allows staff and managers to focus and perform their core operational functions.

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Tampa Bay Water Total Operating Budget

Uniform Rate Budget	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Approved 2020
Expenditures:						
41000 Regular Salaries	9,559,531	10,102,806	10,778,421	11,258,632	12,222,160	12,504,200
41300 Other Sal & Wages	11,363	11,554	12,352	12,926	13,500	13,650
41310 Employee Awards (FRS Exempt)	1,908	1,593	2,038	1,588	2,875	1,875
41340 Auto Allowance	4,993	4,742	4,930	5,043	5,400	5,850
41410 Overtime	72,670	86,811	83,972	85,724	96,200	96,550
41420 Shift Differential	41,351	52,135	56,509	63,182	65,000	67,000
41430 On-call pay	45,907	61,648	69,091	57,281	74,600	62,000
42100 FICA	706,450	747,101	802,346	831,414	956,050	975,650
42200 FRS	820,559	1,438,103	1,892,685	2,081,164	2,228,100	2,324,410
42300 Life & Health Ins	1,467,199	1,641,978	1,787,913	1,894,578	3,137,652	2,984,800
42305 FSA Health Care Med. Exc.	-	-	-	2,117	-	-
42400 Workers' Compensation	162,000	183,342	137,022	101,379	234,000	182,500
42500 Unemployment Comp	1,375	-	-	4,180	10,000	10,000
42600 Other Post Employment Benefits	44,871	28,223	24,188	(81,538)	35,000	36,000
Total Personnel Services	12,940,176	14,360,036	15,651,468	16,317,669	19,080,537	19,264,485
55100 Office Supplies	32,505	29,190	23,331	28,356	39,200	44,475
55200 Operating Supplies	1,458,485	1,313,141	1,482,757	1,390,983	1,649,380	1,770,074
55260 Computer Software Expense	185,113	157,578	226,968	195,613	26,640	14,000
55400 Books, Publs, Subsc, Memberships	225,346	228,837	230,163	258,074	349,574	360,592
55500 Training	157,308	145,755	152,123	174,932	340,077	300,919
Total Materials & Supplies	2,058,757	1,874,501	2,115,341	2,047,959	2,404,871	2,490,060
63120 Engineering Services	1,755,268	1,866,567	1,693,347	1,522,116	1,908,900	2,130,000
63125 Engineering Svcs-Owners Allowance	31,145	84,371	35,851	755	-	-
63130 Hydrological Services	298,997	493,694	569,034	595,010	560,500	815,500
63140 Ecological Services	2,672,857	2,982,096	2,475,320	2,464,404	2,619,160	2,521,657
63181 Mitigation	820,812	647,067	307,991	10,618	340,500	220,000
63182 Augmentation	139,848	429,041	125,610	38,821	276,120	58,500
63190 Other Professional Services	1,702,038	2,043,925	3,735,493	4,194,367	4,526,466	6,041,444
63200 Accounting & Auditing	427,450	178,500	123,550	100,500	245,000	375,000
63400 Other Services	1,749,186	1,773,059	1,895,829	2,092,669	2,657,856	3,376,116
63410 O & M Agreements	14,717,133	14,374,298	14,326,818	15,477,128	15,544,901	14,452,551
Total Professional Services	24,314,733	24,872,618	25,288,843	26,496,389	28,679,403	29,990,768

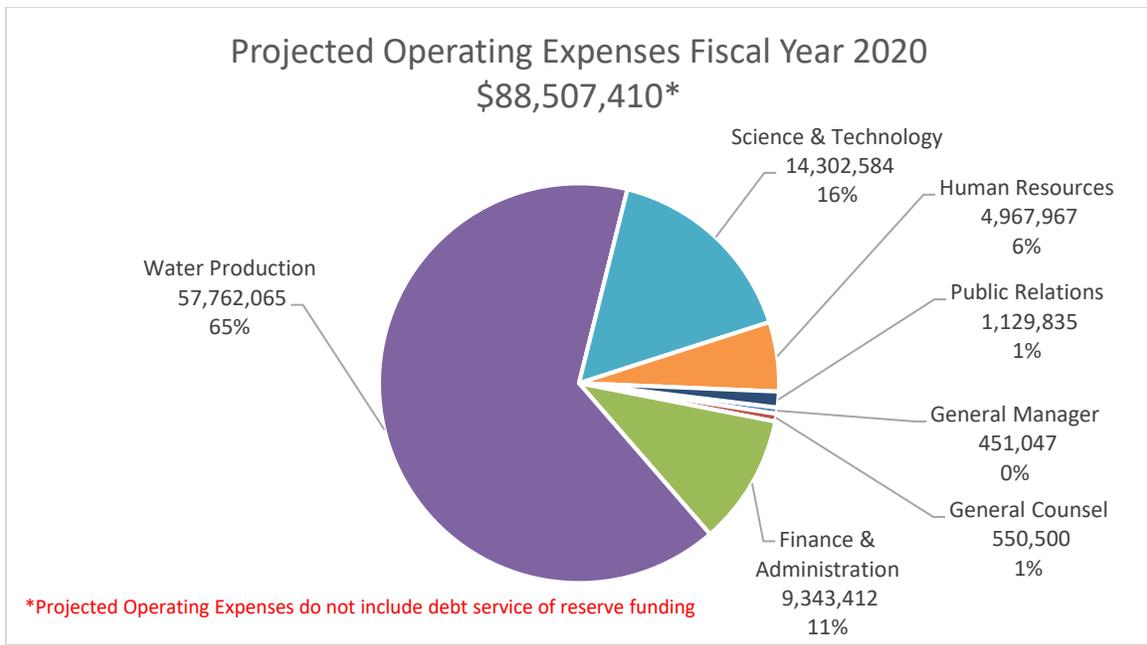
**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Uniform Rate Budget	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Approved 2020
64000 Travel & Per Diem	81,489	88,890	86,731	100,752	153,905	156,348
64005 Mileage & Tolls	23,309	23,362	27,952	28,650	31,550	34,175
64100 Communications Services	577,263	734,635	666,491	730,295	876,500	770,800
64120 Freight & Postage Services	74,561	78,054	80,858	62,692	95,440	93,325
64320 Water, Sewer, & Other Utilities	181,467	96,974	219,844	188,769	250,140	257,140
64600 Repair & Maint-Eq & Grounds	2,565,726	3,270,178	2,572,693	2,530,881	4,121,146	3,960,183
64605 Repair & Maint-Eq & Grnds Owners Allow	-	33,839	-	-	-	-
64700 Printing & Binding	26,331	22,602	25,524	32,019	45,000	41,500
64800 Promotional Activities	22,584	43,682	75,380	100,627	120,700	120,700
64810 Advertising	47,429	21,441	42,323	183,536	123,120	117,650
64990 Other Current Charges	68,493	53,577	56,263	143,265	205,890	169,445
64991 Permits	69,153	81,300	91,543	67,263	95,450	85,130
64995 P-Card/Credit Card Fees	-	-	-	1,264	-	-
Total Repairs & Other Services	3,737,805	4,548,534	3,945,601	4,170,013	6,118,841	5,806,396
64400 Rentals & Leases	335,708	308,359	283,417	153,854	425,548	458,298
64500 Insurance	1,435,458	1,441,064	1,502,024	1,348,978	1,605,500	1,710,060
Total Rent & Insurance	1,771,166	1,749,423	1,785,441	1,502,831	2,031,048	2,168,358
63110 Legal Services	292,042	302,054	315,239	379,962	545,000	545,000
86100 Land Acq Cost-Purchase	-	-	-	-	25,000	10,000
86110 Land Acq Cost-Legal	-	-	-	-	5,000	5,000
86190 Land Acq Cost-Other	-	300	-	-	1,000	1,000
86300 Capital Improve Facility	143,600	-	-	-	95,000	45,000
86305 Capital Improve Facility-Owners Allowance	43,829	-	-	-	-	-
86400 Mach & Equipment Purchase	889,254	1,180,065	1,082,323	1,178,658	1,850,550	1,295,805
86610 Software-To Amortize	426,756	495,882	97,820	58,539	200,000	180,000
Total Capital Expenditures	1,503,439	1,676,247	1,180,143	1,237,197	2,176,550	1,536,805

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Uniform Rate Budget	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Approved 2020
77210 Interest Bonds	45,478,588	42,202,306	40,334,335	38,838,614	37,252,277	35,558,314
77310 Issue Costs Bonds		387,269	-	-	-	-
87114 Principal 2004 Bonds	11,180,000	11,770,000	16,925,000	13,535,000	5,005,000	-
87116 Principal 2005 Bonds	5,145,000	5,410,000	1,155,000	5,505,000	15,030,000	21,140,000
87117 Principal 2006 Bonds	340,000	355,000	-	-	-	-
87140 Principal 2011 Bonds	9,630,000	10,115,000	10,615,000	11,140,000	11,710,000	12,290,000
87141 Principal 2011A Bonds	305,000	30,000	35,000	35,000	35,000	35,000
87142 Principal 2011 B Bonds	170,000	175,000	-	-	-	-
87145 Principal 2015B Bonds	420,000	775,000	835,000	845,000	1,090,000	870,000
87147 Principal 2016B Bonds		195,000	230,000	235,000	-	240,000
Total Debt Service	72,668,588	71,414,576	70,129,335	70,133,614	70,122,277	70,133,314
77250 Interest Facility Purchase	5,058,496	4,808,120	4,542,913	4,263,601	3,968,187	3,653,140
87125 Principal Payment Facility Acq.	5,173,062	5,423,438	5,688,644	5,967,957	6,263,370	6,578,418
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 Expense	48,000	48,000	48,000	48,000	48,000	48,000
82810 O&M Reserve Funding	-	-	-	-	288,898	112,872
82820 Renewal & Replacement Rsv Fund	2,891,688	-	-	3,325,468	10,078,843	11,606,997
82870 Capital Improvement Funding	2,986,952	-	-	4,215,354	92,481	143,772
Total Reserve Funding	5,878,640	-	-	7,540,822	10,460,222	11,863,641
55210 Water Treatment Chemicals	7,385,988	7,337,426	8,425,406	8,370,525	10,801,430	12,606,616
64310 Power and Light	10,053,809	9,658,934	11,412,550	10,644,646	13,666,498	13,548,122
64380 Water for Resale-Variable	1,950,919	1,720,881	1,201,732	1,282,092	1,512,378	502,800
Total Variable Costs	19,390,716	18,717,241	21,039,688	20,297,263	25,980,306	26,657,538
GRAND TOTAL	154,835,620	149,794,786	151,730,656	160,403,278	177,878,613	180,735,922

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**



Office of General Manager	Approved FY 2020
Salaries & Wages	\$ 408,500
Materials & Supplies	29,367
Repairs & Other Services	13,180
Total Office of General Manager	\$ 451,047

General Counsel	Approved FY 2020
Professional Services	\$ 3,000
Legal Services	545,000
Capital Equipment	2,500
Total General Counsel	\$ 550,500

Finance & Administration	Approved FY 2020
Salaries & Wages	\$ 3,008,870
Materials & Supplies	579,901
Professional Services	2,529,976
Repairs & Other Services	1,056,665
Rent, Insurance & Construction	1,816,500
Capital Equipment	351,500
Total Finance & Administration (does not include debt service or reserve funding)	\$ 9,343,412

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Water Production	Approved FY 2020
Salaries & Wages	\$ 6,900,500
Materials & Supplies	1,268,982
Professional Services	18,029,811
Repairs & Other Services	3,971,771
Rent & Insurance	296,858
Water Quality Credit	48,000
Capital Equipment	588,605
Water Treatment Chemicals	\$ 12,606,616
Power / Electricity	13,548,122
Water for Resale	502,800
Total Water Production	\$ 57,762,065

Science & Technology	Approved FY 2020
Salaries & Wages	\$ 3,766,630
Materials & Supplies	524,368
Professional Services	8,937,081
Repairs & Other Services	455,305
Rent & Insurance	50,000
Capital Equipment	569,200
Total Science & Technical	\$ 14,302,584

Human Resources	Approved FY 2020
Salaries & Wages	\$ 4,746,285
Materials & Supplies	40,107
Professional Services	101,100
Repairs & Other Services	70,475
Rent & Insurance	5,000
Capital Equipment	5,000
Total Human Resources	\$ 4,967,967

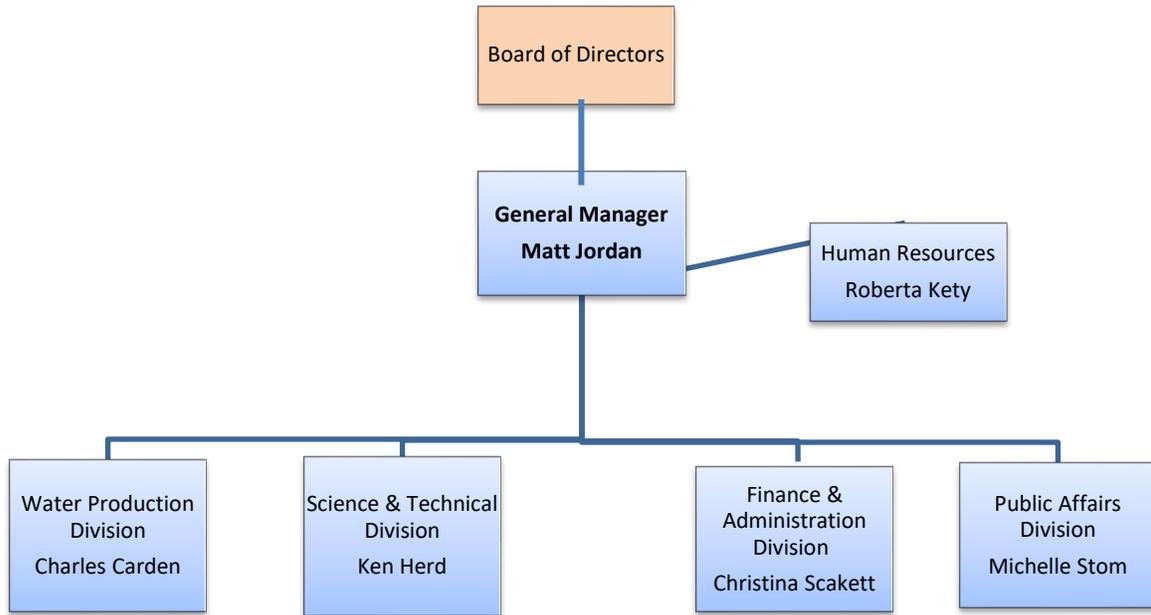
Public Relations	Approved FY 2020
Salaries & Wages	\$ 433,700
Materials & Supplies	47,335
Professional Services	389,800
Repairs & Other Services	239,000
Capital Equipment	20,000
Total Public Relations	\$ 1,129,835

Total Approved Operating Budget (not including Debt Service & Reserve Funding)	\$ 88,507,410
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Tampa Bay Water – 2020 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 water production, science, technology, finance, administration, public affairs and ensuring that Board policies and programs are implemented in accordance with the Board's direction. The General Manager oversees the Human Resources Department and four divisions as follows:



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

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

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

General Manager	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	236,419	258,068	268,045	280,750	286,900	302,400
41300 Other Salaries & Wages	11,363	11,554	12,352	12,926	13,500	13,650
41340 Auto Allowance	4,993	4,742	4,930	5,043	5,400	5,850
42100 FICA	17,545	19,080	19,953	20,732	22,000	23,200
42200 FRS	20,302	22,004	24,535	27,569	56,800	63,400
42300 Life & Health Insurance	13,228	23,837	17,722	9,348		
Total Personnel Services	303,850	339,285	347,537	356,368	384,600	408,500
55100 Office Supplies	-	-	-	114	-	125
55200 Operating Supplies	44	91	201	102	320	320
55400 Books, Pubis, Subsc, Memberships	22,811	22,489	18,500	19,494	25,286	26,347
55500 Training	620	2,100	2,560	1,885	2,975	2,575
Total Materials & Supplies	23,475	24,679	21,261	21,595	28,581	29,367
64000 Travel & Per Diem	3,845	3,024	2,412	2,525	7,750	7,750
64005 Mileage & Tolls	621	641	621	931	1,200	1,200
64120 Freight & Postage Services	-	-	-	-	50	50
64810 Advertising	1,799	999	1,048	3,977	2,120	2,500
64990 Other Current Charges	432	601	666	1,367	1,680	1,680
Total Repairs & Other Services	6,696	5,265	4,747	8,800	12,800	13,180
GRAND TOTAL	334,021	369,229	373,544	386,764	425,981	451,047

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

General Counsel	2015	2016	2017	2018	2018	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
63190 Other Professional Services		-	-	-	3,000	3,000
Total Professional Services		-	-	-	3,000	3,000
63110 Legal Services	292,042	302,054	315,239	379,962	545,000	545,000
86110 Land Acq Cost-Legal		-	-	-	2,500	2,500
Total Capital Expenditures	-	-	-	-	2,500	2,500
GRAND TOTAL	292,042	302,054	315,239	379,962	550,500	550,500

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

Human Resources

The **Human Resources Department** is responsible for assisting in the needs of the 148 full time equivalent employee positions of Tampa Bay Water. Currently Human Resources is comprised of two full-time positions and reports directly to the Agency General Manager.



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

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

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

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

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

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

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

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Human Resources	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	104,129	155,656	163,262	172,314	529,660	438,700
41310 Employee Awards (FRS Exempt)	1,908	1,593	2,038	1,588	2,875	1,875
41410 Overtime		-	91	61	200	200
42100 FICA	7,727	11,508	12,153	12,725	41,250	33,650
42200 FRS	8,942	13,272	15,689	16,921	1,050,000	1,058,560
42300 Life & Health Ins	27,319	23,690	(7,415)	18,696	3,137,652	2,984,800
42400 Workers' Compensation	162,000	183,342	137,022	101,379	234,000	182,500
42500 Unemployment Comp	-	-	-	4,180	10,000	10,000
42600 Other Post Employment Benefits		28,223	24,188	(81,538)	35,000	36,000
Total Personnel Services	312,024	417,283	347,028	246,325	5,040,637	4,746,285
55100 Office Supplies	-	-	7	7	250	250
55200 Operating Supplies	-	-	-	14,291	750	750
55400 Books, Pubis, Subsc, Memberships	642	2,175	1,657	1,605	2,966	3,407
55500 Training	3,097	1,734	5,985	11,440	40,500	35,700
Total Materials & Supplies	3,740	3,909	7,649	27,343	44,466	40,107
63190 Other Professional Services	32,300	59,921	13,631	7,880	184,500	62,000
63400 Other Services	1,492	23,920	1,852	2,042	46,510	39,100
Total Professional Services	33,792	83,841	15,484	9,922	231,010	101,100

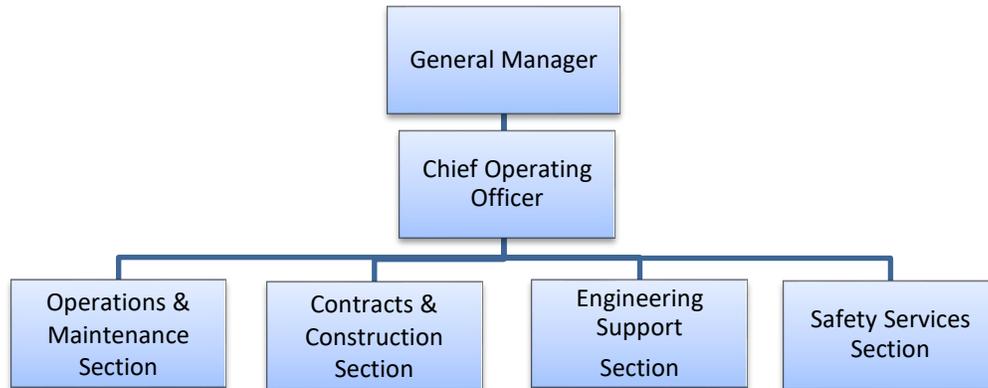
**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Human Resources	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
64000 Travel & Per Diem	860	1,280	1,897	3,016	8,250	7,050
64005 Mileage & Tolls	1,874	2,842	3,205	4,320	3,000	4,500
64120 Freight & Postage Services	203	216	397	270	650	650
64600 Repair & Maint-Eq & Grounds	-	-	593	1,022	3,000	3,000
64810 Advertising	8,278	16,238	18,852	10,029	24,000	24,000
64990 Other Current Charges	18,222	18,666	18,493	23,617	30,225	31,275
Total Repairs & Other Services	29,438	39,242	43,437	42,274	69,125	70,475
64400 Rentals & Leases	1,752	2,093	2,579	2,856	5,000	5,000
Total Rent & Insurance	1,752	2,093	2,579	2,856	5,000	5,000
86400 Machinery & Equipment Purchase	-	-	4,060	-	5,000	5,000
Total Capital Expenditures	-	-	4,060	-	5,000	5,000
GRAND TOTAL	380,746	546,367	420,237	328,720	5,395,238	4,967,967

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

Water Production Division

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



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

Operation & Maintenance Section Goals & Objectives:

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

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

- Operate the regional system and points of connection in compliance with Exhibit C and D and all federal, state and local regulations/permits
- Complete transition to operation for the Keller H₂S facility and examine options for long-term facility maintenance
- Assist with reservoir monitoring and maintenance phase

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

Contracts & Construction Section Goals & Objectives:

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

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

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

Engineering Support Section Goals & Objectives:

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

The **Safety Services Section** is responsible for emergency preparedness, and the safety and security of agency personnel and infrastructure.

Safety Services Section Goals & Objectives:

- Update Safety Policy and Procedure Manual with emphasis on electrical safety
- Complete a security program assessment of physical facilities and security officer service and performance

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Water Production	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	4,310,653	4,645,203	4,930,389	5,025,038	5,380,200	5,661,900
41410 Overtime	63,708	77,782	75,914	80,423	86,000	89,350
41420 Shift Differential	41,351	52,135	56,509	63,182	65,000	67,000
41430 On-call pay	38,593	37,455	39,517	42,535	46,000	46,000
42100 FICA	319,895	343,431	367,018	371,083	427,700	449,450
42200 FRS	370,173	396,066	451,285	493,445	531,900	586,800
42300 Life & Health Insurance	721,914	829,179	916,839	966,092	-	-
					-	-
Total Personnel Services	5,866,287	6,381,251	6,837,471	7,041,799	6,536,800	6,900,500
				-	-	-
55100 Office Supplies			-	601	100	550
55200 Operating Supplies	899,925	860,773	923,531	878,840	1,046,010	1,063,898
55260 Computer Software Expense		11,995	3,610	-	-	-
55400 Books, Pubis, Subsc, Memberships	170,508	18,794	25,906	32,884	53,178	48,423
55500 Training	114,572	87,619	87,804	101,326	189,950	156,111
Total Materials & Supplies	1,185,005	979,181	1,040,852	1,013,652	1,289,238	1,268,982
				-	-	-
63120 Engineering Services	1,156,254	1,378,426	969,433	1,022,591	1,030,400	1,230,000
63125 Engineering Services-Owners Allowance	31,145	84,371	35,851	755		
63190 Other Professional Services	280,513	295,396	1,376,630	1,379,315	675,000	640,000
63400 Other Services	1,022,555	1,278,933	1,302,540	1,309,533	1,469,070	1,707,260
63410 O&M Agreements	14,717,133	14,374,298	14,326,818	15,477,128	15,544,901	14,452,551
Total Professional Services	17,207,599	17,411,423	18,011,272	19,189,323	18,719,371	18,029,811

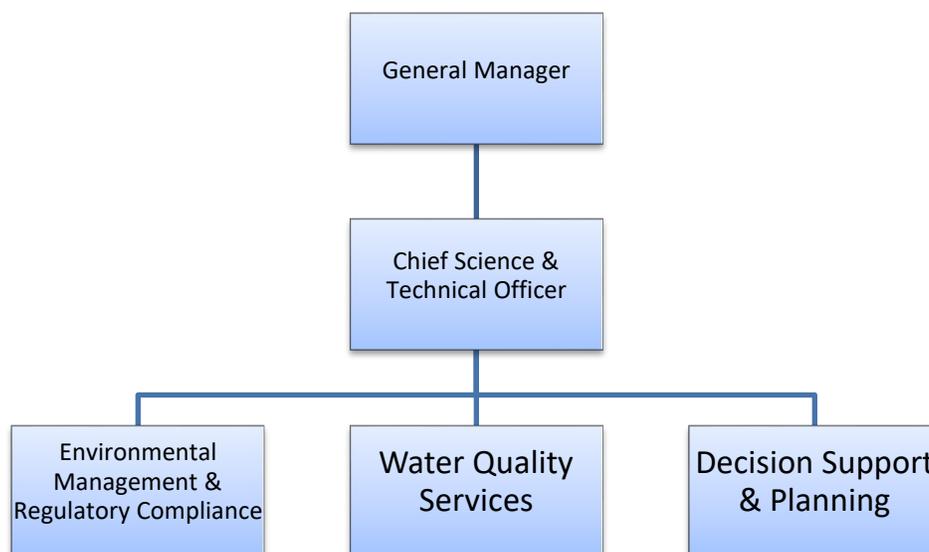
**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Water Production	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
64000 Travel & Per Diem	16,793	19,881	24,505	32,142	38,105	38,123
64005 Mileage & Tolls	3,711	3,027	4,619	4,229	4,200	4,875
64100 Communications Services	43,048	3,672	3,672	-	5,500	1,000
64120 Freight & Postage Services	11,949	12,443	14,881	13,136	18,830	15,900
64320 Water, Sewer, & Other Utilities	181,467	96,974	219,844	188,769	250,140	257,140
64600 Repair & Maint-Eq & Grounds	2,501,313	3,174,686	2,516,717	2,400,334	3,735,325	3,643,583
64605 Repair & Maint-Eq & Grounds -Owners Allow	-	33,839	-	-	-	-
64810 Advertising	28	867	351	350	3,000	3,000
64990 Other Current Charges	25,772	7,460	6,212	2,957	8,000	5,150
64991 Permits	4,653	830	-	13	3,000	3,000
Total Repairs & Other Services	2,788,735	3,353,678	2,790,801	2,641,929	4,066,100	3,971,771
				-	-	-
64400 Rentals & Leases	107,823	75,673	49,855	38,615	73,798	64,298
64500 Insurance	73,375	113,200	216,044	192,151	228,000	232,560
Total Rent & Insurance	181,197	188,872	265,899	230,767	301,798	296,858
				-	-	-
86300 Capital Improvement-Facility	143,600			-	95,000	45,000
86305 Capital Improvement-Facility-Owners Allow	43,829			-	-	-
86400 Machinery & Equipment Purchase	606,651	714,480	524,051	580,532	817,750	543,605
Total Capital Expenditures	794,080	714,480	524,051	580,532	912,750	588,605
55250 Water Quality Credit Expense	48,000	48,000	48,000	48,000	48,000	48,000
				-	-	-
55210 Water Treatment Chemicals	7,385,988	7,337,426	8,425,406	8,304,193	10,801,430	12,606,616
64310 Power and Light	10,053,809	9,658,934	11,412,550	10,644,646	13,666,498	13,548,122
64380 Water for Resale-Variable	1,950,919	1,720,881	1,201,732	1,282,092	1,512,378	502,800
Total Variable Costs	19,390,716	18,717,241	21,039,688	20,230,931	25,980,306	26,657,538
GRAND TOTAL	47,461,619	47,794,127	50,558,036	50,976,933	57,854,363	57,762,065

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

Science and Technical Division

The **Science and Technical 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. In addition, the Division is responsible for all Information Technology policies, procedures, equipment, data, cybersecurity and the Agency’s SCADA system. In October 2016, the Division completed a re-organization to create the Environmental Management and Regulatory Compliance group and the Water Quality Services.



The **Environmental Management and Regulatory Compliance Group** performs Agency work in four areas: (1) implementation of Agency Environmental Management (ISO14001) system, (2) compliance tracking, reporting and implementation of agency water use and environmental resource permit conditions, (3) collect and submit hydrologic and water quality data as required by agency water use permits, and (4) implementation of agency well mitigation program under the Good Neighbor Policy and water use permits. Use of this EMS framework will provide the agency with the best opportunity to successfully facilitate regulatory compliance, mitigate risk, and implement continual improvement.

Managers from each department report to the Environmental Management and Regulatory Compliance Senior Manager. The Environmental Management and Regulatory Compliance Senior Manager is directly responsible for implementation of the EMS and for all regulatory compliance matters. She also coordinates internal regulatory compliance matters and interactions with state, local and federal regulatory agencies and industry associations

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

Environmental Management and Compliance

The **Environmental Management and Compliance Department** implements the new 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.

Department Goals

- Develop and implement new Environmental Management System following the guidelines of ISO 14001.
- 100% Agency compliance with all applicable deadlines, events and reporting conditions dictated by regulatory agencies.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact the Agency.
- Work closely with Agency staff to complete all assigned strategic goals related to Agency compliance with all regulatory requirements.
- Coordinate with regulatory agencies, member governments, and contract operators on all regulatory matters.

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

Water Use Permitting Department Goals & Objectives

- Completed Consolidated Water Use Permit Recovery Assessment, report submitted to District in December 2018.
- Maintain compliance with water facility permits to support a reliable water supply system and financial stability for the agency.
- Monitor environmental systems near agency facilities to minimize impacts to water resources and operate our facilities in an environmentally sustainable manner.
- Communicate results of monitoring and analyses with local governments and interested citizens to promote an understanding of our environmental systems and how best to protect them.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact Agency water use permitting requirements.

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

- Work closely with Agency staff to complete all assigned strategic goals related to water use permitting requirements.
- Set strategic visions and goals for the Water Use Permitting Departments.

Monitoring and Mitigation Department

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

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

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

Monitoring and Mitigation Department Goals

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

Water Quality Services

The **Water Quality Services** is comprised of the Drinking Water Permitting Department and Laboratory. The Water Quality Services staff is responsible for all water quality sampling and analysis (Laboratory), the hydrobiological monitoring program, compliance with Drinking Water permits, research on drinking water treatment, source water quality assessments, and assists member governments in addressing water quality issues in delivered water and in their distribution systems.

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

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

Laboratory Services Department Goals

- Maintain full compliance with all Laboratory certifications.
- Perform analytical work efficiently and cost effectively.
- Ensure applicable laboratory quality control and assurance practices are implemented and met.
- Be attentive to changes including resource quality conditions that may affect the Agency.
- Keep apprised of new regulations, standards, policies and guidance issued by relevant regulatory authorities that impact laboratory performance.
- Complete all assigned strategic goals related to laboratory.
- Set strategic visions and goals for Laboratory Services.

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. Staff inspect our facilities and analyze data to assure compliance with these facility permits.

Source Water Assessment Department Goals

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

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

Decision Support and Planning Department

As part of the reorganization of the Division in October 2016, the Planning Department was merged into the Decision Support Department to create the Decision Support and Planning Department. This Department is responsible for the updating the Long-term Master Water Plan and other agency critical plans or reports. This Department also designs, implements, and maintains water resources optimization tools, 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. This department created and maintains the Optimized Regional Operations Plan, a one of kind optimization tool for source allocation.

Decision Support and Planning Department Goals

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

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Science & Technology Division	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	3,554,337	3,611,162	3,878,928	4,078,408	4,442,400	3,201,500
41410 Overtime	6,354	6,063	6,684	4,530	8,000	4,500
41430 On-call pay	7,314	24,193	29,574	14,746	28,600	2,000
42100 FICA	263,769	266,982	288,747	301,177	343,500	245,850
42200 FRS	325,777	307,900	356,526	418,825	414,100	312,780
42300 Life & Health Insurance	486,559	539,740	574,390	605,514	-	-
Total Personnel Services	4,644,110	4,756,041	5,134,849	5,423,200	5,236,600	3,766,630
55100 Office Supplies	-	-	-	213	950	-
55200 Operating Supplies	322,633	210,430	307,558	227,585	304,150	250,150
55260 Computer Software Expense	178,571	145,583	223,357	192,508	17,000	-
55400 Books, Pubis, Subsc, Memberships	15,688	165,465	164,925	179,308	241,339	239,576
55500 Training	26,421	37,783	36,019	33,995	75,125	34,642
Total Materials & Supplies	543,313	559,260	731,859	633,608	638,564	524,368
63120 Engineering Services	599,014	488,141	723,914	499,525	878,500	900,000
63130 Hydrological Services	298,997	493,694	569,034	595,010	560,500	815,500
63140 Ecological Services	2,672,857	2,982,096	2,475,320	2,479,747	2,619,160	2,521,657
63181 Mitigation	820,812	647,067	307,991	10,618	340,500	220,000
63182 Augmentation	139,848	429,041	125,610	38,821	276,120	58,500
63190 Other Professional Services	1,083,758	1,306,813	1,935,322	2,261,709	3,204,066	4,082,944
63400 Other Services	664,036	406,311	525,162	698,708	946,800	338,480
Total Professional Services	6,279,322	6,753,164	6,662,353	6,584,138	8,825,646	8,937,081

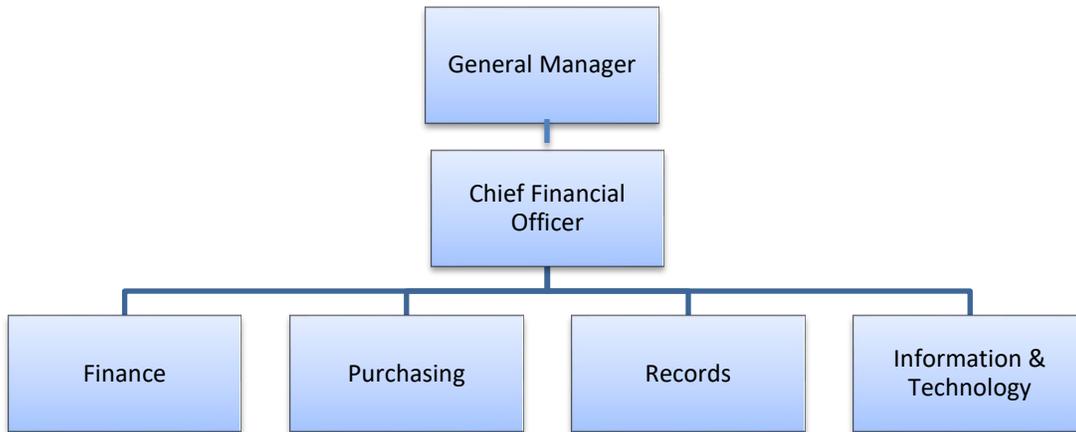
**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Science & Technology Division	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
64000 Travel & Per Diem	41,593	48,405	40,026	35,982	63,100	55,525
64005 Mileage & Tolls	9,057	11,641	13,996	12,536	15,200	9,700
64100 Communications Services	534,215	730,963	662,819	730,295	871,000	3,000
64120 Freight & Postage Services	7,192	5,203	6,028	5,182	7,050	6,000
64600 Repair & Maint-Eq & Grounds	62,529	93,989	55,383	103,362	380,221	292,000
64700 Printing & Binding				-	500	-
64810 Advertising	1,997	291	198	230	1,800	5,950
64990 Other Current Charges	2,882	1,528	1,346	1,704	1,000	1,000
64991 Permits	64,500	80,470	91,543	67,250	92,450	82,130
Total Repairs & Other Services	723,965	972,489	871,338	956,543	1,432,321	455,305
64400 Rentals & Leases	-	-	-	-	225,000	50,000
Total Rent & Insurance	-	-	-	-	225,000	50,000
86400 Machinery & Equipment Purchase	279,865	432,587	548,441	570,702	940,200	569,200
86610 Software-To Amortize	426,756	495,882	97,820	58,539	200,000	-
Total Capital Expenditures	706,620	928,469	646,261	629,241	1,140,200	569,200
GRAND TOTAL	12,897,330	13,969,423	14,046,660	14,226,730	17,498,331	14,302,584

**Tampa Bay Water – 2020 Annual Budget Divisional
Operating Budget Detail**

Finance & Administration Division

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



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

Finance Department Goals & Objectives:

- Plan, develop, organize and implement annual budget for FY 2020.
- Accurately and timely prepare payroll and payroll taxes.
- Review and verify invoices for completeness and accuracy.
- Process accurate vendor invoices within 30 days.
- Timely prepare member invoices and year-end reconciliation.
- Track Agency assets, record new assets and properly dispose of old assets.
- Review market conditions to optimize rate of return on investments.
- Record investments and document revenues, gains and losses.
- Maintain proper internal controls and support for financial statement audit.
- Continuously review upcoming FASB/GASB pronouncements.
- Properly follow financial protocol to ensure clean audits.
- Develop & implement a rating metrics plan.

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

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

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

Purchasing Department Goals & Objectives:

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

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

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

Records Department Goals & Objectives:

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

Information Technology Department

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

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

Information Technology Department Goals

- Develop Disaster Recovery, Business Continuity and Incident Response SOPs
- Complete Domain change (renaming from TBW.Net to Tampabaywater.org)
- Cyber Security
- SOPs and documentation of IT systems
- Document control
- Inventory control

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

- Support for Maximo, MUNIS and Aurigo Masterworks
- Maintaining an IT Advisory Committee
- Evaluating IT Strategic Plan – progress made on 2014 recommendations

IT Business and Applications

The IT Business and Applications group creates databases that hold our enterprise data, writes custom software application programs for all other departments of the Agency, such as computerized scientific models and data analysis programs, and provides support of third party software such as MUNIS, Maximo and Aurigo Masterworks. Once a computer program is written, it must be maintained (changed or updated) periodically due to user requests, technology advancement or the changing business needs of the Agency. In addition, IT Applications provides various end user support, such as loading bulk data into our databases, manages our MUNIS financial system, end-user testing, training, and user manuals for custom application programs. The Business and Applications group also provides for the ongoing GIS needs of the agency.

IT Business and Applications Goals:

- Completion of Long-Term Demand Forecast System (LTDFS) database and associated geocoding capabilities.
- 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.
- SCADA renaming project.
- Support for Monthly Operations Report (MOR); Repair and Replacement project; Energy Management application.
- Continued support of MUNIS including extension applications such as Timesheet, Vacation Planner and Budget Manager System to soon be moved to MUNIS Employee Self Service functionality (ESS).
- Updating Agency Vgrid computing system.
- Support for Maximo Linear Asset (GIS) phase and ongoing support for Maximo.

IT Security and Infrastructure

The IT Security and Infrastructure group installs and maintains the Agency's computer hardware (servers, PCs, mobile laptops, printers), data networks (within buildings and between locations), computer operating systems and communication systems. Staff also performs computer maintenance support throughout Tampa Bay Water, including daily and weekly data backups, maintaining our network security systems, and configuring and performing maintenance on our Supervisory Control and Data Acquisition (SCADA) systems.

IT Security and Infrastructure Goals:

- Drafting SOP's to standardize IT processes.

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

- Conversion to new domain
- Ongoing evaluation of communication vendors.
- Implementation of new WAN between Cypress Creek and Clearwater.
- Replace of servers and storage at the Clearwater datacenter
- PBX upgrade or replacement
- Managing Agency IT storage requirements

SCADA Systems

The IT SCADA group is responsible for the ongoing development, maintenance and security of the Survalent SCADA system. This includes managing the communications infrastructure.

SCADA Systems Goals:

- Ongoing documentation of the SCADA system.
- Evaluation and testing of methods to modernize infrastructure controls.
- Vendor analysis for replacement of the aging infrastructure.
- Evaluation of Firewall appliances for the SCADA network.
- Developing a SCADA Master Plan.
- Cyber Security for SCADA system

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Finance & Administration	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	1,027,505	1,128,708	1,242,004	1,344,652	1,232,600	2,547,200
41410 Overtime	2,609	2,966	1,283	710	2,000	2,500
41430 On-call pay						14,000
42100 FICA	73,284	83,624	92,425	99,298	94,700	196,400
42200 FRS	67,328	96,441	1,016,721	1,089,301	125,100	248,770
42300 Life & Health Insurance	170,911	199,518	245,401	256,826		
42500 Unemployment Compensation	1,375			-	-	-
42600 Other Post Employment Benefits	44,871			-	-	-
Total Personnel Services	1,387,883	1,511,256	2,597,835	2,790,787	1,454,400	3,008,870
55100 Office Supplies	32,505	28,839	23,063	26,839	37,400	42,800
55200 Operating Supplies	225,360	241,133	248,346	266,107	287,150	443,956
55260 Computer Software Expense	6,543	-	-	105	-	10,000
55400 Books, Pubis, Subsc, Memberships	2,130	6,262	5,359	5,118	10,550	17,254
55500 Training	11,289	14,033	13,486	23,762	24,402	65,891
Total Materials & Supplies	277,825	290,266	290,255	321,931	359,502	579,901
63190 Other Professional Services	116,487	169,571	125,040	156,473	192,400	981,000
63200 Accounting & Auditing	427,450	178,500	123,550	100,500	245,000	375,000
63400 Other Services	21,547	20,975	25,022	33,275	52,576	1,173,976
Total Professional Services	565,484	369,046	273,612	290,249	489,976	2,529,976

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Finance & Administration	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Proposed Budget
64000 Travel & Per Diem	10,178	14,478	15,502	21,633	28,700	41,400
64005 Mileage & Tolls	6,986	4,557	4,517	5,091	6,950	12,400
64100 Communications Services						766,800
64120 Freight & Postage Services	53,507	59,602	59,012	41,697	64,860	66,725
64320 Water, Sewer, & Other Utilities	-			-	-	-
64600 Repair & Maint-Eq & Grounds	1,884	1,504	-	450	2,600	21,600
64700 Printing & Binding	18,403	12,719	11,721	11,580	14,500	14,000
64800 Promotional Activities	-	429	700	480	1,200	1,200
64810 Advertising	2,212	1,237	1,205	1,168	2,200	2,200
64990 Other Current Charges	19,978	25,184	29,323	177,932	164,985	130,340
Total Repairs & Other Services	113,147	119,710	121,979	260,030	285,995	1,056,665
64400 Rentals & Leases	226,133	230,594	230,983	112,382	121,750	339,000
64500 Insurance	1,362,083	1,327,864	1,285,979	1,156,827	1,377,500	1,477,500
Total Rent & Insurance	1,588,217	1,558,458	1,516,962	1,269,209	1,499,250	1,816,500
86100 Land Acq Cost-Purchase	-	-	-	-	25,000	10,000
86110 Land Acq Cost-Legal	-	-	-	-	2,500	2,500
86190 Land Acq Cost-Other	-	300	-	-	1,000	1,000
86400 Machinery & Equipment Purchase	-	32,998	5,771	24,167	42,600	158,000
86610 Software-To Amortize	-	-	-	-		180,000
Total Capital Expenditures	-	33,298	5,771	24,167	71,100	351,500

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Finance & Administration	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
77240 Interest Bonds	45,478,588	42,202,306	40,334,335	38,838,614	37,252,277	35,558,314
77250 Issue Costs Bonds		387,269				
87114 Principal 2004 Bonds	11,180,000	11,770,000	16,925,000	13,535,000	5,005,000	-
87116 Principal 2005 Bonds	5,145,000	5,410,000	1,155,000	5,505,000	15,030,000	21,140,000
87117 Principal 2006 Bonds	340,000	355,000	-	-	-	-
87140 Principal 2011 Bonds	9,630,000	10,115,000	10,615,000	11,140,000	11,710,000	12,290,000
87141 Principal 2011A Bonds	305,000	30,000	35,000	35,000	35,000	35,000
87142 Principal 2011 B Bonds	170,000	175,000	-	-	-	-
87145 Principal 2015B Bonds	420,000	775,000	835,000	845,000	855,000	870,000
87147 Principal 2016B Bonds		195,000	230,000	235,000	235,000	240,000
Total Debt Service	72,668,588	71,414,576	70,129,335	70,133,614	70,122,277	70,133,314
77250 Interest Facility Purchase	5,058,496	4,808,120	4,542,913	4,263,601	3,968,187	3,653,140
87125 Principal Payment Facility Acq.	5,173,062	5,423,438	5,688,644	5,967,957	6,263,370	6,578,418
Total Acquisition Credits to Members	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558	10,231,558
82820 Renewal & Replacement Reserve Fund	2,891,688	3,155,183	3,242,539	5,110,867	10,078,843	-
82870 Capital Improvement Funding	2,986,952	4,592,553	5,158,861	1,061,977	92,481	-
Total Reserve Funding	5,878,640	7,747,736	8,401,400	6,172,844	10,171,324	-
GRAND TOTAL	92,711,342	93,275,903	93,568,705	91,494,389	94,685,382	89,708,283

Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail

Public Affairs Division

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



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

Public Communications Department Goals & Objectives:

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

Tampa Bay Water – 2020 Annual Budget Divisional Operating Budget Detail

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

Intergovernmental Affairs Department Goals & Objectives:

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

**Tampa Bay Water – 2020 Annual Budget
Divisional Operating Budget Detail**

Public Affairs	2015	2016	2017	2018	2019	2020
	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget
Expenditures:						
41000 Regular Salaries	326,488	304,009	295,794	351,183	350,400	352,500
42100 FICA	24,229	22,476	22,019	25,934	26,900	27,100
42200 FRS	28,037	25,921	27,929	34,485	50,200	54,100
42300 Life & Health Insurance	47,269	26,014	40,976	37,392	-	-
Total Personnel Services	426,023	378,420	386,718	448,994	427,500	433,700
55100 Office Supplies	-	352	260	582	500	750
55200 Operating Supplies	10,524	715	3,120	4,058	11,000	11,000
55260 Computer Software Expense				2,999	9,640	4,000
55400 Books, Pubis, Subsc, Memberships	13,567	13,653	13,816	19,665	16,255	25,585
55500 Training	1,309	2,486	6,269	2,525	7,125	6,000
Total Materials & Supplies	25,400	17,206	23,465	29,829	44,520	47,335
63190 Other Professional Services	188,981	212,224	284,870	390,086	267,500	272,500
63400 Other Services	39,555	42,920	41,252	49,179	142,900	117,300
Total Professional Services	228,536	255,144	326,123	439,265	410,400	389,800
64000 Travel & Per Diem	8,220	1,822	2,389	5,453	8,000	6,500
64005 Mileage & Tolls	1,060	654	995	1,543	1,000	1,500
64120 Freight & Postage Services	1,710	591	539	2,407	4,000	4,000
64600 Repair & Maint-Eq & Grounds				1,027		
64700 Printing & Binding	7,927	9,883	13,803	20,439	30,000	27,500
64800 Promotional Activities	22,584	43,253	74,680	99,797	119,500	119,500
64810 Advertising	33,115	1,808	20,669	168,133	90,000	80,000
64990 Other Current Charges	1,208	108	222	1,394	-	-
Total Repairs & Other Services	75,824	58,120	113,298	300,193	252,500	239,000
86400 Machinery & Equipment Purchase	2,739	-	-	3,257	45,000	20,000
Total Capital Expenditures	2,739	-	-	3,257	45,000	20,000
GRAND TOTAL	758,521	708,889	849,603	1,221,537	1,179,920	1,129,835

Summary of Contracts and Resolutions

Fiscal Year 2020

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 - 2020 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 2020 budget is developed within the framework of these agreements. This section provides key terms and conditions of the agreements.

Amended and Restated Interlocal Agreement:

1. Section 2.08 - Annual Budget

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

2. Section 3.03 - Obligation to meet Water Needs

This section includes the following key requirements:

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

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

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

3. Section 3.04 - Uniform Rate

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

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

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

4. Section 3.08(D) - Surface Water Sources

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

Master Water Supply Contract:

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

This section of the contract provides that:

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

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

2. Section 13-Rate

The following excerpts are fundamental to the budget process.

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

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

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

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

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

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

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

Monthly Billing

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

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

Fixed Costs

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

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

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

Variable Costs

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

Monthly Variable Costs Billed to the Member Government	=	Amount of Monthly Quality Water Consumed Prior Month	X	Uniform Rate	X	Total Variable Costs (C) [total variable costs included in the approved annual budget for the current Fiscal Year]
						Total Annual Estimate (D) [the net annual revenue requirements for the current Fiscal Year]

Since the budgeted Variable Costs are allocated to the Member Governments based on their actual consumption of Quality Water, there is no requirement in the Interlocal Agreement or the Master

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

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

Surface Water Source(s)

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

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

Master Bond Resolution 98-07TBW

Section 1.01 Definitions.

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

Section 1.04. Findings.

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

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

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

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

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

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

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

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

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

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

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

**Tampa Bay Water - 2020 Annual Budget
Summary of Contracts and Resolutions**

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

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

Appendix

Fiscal Year 2020

The Appendix includes a schedule of key dates for the budget process for fiscal year 2020. 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.

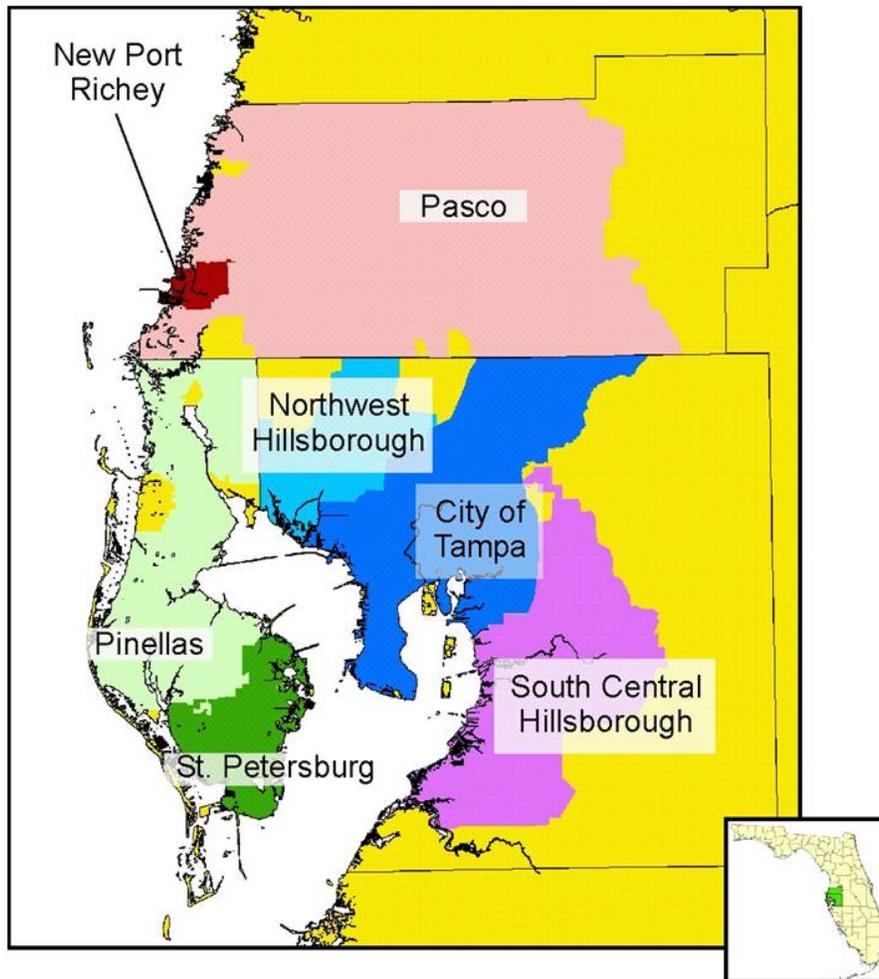
**Tampa Bay Water – 2020 Annual Budget
Appendix**

Tampa Bay Water Service Area Demographics and Statistical Information

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

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

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

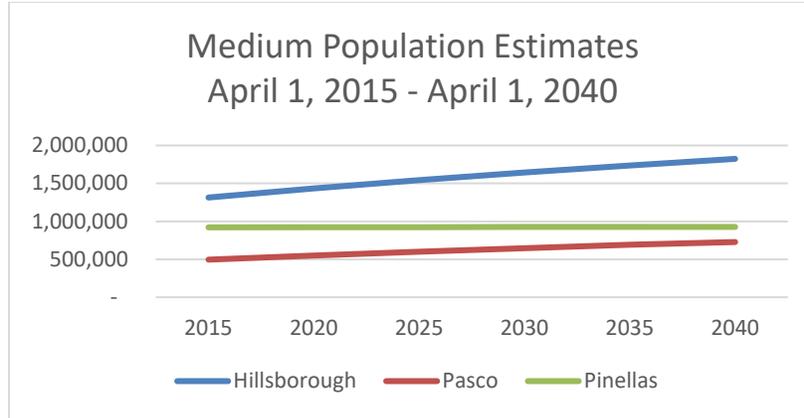


¹ Northwest Hillsborough and South-Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

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Population

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



Source: B.E.B.R.

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

Households

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

	Census April 1, 2000		Census April 1, 2010		Est. April 1, 2017	
	Households	Average Household Size	Households	Average Household Size	Households	Average Household Size
FLORIDA	6,338,075	2.46	7,420,802	2.48	8,125,176	2.47
Hillsborough	391,357	2.51	469,660	2.55	474,030	2.54
Pasco	147,567	2.30	189,612	2.42	206,036	2.42
Pinellas	414,974	2.17	415,876	2.16	439,880	2.14

	Numerical Change			
	Households		Average Household Size	
	2000-2010	2010-2017	2000-2010	2010-2017
FLORIDA	1,082,727	704,343	0.02	-0.01
Hillsborough	82,673	58,470	0.04	-0.01
Pasco	42,045	16,424	0.12	0
Pinellas	902	24,004	-0.01	-0.02

	Percentage Change			
	Households		Average Household Size	
	2000-2010	2010-2017	2000-2010	2010-2017
FLORIDA	17.1	9.5	0.8	-0.4
Hillsborough	21.1	12.3	1.6	-0.4
Pasco	28.5	8.7	5.2	0.0
Pinellas	0.2	5.8	-0.5	-0.9

Source: B.E.B.R.

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Climate Data

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

Weather Stations Used in Modeling

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

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

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

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

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

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

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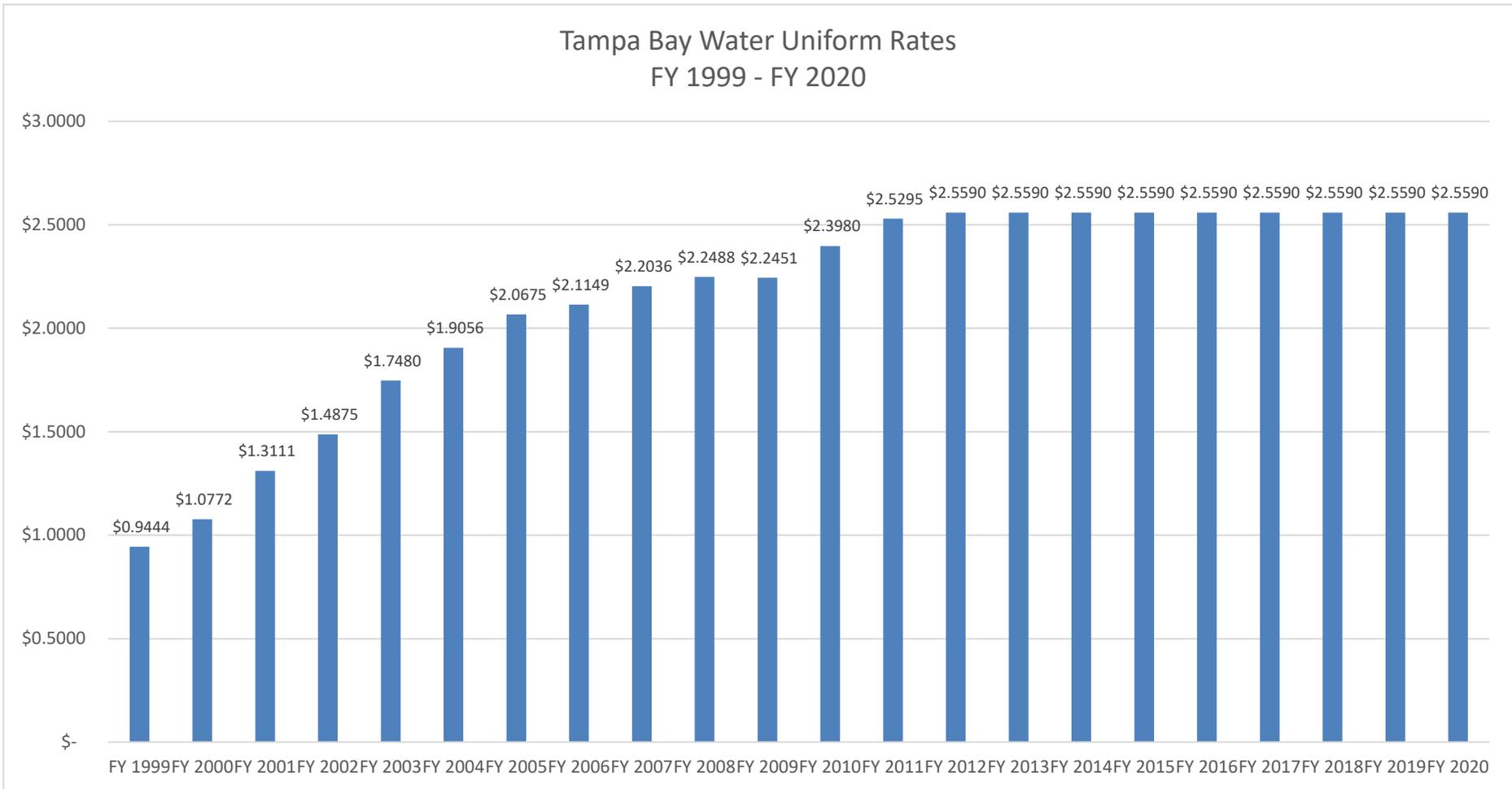
POTENTIAL TRUE UP FOR FY 2019 AS OF 2/28/2019

Monthly Demand

MONTH-YEAR	ST PETE	PINELLAS	TAMPA (Morris Br)	HILLSBOROUGH	PASCO	NEW PORT RICHEY	TOTALS	
Oct-18	854.88	1,511.54	-	2,057.35	939.94	92.63	5,456.34	
Nov-18	811.34	1,453.03	-	1,968.35	865.93	86.74	5,185.39	
Dec-18	821.24	1,422.47	-	1,823.60	799.28	86.24	4,952.83	
Jan-19	888.12	1,436.52	-	1,836.99	822.60	88.23	5,072.46	
Feb-19	818.79	1,363.22	-	1,699.02	767.99	80.55	4,729.57	
Mar-19							-	
Apr-19							-	
May-19							-	
Jun-19							-	
Jul-19							-	
Aug-19							-	
Sep-19							-	
FY 18 YEAR-END	10,403.04	17,803.05	-	22,261.11	10,402.06	1,055.64	61,924.90	169.66 MGD
FY 19 YTD	4,194.37	7,186.78	-	9,385.31	4,195.74	434.39	25,396.59	168.19 MGD
+ / -	6,208.67	10,616.27	-	12,875.80	6,206.32	621.25	36,528.31	(1.47) MGD

FY19 YTD MGD	27.78	47.59	-	62.15	27.79	2.88	168.19
% of YTD	16.52%	28.30%	0.00%	36.96%	16.52%	1.71%	100%
FY 18 MGD	28.50	48.78	-	60.99	28.50	2.89	169.66
% of FY18	16.80%	28.75%	0.00%	35.95%	16.80%	1.70%	100%
Fixed billed fy19	\$ 23,643,892.20	\$ 40,462,537.40	\$ -	\$ 50,594,757.41	\$ 23,641,664.87	\$ 2,399,244.68	\$ 140,742,096.56
Actual fixed based on % of ytd	\$ 23,244,239.78	\$ 39,827,491.98	\$ -	\$ 52,011,242.70	\$ 23,251,832.01	\$ 2,407,290.09	\$ 140,742,096.56
Potential True-up	\$ (399,652.42)	\$ (635,045.42)	\$ -	\$ 1,416,485.29	\$ (389,832.86)	\$ 8,045.41	(0.00)

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Fiscal Year 2020	Budget Development Schedule:
December 14, 2018	Budget packets distributed internally, meeting with Officers and Sr. Managers for “Fiscal Year 2020 Budget Kickoff.”
January 11, 2019	Fiscal year 2020 budget submissions due from departments to finance at 5:00 p.m.
February 1, 2019	Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area.
February 8, 2019	Preliminary draft of fiscal year 2019 budget distributed internally for review and comments by all departments and General Counsel.
February 11, 2019	Finance contacts General Counsel to assess any additional legal needs or requirements.
February 19, 2018	Presentation to Board of Proposed Capital Improvement Program.
February 18-22, 2018	Finance meets with Officers and Sr. Managers to review department 2020 budget requests.
February 22, 2019	Redistribute preliminary draft fiscal year 2020 budget with changes resulting from February meetings.
February 25, 2019	General Manager meeting with Officers and General Counsel to review program plans and outstanding issues.
March 1, 2019	Draft of budget document prepared for internal management review.
3 rd Week March 2019	First bound copy of Proposed Fiscal Year 2020 Budget including annual estimate distributed to staff, Member Governments, and Board.
Mar. 25–April 5, 2019	Individual meetings with Member Governments to discuss proposed fiscal year 2020 budget.
April 15, 2019	Tampa Bay Water contractual annual estimate due (will have been distributed 3 RD week of March).
April 15, 2019	Board workshop, Tampa Bay Water Board sets preliminary fiscal year 2020 budget and schedules a public hearing for final budget approval on June 17, 2019.
June 17, 2019	Public Hearing and Final Fiscal Year 2020 Budget approved by Board.

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October 1, 2019	Uniform Rate for Fiscal Year 2020 becomes effective.
October 15, 2019	Fiscal Year 2019 post closing adjustment and reconciliation of fixed component to annual estimate distributed to members.

Glossary

Fiscal Year 2020

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

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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 2020 Budget document shall have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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“Net Revenues” means Gross Revenues less Operating Expenses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Acronyms

BEBR – Bureau of Economic and Business Research

BUDW – Brandon Urban Dispersed Wells

CBIR – Community Budget Issuance Request

CCA – Construction Completion Agreement

CFS – Cubic Feet per Second

CIF – Capital Improvement Fund

CIP – Capital Improvement Program

CMMS – Computerized Maintenance Management System

CWUP – Consolidated Water Use Permit

DBP – Disinfection By-Product

DE – Diatomaceous Earth

FAQ – Frequently Asked Questions

FASB – Financial Accounting Standards Board

FDEP – Florida Department of Environmental Protection

FGIC – Financial Guaranty Insurance Company

FTE – Full Time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board (GASB)

GFOA – Government Finance Officers Association

H₂S – Hydrogen Sulfide

IT – Information Technology

IW – Injection Well

MCC – Motor Control Center

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

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NPDES – National Pollutant Discharge Elimination System

NWH – Northwest Hillsborough

O&M – Operation and Maintenance

OM&M – Operate, Manage & Maintain

OROP – Optimized Regional Operational Plan

POC – Point of Connection

PWS – Public Water Supply

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

SIPC – Securities Investor Protection Corporation

SWFWMD – Southwest Florida Water Management District

SWTP – Surface Water Treatment Plant

TBC – Tampa Bypass Canal

USEPA – United States Environmental Protection Agency

USGS – United States Geological Survey

VFD – Variable Frequency Drive

VOC – Volatile Organic Compounds

WTP – Water Treatment Plant



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