

Annual Budget Fiscal Year 2011



**Tampa Bay Water – 2011 Annual Budget
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**Tampa Bay Water
Board of Directors
June 2010**

Mark Sharpe _____ Chairman
Commissioner - Hillsborough County

Ann Hildebrand _____ Vice Chairman
Commissioner - Pasco County

Al Higginbotham _____ Member
Commissioner - Hillsborough County

Ted Schrader _____ Member
Commissioner - Pasco County

Susan Latvala _____ Member
Commissioner - Pinellas County

Neil Brickfield _____ Member
Commissioner - Pinellas County

Scott McPherson _____ Member
Mayor - City of New Port Richey

Karl Nurse _____ Member
Councilmember - City of St. Petersburg

Charlie Miranda _____ Member
Councilmember - City of Tampa

Tampa Bay Water Executives

Gerald Seeber
General Manager

Richard Lotspeich
General Counsel

Koni Cassini, Director of Finance and Administration

Charles Carden, Director of Operations and Facilities

Donald Polmann, Director of Science and Engineering



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Tampa Bay Water
Florida**

For the Fiscal Year Beginning

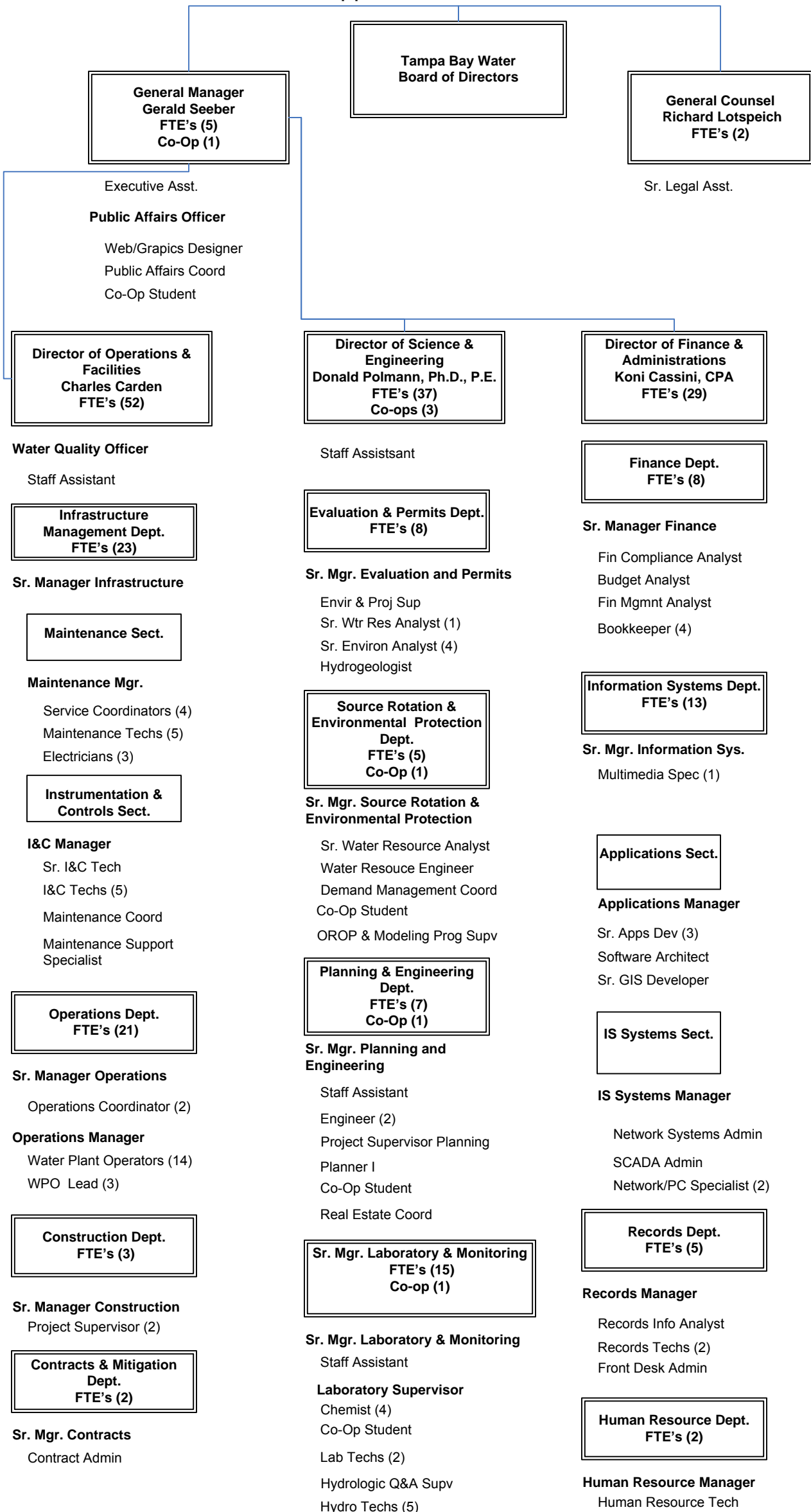
October 1, 2009

President

Executive Director

Tampa Bay Water Organizational Chart Approved FY 2010- 2011

| | |
|--------------------|---------|
| FY 09-10 FTE's | 128 |
| Co-Ops | 4 |
| FY 10-11 FTE's | 125 |
| Co-Ops | 4 |



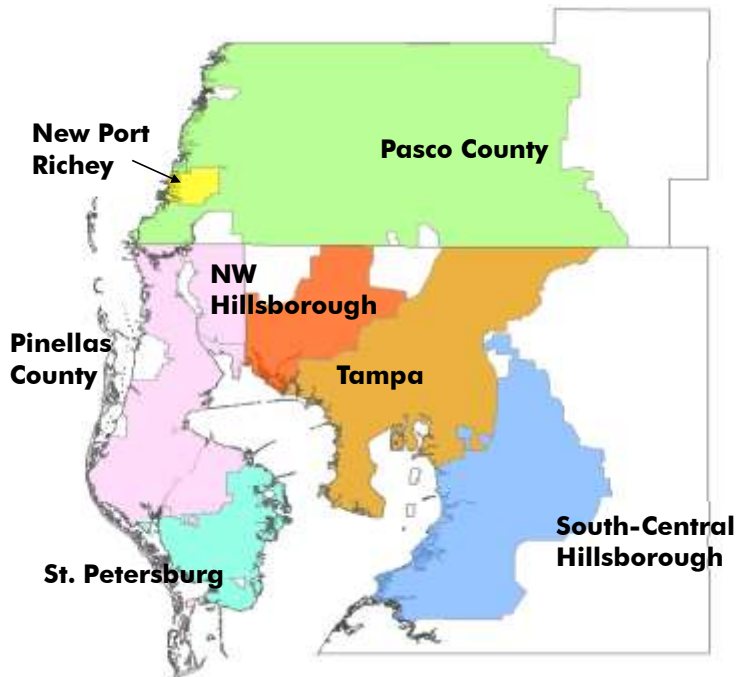
Tampa Bay Water – 2011 Annual Budget Agency Profile

Tampa Bay Water, A Regional Water Supply Authority (the Agency), formerly 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, 373.1962, and 373.1963. 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 approximately 2.5 million residents in the Tampa Bay region.

Tampa Bay Water Service Areas



Tampa Bay Water – 2011 Annual Budget Agency Profile

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

Groundwater:

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

Surface Water:

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

Desalinated Water:

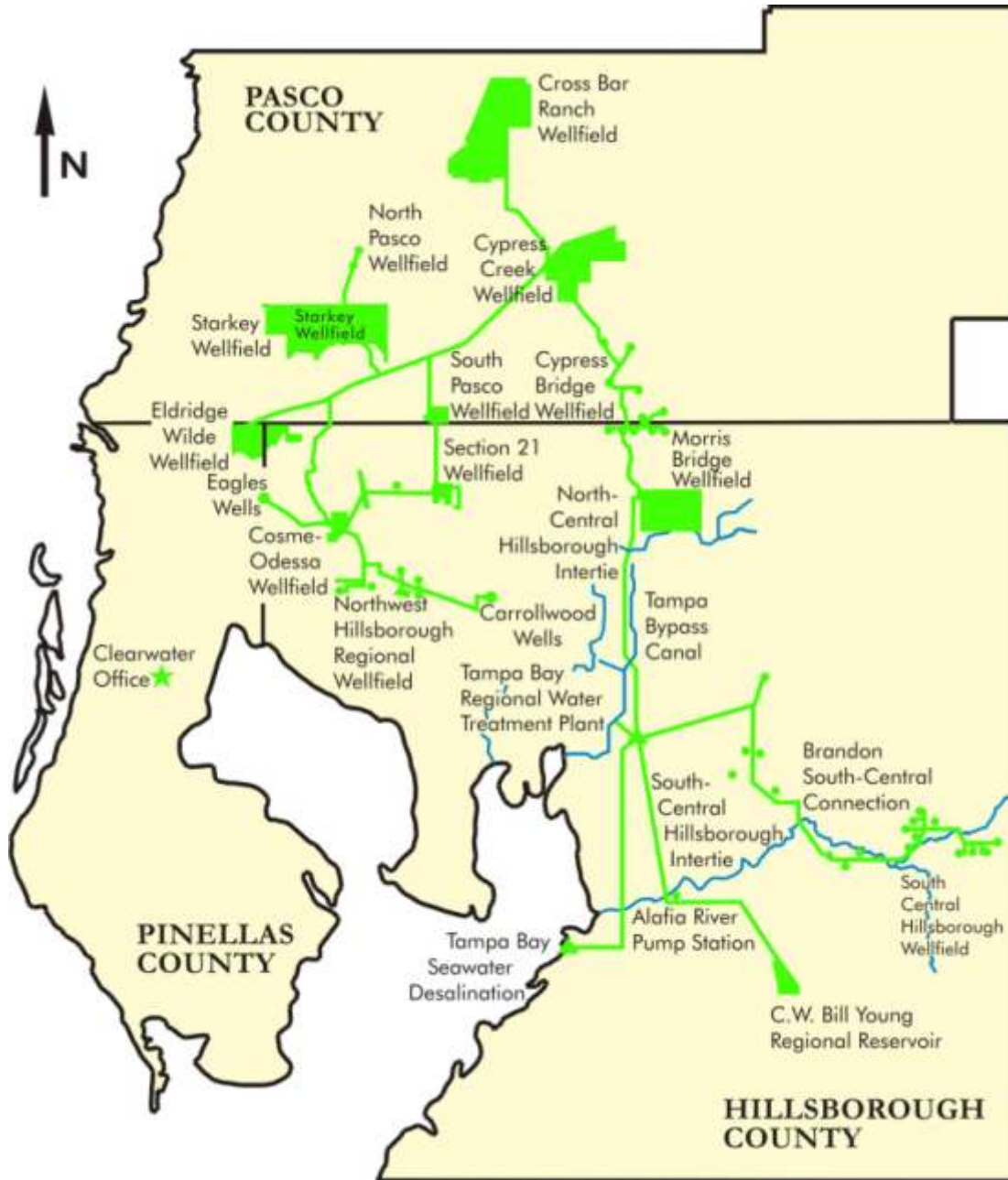
- Tampa Bay Water Seawater Desalination Facility

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

Tampa Bay Water is subject to regulation by the Florida Department of Environmental Protection, the Florida Department of Health and Rehabilitation Services, 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 via permit.

Tampa Bay Water – 2011 Annual Budget
Agency Profile

Tampa Bay Water Facility Locations



Tampa Bay Water – 2011 Annual Budget Agency Profile

Agency Update

Tampa Bay Water has begun development of an updated Strategic Plan for the Agency. The work was initiated in the spring of 2010, with a goal of adopting a new plan document prior to consideration of the FY 2012 Budget. The introspective look at the Agency's operations and programs that was started with the 2010 Performance Audit and Management Report was advanced in the ongoing strategic planning exercises with a comprehensive examination of Agency objectives.

Under the direction of the General Manager and the Agency's top management, senior staff members are developing a strategic plan for Board consideration that will serve to guide the Agency's programmatic and financial decision-making through the next decade. Tampa Bay Water reliably provides clean, safe water to the region and our planning efforts are aimed at enhancing the Agency's ability to continue to achieve those results for future generations. In addition, the planning work is aimed at redirecting Agency staff attention to our internal processes and practices.

Tampa Bay Water's Board has established clear policy direction for decision-making at all levels of the organization. The Board's three policy goals have been articulated and re-confirmed many times over the past 12 years:

- To provide a reliable water supply system
- That is environmentally sustainable and
- Cost-effective.

The Agency has achieved its objectives by completing the construction of alternative supply facilities, the construction of a regional distribution system, a reduction in groundwater pumping, and the elimination of litigation between the regional water supply Agency and regulators and between & among its six member governments. The region is served by a robust system of potable supply that will meet the needs of the region for at least another decade.

The drop in demands over the past 18 months has provided the Agency's elected and appointed leadership an opportunity for a careful examination of the Agency's practices and goals, an activity that is well-timed to adapt the Agency's activities to current economic and climatic conditions. The planning process is well underway and involves all levels of Agency management. The Agency expects to complete the process in early 2011; the new strategic plan document will serve as a policy guide for budgetary decisions contained in the FY 2011-12 Annual Budget and in the Agency's annual efforts in capital improvement programming.

The revised strategic planning document will serve to help articulate a new vision and mission statement for the Agency, along with specific goals, objectives and action plans for implementation over the next ten years. In addition to a document that looks forward, the Agency expects to develop and use a series of performance measures that will guide our staff in its process orientation and in its efforts focused on continuous improvement.

GENERAL MANAGER'S BUDGET MESSAGE

Board of Directors Mark Sharpe, Ann Hildebrand, Neil Brickfield, Al Higginbotham,
Susan Laivola, Scott McPherson, Charlie Miranda, Karl Nurse, Ted Schrader

General Manager Gerald J. Seeber

General Counsel Richard A. Lotspeich

2575 Enterprise Road, Clearwater, FL 33763-1102

Phone: 727.796.2355 / Fax: 727.791.2388

www.tampabaywater.org



September 1, 2010

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

Honorable Chairman and Members of the Board:

In accordance with the established practices of Tampa Bay Water and with Section 2.08 of the Amended and Restated Interlocal Agreement, I am pleased to present the annual budget for fiscal year 2011. The budget achieves a reasonable balance between the Board's three prime objectives of improving environmental stewardship, minimizing costs, and ensuring source reliability, while maximizing water quality. In addition, Tampa Bay Water is continuing to look at projected demands and at the need for new supplies, focusing on optimizing the timing and sizing of new supply projects that will be needed to meet future demands. For the upcoming fiscal year, the Agency anticipates total sales of **163 million gallons per day (MGD)** and a **uniform rate of \$2.5295** per one thousand gallons. The uniform rate of \$2.5295 reflects a \$.0597 reduction from the initial rate of \$2.5892 originally proposed in March. The following schedule shows where the Agency had further reduced proposed expenditures in the May 2010 version of the proposed budget for fiscal year 2011. Tampa Bay Water's Board of Directors approved the May 2010 recommendation of the budget on June 21, 2010.

| | 2011 Proposed March 2010 | 2011 Proposed May 2010 | Variance + / - |
|--|-----------------------------|---------------------------|-----------------------|
| Personnel Services | \$ 12,144,261 | \$ 11,981,378 | \$ (162,883) |
| Materials & Supplies | 2,002,126 | 1,975,836 | (26,290) |
| Professional Services | 27,747,270 | 26,779,147 | (968,123) |
| Repairs & Other Services | 4,086,088 | 4,045,509 | (40,579) |
| Rent & Insurance | 1,350,448 | 1,350,448 | - |
| Legal Services | 2,015,500 | 2,015,500 | - |
| Capital Expenditures | 975,650 | 975,650 | - |
| Debt Service-Bonds | 74,252,606 | 74,252,606 | - |
| Acquisition Credit to Members | 10,231,557 | 10,231,557 | - |
| Water Quality Credit to Members | 195,000 | 195,000 | - |
| Water Treatment Chemicals-Variable Cost | 10,703,974 | 11,144,048 | 440,074 |
| Power / Electricity-Variable Cost | 14,638,705 | 13,626,846 | (1,011,859) |
| Water for Resale-Variable Cost | 3,147,800 | 1,362,800 | (1,785,000) |
| Subtotal | 163,490,985 | 159,936,325 | (3,554,660) |
| Transfer Out to Capital Improvement Fund | 199,402 | 199,402 | - |
| Total | \$ 163,690,387 | \$ 160,135,727 | \$ (3,554,660) |
| UNIFORM RATE | \$ 2.5892 | \$ 2.5295 | \$ (0.0597) |

Since its formation in 1998, Tampa Bay Water has successfully expanded its water production facilities and began serving its member governments with water from a diverse water supply network. Operating as a true regional utility with a uniform rate for our six member governments, the Board has fulfilled its promises to our members, to the Florida Legislature, to regulatory officials, and to the community at large by:

- Reducing groundwater production through environmentally sound, diverse alternative supply development;
- Enhancing environmental recovery;
- Improving environmental monitoring at new and existing facilities;
- Improving water quality to our members; and
- Ending the litigation on water issues.

The Board, with the help of its federal, state and regional funding partners, has achieved significant environmental and policy accomplishments through bold action and perseverance over the past 12 years. There are different challenges facing the Agency as we look forward, most prominently, meeting the financial needs of our robust system of supply in a somewhat stagnant regional economy. The reality of lackluster growth or slightly falling demand for potable supply was not a factor in the Agency's prior planning efforts. The drop in demand, influenced most dramatically by the regional housing market, and in part by the three successive years of below normal rainfall, places significant budget hurdles before the Board.

Policy Goals Used in Budget Development

The recommended budget for the upcoming fiscal year was developed to ensure that the policy goals established by the Board of Directors can be met. These policy objectives included the following:

- Meeting the performance requirements of the Master Water Supply Contract in providing service to our six member government customers.
- Achieving the objectives of the Partnership Agreement with the Southwest Florida Water Management District (SWFWMD) through the planning, design, construction and operation of water production and transmission facilities to improve both supply delivery and environmental stewardship. Among these objectives, the goal of achieving and maintaining compliance with regulatory requirements is paramount.
- Safeguarding the public investment of \$1.854 billion in potable water supply to ensure both water quality and quantity to meet the needs of the 2.5 million residents of our region. Protecting the public investment includes:
 - Advocating for water resource protection and water quality by providing technical recommendations on water body classifications of our surface water systems and by advocating for source water protection on rezoning and development proposals, including Developments of Regional Impact, that are located within our three-county area.
 - Focusing on emergency preparedness by establishing procedures for the preparation, staffing and operation of Tampa Bay Water's diverse and geographically dispersed water production facilities during disaster events.
 - Focusing on the upgrade or repair of existing production facilities to ensure continued optimal operation at all facilities over time.
 - Continuing the Source Water Protection Grant Program that will award community groups, environmental or educational organizations for initiatives, activities,

programs, or projects that promote Source Water Protection of our drinking water supply.

- Improving the long-term demand forecasts to optimize the planning, timing, and development of new supply to meet future demand and to more accurately predict future water rates so that the financial stability and integrity of the Agency is enhanced.
- Continuing the examination of tools to develop a “best mix” of supply choices for meeting the members’ aggregate demand and to enhance the budget decision-making process.
- Continuing the evaluation and selection of water supply projects that will meet production goals and the Board’s priorities on Environmental Stewardship, Cost, and Source Reliability.
- Continuing the focus on connecting the isolated water supply facilities in south-central Hillsborough County to our regional system in order to achieve the environmental benefits associated with rotational capacity.
- Continuing the practices of outsourcing to meet the Agency’s immediate productivity needs efficiently and evaluating staffing needs against existing Agency human resources to ensure that new positions are created and budgeted to best achieve efficient operation, protection, and administration of the potable water supply system.

Key Factors Affecting the 2011 Budget

I wish to call the Board’s attention to several factors that have influenced the development of the 2011 budget and which may foretell of challenges in future years:

Economic Uncertainty & Cutback Budgeting

Due to the current economic conditions in our region and the resulting budgeting constraints that the six member governments are enduring, the staff members at Tampa Bay Water reduced Agency expenditures for fiscal year 2011 by \$16 million or 9% over the 2010 fiscal year, while still meeting the policy goals established by the Board of Directors (see Table on page 6). This reduction was reached despite debt-related expenditures and increasing unit costs for power and chemicals that together make up 69% of the Agency’s budget. Due to difficult economic times, three full-time equivalent positions have been eliminated for fiscal year 2011.

Minimizing a Rate Increase

A key factor in the development of the budget for 2011 was to minimize a rate increase as much as practical with a decrease in water sales and increasing costs. The rate of \$2.5295 per 1,000 gallons is \$.1035 or 4% less than the rate projected for 2011 in the fiscal year 2010 budget document. The net revenue requirement for fiscal year 2011 is over \$4 million less than the net revenue required for 2010.

Source Reliability

Lower demands and above average rainfall in the current year have provided us with an ample supply of surface water. Groundwater demands are budgeted below the permitted capacity, and the use of the desalination facility is budgeted to supplement demands during the dry season. The budget also reflects our continuing efforts to properly maintain the reservoir facility to ensure that it can be used to its maximum practical capacity during the next two years while a permanent fix to the surface plate soil cement problem is designed and permitted. These ongoing expenses are critical to resolving the performance of the reservoir as a key element in our regional surface water system to achieve the intended and needed reliability long term.

Regional Demand

The impact of a slowing economy has had a dramatic impact on water demands in the region. Besides the changes in growth projections affecting future demands and the scheduling of future water supply projects, the Agency has experienced a reduction in quantities treated and distributed in during 2010, reflecting a slack construction market, the abandonment of some residential units, the impact of conservation practices among remaining customers, and an increase in the utilization of reclaimed water.

Water Demand Used in the 2011 Budget

The forecast of expected water sales to the six member governments is based on a multi-step process that takes into account the total water demand for each member government and for the region, as reflected in the *probabilistic water demand forecasting model*. This model produces a family of curves representing a range of forecasted potential demand which is then compared with each member government's annual report. Several member governments (City of Tampa, Pasco County, and City of New Port Richey) supply water through their own facilities to meet a portion of their total water needs and 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. This final value forms the basis of the budgeted uniform rate for fiscal year 2011. The forecasted demand for fiscal year 2011 is 163 MGD. This is 13.6 MGD or 7.7% less than the 2010 budget year.

The forecast of expected demand 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 experienced in the Hillsborough River basin and which has a direct impact on the amount of ground water used. For example, 2003 was a very wet year and the City needed Tampa Bay Water to provide only 90,000 gallons per day on an annual average basis. Total regional production that year was the lowest of the last 12 years: 151 MGD on an annual average basis. 2005 was also a wet year and the City purchased no water at all from the Agency that year. By contrast, both 2000 and 2008 were dry years and total production was 181 & 171 MGD, respectively, with the City of Tampa buying almost 13 MGD in both years. In a very real sense, the Agency must develop a budget for expected rainfall each year, so that operational scenarios can be developed to maximize the use of surface water and manage the ground water resource in a way to meet recovery objectives and comply with permits.

Besides the uncertainty of predicting the weather and the amount of rainfall in the region, one other noteworthy uncertainty was considered as the Board reviewed the budget for the 2011 fiscal year. The economic conditions experienced the past two years are expected to continue into fiscal year 2011. The slow pace of the economy and the glut of available housing means that the Agency does not anticipate any growth in demand for water for the upcoming year. Today, the forecasted demand of 163 MGD for 2011 is 9% less than what was predicted one year ago. Going forward, the long term demand forecast model predicts only modest growth beginning in 2012.

The financial impact of reduced demand is clear; the sale and delivery of fewer gallons means that unit costs per gallon will be higher as the Agency must recover its fixed costs over a smaller rate base. The prospect of managing financial performance in successive dry years with slackening demand presents a significant long term rate challenge to the Agency. Agency reserves must be sufficient to withstand unexpected changes in demand that can otherwise force undesirable mid-year rate increases.

Operational Highlights of the 2011 Budget

Total funding required to meet fixed and variable expenses in the 2011 budget is \$160,135,727. After application of available funds from other sources, the net revenue requirement for calculation of the uniform rate charged to the six member government customers is \$150,492,398. This represents a uniform rate of **\$2.5295 per 1000 gallons** that will be assessed to Members before credits.

Some of the key features of the 2011 budget are as follows:

- Continued operation of the surface water treatment plant and the three sources that supply it, six groundwater treatment plants, thirteen regional wellfields, the seawater desalination plant, the regional reservoir and almost 200 miles of pipeline.
- Continued operation of the Tampa Bay Seawater Desalination Facility at an annual average for 2011 of 4 MGD. The reduced use of the desalination facility, when compared to the past two years, is budgeted so that the Agency can use the most cost-efficient combination of water supplies while maintaining compliance with all regulatory permits. The plentiful availability of surface water and groundwater allows the Agency to store and use those resources in a wet year.
- Utilization of 45 MGD annual average production from the Surface Water Treatment Plant, including the use of water stored during the upcoming 2010 wet season in the 2011 dry season. The plant can be used at or near its design capacity during the wet weather months when river flows are highest; lower rates of production are anticipated when only the stored water in the reservoir is available. Like the desalination facility, to the extent that additional river flows are available for use in 2011, Surface Water Treatment Plant production may be increased proportionately to maintain our ground water pumping limitations. The plant expansion to 120 MGD is expected to be completed early in the 2010-2011 fiscal year.
- Utilization of 85 MGD on an annual average basis from the consolidated permit well fields, well below the 90 MGD regulatory limit.
- Utilization of the Rate Stabilization account in the amount of \$3,800,000 to alleviate the impact that the lower demand has on the rate. In addition, an estimated \$2,318,638 of unencumbered funds from 2010 will be carried over to fiscal year 2011 and applied to reduce the upward rate impact.
- Continued cooperation with Hillsborough County on the South Central Hillsborough Intertie Project to achieve the infrastructure improvements required to increase water pressure and supply capacity to satisfy future anticipated increased demand in its service areas.

The budget of \$160.1 million includes \$74.2 million for debt service, \$26.1 million for variable costs (power, chemicals & purchased water), \$10.2 million for member acquisition credits, and \$14.4 million for water plant contract operations. These costs, when coupled with costs for permit-required hydrological and ecological monitoring, **comprise 80%** of the Agency's annual budget.

When focusing on the remaining 20% of the budget, overall, **costs have declined by \$490,944**, reflecting the efforts by Agency staff to hold expenses to the level approved for the current year. With the exception of Legal Services, the budget reflects reductions in all budget categories. Staff decreased Professional Services \$91,295 despite an increased cost of the operating and maintenance agreement for the Surface Water Treatment Plant of \$1.9 million. The Surface Water Expansion Project will be completed and the increased capacity

to 120 MGD will increase the operation and maintenance of the facility. Legal Services are anticipated to increase for ongoing reservoir litigation proceedings.

Analysis of Costs in the 2011 Budget

| | 2010 Approved | 2011 Approved | Variance + / - |
|---|-----------------------|-----------------------|-----------------------|
| Personnel Services | \$ 12,239,395 | \$ 11,981,378 | \$ (258,017) |
| Materials & Supplies | 2,040,963 | 1,975,836 | (65,127) |
| Professional Services | 26,870,442 | 26,779,147 | (91,295) |
| Repairs & Other Services | 4,413,771 | 4,045,509 | (368,262) |
| Rent & Insurance | 1,568,315 | 1,350,448 | (217,867) |
| Legal Services | 931,000 | 2,015,500 | 1,084,500 |
| Capital Expenditures | 1,550,526 | 975,650 | (574,876) |
| Debt Service-Bonds | 74,250,624 | 74,252,606 | 1,982 |
| Acquisition Credit to Member Governments | 10,231,557 | 10,231,557 | - |
| Water Quality Credit to Member Governments | 292,000 | 195,000 | (97,000) |
| Water Treatment Chemicals - Variable Cost | 16,220,170 | 11,144,048 | (5,076,122) |
| Power / Electricity - Variable Cost | 19,285,074 | 13,626,846 | (5,658,228) |
| Water for Resale - Variable Cost | 4,418,050 | 1,362,800 | (3,055,250) |
| Reserve Funding | 1,824,787 | 199,402 | (1,625,385) |
| | \$ 176,136,674 | \$ 160,135,727 | \$(16,000,947) |
| Utilization of Rate Stabilization Account | (3,680,012) | (3,800,000) | (119,988) |
| Transfers In - Unencumbered funds from Prior Year | (4,600,881) | (2,318,638) | 2,282,243 |
| Transfer In from Renewal & Replacement | (400,000) | - | 400,000 |
| Transfer in -Capital Improvement Funds | - | - | - |
| Estimated Interest Income | (2,298,626) | (2,943,431) | (644,805) |
| Estimated Revenue from Tampa By-pass Canal | (581,260) | (581,260) | - |
| SWFWMD Grant for Capital Program | (10,000,000) | - | 10,000,000 |
| Total Net Revenue Required | \$ 154,575,895 | \$ 150,492,398 | \$ (4,083,497) |

| | | | |
|--------|-----------|-----------|-----------|
| Rate | \$ 2.3980 | \$ 2.5295 | \$ 0.1314 |
| Demand | 176.6 | 163.0 | (13.60) |

The following items are the significant components of the 2011 rate and the table set forth above:

| Rate Increase | Description |
|---------------|---|
| \$0.0182 | Legal Services Increase |
| \$0.0384 | Reduction in estimated Unencumbered funds from current year |
| \$0.0686 | 13.6 MGD Reduction in Demand |
| \$0.1681 | No SWFWMD Grant for Capital Program in 2011 |

Increases in the wholesale water rate have been offset by the following reductions in operating costs or increases in other revenues:

| Rate Decreases | Description |
|-----------------------|--|
| (\$0.2318) | Reduction in Variable Costs |
| (\$0.0265) | Cost Reductions in Personnel, Materials, Professional Services, Repairs, Property Insurance, Capital Purchases |
| (\$0.0108) | Increase in estimated Interest Income |

Future Supply

In December 2008, the Board of Directors approved its latest revision to the Master Water Plan. The budget reflects continuing exploration of the seven projects selected by the Board as part of the Master Water Plan, in order to meet future water needs on a timely basis. To assist the Board in its selection of an appropriate array of projects, the budget also anticipates continued work on the renewed initiatives in Source Water Protection and Demand Management, as well as efforts to foster regional cooperation on Reclaimed Water.

Since the adoption of the Master Water Plan 18 months ago, the region has experienced dramatic changes in its water demand profile. The result is that the schedule for developing the next increment of potable supply has been extended. Recent economic forecasts indicate that growth in the Tampa Bay region will continue to stagnate for the next 12 to 18 months before we begin a long and slow recovery. With delayed growth, our updated demand forecasting models indicate that additional regional water supply is not needed in the next 10 to 15 years. This extends the timeline for the Board to make a decision on new water supply projects by approximately five years.

Reserve Funds

Tampa Bay Water maintains various Reserve Funds to comply with Bond requirements associated with the issuance of approximately \$1.1 billion in bonded debt and the Master Water Supply Contract. A Funds Summary with information for all funds can be found in the Financial Plan section of this document. A further detailed description of the various debt service obligations is provided in the Debt Service Section of this document.

In Summary:

The rate of \$2.5295 for fiscal year 2011 is \$.1035 below our targeted estimated projection of \$2.6330 presented in the 2010 budget document. Measured against the 2010 fiscal year rate of \$2.3980, the approved rate is a \$.1315 or 5.48% increase. Some changed conditions are mentioned above but bear repeating:

- Demand for water from the six member governments is falling, not increasing, and reflects the decline in the regional housing market. The budgeted daily production for FY 2011 is estimated at 163 MGD. The 2010 budget document anticipated that production would climb to 179.5 MGD. The 2011 demand projections reflect current economic conditions and a decline in the number of residential accounts among our six member governments.
- The desalination facility is being operated at a reduced capacity; an annual average of 4 MGD is planned for 2011. This is a 15.7 MGD decrease over the 2010 budget. The lower production will help reduce the higher cost of power and chemical usage associated with the facility. The current rainfall and anticipation of a wet year will allow us to harvest and use our surface water sources more in the coming fiscal year and maintain compliance with all of our permits.
- Net revenue required for fiscal year 2011 is **\$4,083,497** less than fiscal year 2010.
- Interest income is estimated to increase \$644,805 in 2011. A slight increase in investment yields and changes in portfolio composition are anticipated.
- At the end of fiscal year 2010, we have estimated that funds equal to 1.5% of the 2010 water sales revenue will remain unencumbered. These unencumbered funds, estimated to be \$2,318,638, will be brought forward to offset 2011 budgeted expenses. The use of these funds reduced the 2011 rate by \$0.039.

Tampa Bay Water will continue to implement the Board's policy direction for effectively relieving stressed environmental conditions through the use of well field rotation, source mix and the implementation of new projects to achieve best practices. While dry conditions, continued development, altered drainage, and reliance on groundwater in the past have stressed the environmental systems, the use of rotational capacity and supply mix with the reservoir are now important components in the recovery of the aquifer and wetland systems.

The 2011 budget includes the elimination of three full-time equivalent positions. Like fiscal year 2010, the Agency will provide wage adjustments, if any, that are consistent with what the six member governments provide to their own employees. No merit based increases were awarded in fiscal year 2010.

Budget Schedule

In our efforts to continually improve and publish a document that will prove useful to the public and to our members, our staff has initiated a number of modifications to the format of the budget. These changes are based upon the Board's policy direction, member input, and recommended budget practices promulgated by the National Advisory on State and Local Budgeting. Final approval of the budget must occur prior to August 1st of each year; the schedule approved by the Board in June 2009 provided for a Public Hearing and final approval of the 2011 Budget at the Regular Board Meeting on June 21, 2010.

In accordance with the Budget Schedule approved by the Board on June 15, 2009, copies of the proposed budget were distributed on March 17, 2010. Tampa Bay Water staff met with representatives from each member government to discuss the document in late March and

early April. The recommended fiscal year 2011 budget was discussed by the Board at a Budget Workshop on April 19th. As a result of comments received from the Board at the April meeting, changes were made and are reflected in this document. In accordance with the Board approved budget schedule, a public hearing on the budget was advertised and thereby we met the requirement contained in the Amended and Restate Interlocal Agreement for final budget approval at the June 21st Board Meeting.

As in prior years, the preparation of Tampa Bay Water's annual budget requires the collaborative efforts of a great number of persons. The accuracy and reliability of the budget information is attributable to great work by a number of staff members, with special efforts by Lynda Vatter, Cynthia Iseminger, and Koni Cassini. These individuals merit our collective thanks and recognition for a job well done.

Respectfully submitted,



Gerald J. Seeber
General Manager

ANNUAL BUDGET DEVELOPMENT

Tampa Bay Water – 2011 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 2011.
- 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 2011.
- 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 2011 budget for each division and historical budget trends of the divisions for the preceding four years.
- 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 2011 and 2012. 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 – 2011 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 two offices and three divisions as listed below:

- Office of the General Manager
 - General Manager
 - Public Affairs

- Office of the General Counsel

- Operations and Facilities Division
 - Operations and Facilities Division Director
 - Operations Department
 - Infrastructure Management Department
 - Maintenance Department
 - Instrumentation and Control Department
 - Construction Department
 - Contracts and Mitigation Department

- Science and Engineering Division
 - Science and Engineering Division Director
 - Evaluation and Permitting Department
 - Monitoring and Laboratory Services Department
 - Source Rotation and Environmental Protection
 - Planning and Engineering Department

- Finance and Administration Division
 - Finance Department (includes Finance and Administration Director)
 - Human Resources Department
 - Information Systems Department
 - Records Management Department

Tampa Bay Water – 2011 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 offices, 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
- 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 offices 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 – 2011 Annual Budget Annual Budget Development

Budget Basis

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

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

Tampa Bay Water – 2011 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 – 2011 Annual Budget
Annual Budget Development**

Annual Budget Process

The Budget Analyst 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 July 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 Analyst ▪ Tampa Bay Water – Office Managers, Division Directors 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 Analyst |
| 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 Analyst |
| 2 nd week in December | <ul style="list-style-type: none"> ▪ Distribute the annual budget packet to Division Directors and Department Managers for review | <ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Analyst |
| 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 Analyst |
| 2 nd week of January | <ul style="list-style-type: none"> ▪ Submit the annual budget request for the ensuing Fiscal Year to the Finance and Administration Department | <ul style="list-style-type: none"> ▪ Tampa Bay Water Divisions, Departments, and Offices |
| 4 th week of January | <ul style="list-style-type: none"> ▪ Distribute the preliminary draft budget for the ensuing Fiscal Year to all Division Directors, Department Managers, and Offices of General Manager and General Counsel for their review and comment | <ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Analyst |

**Tampa Bay Water – 2011 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 Analyst ▪ Tampa Bay Water Member Governments |
| 2 nd week of February | <ul style="list-style-type: none"> ▪ Meet with Division Directors, Department Managers and staff from the Offices of General Manager and General Counsel to review the annual budget requirement for the ensuing Fiscal Year | <ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Analyst ▪ Tampa Bay Water Divisions, Departments, and Offices |
| 3 rd week of February | <ul style="list-style-type: none"> ▪ Incorporate any changes (+/-) to the annual budget request which resulted from meetings with Division Directors, Department Managers, and staff from the Offices of General Manager and General Counsel | <ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Analyst |
| 4 th week of February | <ul style="list-style-type: none"> ▪ General Manager meets with Division Directors and General Counsel 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, Division Directors, General Counsel and Senior Manager, Finance |
| 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 Office of General Manager | <ul style="list-style-type: none"> ▪ Tampa Bay Water Budget Analyst |
| 2 nd 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 Analyst |
| 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 Analyst; Senior Manager, Finance ▪ Tampa Bay Water Budget Analyst ▪ Tampa Bay Water Budget Analyst |
| 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 – 2011 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 – Finance and Administration Division Director, Budget Analyst |
| 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 directors, department managers, representatives from the Offices of General Manager and General Counsel, and the Budget Analyst. Additionally, the Budget Analyst 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 Analyst**

The Budget Analyst has the overall responsibility for coordinating and managing the annual budget development process. The major responsibilities of the Budget Analyst 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 Finance and Administration Division Director, Senior Manager Finance, 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 – 2011 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 the division directors, Senior Manager Finance, General Counsel 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 the bound copies of the annual budget estimate for the ensuing fiscal year to Tampa Bay Water management, Member Governments and the Board.
 - With the Senior Manager Finance 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 Finance and Administration Division Director 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 Finance and Administration Division Director.
 - 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 – Senior Management and Staff**

The division directors, department managers and the representatives from the Offices of General Manager and General Counsel are responsible for the following activities for their respective division/department/office:

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

Tampa Bay Water – 2011 Annual Budget Annual Budget Development

- Input the annual budget estimates for the ensuing fiscal year by budget category and sub-category in the budget model.
- Meet with the Budget Analyst to discuss the annual budget requirements for the ensuing fiscal year.
- Support the Budget Analyst and the Finance and Administration Department 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 Analyst.

- **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 executive leadership and senior management regarding the annual budget request for the ensuing fiscal year.
- Publish a notice of its intention to adopt the budget for the ensuing fiscal year during the scheduled public meeting.
- Conduct a public hearing and adopt the final budget and rates with any amendments it deems advisable.

Budget Implementation

The approved annual budget is input to the Agency's financial accounting system at the beginning of each fiscal year. The system provides accountability and reporting of purchase order encumbrances and actual expenditures versus the approved budget. Agency staff, together with the Budget Analyst, 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 – 2011 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 Rent and Insurance or to Electric) 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

Tampa Bay Water – 2011 Annual Budget
Financial Management Policies

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

Utility Reserve Fund (Fund Balance) Policy

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

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

Rate Stabilization Account Policy

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

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

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

Tampa Bay Water – 2011 Annual Budget
Financial Management Policies

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

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

Fixed Asset Policy

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

Debt Policy

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

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

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

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

Tampa Bay Water – 2011 Annual Budget Financial Management Policies

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

Investment Policy

The objectives of the Agency's investment policy are safety, liquidity and return on investment. The primary objective is safety, i.e. the minimization of risk and the preservation and protection of investment principal. The second objective is to maintain sufficient liquidity at all times to meet all cash requirements that can reasonably be anticipated. The third objective is to maximize investment return, but only within the constraints of the first two objectives. The investment policy also establishes allowable investments, investment providers, and investment concentrations in furtherance of these objectives. The Agency currently maintains all of its deposit accounts in accounts that qualify as Public Deposit accounts under Florida Statutes.

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 – 2011 Annual Budget Financial Management Policies

- Performance Audit:

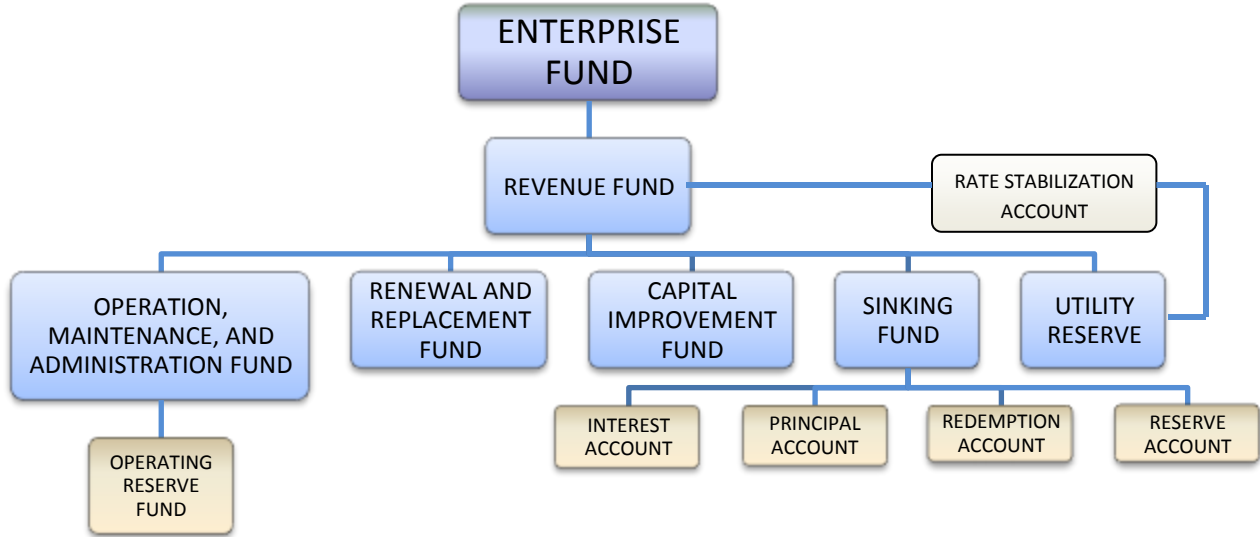
The Agency is required to have a performance audit and management study of its operations at five year intervals. The performance audit and management study reviews program results and makes recommendations regarding the Agency's governance structure and the proper, efficient, and economical operation and maintenance of the Agency's water supply facilities. The performance audit that was required in fiscal year 2010 has been completed and the report is available on the Agency's website <http://www.tampabaywater.org>.

FINANCIAL PLAN

**Tampa Bay Water – 2011 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

Tampa Bay Water – 2011 Annual Budget Financial Plan

Reserves and Restricted Funds

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

- Operating Reserve – Tampa Bay Water is required to maintain 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 September 30, 2010 is estimated to be \$6,653,881. Variable costs for fiscal year 2011 are estimated to be \$26,133,694. Two months of variable costs will equal \$4,355,616. Therefore; no additional funding is required for fiscal year 2011.

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

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

The Renewal and Replacement fund balance at October 1, 2010 is estimated at \$10,332,741. Tampa Bay Water will be developing a Renewal and Replacement Program that will identify all critical components of the water delivery system. The program will develop a schedule for replacing or improving components in order to maintain the reliability of the system. No new projects were approved for funding from the Renewal and Replacement Fund for 2011.

- 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. These funds are budgeted in conjunction with the Capital Improvement Budget.
- Sinking Fund Debt Service Accounts – Funds collected to pay annual interest and principle on debt are deposited into the Debt Service Accounts and expended for debt service payments as they come due. Debt service budgeted for 2011 is \$74,252,606. Investment earnings on the Debt Service Accounts remain in the accounts and are used to pay debt service. Funds in the account at the end of the fiscal year are used to pay debt service due on October 1st of the new fiscal year.

Tampa Bay Water – 2011 Annual Budget Financial Plan

- 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 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, 2010 is estimated at \$10,202,833 and is available for reduction of current and future year rates to the extent that it has not been designated by the Board for specific purposes including unanticipated legal and mitigation costs. A total withdrawal of \$6,118,638 from the Rate Stabilization fund is planned in 2011, inclusive of \$2,318,638 of unexpended 2010 funds anticipated for carry-forward into fiscal year 2011.

- 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.

**Tampa Bay Water - 2011 Annual Budget
Financial Plan**

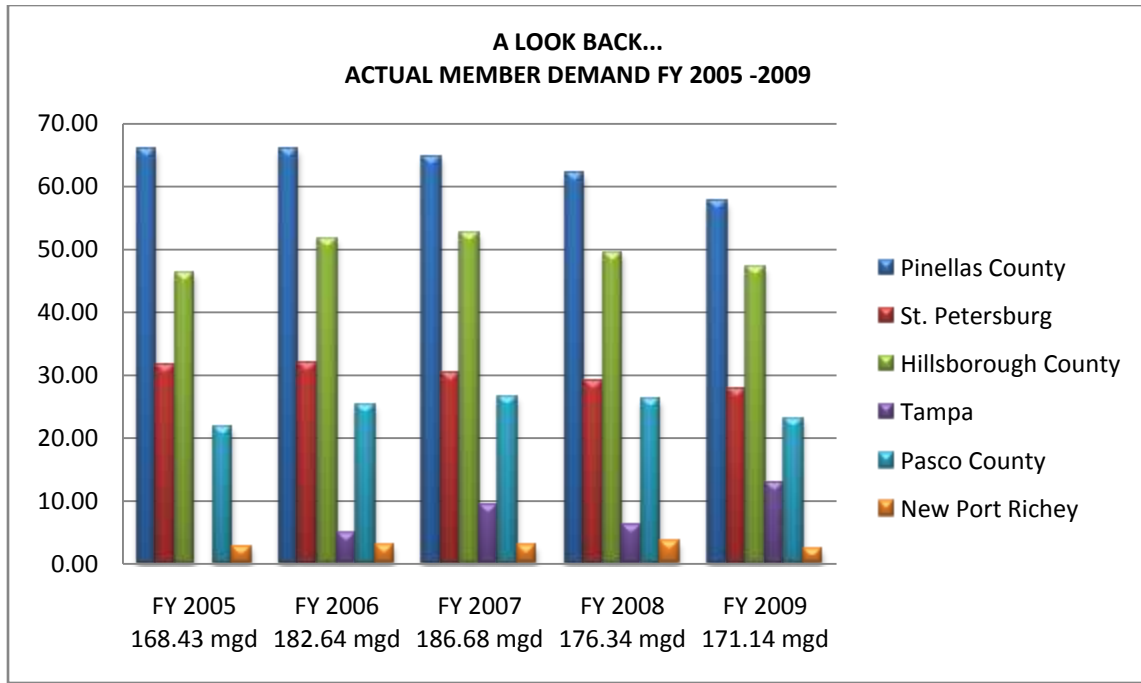
**TAMPA BAY WATER
PROJECTED CHANGES IN FUND EQUITY
BUDGET YEAR 2011**

| | OPERATIONS | OPERATING RESERVE | RENEWAL & REPLACEMENT FUND | CAPITAL IMPROVEMENT FUND | SINKING FUNDS | | UTILITY RESERVE FUND | RATE STABILIZATION ACCOUNT | REBATE FUND | TOTAL ENTERPRISE FUND |
|---|--------------|-------------------|----------------------------|--------------------------|---------------------------------|------------------------------|----------------------|----------------------------|-------------|-----------------------|
| | | | | | INTEREST AND PRINCIPAL ACCOUNTS | DEBT SERVICE RESERVE ACCOUNT | | | | |
| BEGINNING FUND BALANCE 10/01/2010 | \$ 3,774,432 | \$ 6,653,881 | \$ 10,332,741 | \$ 23,925,506 | \$ 49,102,812 | \$ 74,257,841 | \$ 24,130,780 | \$ 10,202,833 | \$ 161,373 | \$ 202,542,199 |
| REVENUES: | | | | | | | | | | |
| Water Sales | 150,492,398 | | | | | | | | | \$ 150,492,398 |
| Water Sales - Tampa Bypass Canal | 581,260 | | | | | | | | | \$ 581,260 |
| Interest Earned | 73,769 | 59,885 | 92,995 | 199,402 | 439,992 | 1,685,483 | 301,635 | 90,270 | 1,452 | \$ 2,944,883 |
| EXPENDITURES: | | | | | | | | | | |
| Fixed Costs | (49,123,468) | | | | | | | | | \$ (49,123,468) |
| Variable Costs | (26,133,694) | | | | | | | | | \$ (26,133,694) |
| Debt Service - bonds | | | | | (73,776,615) | | | | | \$ (73,776,615) |
| Debt Service - acquisition credits | (10,231,557) | | | | | | | | | \$ (10,231,557) |
| Water Quality Credits | (195,000) | | | | | | | | | \$ (195,000) |
| CAPITAL PROJECT EXPENDITURES: | | | | (3,539,504) | | | | | | \$ (3,539,504) |
| GRANTS | | | | | | | | | | |
| | | | | | | | | | | \$ - |
| INTERFUND TRANSFERS: | | | | | | | | | | |
| Transfer interest available for operations | 2,869,662 | (59,885) | (92,995) | (199,402) | (439,992) | (1,685,483) | (301,635) | (90,270) | | \$ - |
| Transfer from Operations to Debt Service Fund | (74,252,606) | | | | 74,252,606 | | | | | \$ - |
| Transfer from Rate Stabilization Account | 6,118,638 | | | | | | | (6,118,638) | | \$ - |
| Transfer to Capital Improvement Fund | (199,402) | | | 199,402 | | | | | | \$ - |
| ENDING FUND BALANCE 09/30/2011 | \$ 3,774,432 | \$ 6,653,881 | \$ 10,332,741 | \$ 20,585,404 | \$ 49,578,803 | \$ 74,257,841 | \$ 24,130,780 | \$ 4,084,195 | \$ 162,825 | \$ 193,560,902 |

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

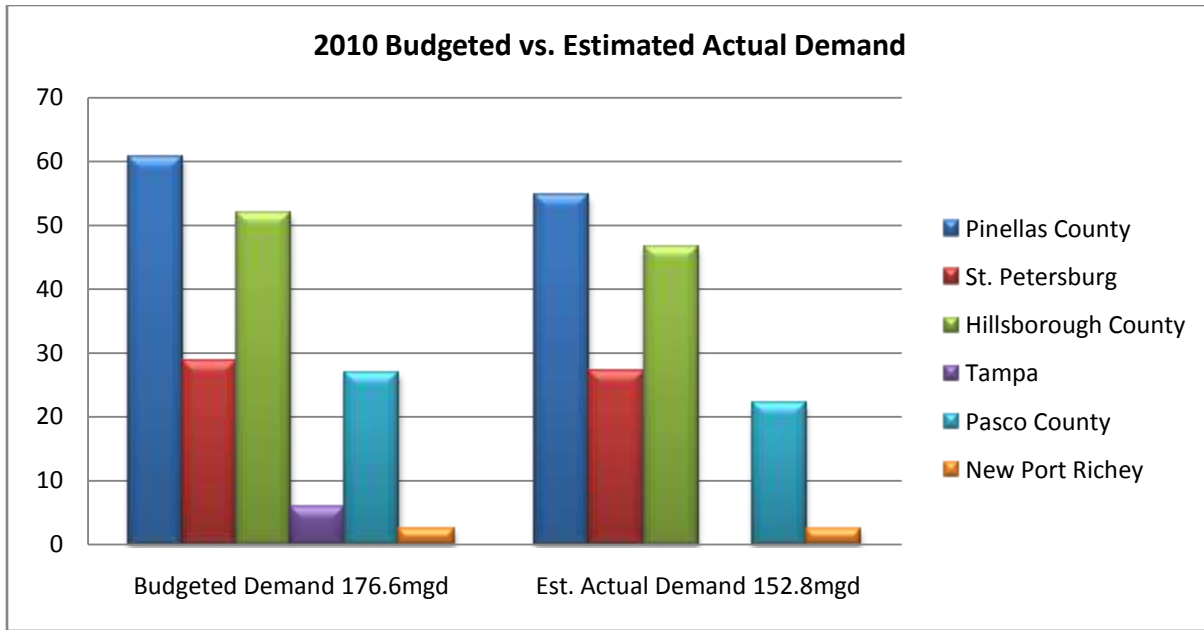
Financial Planning and Trends

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.

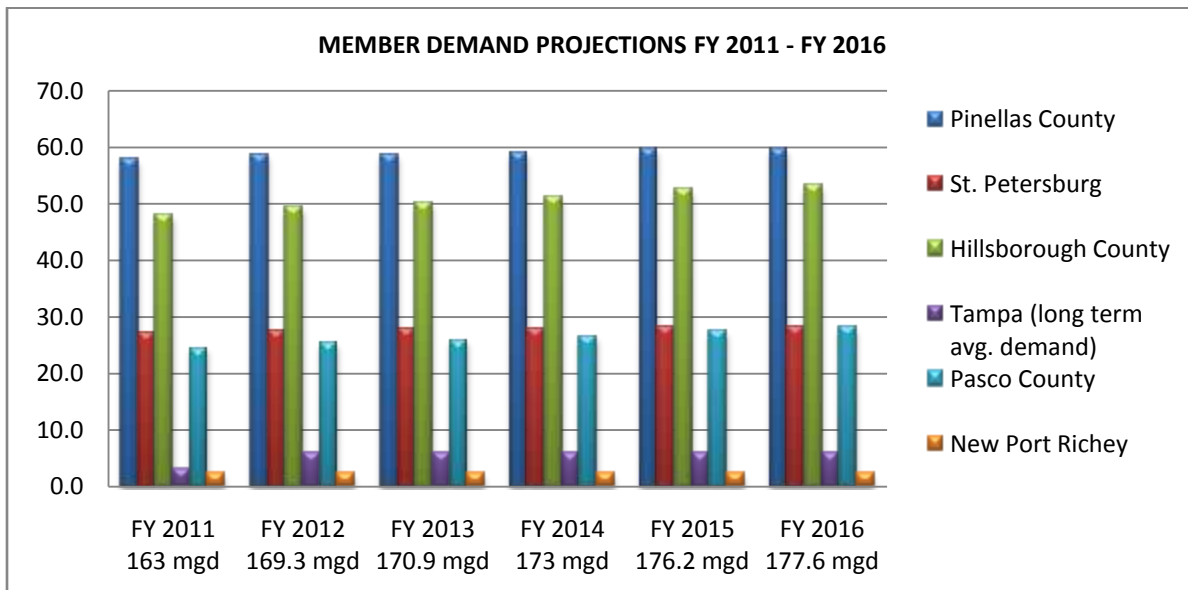


Drought conditions during 2006 and 2007 are evident by increased member demand for those years. As a result of the long-term drought conditions, conservation measurements were put into action in the form of watering restrictions and public awareness announcements throughout the Tampa Bay Region. Sharp declines in growth and development in the Tampa Bay Region coupled with conservation measures lead to marked decreases in demand for 2008 and 2009.

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**



The 2010 budget estimated member demand to be 176.6 mgd. The demand was based on an average rainfall year and a flat population growth. However, the Tampa Bay Region has experienced above normal rainfall in 2010. Most of the Tampa Bay Water service area also remained under watering restrictions throughout 2010. The prevailing economic conditions resulted in extremely high percentages of home foreclosures throughout the region, leading to a decrease in our member's residential water accounts. These factors have led to an unexpected drop in regional demand.

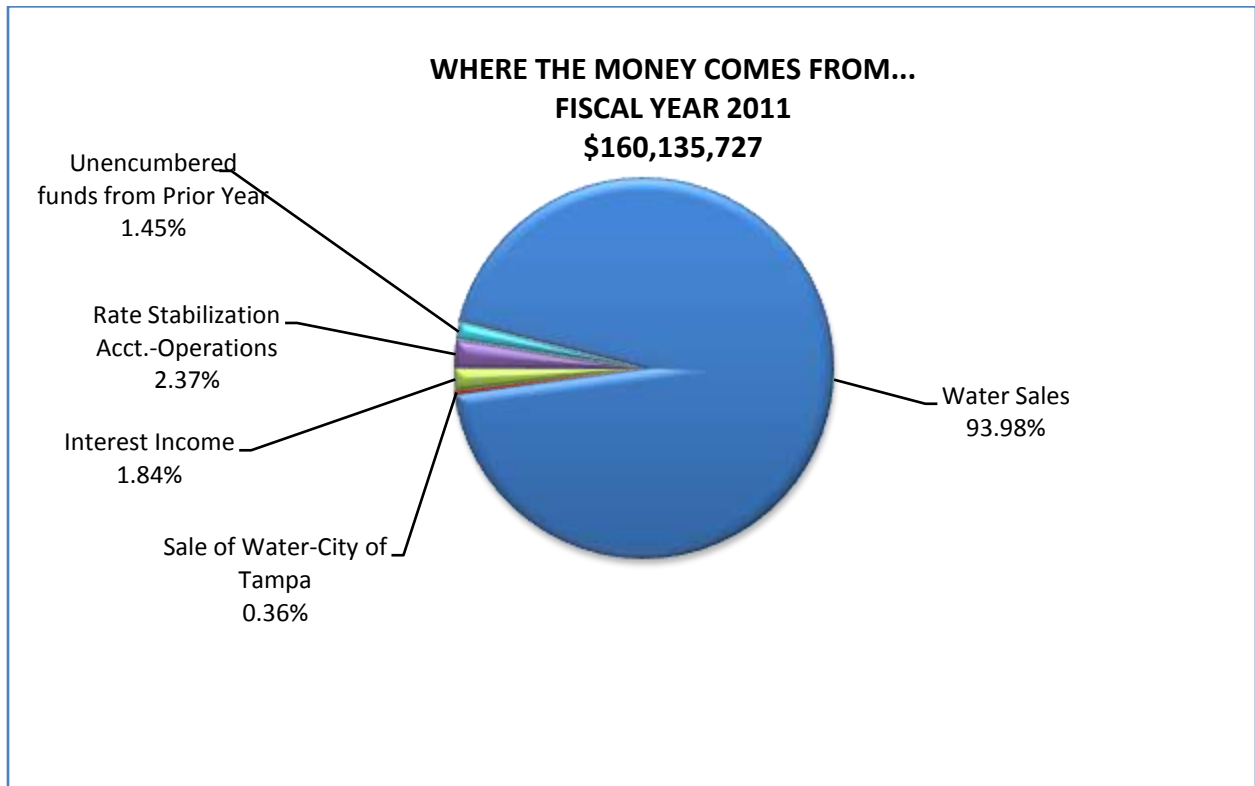


Member demand for fiscal year 2011 and future demand projections are based on average rainfall years. It is also projected that economic recovery will be slow resulting in gradual population growth and economic development for the Tampa Bay Region.

Tampa Bay Water – 2011 Annual Budget Financial Plan

Revenues

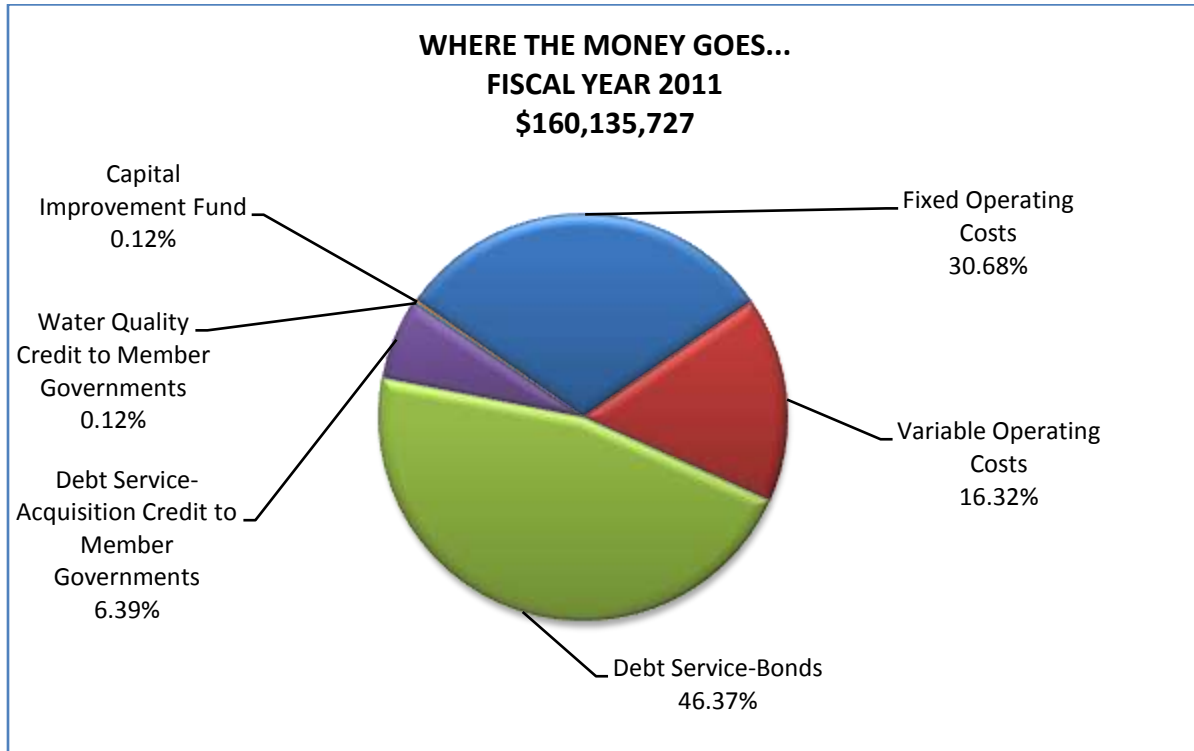
The Agency's primary revenue source is sale of water to its six member governments. The Master Water Supply Contract establishes a budget process through which the Agency establishes an annual Uniform Rate which is charged to the Members. A fixed cost component of the rate is established and billed monthly 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 – 2011 Annual Budget Financial Plan

Expenditures

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



Balanced Budget

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

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

**Sources & Uses of Funds
2009 Actual, 2010 Approved and 2011 Approved**

| Fund Category | 2009 Actual | 2010 Approved | 2011 Approved |
|--|-----------------------|-----------------------|----------------------|
| Sources of Funds | | | |
| Revenue from Water Sales | \$ 150,805,152 | \$ 154,575,895 | \$150,492,398 |
| Revenue from TBC-Sale of Water | 919,948 | 581,260 | 581,260 |
| Misc. Income | 258,539 | - | |
| Interest Income | 3,017,972 | 2,298,626 | 2,943,431 |
| SWFWMD Grant for Capital Program | 10,335,917 | 10,000,000 | |
| Subtotal | 165,337,528 | 167,455,781 | 154,017,089 |
| Transfers In from Rate Stabilization Account - Operations | 24,471,619 | 3,680,012 | 3,800,000 |
| Transfers In from Rate Stabilization-Unencumbered funds from Prior Year (note 1) | 6,557,687 | 4,600,881 | 2,318,638 |
| Transfer In from Renewal & Replacement | 639,903 | 400,000 | - |
| Total Sources | \$ 197,006,737 | \$ 176,136,674 | \$160,135,727 |
| Uses of Funds | | | |
| Personnel Services | \$ 11,119,938 | \$ 12,239,395 | \$ 11,981,378 |
| Materials & Supplies | 1,761,387 | 2,040,963 | 1,975,836 |
| Professional Services | 29,378,601 | 26,870,442 | 26,779,147 |
| Repairs & Other Services | 4,516,855 | 4,413,771 | 4,045,509 |
| Rent & Insurance | 1,228,213 | 1,568,315 | 1,350,448 |
| Legal Services | 2,051,324 | 931,000 | 2,015,500 |
| Capital Expenditures | 3,291,375 | 1,550,526 | 975,650 |
| Total Debt Service-Bonds | 74,909,796 | 74,250,624 | 74,252,606 |
| Total Debt Service-Acquisition Credit to Member Governments | 10,338,935 | 10,231,557 | 10,231,557 |
| Water Quality Credit to Member Governments | 292,000 | 292,000 | 195,000 |
| Water Treatment Chemicals - Variable Cost | 12,209,978 | 16,220,170 | 11,144,048 |
| Power / Electricity - Variable Cost | 17,336,596 | 19,285,074 | 13,626,846 |
| Water for Resale - Variable Cost | 2,227,335 | 4,418,050 | 1,362,800 |
| Subtotal | 170,662,333 | 174,311,887 | 159,936,325 |
| Transfer Out to Capital Improvement Fund | 213,606 | - | 199,402 |
| Transfer Out to R&R Fund | 801,337 | 150,000 | - |
| Transfer Out to Operating Reserve | 337,573 | 1,674,787 | - |
| Transfer Out to Rate Stabilization Account | 24,741,888 | - | - |
| Transfer Out to Utility Reserve | 250,000 | - | - |
| Total Uses | \$ 197,006,737 | \$ 176,136,674 | \$160,135,727 |

[1] ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR FOR 2011 IS ESTIMATED AT 1.5% OF PRIOR YEARS REVENUE FROM WATER SALES.

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

**Sources & Uses of Funds
Budget Projection 2012 through 2016**

| Fund Category | BUDGET PROJECTIONS | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Sources of Funds | | | | | |
| Water Sales | \$161,037,078 | \$164,589,742 | \$172,879,762 | \$172,590,141 | \$175,701,114 |
| Additional Credits/Surcharges (Board Approved) | - | - | - | - | - |
| TBC-Sale of Water | 581,260 | 581,260 | 581,260 | 581,260 | 581,260 |
| Interest Income | 2,904,001 | 2,443,383 | 3,301,841 | 3,426,626 | 3,395,637 |
| Subtotal | 164,522,339 | 167,614,385 | 176,762,863 | 176,598,027 | 179,678,011 |
| Estimated unencumbered funds from Prior Year (note 1) | 1,504,924 | 1,610,371 | 1,645,897 | 1,728,798 | 1,725,901 |
| Transfer In from Renewal & Replacement | 1,233,241 | 2,421,664 | 999,452 | 999,452 | 1,002,191 |
| Total Sources | \$167,260,504 | \$171,646,420 | \$179,408,212 | \$179,326,277 | \$182,406,103 |
| Uses of Funds (note 2) | | | | | |
| Personnel Services | 12,580,447 | 13,209,469 | 13,869,943 | 14,563,440 | 15,291,612 |
| Materials & Supplies | 2,047,503 | 2,121,371 | 2,369,244 | 2,448,373 | 2,529,505 |
| Professional Services | 27,826,289 | 28,735,734 | 29,935,551 | 30,909,117 | 31,908,301 |
| Repairs & Other Services | 4,177,657 | 4,314,023 | 4,469,583 | 4,615,186 | 4,765,179 |
| Rent & Insurance | 1,395,230 | 1,441,363 | 1,508,681 | 1,558,168 | 1,608,808 |
| Legal Services | 2,081,004 | 2,148,636 | 2,218,467 | 2,290,567 | 2,365,011 |
| Capital Expenditures | 1,008,028 | 1,041,380 | 1,090,580 | 1,126,365 | 1,162,972 |
| Total Debt Service-Bonds (note 3) | 74,247,191 | 74,257,841 | 78,898,276 | 77,262,138 | 77,262,326 |
| Total Debt Service-Acquisition Credit to Member Governments | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| Water Quality Credit to Member Governments | 195,000 | 195,000 | 48,000 | 48,000 | 48,000 |
| Misc./Other-R&R Projects | 1,233,241 | 2,421,664 | 999,452 | 999,452 | 1,002,191 |
| Water Treatment Chemicals - Variable Cost | 11,940,746 | 12,318,174 | 12,791,527 | 13,195,185 | 13,610,030 |
| Power / Electricity - Variable Cost | 14,599,744 | 15,060,077 | 15,609,186 | 16,101,072 | 16,607,240 |
| Water for Resale - Variable Cost | 2,407,772 | 2,454,229 | 2,502,218 | 2,551,792 | 2,603,001 |
| Subtotal | 165,971,409 | 169,950,518 | 176,542,265 | 177,900,411 | 180,995,732 |
| Transfer Out to Capital Improvement Fund | 205,854 | 152,678 | 134,301 | 116,432 | 100,937 |
| Transfer Out to R&R Fund | 1,083,241 | 1,543,223 | 2,731,646 | 1,309,434 | 1,309,434 |
| Total Uses | \$167,260,504 | \$171,646,420 | \$179,408,212 | \$179,326,277 | \$182,406,103 |

NOTES:

[1] ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR FOR 2011 IS ESTIMATED AT 1.5% OF PRIOR YEARS REVENUE FROM WATER SALES. FOR 2012-2016 ESTIMATED AT 1% OF PRIOR YEAR WATER REVENUE FROM WATER SALES

[2] AN INFLATION RATE RANGE OF 3.3% TO 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 COSTS PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.

[3] THE PROJECTIONS PRESENTED ABOVE FOR 2012-2016 ARE BASED ON THE CAPITAL PROJECTS CASH FLOW PROJECTIONS PRESENTED IN THE CAPITAL IMPROVEMENT PROGRAM WHICH INCLUDE PROJECTS UNDER CONSIDERATION BY THE BOARD FOR BOTH SYSTEM IMPROVEMENT AND EXPANSION. THE EXACT MIX OF PROJECTS TO MOVE FORWARD TO CONSTRUCTION WILL BE SELECTED BY THE BOARD IN THE FUTURE AS SYSTEM NEEDS ARE EVALUATED. THESE PROJECTIONS INCLUDE ISSUANCE OF \$104 MILLION SERIES 2013 BONDS. THESE PROJECTIONS WILL CHANGE AS PROJECT SELECTION TAKES PLACE AND FINANCING NEEDS ARE FURTHER DEFINED.

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

Explanation of Variances

| Budget Category | 2010 Approved | 2011 Approved | Variance + / - | Explanation |
|---|----------------------|-----------------------|-----------------------|---|
| Personnel Services | \$ 12,239,395 | \$ 11,981,378 | \$ (258,017) | Elimination of three positions. |
| Materials & Supplies | 2,040,963 | 1,975,836 | (65,127) | Most notable reductions were achieved by limiting training to only local training and limiting employee memberships. |
| Professional Services | 26,870,442 | 26,779,147 | (91,295) | Reduced use of outside professional service providers by \$2M. A \$1.9M increase in O&M costs is due to added capacity at surface water treatment facility. |
| Repairs & Other Services | 4,413,771 | 4,045,509 | (368,262) | Largest reduction is due to lower production at desal facility which reduces cost for sludge removal. |
| Rent & Insurance | 1,568,315 | 1,350,448 | (217,867) | Reduction based on FY 2010 actual premiums. |
| Legal Services | 931,000 | 2,015,500 | 1,084,500 | Increase is for legal matters associated with Reservoir. |
| Capital Expenditures | 1,550,526 | 975,650 | (574,876) | Reduction of controllable costs. |
| Debt Service-Bonds | 74,250,624 | 74,252,606 | 1,982 | Minimal variance. |
| Acquisition Credit to Member Governments | 10,231,557 | 10,231,557 | - | |
| Water Quality Credit to Member Governments | 292,000 | 195,000 | (97,000) | Credit to City of St. Petersburg no longer applicable. |
| Water Treatment Chemicals - Variable Cost | 16,220,170 | 11,144,048 | (5,076,122) | Lower demand reduces variable costs. |
| Power / Electricity - Variable Cost | 19,285,074 | 13,626,846 | (5,658,228) | Lower demand reduces variable costs. |
| Water for Resale - Variable Cost | 4,418,050 | 1,362,800 | (3,055,250) | Lower demand for water purchases from City of Tampa. |
| Reserve Funding | 1,824,787 | 199,402 | (1,625,385) | Additional funding of Operating Reserve is not required in FY 2011. |
| | \$176,136,674 | \$ 160,135,727 | \$(16,000,947) | |
| Utilization of Rate Stabilization Account | (3,680,012) | (3,800,000) | (119,988) | Slight increase in use of Rate Stabilization for FY 2011. |
| Transfers In - Unencumbered funds from Prior Year | (4,600,881) | (2,318,638) | 2,282,243 | Estimated unencumbered funds available at FY 2010 year end are projected to be less than the funds that were available at FY 2009 year end. |
| Transfer In from Renewal & Replacement | (400,000) | - | 400,000 | No new Renewal & Replacement projects anticipated for FY 2011. |
| Estimated Interest Income | (2,298,626) | (2,943,431) | (644,805) | New investments established in FY 2010 are expected to yield higher rates of return. |
| Estimated Revenue from Tampa By-pass Canal | (581,260) | (581,260) | - | |
| SWFWMD Grant for Capital Program | (10,000,000) | - | 10,000,000 | Non-recurring. Received interest from Desal grant in FY 2010. |
| Total Net Revenue Required | \$154,575,895 | \$ 150,492,398 | \$ (4,083,497) | |

| | | | |
|--------|-----------|-----------|-----------|
| Rate | \$ 2.3980 | \$ 2.5295 | \$ 0.1314 |
| Demand | 176.6 | 163.0 | (13.60) |

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

The approved budget for 2011 is \$16 million less than the approved 2010 budget, reflecting an unexpected drop in water sales to the region's six member governments. The drop in sales is attributed to prevailing economic conditions and the sluggish housing market, as well as the frequent and abundant rainfall that the region has experienced for the past year.

Despite significant budget reductions, the uniform rate for fiscal year 2011 is \$2.5295 per 1,000 gallons, a 13 cent increase over the 2010 rate of \$2.3980. This increase is due to the reduced demand production level which is the denominator in the rate calculation.

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Tampa Bay Water – 2011 Annual Budget Financial Plan

Capital Improvements Planning and Financing

- Planning:

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

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

- Financing:

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

Tampa Bay Water's current Capital Improvement Program is funded primarily through the issuance of Revenue Bonds. Co-funding from SWFWMD will fund an estimated 50-percent of the System Configuration II Projects. 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 include technological upgrades and facility remodeling/renovations.

**Tampa Bay Water – 2011 Annual Budget
Financial Plan**

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.

Impact of Capital Improvement Program on the 2011 Operating Budget

The current Capital Improvement Program schedule anticipates the completion of nine projects during fiscal year 2011. It is estimated that the completion of these projects will have a \$2,170,958 net impact on the operating budget. The largest impact will be due to the operating and maintenance agreement associated with the expansion of the Regional Surface Water Treatment Plant. The added plant capacity will increase the required operating and maintenance activities associated with the facility. Additional electric and maintenance costs are anticipated with the completion of two new pump stations and expansion of the Tampa By-pass Canal and Cypress Creek Pump Stations. New piping and interconnects will have minor or no impact on operating costs.

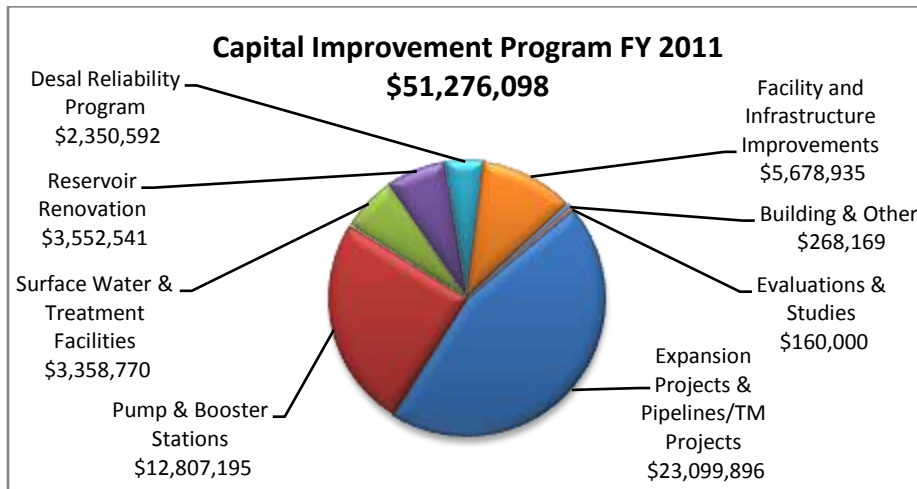
The following is a list of capital projects that are anticipated to be completed and operational within fiscal year 2011.

| Project No. | Project Name | Estimated Completion Date | Annual Operating Cost (Net Increase) | Months in Operation FY 2011 | Impact on FY 2011 Operating Budget |
|-------------|---|---------------------------|--------------------------------------|-----------------------------|------------------------------------|
| 06401 | Config II: System Interconnects - Northwest Hillsborough Pipeline | 6/1/2011 | \$ 15,000 | 4 | \$ 5,000 |
| 06303 | Config II: SWTP Expansion | 12/29/2010 | \$ 2,000,000 | 9 | \$ 1,500,000 |
| 06306 | Config II: Tampa Bypass Canal Pump Station Expansion | 5/2/2011 | \$ 700,000 | 5 | \$ 291,667 |
| 06309 | Config II: System Interconnects - Cypress Creek Pump Station Expansion | 4/1/2011 | \$ 45,000 | 6 | \$ 22,500 |
| 06305 | Config II: Offstream Reservoir Pump Station | 6/16/2011 | \$ 689,000 | 3.5 | \$ 200,958 |
| 06308 | Config II: SCHI Booster Pumping Station | 7/18/2011 | \$ 689,000 | 2.5 | \$ 143,542 |
| 06420 | Regional System Surge Protection | 4/7/2011 | \$ 5,000 | 6 | \$ 2,500 |
| 06313 | Config II: SWTP Yard Piping-US 301 Interconnect Pipeline Extension | 4/1/2011 | \$ 5,000 | 6 | \$ 2,500 |
| 06314 | Config II: SWTP Yard Piping-Brandon Urban Dispersed (BUD) Transmission Main Extension-Permanent | 4/17/2011 | \$ 5,000 | 5.5 | \$ 2,292 |
| | | | | | \$ 2,170,958 |

Tampa Bay Water – 2011 Annual Budget Financial Plan

The Capital Improvement Program Section of this document provides the budget detail and project descriptions for all approved projects that will be in process during fiscal year 2011. Project costs of \$160,000 for evaluations and studies will be funded from the 2011 rate. The remaining balance will be funded from bond proceeds, grants, and Capital Improvement Funds. Further details of Tampa Bay Water’s Long-term Capital Improvement Program are provided in a separate document titled “Tampa Bay Water Capital Improvement Program”.

The following chart summarizes significant Capital Improvement expenditures for fiscal year 2011.

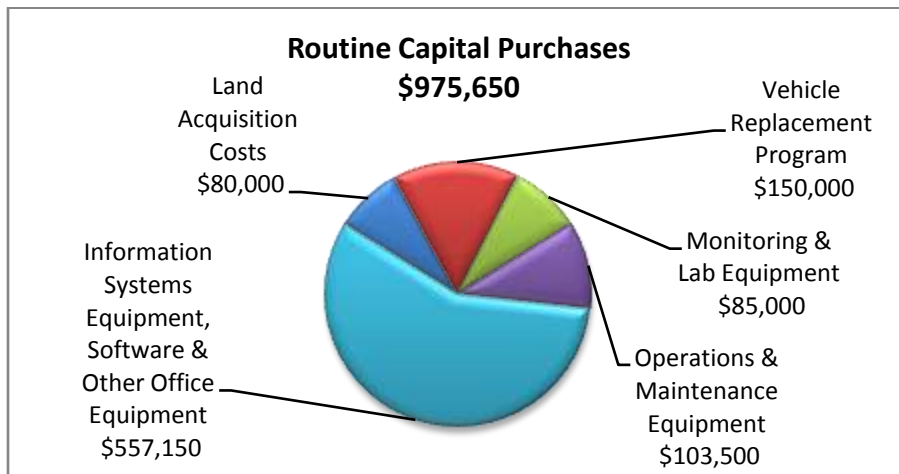


Routine Capital Purchases

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

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 2011.



ANNUAL RATE SETTING AND MEMBER COSTS

Tampa Bay Water – 2011 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 2011.

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 \$10,231,557. 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 2011 is \$195,000.

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 2011 are budgeted at \$150,492,398. Interest income available for operations is estimated to be \$2,943,431.

Rate Stabilization funds totaling \$3,800,000 and an estimated \$2,318,638 of unencumbered monies from fiscal year 2010 are budgeted for use in fiscal year 2011 to maintain water sales at the \$150,492,398 level.

Tampa Bay Water – 2011 Annual Budget Annual Rate Setting and Member Costs

The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .1570 per 1000 gallons for 2011.

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 – 2011 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 – 2011 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 unit rate for 2011 is \$.157 (\$/1,000 gallons).

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

Other Budget Factors

- For fiscal year 2011, \$2,943,431 has been estimated for interest income. Interest income will be applied to offset projected expenditures, to the extent permitted.
- Due to a budgeted decrease in variable costs, the Operating Reserve does not require additional funding in fiscal year 2011.
- 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 2011 have been established and will be credited to Hillsborough County, and New Port Richey.
- The Southwest Florida Water Management District and the State of Florida have committed to funding assistance for various water supply projects through 2012. The System Configuration II Projects and the associated System Interconnect Projects are receiving 50 percent co-funding, up to \$126.8 million, for the construction of the projects. This reduces the amount of debt that the Agency must incur to finance these projects.
- Tampa Bay Water is hopeful that additional state and federal funding will be obtained for development of future water supply projects to reduce future financing needs.

Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs

Uniform Water Rates

| Cost Category | Fiscal Year | APPROVED | BUDGET PROJECTIONS | | | | |
|---|-------------|-----------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Fixed Operating Costs | | \$ 49,123,468 | \$ 51,116,158 | \$ 53,011,977 | \$ 55,462,049 | \$ 57,511,215 | \$ 59,631,387 |
| Variable Operating Costs | | 26,133,694 | 28,948,262 | 29,832,480 | 30,902,932 | 31,848,049 | 32,820,271 |
| Total Debt Service-Bonds (note 1) | | 74,252,606 | 74,247,191 | 74,257,841 | 78,898,276 | 77,262,138 | 77,262,326 |
| Total Debt Service-Acquisition Credits to Member Governments | | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| Water Quality Credits to Member Governments | | 195,000 | 195,000 | 195,000 | 48,000 | 48,000 | 48,000 |
| Misc./Other - Renewal & Replacement Projects | | | 1,233,241 | 2,421,664 | 999,452 | 999,452 | 1,002,191 |
| Total Costs (note 2) | | 159,936,325 | 165,971,409 | 169,950,518 | 176,542,265 | 177,900,411 | 180,995,732 |
| Adjustments | | | | | | | |
| Less: Estimated unencumbered funds from prior year (note 3) | | (2,318,638) | (1,504,924) | (1,610,371) | (1,645,897) | (1,728,798) | (1,725,901) |
| Less: Estimated Revenues from TBC | | (581,260) | (581,260) | (581,260) | (581,260) | (581,260) | (581,260) |
| Less: Estimated Interest Earned (includes Capital Improvement Fund) | | (2,943,431) | (2,904,001) | (2,443,383) | (3,301,841) | (3,426,626) | (3,395,637) |
| Less: Transfer In from Rate Stabilization Account | | (3,800,000) | - | - | - | - | - |
| Less: SWFWMD Grant | | - | - | - | - | - | - |
| Less: Capitalized Interest | | - | - | - | - | - | - |
| Less: Transfer in from Renewal & Replacement Fund | | - | (1,233,241) | (2,421,664) | (999,452) | (999,452) | (1,002,191) |
| Plus: Transfer Out to Capital Improvement Fund | | 199,402 | 205,854 | 152,678 | 134,301 | 116,432 | 100,937 |
| Plus: Transfer Out to R&R Fund | | - | 1,083,241 | 1,543,223 | 2,731,646 | 1,309,434 | 1,309,434 |
| Plus: Transfer Out to Operating Reserve | | - | - | - | - | - | - |
| Plus: Transfer Out to Rate Stabilization Account | | - | - | - | - | - | - |
| Plus: Transfer to Rate Stabilization | | - | - | - | - | - | - |
| Subtotal Adjustments | | (9,443,927) | (4,934,331) | (5,360,776) | (3,662,503) | (5,310,270) | (5,294,618) |
| Total Net Revenues Required | | \$ 150,492,398 | \$ 161,037,078 | \$ 164,589,742 | \$ 172,879,762 | \$ 172,590,141 | \$ 175,701,114 |
| Projected Water Demand (mgd) | | 163.00 | 169.30 | 170.90 | 173.00 | 176.20 | 177.60 |
| Projected Uniform Water Rate (\$/1000 gal.) | | \$2.5295 | \$2.6060 | \$2.6386 | \$2.7378 | \$2.6836 | \$2.7104 |

NOTES:

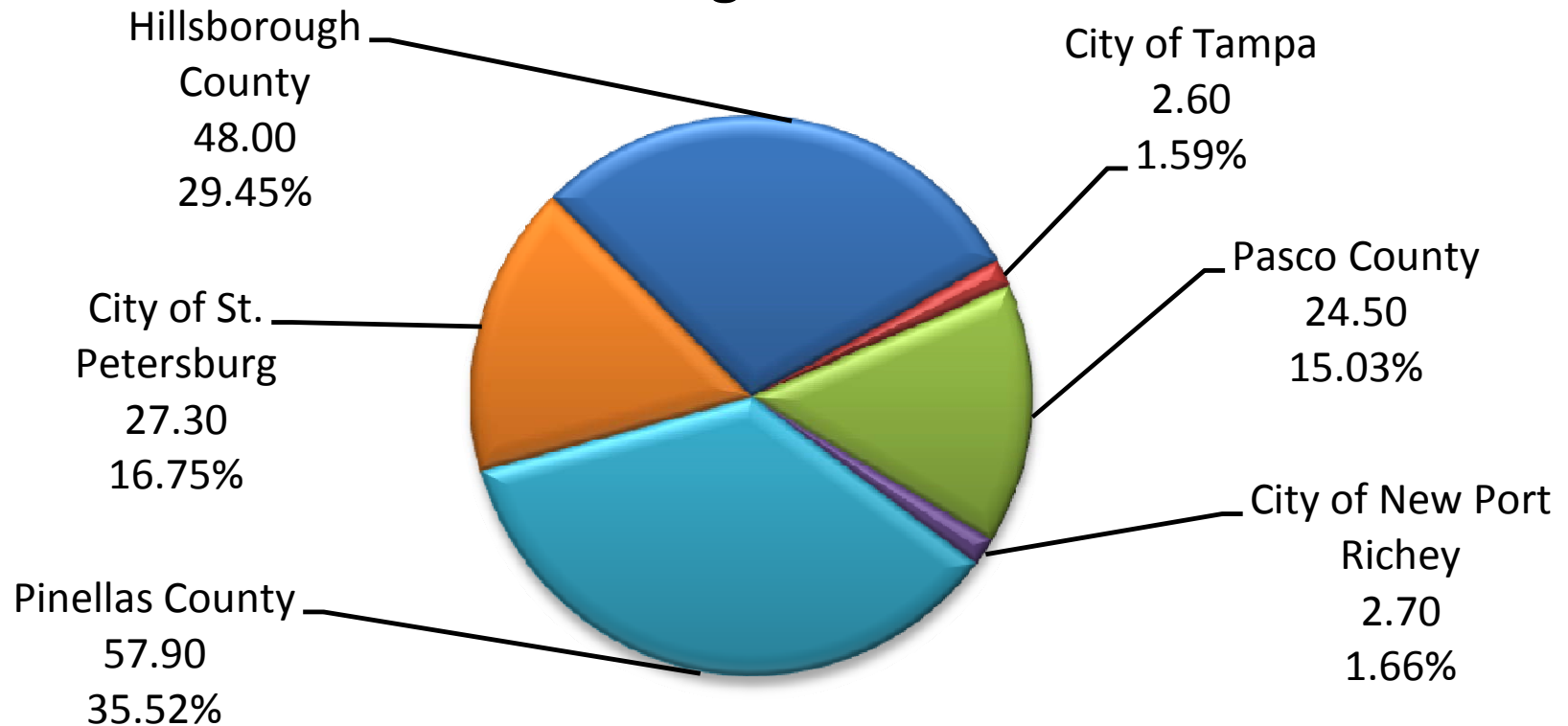
[1] THE PROJECTIONS PRESENTED ABOVE FOR 2012-2016 ARE BASED ON THE CAPITAL PROJECTS CASH FLOW PROJECTIONS PRESENTED IN THE CAPITAL IMPROVEMENT PROGRAM WHICH INCLUDE PROJECTS UNDER CONSIDERATION BY THE BOARD FOR BOTH SYSTEM IMPROVEMENT AND EXPANSION. THE EXACT MIX OF PROJECTS TO MOVE FORWARD TO CONSTRUCTION WILL BE SELECTED BY THE BOARD IN THE FUTURE AS SYSTEM NEEDS ARE EVALUATED. THESE PROJECTIONS INCLUDE ISSUANCE OF \$104 MILLION SERIES 2013 BONDS. THESE PROJECTIONS WILL CHANGE AS PROJECT SELECTION TAKES PLACE AND FINANCING NEEDS ARE FURTHER DEFINED.

[2] AN INFLATION RATE RANGE OF 3.3% TO 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 COSTS PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.

[3] ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR FOR 2011 IS ESTIMATED AT 1.5% OF PRIOR YEARS REVENUE FROM WATER SALES. FOR 2012-2016 ESTIMATED AT 1% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END.

Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs

Projected Water Demand FY 2011 163 mgd



Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs

Estimated Annual Member Costs FY 2011

| 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 (\$/1,000 gallons) | \$ 2.5295 | \$ 2.5295 | \$ 2.5295 | \$ 2.5295 | \$ 2.5295 | \$ 2.5295 | \$ 2.5295 |
| Member Water Demand Projection (mgd) for FY 2011 | 48.00 | 2.60 | 24.50 | 2.70 | 57.90 | 27.30 | 163.00 |
| Percentage of Total Water Sales (see note # 1) | 29.4479% | 1.5950% | 15.0307% | 1.6564% | 35.5215% | 16.7485% | 100.0000% |
| Member Water Purchase (FY 2010) (Water Purchase for FY 2010 is based on actual purchases through 9/30/10) | 46.6031 | 0.0000 | 21.8544 | 2.3824 | 54.3524 | 27.1031 | 152.2954 |
| Percentage of Total Water Sales (see note # 2) | 30.6005% | 0.0000% | 14.3500% | 1.5643% | 35.6888% | 17.7964% | 100.0000% |
| Total Member Fixed Costs before Credits/Surcharge FY 2011 | \$ 38,054,341.14 | \$ - | \$ 17,845,482.23 | \$ 1,945,378.36 | \$ 44,382,128.47 | \$ 22,131,373.52 | \$ 124,358,703.72 |
| Total Member Variable Costs before Credits/Surcharge FY 2011 | 7,695,824.08 | 416,832.42 | 3,928,077.14 | 432,878.51 | 9,283,080.11 | 4,377,001.74 | 26,133,694.00 |
| Total Member Costs before Credits/Surcharge FY 2011 | 45,750,165.22 | 416,832.42 | 21,773,559.37 | 2,378,256.87 | 53,665,208.58 | 26,508,375.26 | 150,492,397.72 |
| Additional Credits/Surcharges (Board Approved) | - | - | - | - | - | - | - |
| Sale of Surface Water (TBC) | - | 581,260.00 | - | - | - | - | 581,260.00 |
| Water Quality Credits to Member Governments for FY 2011 | (183,000.00) | - | - | (12,000.00) | - | - | (195,000.00) |
| Facilities Acquisition Credits to Member Governments for FY 2011 | (1,238,467.87) | (219,828.35) | (1,873,512.61) | (847,578.84) | (4,378,395.00) | (1,673,774.04) | (10,231,556.71) |
| Net Annual Member Costs | \$ 44,328,697.35 | \$ 778,264.07 | \$ 19,900,046.76 | \$ 1,518,678.03 | \$ 49,286,813.58 | \$ 24,834,601.22 | \$ 140,647,101.01 |

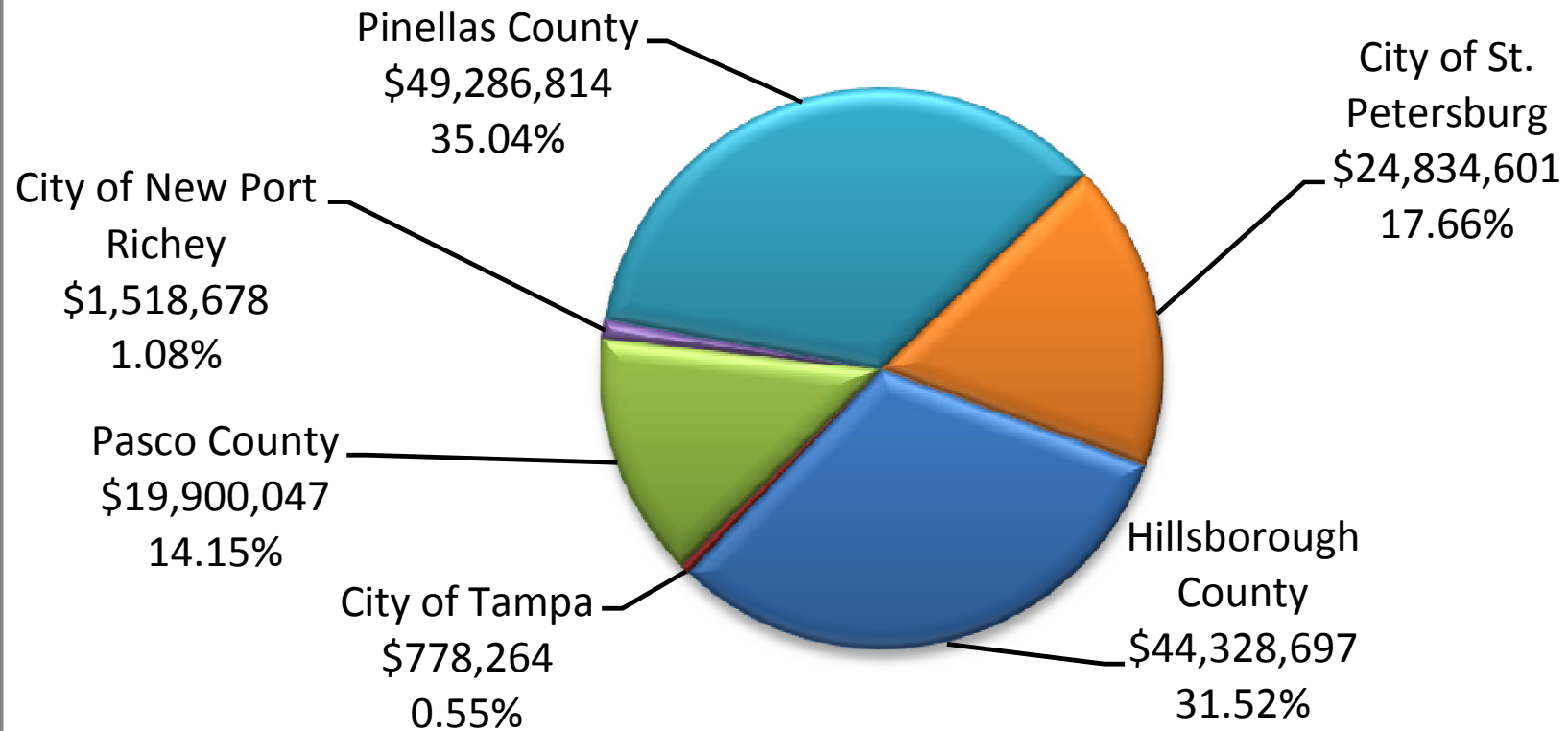
Notes:

[1] Variable costs are allocated based on the member government's projected annual water demand (mgd) for FY 2011

[2] Fixed costs billed to member governments in FY 2011 are based on the actual FY 2010 production. A true-up to the actual FY 2011 production is completed at FY 2011 year end.

Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs

Estimated Net Member Costs FY 2011
Total Net Annual Costs = \$140,647,101



**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

Hillsborough County:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| Hillsborough County Water Demand (mgd) through September 30, 2010 | 46.60 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 30.60% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 48.00 |

| | Annual Billing | Monthly Billing |
|--|------------------------|-----------------------|
| Fixed Cost Summary | \$38,054,341.14 | \$3,171,195.10 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$7,695,824.08 | \$641,318.67 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2011 | (\$183,000.00) | (\$15,250.00) |
| Annual Facilities Acquisition Credits | (\$1,238,467.87) | (\$103,205.66) |
| TOTAL | \$44,328,697.35 | \$3,694,058.11 |

**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

City of Tampa:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| City of Tampa Water Demand (mgd) through September 30, 2010 | 0.00 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 0.00% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 2.60 |

| | Annual Billing | Monthly Billing |
|--|---------------------|--------------------|
| Fixed Cost Summary | \$0.00 | \$0.00 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$416,832.42 | \$34,736.03 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$581,260.00 | \$48,438.33 |
| Water Quality Credits FY 2011 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$219,828.35) | (\$18,319.03) |
| TOTAL | \$778,264.07 | \$64,855.33 |

**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

Pasco County:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| Pasco County Water Demand (mgd) through September 30, 2010 | 21.85 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 14.35% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 24.50 |

| | Annual Billing | Monthly Billing |
|--|------------------------|-----------------------|
| Fixed Cost Summary | \$17,845,482.23 | \$1,487,123.52 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$3,928,077.14 | \$327,339.76 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2011 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$1,873,512.61) | (\$156,126.05) |
| TOTAL | \$19,900,046.76 | \$1,658,337.23 |

**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

City of New Port Richey:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| City of New Port Richey Water Demand (mgd) through September 30, 2010 | 2.38 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 1.56% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 2.70 |

| | Annual Billing | Monthly Billing |
|---|-----------------------|---------------------|
| Fixed Cost Summary | \$1,945,378.36 | \$162,114.86 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$432,878.51 | \$36,073.21 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2011 | (\$12,000.00) | (\$1,000.00) |
| Annual Facilities Acquisition Credits | (\$847,578.84) | (\$70,631.57) |
| TOTAL | \$1,518,678.03 | \$126,556.50 |

**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

Pinellas County:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| Pinellas County Water Demand (mgd) through September 30, 2010 | 54.35 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 35.69% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 57.90 |

| | <u>Annual Billing</u> | <u>Monthly Billing</u> |
|--|------------------------|------------------------|
| Fixed Cost Summary | \$44,382,128.47 | \$3,698,510.71 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$9,283,080.11 | \$773,590.01 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2011 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$4,378,395.00) | (\$364,866.25) |
| TOTAL | \$49,286,813.58 | \$4,107,234.47 |

**Tampa Bay Water - 2011 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2011

City of St. Petersburg:

FY 2011 Billing Based on FY 2010 Actual Usage per Section 13(B)

| | |
|--|--------|
| Total Water Demand (mgd) through September 30, 2010 | 152.30 |
| City of St. Petersburg Water Demand (mgd) through September 30, 2010 | 27.10 |
| Percentage of FY 2010 Water Demand/Total Water Demand (applied to FY 2011 Fixed Costs) | 17.80% |
| Variable Rate is Based on Percentage of Projected FY 2011 Water Demand (mgd) of: | 27.30 |

| | Annual Billing | Monthly Billing |
|--|------------------------|-----------------------|
| Fixed Cost Summary | \$22,131,373.52 | \$1,844,281.13 |
| Variable Rate (\$/1,000 gallons) = \$0.4393 | \$4,377,001.74 | \$364,750.14 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2011 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$1,673,774.04) | (\$139,481.17) |
| TOTAL | \$24,834,601.22 | \$2,069,550.10 |

DEBT SERVICE

**Tampa Bay Water – 2011 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 and 2008. Additional funds for the Capital Improvement Program were obtained from the Series 2001A, 2005, and 2006 refunding bond issues. Series 2004 was a refunding only. In 2010 the final \$21,250,000 of the 2002 bonds was redeemed utilizing proceeds of the SWFWMD Desalination Plant Funding Agreement.

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

| Original Issue | | Projected Balance Outstanding 10/1/2010 | All-In True Interest Cost | Final Maturity | Purpose |
|----------------|--|---|---------------------------|----------------|---|
| \$155,680,000 | Refunding Revenue Bonds, Series 1998 A | \$27,360,000 | 4.93% | 2027 | Defease WCRWSA debt; fund Capital Improvement Program |
| 216,570,000 | Revenue Bonds, Series 1998 B | 38,340,000 | 4.95% | 2027 | Purchase member facilities |
| 372,761,143 | Revenue Bonds, Series 1999 | 7,585,000 | 5.69% | 2011 | Fund Capital Improvement Program |
| 307,370,000 | Refunding Revenue Bonds, Series 2001 A | 301,935,000 | 5.13% (N.I.C) | 2029 | Partial defeasance of 1999 Bonds |
| 238,230,000 | Revenue Bonds, Series 2001 B | 157,895,000 | 5.10% | 2031 | Fund Capital Improvement Program |
| 108,390,000 | Revenue Bonds, Series 2002 | - | Variable | 2010 | Fund Capital Improvement Program |
| 107,870,000 | Refunding Revenue Bonds, Series 2004 | 95,050,000 | 3.69% | 2019 | Partial defeasance of 1998 A, 1998 B and 2001 B Bonds |
| 174,965,000 | Refunding Revenue Bonds, Series 2005 | 167,865,000 | 3.99% | 2024 | Partial defeasance of 1998 A, 1998 B and 2001 B Bonds; fund Capital Improvement Program |
| 81,885,000 | Refunding Revenue Bonds, Series 2006 | 73,860,000 | 4.63% | 2036 | Refund 2002 Bonds and FLGFC Loans; fund Capital Improvement Program |
| 101,375,000 | Revenue Bonds, Series 2008 | 101,375,000 | 4.87% | 2038 | Fund Capital Improvement Program |
| | | \$971,265,000 | | | |

**Tampa Bay Water – 2011 Annual Budget
Debt Service**

Rate Covenant

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

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

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

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

| |
|---|
| Net Revenues = (Gross Revenues – Operating Expenses) |
|---|

Rate Coverage Test:

| |
|--|
| Rate Coverage Test = $\frac{\text{Net Revenues} + \text{Utility Reserve Fund Balance}}{\text{Total Debt Service}}$ |
|--|

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

Debt Coverage Test:

| |
|---|
| Debt Coverage Test = $\frac{\text{Net Revenues}}{(\text{Total Debt Service} + \text{Annual Contribution to Capital Improvement Fund} + \text{Annual Contribution to R\&R Fund})}$ |
|---|

Tampa Bay Water – 2011 Annual Budget
Debt Service

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 R&R Fund for the fiscal year).

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 10/1/2010 | Projected Balance Outstanding 9/30/2011 |
|------------------------------|--|--|
| Pasco County | \$ 21,901,454 | \$ 21,112,504 |
| City of New Port Richey | 9,908,238 | 9,551,316 |
| Hillsborough County | 14,477,750 | 13,956,222 |
| City of St. Petersburg | 19,566,501 | 18,861,661 |
| Pinellas County | 51,183,662 | 49,339,886 |
| City of Tampa | 2,569,804 | 2,477,233 |
| | \$ 119,607,409 | \$ 115,298,822 |

| Summary of 2011 Debt Service | | | |
|--|----------------------|----------------------|----------------------|
| | Interest | Principal | Total |
| <u>Bonds</u> | | | |
| Revenue Bond, Series 1998 A | \$ 1,299,600 | \$ - | \$ 1,299,600 |
| Revenue Bond, Series 1998 B | 1,821,150 | - | 1,821,150 |
| Revenue Bond, Series 1999 | 379,250 | 7,585,000 | 7,964,250 |
| Refunding Revenue Bond, Series 2001 A | 15,558,525 | 1,000,000 | 16,558,525 |
| Revenue Bond, Series 2001 B | 7,867,140 | 3,510,000 | 11,377,140 |
| Refunding Revenue Bond, Series 2004 | 4,898,538 | 6,175,000 | 11,073,538 |
| Refunding Revenue Bond, Series 2005 | 9,151,000 | 3,730,000 | 12,881,000 |
| Refunding Revenue Bond, Series 2006 | 3,303,653 | 2,905,000 | 6,208,653 |
| Revenue Bond, Series 2008 | 5,068,750 | - | 5,068,750 |
| DEBT SERVICE BONDS & LOANS | \$ 49,347,606 | \$ 24,905,000 | \$ 74,252,606 |
| | <u>Interest</u> | <u>Principal</u> | <u>Total</u> |
| <u>Facility Acquisition Credits</u> | | | |
| Pasco County | \$ 1,084,562 | \$ 788,951 | \$ 1,873,513 |
| City of New Port Richey | 490,657 | 356,922 | 847,579 |
| Hillsborough County | 716,940 | 521,528 | 1,238,468 |
| City of St. Petersburg | 968,935 | 704,839 | 1,673,774 |
| Pinellas County | 2,534,619 | 1,843,776 | 4,378,395 |
| City of Tampa | 127,257 | 92,571 | 219,828 |
| DEBT SERVICE FACILITY ACQUISITION CREDITS | \$ 5,922,970 | \$ 4,308,587 | \$ 10,231,557 |
| TOTAL DEBT SERVICE | \$ 55,270,576 | \$ 29,213,587 | \$ 84,484,163 |

**Tampa Bay Water – 2011 Annual Budget
Debt Service**

| TAMPA BAY WATER FUTURE DEBT SERVICE BUDGET | | | |
|---|------------------------|----------------------|------------------------|
| FYE Sept 30 | Principal | Interest | Total |
| 2012 | \$ 30,594,628 | \$ 53,884,121 | \$ 84,478,749 |
| 2013 | 32,044,094 | 52,445,305 | 84,489,399 |
| 2014 | 32,196,599 | 50,923,150 | 83,119,749 |
| 2015 | 32,153,062 | 49,330,549 | 81,483,611 |
| 2016-2020 | 187,311,827 | 220,115,104 | 407,426,931 |
| 2021-2025 | 241,826,199 | 165,610,498 | 407,436,697 |
| 2026-2030 | 288,902,413 | 98,069,566 | 386,971,979 |
| 2031-2035 | 143,485,000 | 35,125,825 | 178,610,825 |
| 2036-2039 | 73,145,000 | 7,370,900 | 80,515,900 |
| TOTAL | \$1,061,658,822 | \$732,875,018 | \$1,794,533,840 |

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 use a different system to rate debt. The table below provides a comparison of their rating systems:

| | Moody's | Fitch | Standard & Poor's |
|-----------------------------|----------------|--------------|------------------------------|
| Premium Quality | Aaa | AAA | AAA |
| High Quality | Aa | AA | AA |
| Medium Quality | A | A | A |
| Medium Grade, Lower Quality | Baa | BBB | BBB |
| Predominantly Speculative | Ba | BB | BB |
| Speculative, Lower Grade | B | B | B |
| Poor to Default | Caa | CCC | CCC |
| Highest Speculation | Ca | CC | CC |
| Lowest Quality | C | C | C |
| In Default or Arrears | | DDD | DDD |
| Questionable Value | | DD,D | DD,D |

**Tampa Bay Water – 2011 Annual Budget
Debt Service**

In May, 2008 Tampa Bay Water's debt received a rating upgrade from both Standard & Poor's and Fitch. In 2010, Fitch again updated the Agency's debt from AA to AA+. The following table summarizes the current ratings assigned to Tampa Bay Water's debt by the rating agencies based on the agency's credit.

| | Moody's | Fitch | Standard & Poor's |
|-------------|---------|-------|-------------------|
| 1998A Bonds | Aa3 | AA+ | AA+ |
| 1998B Bonds | Aa3 | AA+ | AA+ |
| 1999 Bonds | Aa3 | AA+ | AA+ |
| 2001A Bonds | Aa3 | AA+ | AA+ |
| 2001B Bonds | Aa3 | AA+ | AA+ |
| 2004 Bonds | Aa3 | AA+ | AA+ |
| 2005 Bonds | Aa3 | AA+ | AA+ |
| 2006 Bonds | Aa3 | AA+ | AA+ |
| 2008 Bonds | Aa3 | AA+ | AA+ |

Tampa Bay Water's bonds, except for the 2008 Bonds are insured by Financial Guaranty Insurance Company (FGIC). 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 2008 Bonds are uninsured.

Future Borrowing

The 2011 budget projections include the issuance of \$104 million Series 2013 bonds for future capital improvement projects under consideration by the Board. At this time, \$104 million is an estimate and will be revised as project selection takes place and financing needs are further defined.

CAPITAL IMPROVEMENT PROGRAM

Tampa Bay Water – 2011 Annual Budget Capital Improvement Program

During fiscal year 2010, Tampa Bay Water redeveloped its capital planning procedures. This has resulted in a more efficient and comprehensive project evaluation and prioritization process. Tampa Bay Water’s five year plan for its Capital Improvement Program is presented in a separate document titled “Capital Improvement Program Fiscal Years 2011 through 2015”.

This section provides details of only those projects Tampa Bay Water will be managing during fiscal year 2011.

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 2011 CIP Budget is the basis for budgeted expenditures when adopting the 2011 Annual Budget.

Goals

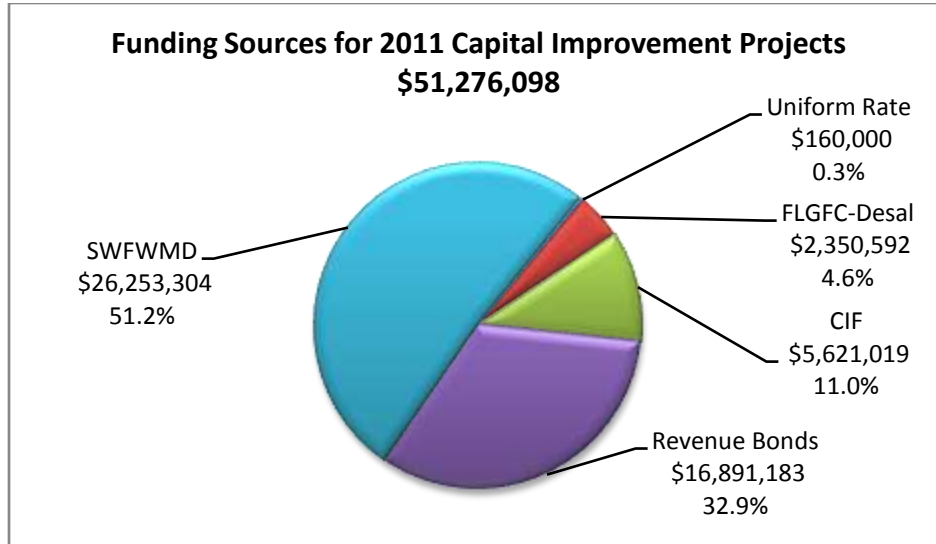
The following goals are used by Tampa Bay Water staff to develop the annual capital budget and the CIP:

- 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 – 2011 Annual Budget
Capital Improvement Program**

2011 Capital Improvement Program Funding

For fiscal year 2011, Tampa Bay Water has budgeted \$51,276,098 for planned CIP activities. Funding has been identified for all planned CIP activities.



Capital Improvement Financing

Revenue Bonds

Tampa Bay Water’s current Capital Improvement Program is funded primarily 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 technological upgrades and facility remodeling or renovations.

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. Co-funding from Southwest Florida Water Management District will fund an estimated 50-percent of the System Configuration II Projects.

**Tampa Bay Water – 2011 Annual Budget
Capital Improvement Program**

The following table provides a summary of planned project expenditures for fiscal year 2011.

**Tampa Bay Water
Capital Project List for Fiscal Year 2011**

Construction Phase Projects:

| Project No. | Project Name | Total Project Budget | Funding Source | Funding Source Total | FY 2011 |
|---------------------------------------|---|----------------------|----------------|----------------------|---------------------|
| 06401 | Config II: System Interconnects - Northwest Hillsborough Pipeline | \$ 10,241,136 | Uniform Rate | \$ 55,412 | |
| | | | Revenue Bonds | \$ 6,465,072 | \$ 1,835,240 |
| | | | SWFWMD | \$ 3,720,652 | \$ 1,776,038 |
| 06303 | Config II: SWTP Expansion | \$ 132,793,593 | Uniform Rate | \$ 1,864 | |
| | | | Revenue Bonds | \$ 63,345,382 | \$ 6,134,617 |
| | | | SWFWMD | \$ 69,446,347 | \$ 4,619,491 |
| 06306 | Config II: Tampa Bypass Canal Pump Station Expansion | \$ 23,190,778 | Uniform Rate | \$ 12,421 | |
| | | | Revenue Bonds | \$ 10,471,617 | |
| | | | SWFWMD | \$ 12,706,740 | \$ 4,202,800 |
| 06309 | Config II: System Interconnects - Cypress Creek Pump Station Expansion | \$ 11,716,088 | Uniform Rate | \$ 3,508 | |
| | | | Revenue Bonds | \$ 5,835,246 | |
| | | | SWFWMD | \$ 5,877,334 | \$ 2,526,819 |
| 06305 | Config II: Offstream Reservoir Pump Station | \$ 14,621,044 | Uniform Rate | \$ 100 | |
| | | | Revenue Bonds | \$ 8,195,966 | \$ 178,226 |
| | | | SWFWMD | \$ 6,424,978 | \$ 5,813,771 |
| 06308 | Config II: SCHI Booster Pumping Station | \$ 17,341,583 | Uniform Rate | \$ 11,563 | |
| | | | Revenue Bonds | \$ 10,100,931 | \$ 276,260 |
| | | | SWFWMD | \$ 7,229,089 | \$ 6,538,938 |
| 06420 | Regional System Surge Protection | \$ 1,233,430 | Revenue Bonds | \$ 1,233,430 | \$ 326,085 |
| 06313 | Config II: SWTP Yard Piping-US 301 Interconnect Pipeline Extension | \$ 833,370 | Uniform Rate | \$ 511 | |
| | | | Revenue Bonds | \$ 832,859 | \$ 225,884 |
| 06314 | Config II: SWTP Yard Piping-Brandon Urban Dispersed (BUD) Transmission Main Extension-Permanent | \$ 787,500 | Revenue Bonds | \$ 787,500 | \$ 242,567 |
| Construction Total for FY 2011 | | | | | \$34,696,734 |

Design Phase Projects:

| Project No. | Project Name | Total Project Budget | Funding Source | Funding Source Total | FY 2011 |
|-------------|--|----------------------|----------------------|----------------------|--------------|
| 06503 | SCHIP Phase III (Hydrogen Sulfide Removal at Lithia) | \$ 30,590,459 | Revenue Bonds | \$ 30,590,459 | \$ 1,807,875 |
| 07131 | Cosme WTP Yard | \$ 1,600,907 | Uniform Rate | \$ 900 | |
| | | | CIF | \$ 1,600,007 | \$ 1,416,205 |
| 07141 | Cypress Creek Wellfield Underground Commercial Powerline | \$ 1,255,378 | Uniform Rate | \$ 18,567 | |
| | | | CIF | \$ 1,236,811 | \$ 845,752 |
| 06506 | BUD-5R Collection Main | \$ 4,202,158 | Revenue Bonds | \$ 4,202,158 | \$ 1,536,441 |
| 07025 | Cypress Creek Machinery and Equipment Warehouse | \$ 420,970 | CIF | \$ 420,970 | \$ 218,169 |
| 07142 | Cypress Creek Security Improvements | \$ 566,302 | CIF | \$ 566,302 | \$ 351,325 |
| 07026 | Cypress Creek Road Improvements | \$ 240,030 | CIF | \$ 240,030 | \$ 133,196 |
| 06910 | Surface & Recharge Water Projects | \$ 3,599,911 | Revenue Bonds | \$ 1,799,956 | \$ 775,448 |
| | | | SWFWMD | \$ 1,799,955 | \$ 775,447 |
| 11002 | Small Footprint Reverse Osmosis-Pinellas County | | Funding Not Required | | |
| 11001 | Alternative Energy Feasibility Study | \$ 525,000 | Uniform Rate | \$ 125,000 | \$ 100,000 |
| | | | Not Yet Determined | \$ 400,000 | |

**Tampa Bay Water – 2011 Annual Budget
Capital Improvement Program**

Design Phase Projects (Continued):

| Project No. | Project Name | Total Project Budget | Funding Source | Funding Source Total | FY 2011 |
|---------------------------------|--|----------------------|--------------------|----------------------|---------------------|
| | South-Central Hillsborough Wellfield - Pumps Replacement | \$ 1,195,640 | Uniform Rate | \$ 86,640 | |
| | | | CIF | \$ 1,109,000 | \$ 948,332 |
| 01310 | CW Bill Young Regional Reservoir Renovation | \$ 125,000,000 | Revenue Bonds | \$ 25,000,000 | \$ 3,552,541 |
| | | | Not Yet Determined | \$100,000,000 | |
| 07301 | Clearwater Server Room HVAC | \$ 333,500 | CIF | \$ 333,500 | \$ 256,963 |
| Design Total for FY 2011 | | | | | \$12,717,694 |

Concept & Planning Phase Projects:

| Project No. | Project Name | Total Project Budget | Funding Source | Funding Source Total | FY 2011 |
|---|--|----------------------|----------------|----------------------|---------------------|
| 07401 | Tampa Bay Seawater Desalination Reliability Program | \$ 14,115,146 | FLGFC-Desal | \$ 4,115,146 | \$ 2,350,592 |
| | | | CIF | \$ 10,000,000 | |
| 07500 | Vulnerability Assessment-Recommended Improvements | \$ 2,500,000 | CIF | \$ 2,500,000 | \$ 576,802 |
| 07191 | Lab & Science Building Roof and HVAC Replacement | \$ 1,500,000 | CIF | \$ 1,500,000 | \$ 364,865 |
| 07027 | Cypress Creek Pump Station Underground Fuel Tanks Replacement | \$ 190,000 | CIF | \$ 190,000 | \$ 190,000 |
| 07183 | SCADA System Redundancy | \$ 465,000 | CIF | \$ 465,000 | \$ 50,000 |
| 07182 | Eldridge-Wilde Hydrogen Sulfide Facility SCADA and Chemical Feed Upgrades | \$ 590,000 | CIF | \$ 590,000 | \$ 150,000 |
| 09002 | South-Central Wellfield Collection Main Evaluation | \$ 350,000 | Uniform Rate | \$ 350,000 | \$ 60,000 |
| 07028 | Cypress Creek Pump Station Operations Lab, Analyzer Workshop & HVAC Renovation | \$ 550,000 | CIF | \$ 550,000 | \$ 119,412 |
| Concept & Planning Total for FY 2011 | | | | | \$ 3,861,670 |

Total Capital Projects for FY 2011

\$51,276,098

The following pages provide details of the projects that will be in process during fiscal year 2011.



06401 - Config II: System Interconnects - Northwest Hillsborough Pipeline

Project Description:

This is a new project to install approximately 2 miles of 36-inch diameter steel pipe as a new potable water pipeline to supply water from the regional system to the Northwest Hillsborough Potable Water Treatment Plant (WTP). The pipeline route is located within portions of the Upper Tampa Bay Trail and passes through an 88-acre conservation easement controlled by the Florida Department of Environmental Protection. Significant efforts are required to transplant 87 mature cypress trees within the conservation easement and perform multiple plantings of container grown plants as restoration and mitigation for impacts caused by the pipeline installation. A program of quarterly treatments to eradicate brazilian pepper within the conservation easement will be conducted for at least a year and will be monitored for multiple years to ensure success. Also associated with this project is a nearly 5-acre tract of healthy forested wetland that Tampa Bay Water has deeded to the Florida Department of Environmental Protection as a conservation easement near the Lake Bridge WTP in Hillsborough County. This project also includes yard work at Northwest Hillsborough WTP (for emergency outage scenarios).

Project Purpose:

Provide regional drinking water to 100,000 people in Northwest Hillsborough County; after installation the Northwest Hillsborough Regional Wellfield can be rested to improve water quality.

Other Information:



| Project Schedule | | |
|--|------------|--------------|
| Project Stage | Start Date | End Date |
| Design | 5/4/2007 | 12/31/2009 |
| Const | 4/2/2010 | 6/1/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | | \$15,000 |
| Date First in CIP | | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | | \$12,885,743 |
| Total Cost Estimate | | \$10,241,136 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$2,165,407 | \$5,593 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,171,000 |
| Engineering (Construction) | \$3,613 | \$568,978 | \$771,890 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,344,481 |
| Land Acquisition | \$504,173 | \$1,005,827 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,510,000 |
| Legal | \$84,739 | \$165,261 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 |
| Construction | \$2,782 | \$2,103,485 | \$2,839,388 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,945,655 |
| Contingency | \$15,377 | \$4,623 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$20,000 |
| TOTALS | \$2,776,092 | \$3,853,766 | \$3,611,278 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,241,136 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$1,950,974 |
| 2008 Bond | \$4,514,098 |
| Rate | \$55,412 |
| SWFWMD | \$3,720,652 |
| TOTALS | \$10,241,136 |



06303 - Config II: Downstream Enhancements- SWTP Expansion

Project Description:

This project will increase the capacity of the Surface Water Treatment Plant (SWTP) to a Florida Department of Environmental Protection (FDEP) rated treatment capacity of not less than 99 mgd through the expansion of necessary treatment plant components anticipated to include coagulation, sedimentation, and primary disinfection by ozone, filtration, solids handling, chemical application, storage, piping, pumping, and power supply.

Project Purpose:

Other Information:



| Project Schedule | | |
|--|---------------|------------|
| Project Stage | Start Date | End Date |
| Design | 4/16/2007 | 5/22/2008 |
| Const | 7/16/2008 | 12/29/2010 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$2,000,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$139,791,228 | |
| Total Cost Estimate | \$132,793,591 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|---------------------|---------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|----------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$2,071,365 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,071,365 |
| Engineering (Construction) | \$7,973,825 | \$4,399,655 | \$1,381,654 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,755,135 |
| Legal | \$119,168 | \$80,832 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 |
| Construction | \$62,206,759 | \$42,829,369 | \$11,728,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$116,764,728 |
| Contingency | \$2,363 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,363 |
| TOTALS | \$72,373,480 | \$47,309,857 | \$13,110,254 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$132,793,591 |

| Funding Sources | Needed for Project |
|-----------------|----------------------|
| 2001 Bond | \$40,049,547 |
| 2008 Bond | \$23,295,835 |
| Rate | \$1,864 |
| SWFWMD | \$69,446,347 |
| TOTALS | \$132,793,593 |



06306 - Config II: Downstream Enhancements - Tampa Bypass Canal Pump Station Expansion

Project Description:

This project will increase the pumping capacity of raw water from the Tampa Bypass Canal Lower and Middle Pool to the SWTP or the Repump Station. The Tampa Bypass Canal Pump Station Expansion will be designed and constructed to expand capacity from 138 mgd to not less than 200 mgd. This is anticipated to be accomplished by adding four or more additional pumps; modifying the suction header configuration; and augmenting the power supply and drive capabilities.

Project Purpose:

Other Information:



| Project Schedule | | |
|--|--------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 1/19/2007 | 8/18/2008 |
| Const | 9/2/2008 | 5/2/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$700,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$22,614,908 | |
| Total Cost Estimate | \$23,190,778 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$3,355,423 | \$139,577 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,495,000 |
| Engineering (Construction) | \$15,290 | \$1,635,568 | \$466,074 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,116,932 |
| Legal | \$6,424 | \$1 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,425 |
| Construction | \$9,888,625 | \$3,337,383 | \$3,733,992 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$16,960,000 |
| Contingency | \$12,421 | \$467,901 | \$132,099 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$612,421 |
| TOTALS | \$13,278,184 | \$5,580,430 | \$4,332,164 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,190,778 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$5,070,823 |
| 2008 Bond | \$5,400,794 |
| Rate | \$12,421 |
| SWFWMD | \$12,706,740 |
| TOTALS | \$23,190,778 |



06309 - Config II: System Interconnects - Cypress Creek Pump Station Expansion

Project Description:

This project will provide additional pumping capacity with improvements that are anticipated to include: additional pumps, VFD, switchgear, power supply augmentation upgrades and storage and associated improvements to accommodate higher regional system pressure and delivery needs at the Cypress Creek Pump Station. The additional capacity associated with this task will be not less than 15 mgd.

Project Purpose:

Other Information:



| Project Schedule | | |
|--|--------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 2/19/2007 | 4/20/2009 |
| Const | 5/7/2009 | 4/1/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$45,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$13,964,531 | |
| Total Cost Estimate | \$11,716,088 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$1,985,342 | \$144,658 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,130,000 |
| Engineering (Construction) | \$20,667 | \$1,349,299 | \$490,614 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,860,580 |
| Construction | \$2,411,659 | \$3,274,136 | \$2,036,205 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,722,000 |
| Contingency | \$3,508 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,508 |
| TOTALS | \$4,421,175 | \$4,768,094 | \$2,526,819 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,716,088 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$2,466,155 |
| 2008 Bond | \$3,369,091 |
| Rate | \$3,508 |
| SWFWMD | \$5,877,334 |
| TOTALS | \$11,716,088 |



06305 - Config II: Downstream Enhancements - Offstream Reservoir Pump Station

Project Description:

The function of the offstream reservoir pump station is to pump raw water from the C.W. Bill Young Reservoir to the Tampa Bay Water Surface Water Treatment Plant. The Offstream Reservoir Pump Station will be designed and constructed to have a capacity of not less than 120 mgd. This is anticipated to require construction of a new facility to include a block building, pumps, piping, motors, drives, and associated HVAC and electrical equipment.

Project Purpose:

Other Information:



| Project Schedule | | |
|--|--------------|------------|
| Project Stage | Start Date | End Date |
| Design | 6/5/2007 | 10/19/2009 |
| Const | 11/9/2009 | 6/16/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$689,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$17,070,870 | |
| Total Cost Estimate | \$14,621,044 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$1,468,730 | \$33,270 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,502,000 |
| Engineering (Construction) | \$26,128 | \$1,852,814 | \$1,497,373 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,376,315 |
| Construction | \$2,956 | \$5,413,374 | \$4,316,399 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,732,729 |
| Contingency | \$6,947 | \$3,053 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 |
| TOTALS | \$1,504,761 | \$7,302,511 | \$5,813,771 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,621,044 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$1,012,928 |
| 2008 Bond | \$7,183,038 |
| Rate | \$100 |
| SWFWMD | \$6,424,978 |
| TOTALS | \$14,621,044 |



06308 - Config II: Downstream Enhancements - SCHI Booster Pumping Station

Project Description:

The repump station will be designed and constructed for a flow of not less than 180 mgd. This is anticipated to require construction of a new facility to include a block building, pumps, piping, motors, drives, and associated heating, ventilation and air conditioning (HVAC) and electrical equipment.

Project Purpose:

The purpose of the SCHI Booster Pump Station is to boost the flow from the Tampa Bay Water SWTP Repump Station to the C.W. Bill Young Regional Reservoir.

Other Information:



| Project Schedule | | |
|--|--------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 6/5/2007 | 6/15/2009 |
| Const | 11/9/2009 | 7/18/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$689,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$22,121,230 | |
| Total Cost Estimate | \$17,341,583 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$1,983,667 | \$29,333 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,013,000 |
| Engineering (Construction) | \$29,741 | \$1,581,896 | \$1,443,035 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,054,673 |
| Land Acquisition | \$887,550 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$887,550 |
| Construction | \$3,019 | \$5,996,819 | \$5,372,162 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,372,000 |
| Contingency | \$14,280 | \$80 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,360 |
| TOTALS | \$2,918,257 | \$7,608,129 | \$6,815,198 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,341,583 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$1,857,758 |
| 2008 Bond | \$8,243,173 |
| Rate | \$11,563 |
| SWFWMD | \$7,229,089 |
| TOTALS | \$17,341,583 |



06420 - Regional System Surge Protection

Project Description:

Design and installation of various appurtenances to the Morris Bridge, Cypress Bridge, Brandon Urban Dispersed Wells and North-Central Hillsborough Intertie Transmission Mains

Project Purpose:

The purpose of is project is to add various appurtenances to several pipelines to protect them from surges once the capacity of the Enhanced Surface Water System increases.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 9/22/2008 | 8/17/2009 |
| Const | 9/14/2009 | 4/7/2011 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | \$5,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$1,233,430 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$209,768 | \$40,232 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 |
| Engineering (Construction) | \$0 | \$45,138 | \$22,392 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$67,530 |
| Construction | \$3,556 | \$608,651 | \$303,693 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$915,900 |
| TOTALS | \$213,324 | \$694,021 | \$326,085 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,233,430 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2008 Bond | \$1,233,430 |
| TOTALS | \$1,233,430 |



06313 - US 301 Interconnect Pipeline Extension

Project Description:

Design, Permitting and Construction of approximately 320 linear feet of a 48-inch steel pipe to extend the existing US 301 Interconnect to Clearwell No. 1.

Project Purpose:

As part of the System Configuration II Program, the location to form chloramines will be moved from its current location at the Surface Water Treatment Plant (SWTP) to the High Service Pump Station. Modifications of yard piping and chemical feed locations at the Regional Facilities site will require the extension of the existing US 301 Interconnect Pipeline. The extension will allow the existing US 301 Interconnect Pipeline's chloraminated water from the City of Tampa's system to connect to Tampa Bay Water's system downstream of the point at which chloramines are formed from the SWTP and Desalination Water Treatment Plant effluent transmission mains.

Other Information:



| Project Schedule | | |
|--|------------|-------------|
| Project Stage | Start Date | End Date |
| Design | 9/1/2008 | 10/16/2009 |
| Const | 10/26/2009 | 4/1/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | | \$5,000 |
| Date First in CIP | | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | | \$1,174,159 |
| Total Cost Estimate | | \$833,370 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$95,922 | \$92,612 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$188,534 |
| Engineering (Construction) | \$0 | \$15,992 | \$8,633 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,625 |
| Construction | \$0 | \$386,213 | \$208,487 | \$0 | \$0 | \$0 | \$0 | \$0 | \$594,700 |
| Contingency | \$3,126 | \$13,621 | \$8,764 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,511 |
| TOTALS | \$99,048 | \$508,438 | \$225,884 | \$0 | \$0 | \$0 | \$0 | \$0 | \$833,370 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2001 Bond | \$832,859 |
| Rate | \$511 |
| TOTALS | \$833,370 |



06314 - Brandon Urban Dispersed (BUD) Transmission Main Extension-Permanent

Project Description:

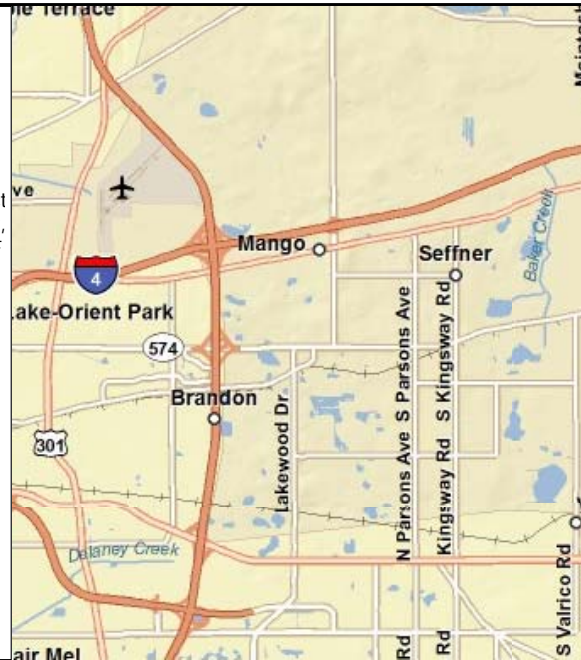
Design and construction of a 36-inch ductile iron pipeline. The pipeline will re-connect the existing 36-inch BUD transmission main and the proposed 301 Interconnect Pipeline Extension.

Project Purpose:

As part of the expansion of the Surface Water Treatment Plant, the existing BUD transmission main will need to be removed to make way for the expanded Alkalinity Adjustment facility. The Brandon Transmission Main Extension project will re-connect the pipeline segments that are on either side of the new Alkalinity Adjustment facility, to allow treated Brandon Urban Dispersed Wells and treated water from the SCHRWF (either through the County's Lithia facility or Tampa Bay Water's proposed hydrogen sulfide facility [SCHIP Phase III]) to be delivered to the ground storage tanks at the Regional Surface Water Treatment Plant. This pipeline will have a capacity of 20 MGD.

Other Information:

Part of Configuration II SWTP Expansion



| Project Schedule | | |
|--|------------|-------------|
| Project Stage | Start Date | End Date |
| Design | 12/15/2008 | 11/9/2009 |
| Const | 11/10/2009 | 4/17/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | | \$5,000 |
| Date First in CIP | | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | | \$1,089,500 |
| Total Cost Estimate | | \$787,500 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | | |
| Engineering (Concept/Planning) | \$124,028 | \$25,972 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 |
| Engineering (Construction) | \$0 | \$54,516 | \$33,484 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$88,000 |
| Construction | \$0 | \$324,929 | \$199,571 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$524,500 |
| Contingency | \$0 | \$15,488 | \$9,512 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,000 |
| TOTALS | \$124,028 | \$420,905 | \$242,567 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$787,500 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2001 Bond | \$787,500 |
| TOTALS | \$787,500 |



06503 - SCHIP Phase III (Hydrogen Sulfide Removal at Lithia)

Project Description:

Lithia WTP - Hydrogen Sulfide treatment facilities. This project will replace existing treatment facilities with new treatment for long term compliance with Exhibit D requirements and elimination of hydrogen sulfide treatment credits.

Project Purpose:

This is the final phase of work that was committed to via the Memorandum of Understanding between Hillsborough County and Tampa Bay Water in 2004. The purpose of this project is to provide pretreatment removal of hydrogen sulfide from the South Central Hillsborough Regional Wellfield water before it enters the Hillsborough County Lithia Water Treatment plant. Flows at this plant will range from 7.5 to 45 mgd, and will average 24 mgd. The pump station and chloramine disinfection facilities will provide 15 mgd maximum to the regional transmission system from the South-Central Hillsborough Regional Wellfield. The Board approved moving forward with procurement of EPCM Services for the Lithia Hydrogen Sulfide Removal Facility on August 18, 2008 under Agenda item C9. The Owner's Agent and the EPCM for this project were approved by the Board at the December 15, 2008 and the December 14, 2009 Board meetings respectively.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|------------|
| Concept/Planning | 10/1/2004 | 12/14/2009 |
| Design | 12/14/2009 | 12/30/2011 |
| Const | 12/19/2011 | 12/20/2013 |

Additional Information

| | |
|--|--------------|
| Annual Operating Budget Net Increase Upon Completion | \$450,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$30,590,459 |
| Total Cost Estimate | \$30,590,459 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|---------------------|---------------------|--------------------|-----------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$1,428,739 | \$823,004 | \$1,575,469 | \$392,788 | \$0 | \$0 | \$0 | \$0 | \$4,220,000 |
| Engineering (Construction) | \$0 | \$0 | \$0 | \$664,208 | \$847,678 | \$188,115 | \$0 | \$0 | \$1,700,000 |
| Land Acquisition | \$0 | \$174,933 | \$220,174 | \$54,893 | \$0 | \$0 | \$0 | \$0 | \$450,000 |
| Legal | \$93,676 | (\$8,958) | \$12,232 | \$3,050 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| Construction | \$0 | \$0 | \$0 | \$7,861,272 | \$10,032,743 | \$2,226,444 | \$0 | \$0 | \$20,120,459 |
| Contingency | \$0 | \$0 | \$0 | \$1,562,842 | \$1,994,536 | \$442,623 | \$0 | \$0 | \$4,000,000 |
| TOTALS | \$1,522,415 | \$988,979 | \$1,807,875 | \$10,539,052 | \$12,874,956 | \$2,857,182 | \$0 | \$0 | \$30,590,459 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$17,941,394 |
| 2008 Bond | \$12,649,065 |
| TOTALS | \$30,590,459 |

07131 - Cosme WTP Yard

Project Description:

This project will construct modifications to the existing Cosme Bypass line that will include the relocation of a pressure/flow control device from the existing piping to limit the flow from the plant to the City's Oberley Pump Station. This work will also include installing a below grade isolation valve and connection on the City's finished water line, and modifications to the existing Tampa Bay Water finished water bypass piping. The project will also include a temporary easement acquisition, permitting, and construction.

Project Purpose:

The purpose of these piping modifications is to provide the ability for the City of St. Petersburg to control the flow to the City's Oberley Pump Station, while being able to provide the maximum available flow of finished water to Tampa Bay Water through the Cosme Bypass piping. This will allow surplus capacity at the Cosme Water Treatment Facility to be routed to the Regional Transmission System in case of an emergency outage of the 84-inch transmission main. Flows at this interconnection will range from 0 to 13.9 mgd. The emergency connection improvements were evaluated by the System Engineer, Black & Veatch, in the 2025 System Analysis Report, which was presented to the Board on February 20, 2006. This design work to modify the existing above grade piping owned by Tampa Bay Water will be completed as part of the Northwest Hillsborough Pipeline Project by Malcolm Pirnie. The below grade piping design on St. Petersburg's piping will be completed via a task authorization on Greeley & Hansen's As-Needed Engineering Contract 2009-031 Authorized October 20, 2009. This work will be bid and constructed as one project.

Other Information:



| Project Schedule | | |
|--|-------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 5/4/2007 | 9/30/2010 |
| Const | 11/30/2010 | 9/30/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$10,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$1,623,780 | |
| Total Cost Estimate | \$1,600,906 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$36,875 | \$47,826 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$84,701 |
| Engineering (Construction) | \$0 | \$0 | \$166,205 | \$0 | \$0 | \$0 | \$0 | \$0 | \$166,205 |
| Land Acquisition | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Legal | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Construction | \$0 | \$0 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000,000 |
| Contingency | \$900 | (\$900) | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 |
| TOTALS | \$37,775 | \$146,926 | \$1,416,205 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,600,906 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,600,007 |
| Rate | \$900 |
| TOTALS | \$1,600,907 |



07141 - Cypress Creek Wellfield Underground Commercial Powerline

Project Description:

The project comprises supplementing the existing overhead commercial power lines at the Cypress Creek Wellfield with underground power lines that will feed the existing 13 Cypress Creek wells.

Project Purpose:

In February 2006, Tampa Bay Water's Board of Directors approved a list of capital improvement projects which included underground commercial power line improvements for the Cypress Creek Wellfield. Power supply for this wellfield is currently provided through an overhead power line system that is owned and maintained by Withlacoochee River Electric Cooperative (WREC). Due to reliability issues associated with overhead power line systems during severe storm events, Tampa Bay Water is pursuing implementation of an underground power line system for this wellfield for redundancy and reliability in power supply.

Other Information:



| Project Schedule | | |
|--|-------------|----------|
| Project Stage | Start Date | End Date |
| Design | 10/1/2008 | 3/3/2010 |
| Const | 7/9/2010 | 4/1/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$0 | |
| Date First in CIP | 2/13/2006 | |
| Initial Cost Estimate as of Date First in CIP | \$1,600,000 | |
| Total Cost Estimate | \$1,255,378 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$13,932 | \$10,259 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,191 |
| Engineering (Construction) | \$0 | \$8,698 | \$19,179 | \$0 | \$0 | \$0 | \$0 | \$0 | \$27,877 |
| Construction | \$0 | \$375,469 | \$827,841 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,203,310 |
| TOTALS | \$13,932 | \$394,427 | \$847,020 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,255,378 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,236,811 |
| Rate | \$18,567 |
| TOTALS | \$1,255,378 |



06506 - BUD-5R Collection Main

Project Description:

Engineering Phase: Pipeline route study, surveying, engineering design, property acquisition services (negotiations, title work, real estate appraisals, and expert witness testimony in eminent domain actions), all environmental permitting, Right-of-Way use permitting, public involvement, prepare technical specifications for solicitation of contractor bids (pipeline and wellhouse (to include all pumping appurtenances, power, and telecommunications), perform construction contract administration, perform construction inspection services.

Construction Phase: installation of piping and associated valves and meters, construction of wellhouse, equip well with pumping appurtenances, install power and telecommunications (SCADA).

Project Purpose:

Interconnect the new BUD-5R replacement well to the Brandon Transmission Main.

Other Information:



| Project Schedule | | |
|--|-------------|------------|
| Project Stage | Start Date | End Date |
| Design, Phase 1 | 2/9/2007 | 11/9/2008 |
| Design | 1/1/2010 | 11/30/2010 |
| Const | 11/30/2010 | 5/31/2012 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$5,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$4,335,924 | |
| Total Cost Estimate | \$4,202,158 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$1,033,858 | \$187,925 | \$50,375 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,272,158 |
| Engineering (Construction) | \$0 | \$0 | \$152,555 | \$122,445 | \$0 | \$0 | \$0 | \$0 | \$275,000 |
| Land Acquisition | \$0 | \$163,363 | \$36,637 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 |
| Legal | \$0 | \$142,943 | \$32,057 | \$0 | \$0 | \$0 | \$0 | \$0 | \$175,000 |
| Construction | \$0 | \$0 | \$904,234 | \$725,766 | \$0 | \$0 | \$0 | \$0 | \$1,630,000 |
| Contingency | \$0 | \$0 | \$360,584 | \$289,416 | \$0 | \$0 | \$0 | \$0 | \$650,000 |
| TOTALS | \$1,033,858 | \$494,231 | \$1,536,441 | \$1,137,628 | \$0 | \$0 | \$0 | \$0 | \$4,202,158 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2001 Bond | \$1,409,020 |
| 2008 Bond | \$2,793,138 |
| TOTALS | \$4,202,158 |



07025 - Cypress Creek Machinery and Equipment Warehouse

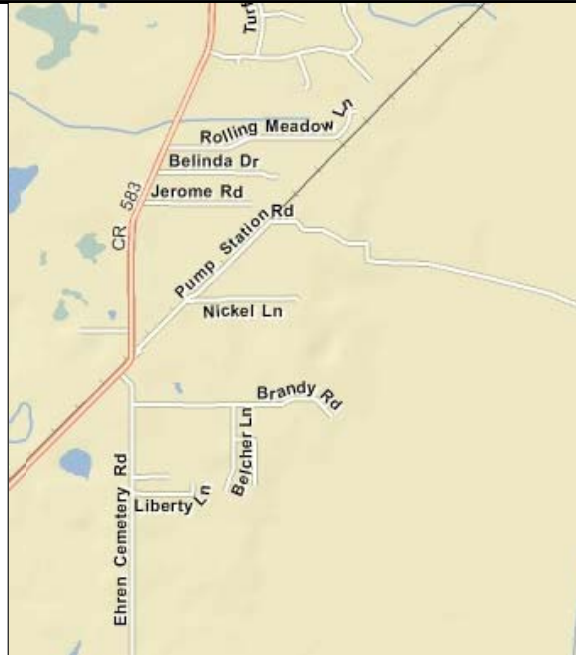
Project Description:

1. Design and Construction of a new warehouse to replace warehouses B-1 and B-2.
2. Modification of the Environmental Resources Permit (ERP) at the Cypress Creek Pump Station to include the added impervious area resulting from the Machinery and Equipment Warehouse and the Cypress Creek Road Improvements Projects and the existing impervious area of the existing vehicle shelters that are adjacent to the fuel pump area.

Project Purpose:

The warehouse will be used to store parts and materials used for the upkeep of Tampa Bay Water facilities in three counties. It replaces warehouses B-1 and B-2 which were demolished to allow for expansion of the Cypress Creek Pump Station diesel generators.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 7/10/2009 | 6/17/2010 |
| Const | 5/17/2010 | 10/26/2011 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | \$100 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$420,970 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$50,045 | \$55,925 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$105,970 |
| Construction | \$0 | \$77,419 | \$207,780 | \$14,801 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Contingency | \$0 | \$3,871 | \$10,389 | \$740 | \$0 | \$0 | \$0 | \$0 | \$15,000 |
| TOTALS | \$50,045 | \$137,216 | \$218,169 | \$15,541 | \$0 | \$0 | \$0 | \$0 | \$420,970 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$420,970 |
| TOTALS | \$420,970 |



07142 - Cypress Creek Security Improvements

Project Description:

This project will replace the existing plant security gates with new gates and guard enclosure. Additionally, it includes the recommendations from the Vulnerability Assessment of 2007. Among the tasks to be included are: Lighting along the road from Gate No. 1 to Gate No. 2; New card readers in gates leading to the facility and the wellfield; A gate arm at Gate No. 2; Bollards; Electrical and Fiber Optic to the new gates and guard house.

Project Purpose:

Implement the security measures at the Cypress Creek Pump Station per the recommendations of the Agency's Vulnerability Assessment completed in November 2001 and its updated version of 2007.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 10/1/2009 | 6/17/2010 |
| Const | 5/17/2010 | 10/26/2011 |

Additional Information

| | |
|--|-----------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/1/2008 |
| Initial Cost Estimate as of Date First in CIP | \$100,000 |
| Total Cost Estimate | \$566,302 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$59,047 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$59,047 |
| Engineering (Construction) | \$0 | \$6,825 | \$18,316 | \$1,305 | \$0 | \$0 | \$0 | \$0 | \$26,445 |
| Construction | \$0 | \$118,919 | \$319,157 | \$22,734 | \$0 | \$0 | \$0 | \$0 | \$460,810 |
| Contingency | \$0 | \$5,161 | \$13,852 | \$987 | \$0 | \$0 | \$0 | \$0 | \$20,000 |
| TOTALS | \$0 | \$189,952 | \$351,325 | \$25,026 | \$0 | \$0 | \$0 | \$0 | \$566,302 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$566,302 |
| TOTALS | \$566,302 |



07026 - Cypress Creek Road Improvements

Project Description:

Design and construction of a replacement roadway between facility gates FG #1 and FG #2, as well as a roadway between the IEM building parking lot and the fuel pump area.

Project Purpose:

The replacement roadway will allow for a more secure entrance at gate FG #2 and better turning radius for large trucks. The roadway to the fuel pump area will provide more efficient traffic on site.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 7/10/2009 | 6/17/2010 |
| Const | 6/17/2010 | 10/26/2011 |

Additional Information

| | |
|--|-----------|
| Annual Operating Budget Net Increase Upon Completion | \$9,000 |
| Date First in CIP | 10/1/2008 |
| Initial Cost Estimate as of Date First in CIP | \$169,780 |
| Total Cost Estimate | \$240,030 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$19,462 | \$39,568 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$59,030 |
| Construction | \$0 | \$36,623 | \$127,308 | \$9,069 | \$0 | \$0 | \$0 | \$0 | \$173,000 |
| Contingency | \$0 | \$1,694 | \$5,887 | \$419 | \$0 | \$0 | \$0 | \$0 | \$8,000 |
| TOTALS | \$19,462 | \$77,885 | \$133,196 | \$9,488 | \$0 | \$0 | \$0 | \$0 | \$240,030 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$240,030 |
| TOTALS | \$240,030 |



06910 - Surface & Recharge Water Projects

Project Description:

Planning and preliminary engineering evaluations for the Surface & Recharge Water Projects (previously called Surface Water Enhancements and Recharge Project, or Alafia Expansion and Aquifer Recharge Project). This evaluation will determine the feasibility of additional supply from the Alafia River and Bullfrog Creek, and will evaluate the possibility of receiving potable water credit from the beneficial use of reclaimed water. Direct and indirect aquifer recharge and downstream augmentation will be evaluated.

Project Purpose:

Evaluation of the Master Water Plan Project, which included this project was approved by the Board on December 15, 2008 (Board Agenda Item F2a). This is one of six projects that will be evaluated to meet future demands as a System Configuration III project.

Other Information:

Consulting services for this Project were approved December 14, 2009 (Board Agenda Item H4b)



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|-----------|
| Concept/Planning | 12/14/2009 | 9/28/2012 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$3,599,911 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$1,024,509 | \$1,289,468 | \$1,285,935 | \$0 | \$0 | \$0 | \$0 | \$3,599,911 |
| TOTALS | \$0 | \$1,024,509 | \$1,289,468 | \$1,285,935 | \$0 | \$0 | \$0 | \$0 | \$3,599,911 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2008 Bond | \$1,799,956 |
| SWFWMD | \$1,799,955 |
| TOTALS | \$3,599,911 |



11002 - Small Footprint Reverse Osmosis-Pinellas County

Project Description:

Monitor the progress of the City of Oldsmar and the City of Tarpon Springs Small Footprint Reverse Osmosis Projects. The project also comprises an annual report of the status of the projects to Tampa Bay Water Senior Staff and Board of Directors.

Project Purpose:

This project is part of the Tampa Bay Water Master Water Plan, approved by the Board of Directors on December 15, 2008, under Agenda Item F2a. This is one of six projects that will be evaluated to meet future demands as a System Configuration III project.

Other Information:

This project is being performed in-house. No funding is required.



| Project Schedule | | |
|--|------------|------------|
| Project Stage | Start Date | End Date |
| Design | 4/7/2009 | 12/20/2012 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | | \$0 |
| Date First in CIP | | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | | \$0 |
| Total Cost Estimate | | \$0 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|---------------|----------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| TOTALS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Funding Sources | Needed for Project |
|----------------------|--------------------|
| Funding Not Required | \$0 |
| TOTALS | \$0 |



11001 - Alternative Energy Feasibility Study

Project Description:

The Alternative Energy Feasibility Study Project will take place in various phases:
 Phase No. 1 - Develop Data Collection Program and identify a range of capital costs for alternative energy projects. Phase No. 2 - Implement Data Collection Program and update capital costs. Phase No. 3 - Perform Feasibility Study including and update of capital costs.

Project Purpose:

Staff has identified a goal to have 10% of the agency's power derived from alternative sources within 10 years. The Alternative Energy Feasibility Study project will explore available alternative energy options, including wind and solar power feasibility for future implementation by or on behalf of Tampa Bay Water.

Other Information:

Funding Source for Phase No. 3 has not yet been determined.



| Project Schedule | | |
|--|------------|-----------|
| Project Stage | Start Date | End Date |
| Design, Phase 1 | 8/15/2009 | 12/1/2009 |
| Design, Phase 2 | 10/1/2010 | 9/30/2011 |
| Design, Phase 3 | 10/1/2011 | 1/29/2013 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$0 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$500,000 | |
| Total Cost Estimate | \$525,000 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$6,226 | \$18,775 | \$100,000 | \$300,412 | \$99,588 | \$0 | \$0 | \$0 | \$525,000 |
| TOTALS | \$6,226 | \$18,775 | \$100,000 | \$300,412 | \$99,588 | \$0 | \$0 | \$0 | \$525,000 |

| Funding Sources | Needed for Project |
|--------------------|--------------------|
| Not Yet Determined | \$400,000 |
| Rate | \$125,000 |
| TOTALS | \$525,000 |



50003 - South-Central Hillsborough Wellfield - Pumps Replacement

Project Description:

The project includes: - Cost analysis and energy analysis for pumps/motors at 14 wells at the South Central Hillsborough Wellfield. The cost analysis will compare the replacement of pumps vs. the replacement of pumps and motors. The energy analysis will determine potential energy savings associated with the replacement of more efficient pumps and/or motors by comparing the existing baseline efficiency conditions to the proposed conditions by use of the selected pump/motor specifications. - Development of technical specifications for pumps and/or motors for wells 8 and 15. (The existing pumps at wells 8 and 15 have failed and are currently out-of service, immediate replacement is needed to maintain the current operating conditions of the wellfield.) - Development of construction plans for wells 1-3, 5,-7, 10-14, and 16. - Development of structural details for the pumps plates.

Project Purpose:

Replacement of failing pumps and/or motors at the 24-year old wellfield with energy efficient pumps/motors. Additionally, structural details for pumps plates are needed to maintain the structural integrity of the wells.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 1/15/2010 | 7/20/2010 |
| Const | 8/20/2010 | 5/30/2011 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | (\$274,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$500,000 |
| Total Cost Estimate | \$1,195,640 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$86,640 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$86,640 |
| Construction | \$0 | \$146,180 | \$862,820 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,009,000 |
| Contingency | \$0 | \$14,488 | \$85,512 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| TOTALS | \$0 | \$247,308 | \$948,332 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,195,640 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,109,000 |
| Rate | \$86,640 |
| TOTALS | \$1,195,640 |



01310 - CW Bill Young Regional Reservoir Renovation

Project Description:

This project will address excess pore pressure that builds up in the soil wedge that lies between the impermeable geomembrane and the interior soil cement flat plate.

Project Purpose:

This project will renovate the existing facility to bring it into conformance with the drawdown rates contemplated in the original design, of 20 inches per day.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|-----------|
| Concept/Planning | 8/18/2008 | 6/15/2009 |
| Design | 6/16/2009 | 8/20/2012 |
| Const | 8/21/2012 | 6/2/2014 |

Additional Information

| | |
|--|---------------|
| Annual Operating Budget Net Increase Upon Completion | (\$1,000,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$125,000,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|---------------------|---------------------|---------------------|-----------------|-----------------|----------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$2,434,109 | \$1,886,305 | \$1,679,587 | \$0 | \$0 | \$0 | \$0 | \$6,000,000 |
| Engineering (Construction) | \$0 | \$2,028,424 | \$1,571,921 | \$1,799,655 | \$3,650,000 | \$2,450,000 | \$0 | \$0 | \$11,500,000 |
| Legal | \$2,528 | \$119,178 | \$94,315 | \$90,133 | \$56,154 | \$37,692 | \$0 | \$0 | \$400,000 |
| Construction | \$0 | \$0 | \$0 | \$5,230,769 | \$47,730,769 | \$32,038,462 | \$0 | \$0 | \$85,000,000 |
| Contingency | \$0 | \$0 | \$0 | \$1,360,000 | \$12,410,000 | \$8,330,000 | \$0 | \$0 | \$22,100,000 |
| TOTALS | \$2,528 | \$4,581,710 | \$3,552,541 | \$10,160,144 | \$63,846,923 | \$42,856,154 | \$0 | \$0 | \$125,000,000 |

| Funding Sources | Needed for Project |
|--------------------|----------------------|
| 2008 Bond | \$25,000,000 |
| Not Yet Determined | \$100,000,000 |
| TOTALS | \$125,000,000 |



07301 - Clearwater Server Room HVAC

Project Description:

Improvements to the HVAC system in the Clearwater building Server Room.

Project Purpose:

Improvements will allow for the implementation of building control system while maintaining server room requirements. This will result in energy savings by up to 20%.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 2/1/2010 | 7/30/2010 |
| Const | 8/2/2010 | 9/30/2011 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | (\$25,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$130,130 |
| Total Cost Estimate | \$333,500 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$0 | \$35,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,000 |
| Engineering (Construction) | \$0 | \$1,739 | \$10,761 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,500 |
| Construction | \$0 | \$30,613 | \$189,387 | \$0 | \$0 | \$0 | \$0 | \$0 | \$220,000 |
| Contingency | \$0 | \$9,184 | \$56,816 | \$0 | \$0 | \$0 | \$0 | \$0 | \$66,000 |
| TOTALS | \$0 | \$76,537 | \$256,963 | \$0 | \$0 | \$0 | \$0 | \$0 | \$333,500 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$333,500 |
| TOTALS | \$333,500 |



07401 - Tampa Bay Seawater Desalination Reliability Program

Project Description:

This reliability program will implement projects/tasks that are needed in future years that will provide the necessary reliability to the Desalination facility.

Project Purpose:

The Tampa Bay Seawater Desalination Facility is a critical operating component of Tampa Bay Water. The projects/tasks derived from the Reliability Program will enable the facility to continue to produce at its desired capacity.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|-------------------|------------|-----------|
| Const | 12/30/2009 | 9/30/2011 |
| Dev., Const, Comm | 10/1/2011 | 9/30/2017 |

Additional Information

| | |
|--|--------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2010 |
| Initial Cost Estimate as of Date First in CIP | \$14,000,000 |
| Total Cost Estimate | \$14,115,145 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$0 | \$147,934 | \$197,066 | \$124,943 | \$124,943 | \$124,943 | \$124,943 | \$250,228 | \$1,095,000 |
| Engineering (Construction) | \$0 | \$147,934 | \$197,066 | \$124,943 | \$124,943 | \$124,943 | \$124,943 | \$250,228 | \$1,095,000 |
| Construction | \$0 | \$1,185,618 | \$1,579,382 | \$999,544 | \$999,544 | \$999,544 | \$999,544 | \$2,001,826 | \$8,765,000 |
| Contingency | \$0 | \$283,067 | \$377,078 | \$416,476 | \$416,477 | \$416,477 | \$416,477 | \$834,094 | \$3,160,145 |
| TOTALS | \$0 | \$1,764,554 | \$2,350,591 | \$1,665,906 | \$1,665,906 | \$1,665,906 | \$1,665,906 | \$3,336,376 | \$14,115,144 |

| Funding Sources | Needed for Project |
|--------------------------|---------------------|
| Capital Improvement Fund | \$10,000,000 |
| FLGFC-Desal | \$4,115,146 |
| TOTALS | \$14,115,146 |



06503 - SCHIP Phase III (Hydrogen Sulfide Removal at Lithia)

Project Description:

Lithia WTP - Hydrogen Sulfide treatment facilities. This project will replace existing treatment facilities with new treatment for long term compliance with Exhibit D requirements and elimination of hydrogen sulfide treatment credits.

Project Purpose:

This is the final phase of work that was committed to via the Memorandum of Understanding between Hillsborough County and Tampa Bay Water in 2004. The purpose of this project is to provide pretreatment removal of hydrogen sulfide from the South Central Hillsborough Regional Wellfield water before it enters the Hillsborough County Lithia Water Treatment plant. Flows at this plant will range from 7.5 to 45 mgd, and will average 24 mgd. The pump station and chloramine disinfection facilities will provide 15 mgd maximum to the regional transmission system from the South-Central Hillsborough Regional Wellfield. The Board approved moving forward with procurement of EPCM Services for the Lithia Hydrogen Sulfide Removal Facility on August 18, 2008 under Agenda item C9. The Owner's Agent and the EPCM for this project were approved by the Board at the December 15, 2008 and the December 14, 2009 Board meetings respectively.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|------------|
| Concept/Planning | 10/1/2004 | 12/14/2009 |
| Design | 12/14/2009 | 12/30/2011 |
| Const | 12/19/2011 | 12/20/2013 |

Additional Information

| | |
|--|--------------|
| Annual Operating Budget Net Increase Upon Completion | \$450,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$30,590,459 |
| Total Cost Estimate | \$30,590,459 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|---------------------|---------------------|--------------------|-----------------|-----------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$1,428,739 | \$823,004 | \$1,575,469 | \$392,788 | \$0 | \$0 | \$0 | \$0 | \$4,220,000 |
| Engineering (Construction) | \$0 | \$0 | \$0 | \$664,208 | \$847,678 | \$188,115 | \$0 | \$0 | \$1,700,000 |
| Land Acquisition | \$0 | \$174,933 | \$220,174 | \$54,893 | \$0 | \$0 | \$0 | \$0 | \$450,000 |
| Legal | \$93,676 | (\$8,958) | \$12,232 | \$3,050 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| Construction | \$0 | \$0 | \$0 | \$7,861,272 | \$10,032,743 | \$2,226,444 | \$0 | \$0 | \$20,120,459 |
| Contingency | \$0 | \$0 | \$0 | \$1,562,842 | \$1,994,536 | \$442,623 | \$0 | \$0 | \$4,000,000 |
| TOTALS | \$1,522,415 | \$988,979 | \$1,807,875 | \$10,539,052 | \$12,874,956 | \$2,857,182 | \$0 | \$0 | \$30,590,459 |

| Funding Sources | Needed for Project |
|-----------------|---------------------|
| 2001 Bond | \$17,941,394 |
| 2008 Bond | \$12,649,065 |
| TOTALS | \$30,590,459 |

07131 - Cosme WTP Yard

Project Description:

This project will construct modifications to the existing Cosme Bypass line that will include the relocation of a pressure/flow control device from the existing piping to limit the flow from the plant to the City's Oberley Pump Station. This work will also include installing a below grade isolation valve and connection on the City's finished water line, and modifications to the existing Tampa Bay Water finished water bypass piping. The project will also include a temporary easement acquisition, permitting, and construction.

Project Purpose:

The purpose of these piping modifications is to provide the ability for the City of St. Petersburg to control the flow to the City's Oberley Pump Station, while being able to provide the maximum available flow of finished water to Tampa Bay Water through the Cosme Bypass piping. This will allow surplus capacity at the Cosme Water Treatment Facility to be routed to the Regional Transmission System in case of an emergency outage of the 84-inch transmission main. Flows at this interconnection will range from 0 to 13.9 mgd. The emergency connection improvements were evaluated by the System Engineer, Black & Veatch, in the 2025 System Analysis Report, which was presented to the Board on February 20, 2006. This design work to modify the existing above grade piping owned by Tampa Bay Water will be completed as part of the Northwest Hillsborough Pipeline Project by Malcolm Pirnie. The below grade piping design on St. Petersburg's piping will be completed via a task authorization on Greeley & Hansen's As-Needed Engineering Contract 2009-031 Authorized October 20, 2009. This work will be bid and constructed as one project.

Other Information:



| Project Schedule | | |
|--|-------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 5/4/2007 | 9/30/2010 |
| Const | 11/30/2010 | 9/30/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$10,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$1,623,780 | |
| Total Cost Estimate | \$1,600,906 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$36,875 | \$47,826 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$84,701 |
| Engineering (Construction) | \$0 | \$0 | \$166,205 | \$0 | \$0 | \$0 | \$0 | \$0 | \$166,205 |
| Land Acquisition | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Legal | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Construction | \$0 | \$0 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000,000 |
| Contingency | \$900 | (\$900) | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 |
| TOTALS | \$37,775 | \$146,926 | \$1,416,205 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,600,906 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,600,007 |
| Rate | \$900 |
| TOTALS | \$1,600,907 |



07141 - Cypress Creek Wellfield Underground Commercial Powerline

Project Description:

The project comprises supplementing the existing overhead commercial power lines at the Cypress Creek Wellfield with underground power lines that will feed the existing 13 Cypress Creek wells.

Project Purpose:

In February 2006, Tampa Bay Water's Board of Directors approved a list of capital improvement projects which included underground commercial power line improvements for the Cypress Creek Wellfield. Power supply for this wellfield is currently provided through an overhead power line system that is owned and maintained by Withlacoochee River Electric Cooperative (WREC). Due to reliability issues associated with overhead power line systems during severe storm events, Tampa Bay Water is pursuing implementation of an underground power line system for this wellfield for redundancy and reliability in power supply.

Other Information:



| Project Schedule | | |
|--|-------------|----------|
| Project Stage | Start Date | End Date |
| Design | 10/1/2008 | 3/3/2010 |
| Const | 7/9/2010 | 4/1/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$0 | |
| Date First in CIP | 2/13/2006 | |
| Initial Cost Estimate as of Date First in CIP | \$1,600,000 | |
| Total Cost Estimate | \$1,255,378 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$13,932 | \$10,259 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,191 |
| Engineering (Construction) | \$0 | \$8,698 | \$19,179 | \$0 | \$0 | \$0 | \$0 | \$0 | \$27,877 |
| Construction | \$0 | \$375,469 | \$827,841 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,203,310 |
| TOTALS | \$13,932 | \$394,427 | \$847,020 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,255,378 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,236,811 |
| Rate | \$18,567 |
| TOTALS | \$1,255,378 |



06506 - BUD-5R Collection Main

Project Description:

Engineering Phase: Pipeline route study, surveying, engineering design, property acquisition services (negotiations, title work, real estate appraisals, and expert witness testimony in eminent domain actions), all environmental permitting, Right-of-Way use permitting, public involvement, prepare technical specifications for solicitation of contractor bids (pipeline and wellhouse (to include all pumping appurtenances, power, and telecommunications), perform construction contract administration, perform construction inspection services.

Construction Phase: installation of piping and associated valves and meters, construction of wellhouse, equip well with pumping appurtenances, install power and telecommunications (SCADA).

Project Purpose:

Interconnect the new BUD-5R replacement well to the Brandon Transmission Main.

Other Information:



| Project Schedule | | |
|--|-------------|------------|
| Project Stage | Start Date | End Date |
| Design, Phase 1 | 2/9/2007 | 11/9/2008 |
| Design | 1/1/2010 | 11/30/2010 |
| Const | 11/30/2010 | 5/31/2012 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$5,000 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$4,335,924 | |
| Total Cost Estimate | \$4,202,158 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$1,033,858 | \$187,925 | \$50,375 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,272,158 |
| Engineering (Construction) | \$0 | \$0 | \$152,555 | \$122,445 | \$0 | \$0 | \$0 | \$0 | \$275,000 |
| Land Acquisition | \$0 | \$163,363 | \$36,637 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 |
| Legal | \$0 | \$142,943 | \$32,057 | \$0 | \$0 | \$0 | \$0 | \$0 | \$175,000 |
| Construction | \$0 | \$0 | \$904,234 | \$725,766 | \$0 | \$0 | \$0 | \$0 | \$1,630,000 |
| Contingency | \$0 | \$0 | \$360,584 | \$289,416 | \$0 | \$0 | \$0 | \$0 | \$650,000 |
| TOTALS | \$1,033,858 | \$494,231 | \$1,536,441 | \$1,137,628 | \$0 | \$0 | \$0 | \$0 | \$4,202,158 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2001 Bond | \$1,409,020 |
| 2008 Bond | \$2,793,138 |
| TOTALS | \$4,202,158 |



07025 - Cypress Creek Machinery and Equipment Warehouse

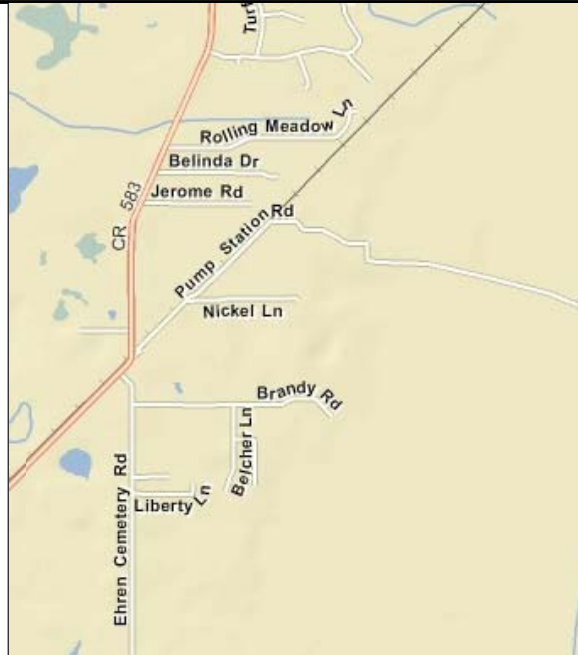
Project Description:

1. Design and Construction of a new warehouse to replace warehouses B-1 and B-2.
2. Modification of the Environmental Resources Permit (ERP) at the Cypress Creek Pump Station to include the added impervious area resulting from the Machinery and Equipment Warehouse and the Cypress Creek Road Improvements Projects and the existing impervious area of the existing vehicle shelters that are adjacent to the fuel pump area.

Project Purpose:

The warehouse will be used to store parts and materials used for the upkeep of Tampa Bay Water facilities in three counties. It replaces warehouses B-1 and B-2 which were demolished to allow for expansion of the Cypress Creek Pump Station diesel generators.

Other Information:



| Project Schedule | | |
|--|------------|------------|
| Project Stage | Start Date | End Date |
| Design | 7/10/2009 | 6/17/2010 |
| Const | 5/17/2010 | 10/26/2011 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$100 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$0 | |
| Total Cost Estimate | \$420,970 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$50,045 | \$55,925 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$105,970 |
| Construction | \$0 | \$77,419 | \$207,780 | \$14,801 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Contingency | \$0 | \$3,871 | \$10,389 | \$740 | \$0 | \$0 | \$0 | \$0 | \$15,000 |
| TOTALS | \$50,045 | \$137,216 | \$218,169 | \$15,541 | \$0 | \$0 | \$0 | \$0 | \$420,970 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$420,970 |
| TOTALS | \$420,970 |



07142 - Cypress Creek Security Improvements

Project Description:

This project will replace the existing plant security gates with new gates and guard enclosure. Additionally, it includes the recommendations from the Vulnerability Assessment of 2007. Among the tasks to be included are: Lighting along the road from Gate No. 1 to Gate No. 2; New card readers in gates leading to the facility and the wellfield; A gate arm at Gate No. 2; Bollards; Electrical and Fiber Optic to the new gates and guard house.

Project Purpose:

Implement the security measures at the Cypress Creek Pump Station per the recommendations of the Agency's Vulnerability Assessment completed in November 2001 and its updated version of 2007.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 10/1/2009 | 6/17/2010 |
| Const | 5/17/2010 | 10/26/2011 |

Additional Information

| | |
|--|-----------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/1/2008 |
| Initial Cost Estimate as of Date First in CIP | \$100,000 |
| Total Cost Estimate | \$566,302 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$59,047 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$59,047 |
| Engineering (Construction) | \$0 | \$6,825 | \$18,316 | \$1,305 | \$0 | \$0 | \$0 | \$0 | \$26,445 |
| Construction | \$0 | \$118,919 | \$319,157 | \$22,734 | \$0 | \$0 | \$0 | \$0 | \$460,810 |
| Contingency | \$0 | \$5,161 | \$13,852 | \$987 | \$0 | \$0 | \$0 | \$0 | \$20,000 |
| TOTALS | \$0 | \$189,952 | \$351,325 | \$25,026 | \$0 | \$0 | \$0 | \$0 | \$566,302 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$566,302 |
| TOTALS | \$566,302 |



07026 - Cypress Creek Road Improvements

Project Description:

Design and construction of a replacement roadway between facility gates FG #1 and FG #2, as well as a roadway between the IEM building parking lot and the fuel pump area.

Project Purpose:

The replacement roadway will allow for a more secure entrance at gate FG #2 and better turning radius for large trucks. The roadway to the fuel pump area will provide more efficient traffic on site.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 7/10/2009 | 6/17/2010 |
| Const | 6/17/2010 | 10/26/2011 |

Additional Information

| | |
|--|-----------|
| Annual Operating Budget Net Increase Upon Completion | \$9,000 |
| Date First in CIP | 10/1/2008 |
| Initial Cost Estimate as of Date First in CIP | \$169,780 |
| Total Cost Estimate | \$240,030 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$19,462 | \$39,568 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$59,030 |
| Construction | \$0 | \$36,623 | \$127,308 | \$9,069 | \$0 | \$0 | \$0 | \$0 | \$173,000 |
| Contingency | \$0 | \$1,694 | \$5,887 | \$419 | \$0 | \$0 | \$0 | \$0 | \$8,000 |
| TOTALS | \$19,462 | \$77,885 | \$133,196 | \$9,488 | \$0 | \$0 | \$0 | \$0 | \$240,030 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$240,030 |
| TOTALS | \$240,030 |



06910 - Surface & Recharge Water Projects

Project Description:

Planning and preliminary engineering evaluations for the Surface & Recharge Water Projects (previously called Surface Water Enhancements and Recharge Project, or Alafia Expansion and Aquifer Recharge Project). This evaluation will determine the feasibility of additional supply from the Alafia River and Bullfrog Creek, and will evaluate the possibility of receiving potable water credit from the beneficial use of reclaimed water. Direct and indirect aquifer recharge and downstream augmentation will be evaluated.

Project Purpose:

Evaluation of the Master Water Plan Project, which included this project was approved by the Board on December 15, 2008 (Board Agenda Item F2a). This is one of six projects that will be evaluated to meet future demands as a System Configuration III project.

Other Information:

Consulting services for this Project were approved December 14, 2009 (Board Agenda Item H4b)



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|-----------|
| Concept/Planning | 12/14/2009 | 9/28/2012 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$3,599,911 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$1,024,509 | \$1,289,468 | \$1,285,935 | \$0 | \$0 | \$0 | \$0 | \$3,599,911 |
| TOTALS | \$0 | \$1,024,509 | \$1,289,468 | \$1,285,935 | \$0 | \$0 | \$0 | \$0 | \$3,599,911 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| 2008 Bond | \$1,799,956 |
| SWFWMD | \$1,799,955 |
| TOTALS | \$3,599,911 |



11002 - Small Footprint Reverse Osmosis-Pinellas County

Project Description:

Monitor the progress of the City of Oldsmar and the City of Tarpon Springs Small Footprint Reverse Osmosis Projects. The project also comprises an annual report of the status of the projects to Tampa Bay Water Senior Staff and Board of Directors.

Project Purpose:

This project is part of the Tampa Bay Water Master Water Plan, approved by the Board of Directors on December 15, 2008, under Agenda Item F2a. This is one of six projects that will be evaluated to meet future demands as a System Configuration III project.

Other Information:

This project is being performed in-house. No funding is required.



| Project Schedule | | |
|--|------------|------------|
| Project Stage | Start Date | End Date |
| Design | 4/7/2009 | 12/20/2012 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | | \$0 |
| Date First in CIP | | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | | \$0 |
| Total Cost Estimate | | \$0 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|---------------|----------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| TOTALS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Funding Sources | Needed for Project |
|----------------------|--------------------|
| Funding Not Required | \$0 |
| TOTALS | \$0 |



11001 - Alternative Energy Feasibility Study

Project Description:

The Alternative Energy Feasibility Study Project will take place in various phases:
 Phase No. 1 - Develop Data Collection Program and identify a range of capital costs for alternative energy projects. Phase No. 2 - Implement Data Collection Program and update capital costs. Phase No. 3 - Perform Feasibility Study including and update of capital costs.

Project Purpose:

Staff has identified a goal to have 10% of the agency's power derived from alternative sources within 10 years. The Alternative Energy Feasibility Study project will explore available alternative energy options, including wind and solar power feasibility for future implementation by or on behalf of Tampa Bay Water.

Other Information:

Funding Source for Phase No. 3 has not yet been determined.



| Project Schedule | | |
|--|------------|-----------|
| Project Stage | Start Date | End Date |
| Design, Phase 1 | 8/15/2009 | 12/1/2009 |
| Design, Phase 2 | 10/1/2010 | 9/30/2011 |
| Design, Phase 3 | 10/1/2011 | 1/29/2013 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$0 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$500,000 | |
| Total Cost Estimate | \$525,000 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$6,226 | \$18,775 | \$100,000 | \$300,412 | \$99,588 | \$0 | \$0 | \$0 | \$525,000 |
| TOTALS | \$6,226 | \$18,775 | \$100,000 | \$300,412 | \$99,588 | \$0 | \$0 | \$0 | \$525,000 |

| Funding Sources | Needed for Project |
|--------------------|--------------------|
| Not Yet Determined | \$400,000 |
| Rate | \$125,000 |
| TOTALS | \$525,000 |



50003 - South-Central Hillsborough Wellfield - Pumps Replacement

Project Description:

The project includes: - Cost analysis and energy analysis for pumps/motors at 14 wells at the South Central Hillsborough Wellfield. The cost analysis will compare the replacement of pumps vs. the replacement of pumps and motors. The energy analysis will determine potential energy savings associated with the replacement of more efficient pumps and/or motors by comparing the existing baseline efficiency conditions to the proposed conditions by use of the selected pump/motor specifications. - Development of technical specifications for pumps and/or motors for wells 8 and 15. (The existing pumps at wells 8 and 15 have failed and are currently out-of service, immediate replacement is needed to maintain the current operating conditions of the wellfield.) - Development of construction plans for wells 1-3, 5,-7, 10-14, and 16. - Development of structural details for the pumps plates.

Project Purpose:

Replacement of failing pumps and/or motors at the 24-year old wellfield with energy efficient pumps/motors. Additionally, structural details for pumps plates are needed to maintain the structural integrity of the wells.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 1/15/2010 | 7/20/2010 |
| Const | 8/20/2010 | 5/30/2011 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | (\$274,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$500,000 |
| Total Cost Estimate | \$1,195,640 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$86,640 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$86,640 |
| Construction | \$0 | \$146,180 | \$862,820 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,009,000 |
| Contingency | \$0 | \$14,488 | \$85,512 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| TOTALS | \$0 | \$247,308 | \$948,332 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,195,640 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,109,000 |
| Rate | \$86,640 |
| TOTALS | \$1,195,640 |



01310 - CW Bill Young Regional Reservoir Renovation

Project Description:

This project will address excess pore pressure that builds up in the soil wedge that lies between the impermeable geomembrane and the interior soil cement flat plate.

Project Purpose:

This project will renovate the existing facility to bring it into conformance with the drawdown rates contemplated in the original design, of 20 inches per day.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|------------------|------------|-----------|
| Concept/Planning | 8/18/2008 | 6/15/2009 |
| Design | 6/16/2009 | 8/20/2012 |
| Const | 8/21/2012 | 6/2/2014 |

Additional Information

| | |
|--|---------------|
| Annual Operating Budget Net Increase Upon Completion | (\$1,000,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$125,000,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|---------------------|---------------------|---------------------|-----------------|-----------------|----------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$2,434,109 | \$1,886,305 | \$1,679,587 | \$0 | \$0 | \$0 | \$0 | \$6,000,000 |
| Engineering (Construction) | \$0 | \$2,028,424 | \$1,571,921 | \$1,799,655 | \$3,650,000 | \$2,450,000 | \$0 | \$0 | \$11,500,000 |
| Legal | \$2,528 | \$119,178 | \$94,315 | \$90,133 | \$56,154 | \$37,692 | \$0 | \$0 | \$400,000 |
| Construction | \$0 | \$0 | \$0 | \$5,230,769 | \$47,730,769 | \$32,038,462 | \$0 | \$0 | \$85,000,000 |
| Contingency | \$0 | \$0 | \$0 | \$1,360,000 | \$12,410,000 | \$8,330,000 | \$0 | \$0 | \$22,100,000 |
| TOTALS | \$2,528 | \$4,581,710 | \$3,552,541 | \$10,160,144 | \$63,846,923 | \$42,856,154 | \$0 | \$0 | \$125,000,000 |

| Funding Sources | Needed for Project |
|--------------------|----------------------|
| 2008 Bond | \$25,000,000 |
| Not Yet Determined | \$100,000,000 |
| TOTALS | \$125,000,000 |



07301 - Clearwater Server Room HVAC

Project Description:

Improvements to the HVAC system in the Clearwater building Server Room.

Project Purpose:

Improvements will allow for the implementation of building control system while maintaining server room requirements. This will result in energy savings by up to 20%.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 2/1/2010 | 7/30/2010 |
| Const | 8/2/2010 | 9/30/2011 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | (\$25,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$130,130 |
| Total Cost Estimate | \$333,500 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$0 | \$35,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,000 |
| Engineering (Construction) | \$0 | \$1,739 | \$10,761 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,500 |
| Construction | \$0 | \$30,613 | \$189,387 | \$0 | \$0 | \$0 | \$0 | \$0 | \$220,000 |
| Contingency | \$0 | \$9,184 | \$56,816 | \$0 | \$0 | \$0 | \$0 | \$0 | \$66,000 |
| TOTALS | \$0 | \$76,537 | \$256,963 | \$0 | \$0 | \$0 | \$0 | \$0 | \$333,500 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$333,500 |
| TOTALS | \$333,500 |



07401 - Tampa Bay Seawater Desalination Reliability Program

Project Description:

This reliability program will implement projects/tasks that are needed in future years that will provide the necessary reliability to the Desalination facility.

Project Purpose:

The Tampa Bay Seawater Desalination Facility is a critical operating component of Tampa Bay Water. The projects/tasks derived from the Reliability Program will enable the facility to continue to produce at its desired capacity.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|-------------------|------------|-----------|
| Const | 12/30/2009 | 9/30/2011 |
| Dev., Const, Comm | 10/1/2011 | 9/30/2017 |

Additional Information

| | |
|--|--------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2010 |
| Initial Cost Estimate as of Date First in CIP | \$14,000,000 |
| Total Cost Estimate | \$14,115,145 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$0 | \$147,934 | \$197,066 | \$124,943 | \$124,943 | \$124,943 | \$124,943 | \$250,228 | \$1,095,000 |
| Engineering (Construction) | \$0 | \$147,934 | \$197,066 | \$124,943 | \$124,943 | \$124,943 | \$124,943 | \$250,228 | \$1,095,000 |
| Construction | \$0 | \$1,185,618 | \$1,579,382 | \$999,544 | \$999,544 | \$999,544 | \$999,544 | \$2,001,826 | \$8,765,000 |
| Contingency | \$0 | \$283,067 | \$377,078 | \$416,476 | \$416,477 | \$416,477 | \$416,477 | \$834,094 | \$3,160,145 |
| TOTALS | \$0 | \$1,764,554 | \$2,350,591 | \$1,665,906 | \$1,665,906 | \$1,665,906 | \$1,665,906 | \$3,336,376 | \$14,115,144 |

| Funding Sources | Needed for Project |
|--------------------------|---------------------|
| Capital Improvement Fund | \$10,000,000 |
| FLGFC-Desal | \$4,115,146 |
| TOTALS | \$14,115,146 |



07500 - Vulnerability Assessment-Recommended Improvements

Project Description:

These improvements will be a selection of recommended items provided by the System Engineer in the Vulnerability Assessment Report. This project will be managed as a Program, due to its nature and the amount of facilities that will be addressed. Improvements will be at various locations to increase the security and/or "strength" of such facilities. Security upgrades may include: Perimeter fencing, signage, exterior lights installation, etc.

Project Purpose:

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Const | 6/1/2010 | 9/30/2014 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | \$10,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$0 |
| Total Cost Estimate | \$2,500,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$34,418 | \$103,824 | \$104,109 | \$103,824 | \$103,824 | \$0 | \$0 | \$450,000 |
| Engineering (Construction) | \$0 | \$34,418 | \$103,824 | \$104,109 | \$103,824 | \$103,824 | \$0 | \$0 | \$450,000 |
| Construction | \$0 | \$91,783 | \$276,865 | \$277,623 | \$276,865 | \$276,865 | \$0 | \$0 | \$1,200,000 |
| Contingency | \$0 | \$30,594 | \$92,288 | \$92,541 | \$92,288 | \$92,288 | \$0 | \$0 | \$400,000 |
| TOTALS | \$0 | \$191,214 | \$576,802 | \$578,382 | \$576,802 | \$576,802 | \$0 | \$0 | \$2,500,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$2,500,000 |
| TOTALS | \$2,500,000 |



07191 - Lab & Science Building Roof and HVAC Replacement

Project Description:

Replacement of the Lab & Science Building 20-year old flat roof with a sloped roof. Additionally, this project includes the replacement of the HVAC system.

Project Purpose:

Repair of the faulty, leaky roof and replacement of the HVAC system.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|------------|
| Design | 10/2/2010 | 6/30/2011 |
| Const | 7/1/2011 | 10/24/2012 |

Additional Information

| | |
|--|-------------|
| Annual Operating Budget Net Increase Upon Completion | (\$10,000) |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$1,500,000 |
| Total Cost Estimate | \$1,500,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|----------------|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| Engineering (Construction) | \$0 | \$0 | \$18,919 | \$76,092 | \$4,990 | \$0 | \$0 | \$0 | \$100,000 |
| Construction | \$0 | \$0 | \$189,189 | \$760,915 | \$49,896 | \$0 | \$0 | \$0 | \$1,000,000 |
| Contingency | \$0 | \$0 | \$56,757 | \$228,274 | \$14,969 | \$0 | \$0 | \$0 | \$300,000 |
| TOTALS | \$0 | \$0 | \$364,865 | \$1,065,281 | \$69,854 | \$0 | \$0 | \$0 | \$1,500,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$1,500,000 |
| TOTALS | \$1,500,000 |



07027 - Cypress Creek Pump Station Underground Fuel Tanks Replacement

Project Description:

Project comprises:

- removal of one underground waste oil tank and two underground diesel tanks and their associated fuel dispensers
- removal of one underground gasoline tank and its associated fuel dispenser
- removal of approximately 1000 feet of underground fuel line
- installation of one combination gasoline and diesel above ground tank and associated fuel dispensers

Project Purpose:

Replacement of aging underground tanks as indicated in the project description and to meet federal and state regulations.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 1/2/2011 | 5/3/2011 |
| Const | 5/21/2011 | 9/30/2011 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$190,000 |
| Total Cost Estimate | \$190,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 |
| Engineering (Construction) | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 |
| Construction | \$0 | \$0 | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 |
| Contingency | \$0 | \$0 | \$20,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$20,000 |
| TOTALS | \$0 | \$0 | \$190,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$190,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$190,000 |
| TOTALS | \$190,000 |



07183 - SCADA System Redundancy

Project Description:

This project comprises the installation of redundant SCADA system communication and control capability to enable switching between the Cypress Creek and the Regional Surface Water Treatment Plants.

Project Purpose:

SCADA redundancy will enable controlling remote facilities in the event of a catastrophic failure at the Cypress Creek Water Treatment Plant.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 10/1/2010 | 9/30/2011 |
| Const | 10/1/2011 | 9/30/2012 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | \$0 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$465,000 |
| Total Cost Estimate | \$465,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | | TOTALS |
|--------------------------------|----------------------|----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | Future Budgeted | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Engineering (Construction) | \$0 | \$0 | \$0 | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$25,000 |
| Construction | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Contingency | \$0 | \$0 | \$0 | \$90,000 | \$0 | \$0 | \$0 | \$0 | \$90,000 |
| TOTALS | \$0 | \$0 | \$50,000 | \$415,000 | \$0 | \$0 | \$0 | \$0 | \$465,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$465,000 |
| TOTALS | \$465,000 |



07182 - Eldridge-Wilde Hydrogen Sulfide Facility SCADA and Chemical Feed Upgrades

Project Description:

Evaluation and upgrades of: chemical feed equipment, all instrumentation, SCADA; and evaluation of remaining useful life of the entire facility.

Project Purpose:

Upgrades to SCADA will enable Tampa Bay Water total process control of the facility and will enable independence of process control from Pinellas County.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 10/1/2010 | 9/30/2011 |
| Const | 10/1/2011 | 9/30/2012 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | \$8,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$590,000 |
| Total Cost Estimate | \$590,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 |
| Engineering (Construction) | \$0 | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Construction | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Contingency | \$0 | \$0 | \$0 | \$90,000 | \$0 | \$0 | \$0 | \$0 | \$90,000 |
| TOTALS | \$0 | \$0 | \$150,000 | \$440,000 | \$0 | \$0 | \$0 | \$0 | \$590,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$590,000 |
| TOTALS | \$590,000 |

09002 - South-Central Wellfield Collection Main Evaluation

Project Description:

Evaluate the condition of the South-Central Wellfield Collection Main at the two locations where the line is crossed by other piping that has impressed current (i.e. electrical current is applied to the pipeline to prevent corrosion). Prior to the evaluations an access location will need to be located or constructed. The piping may need to be disinfected and pressure tested before it can be placed back into operation.

Project Purpose:

The South-Central Wellfield collection main delivers the majority of the supply to the Hillsborough County Lithia Water Treatment Facility. The evaluation will determine if the condition of the piping at two locations that have deteriorated, due to the impressed current crossings, and if a piping replacement would be necessary.

Other Information:



| Project Schedule | | |
|--|------------|-----------|
| Project Stage | Start Date | End Date |
| Design | 1/2/2011 | 9/30/2011 |
| Const | 10/1/2011 | 5/30/2012 |
| Additional Information | | |
| Annual Operating Budget Net Increase Upon Completion | \$0 | |
| Date First in CIP | 10/16/2009 | |
| Initial Cost Estimate as of Date First in CIP | \$150,000 | |
| Total Cost Estimate | \$350,000 | |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Engineering (Construction) | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 | \$0 | \$40,000 |
| Land Acquisition | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 |
| Construction | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$200,000 |
| Contingency | \$0 | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| TOTALS | \$0 | \$0 | \$60,000 | \$290,000 | \$0 | \$0 | \$0 | \$0 | \$350,000 |

| Funding Sources | Needed for Project |
|-----------------|--------------------|
| Rate | \$350,000 |
| TOTALS | \$350,000 |



07028 - Cypress Creek Pump Station Operations Lab, Analyzer Workshop & HVAC Renovation

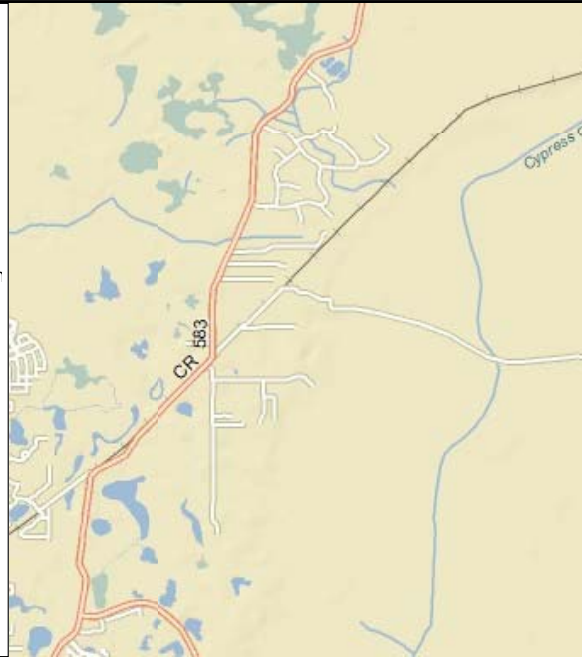
Project Description:

Increased work space and HVAC improvements at the Cypress Creek Pump Station (CCPS) pump building for operations. Additional space is needed for a workshop to repair and maintain on-line water quality instruments and lab area for process water analysis at the water plant. This project will also address the issues with humidity and corrosion present today and believed to be caused by an inadequate HVAC system that is in need of overhaul.

Project Purpose:

This project will provide additional air conditioned space for an analyzer work area and a lab area that will allow staff to test water samples and work on analyzers used in the treatment of water throughout our system. The area should be contiguous with the existing air conditioned spaces at CCPS. This project will also address the existing HVAC system that has deficiencies resulting in humidity and corrosion issues within the building.

Other Information:



Project Schedule

| Project Stage | Start Date | End Date |
|---------------|------------|-----------|
| Design | 10/1/2010 | 8/1/2011 |
| Const | 8/2/2011 | 9/30/2012 |

Additional Information

| | |
|--|------------|
| Annual Operating Budget Net Increase Upon Completion | \$8,000 |
| Date First in CIP | 10/16/2009 |
| Initial Cost Estimate as of Date First in CIP | \$550,000 |
| Total Cost Estimate | \$550,000 |

Expenditure Plan

| Cost Element | Five Year Plan | | | | | | | Future Budgeted | TOTALS |
|--------------------------------|----------------------|----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Thru FY2009 (actual) | FY2010 Revised | FY2011 Budgeted | FY2012 Budgeted | FY2013 Budgeted | FY2014 Budgeted | FY2015 Budgeted | | |
| Engineering (Concept/Planning) | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Engineering (Construction) | \$0 | \$0 | \$6,941 | \$43,059 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Construction | \$0 | \$0 | \$48,588 | \$301,412 | \$0 | \$0 | \$0 | \$0 | \$350,000 |
| Contingency | \$0 | \$0 | \$13,882 | \$86,118 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| TOTALS | \$0 | \$0 | \$119,412 | \$430,588 | \$0 | \$0 | \$0 | \$0 | \$550,000 |

| Funding Sources | Needed for Project |
|--------------------------|--------------------|
| Capital Improvement Fund | \$550,000 |
| TOTALS | \$550,000 |

DIVISIONAL OPERATING BUDGET DETAIL

Tampa Bay Water – 2011 Annual Budget Divisional Operating Budget Detail

This section provides summaries of Tampa Bay Water's divisional organization, mission, responsibilities, and historical budget trends for its four operating divisions for fiscal year 2011.

Tampa Bay Water's Divisional Organization

Tampa Bay Water is organized into two Executive Offices and three Divisions, consisting of 125 fulltime equivalent positions.

Executive Offices – Executive Offices includes the General Manager's Office and General Counsel's Office. Both the General Manager and General Counsel report to the Board of Directors. The General Manager is responsible for implementing Board policy to ensure the agency's mission of responsible water delivery is met. Public Affairs staff is in the General Manager's Office. The General Counsel handles a variety of legal matters for the agency relating to operations, permitting, contracts, property acquisition, defense of legal matters, construction-related services, human resource and fiscal matters.

Operations & Facilities – The division is responsible for water quality compliance, facilities and maintenance, operations, instrumentation and controls, construction and mitigation. The division oversees construction, start-up, testing, operation and maintenance of all facilities and equipment used to produce, treat and deliver water to Tampa Bay Water's member governments.

Science & Engineering – The division is responsible for tracking, analyzing and evaluating hydrologic and environmental conditions in and around Tampa Bay Water facilities; preparing permit applications and implementing regulatory requirements; developing alternative management scenarios for facility operations to minimize environmental impacts; identifying potential environmental impacts associated with water supply projects and implementing programs to minimize those impacts; identifying and developing new water supplies and obtaining construction permits and properties and easements required for new facilities.

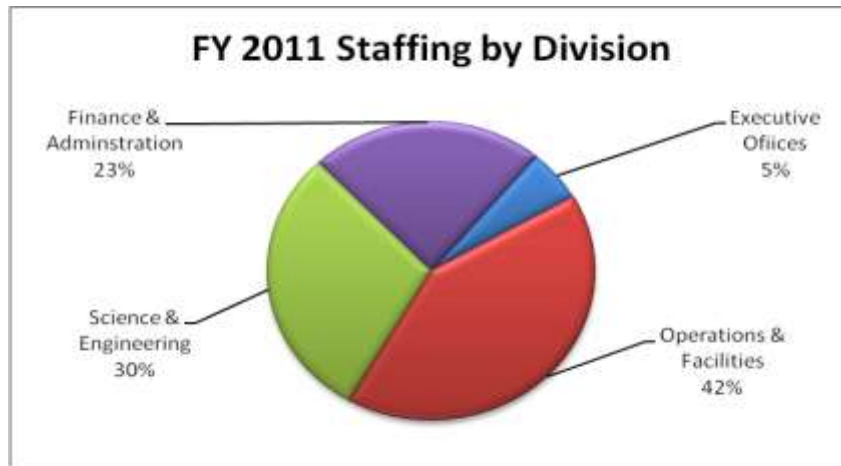
Finance & Administration – The division manages the financing of new and existing water supply facilities, budgeting, accounting, financial reporting, debt compliance, purchasing, fixed assets, human resources, records retention, telecommunications and all computer services. Computer services include software and hardware maintenance, software development, network infrastructure, database applications and support of the supervisory control and data acquisition (SCADA) system.

**Tampa Bay Water – 2011 Annual Budget
Divisional Operating Budget Detail**

Staffing

For fiscal year 2011, \$11,981,378 or approximately 7.5 percent of the Operating Budget is funding for 125 fulltime employees. In addition, Tampa Bay Water employs 4 part-time Co-op students.

The following graph identifies full-time equivalent (FTE) positions by division.



**STAFFING COMPARISON BY DEPARTMENT
IN FULL-TIME EQUIVALENTS**

| | Approved FY 2009 | Approved FY 2010 | Approved FY 2011 |
|--|---------------------|---------------------|---------------------|
| <u>Executive Offices:</u> | | | |
| General Manager | 2 | 2 | 2 |
| Public Relations | 1 | 1 | 3 |
| General Counsel | 3 | 3 | 2 |
| <u>Operations & Facilities Division:</u> | | | |
| Operations & Facilities Director | 2 | 2 | 2 |
| Water Quality | 1 | 1 | 1 |
| Operations | 18 | 19 | 21 |
| Instrumentation & Control | 7 | 9 | 9 |
| Maintenance | 18 | 14 | 14 |
| Construction | 3 | 3 | 3 |
| Mitigation | 3 | 4 | 2 |
| <u>Science & Engineering Division:</u> | | | |
| Science & Engineering Director | 2 | 2 | 2 |
| Evaluation & Permitting | 8 | 8 | 8 |
| Laboratory Services | 14 | 15 | 15 |
| Source Rotation & Environmental Protection | 5 | 5 | 5 |
| Planning & Engineering | 7 | 7 | 7 |
| <u>Finance & Administration Division</u> | | | |
| Finance Director | 1 | 1 | 1 |
| Information Systems | 13 | 16 | 13 |
| Records | 6 | 6 | 5 |
| Finance | 8 | 8 | 8 |
| Human Resources | 2 | 2 | 2 |
| | 124 | 128 | 125 |

**Tampa Bay Water – 2011 Annual Budget
Divisional Operating Budget Detail**

Positions for Fiscal Year 2011

During fiscal year 2010, Human Resources, under the direction of the Finance and Administration Director, worked with managers to re-evaluate current positions, and where necessary, established new job descriptions for existing approved positions. As a result, four positions have been reassigned, and three positions have been eliminated.

In fiscal year 2011, Human Resources will continue to work with managers on re-evaluating current positions and establishing new job descriptions. This will allow management to utilize existing positions and add responsibilities needed to maintain long-term cost effective services without adding any additional positions in fiscal year 2011.

**Tampa Bay Water
Fiscal Year 2011 Approved Budget
Total Operations**

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| 41000 Regular Salaries | \$ 7,639,307 | \$ 7,915,530 | \$ 8,214,468 | \$ 8,843,298 | \$ 8,839,998 | \$ 8,411,670 | \$ 8,478,550 |
| 41300 Other Sal & Wages | 28,794 | 23,619 | 20,317 | 20,484 | 20,484 | 19,616 | 20,701 |
| 41410 Overtime | 56,214 | 58,916 | 51,717 | 59,125 | 62,425 | 51,025 | 56,374 |
| 41420 Shift Differential | 17,992 | 21,036 | 21,323 | 23,928 | 23,928 | 22,171 | 25,353 |
| 41430 On-call pay | 33,836 | 35,602 | 35,996 | 36,652 | 36,652 | 33,220 | 38,219 |
| 42100 FICA | 556,061 | 588,222 | 600,502 | 676,536 | 676,536 | 651,633 | 664,740 |
| 42200 FRS | 767,779 | 792,006 | 828,223 | 881,578 | 881,578 | 867,329 | 969,161 |
| 42300 Life & Health Ins | 982,849 | 943,157 | 1,077,586 | 1,445,394 | 1,478,592 | 1,429,579 | 1,572,222 |
| 42400 Workers' Compensation | 100,600 | 229,758 | 180,230 | 235,000 | 235,000 | 101,320 | 132,658 |
| 42500 Unemployment Comp | 1,207 | 15,367 | 3,084 | 9,000 | 9,000 | 504 | 15,000 |
| 42600 Other Post Employment Benefits | - | 94,331 | 78,047 | - | - | - | - |
| 42986 Auto Allowance | 3,600 | 6,526 | 8,445 | 8,400 | 8,400 | 8,400 | 8,400 |
| Total Personnel Services | 10,188,240 | 10,724,069 | 11,119,938 | 12,239,395 | 12,272,593 | 11,596,467 | 11,981,378 |
| 55100 Office Supplies | 56,882 | 55,737 | 63,014 | 70,540 | 70,815 | 64,585 | 61,737 |
| 55200 Operating Supplies | 1,102,600 | 1,355,701 | 1,223,133 | 1,384,377 | 1,467,175 | 1,346,615 | 1,384,197 |
| 55260 Computer Software Expense | 227,227 | 210,194 | 139,803 | 206,850 | 215,650 | 215,650 | 193,900 |
| 55400 Books, Publs, Subsc, Memberships | 282,301 | 353,284 | 258,936 | 264,555 | 268,648 | 256,843 | 242,877 |
| 55500 Training | - | - | 76,501 | 114,641 | 117,583 | 76,021 | 93,125 |
| Total Materials & Supplies | 1,669,010 | 1,974,916 | 1,761,387 | 2,040,963 | 2,139,871 | 1,959,714 | 1,975,836 |
| 63120 Engineering Services | 3,133,211 | 4,308,634 | 5,888,430 | 2,949,387 | 5,118,076 | 2,872,739 | 2,297,136 |
| 63130 Hydrological Services | 912,514 | 828,788 | 1,322,700 | 706,000 | 1,208,993 | 553,045 | 517,000 |
| 63140 Ecological Services | 3,810,711 | 3,986,635 | 3,907,245 | 3,912,807 | 4,022,025 | 2,208,253 | 3,551,891 |
| 63181 Mitigation | 1,251,902 | 1,561,695 | 2,314,300 | 1,824,164 | 1,887,531 | 1,887,531 | 1,677,395 |
| 63182 Augmentation | 2,617,899 | 113,181 | 148,712 | 35,000 | 260,108 | 82,860 | 228,000 |
| 63190 Other Professional Services | 3,934,908 | 3,971,836 | 2,233,773 | 2,309,726 | 2,991,247 | 1,566,294 | 1,986,607 |
| 63200 Accounting & Auditing | 123,150 | 145,000 | 192,149 | 428,270 | 475,651 | 191,851 | 210,800 |
| 63400 Other Services | 3,087,510 | 3,254,688 | 2,791,650 | 2,189,628 | 2,719,318 | 1,919,123 | 1,883,383 |
| 63410 O & M Agreements | 7,095,882 | 10,080,111 | 10,579,643 | 12,515,460 | 13,102,273 | 9,653,748 | 14,426,935 |
| Total Professional Services | 25,967,686 | 28,250,569 | 29,378,601 | 26,870,442 | 31,785,223 | 20,935,444 | 26,779,147 |
| 64000 Travel & Per Diem | 103,035 | 96,130 | 79,855 | 87,575 | 88,774 | 54,842 | 76,168 |
| 64100 Communications Services | 612,716 | 698,916 | 594,950 | 749,351 | 747,268 | 648,203 | 655,627 |
| 64120 Freight & Postage Services | - | - | 74,176 | 117,951 | 119,804 | 101,555 | 109,652 |
| 64320 Water, Sewer, & Other Utilities | 327,844 | 651,576 | 1,178,551 | 600,235 | 619,106 | 604,148 | 289,756 |
| 64600 Repair & Maint-Eq & Grounds | 1,221,003 | 1,317,900 | 2,335,593 | 2,468,325 | 2,696,581 | 2,501,309 | 2,594,650 |
| 64700 Printing & Binding | 28,419 | 35,358 | 28,564 | 54,550 | 54,502 | 19,170 | 47,800 |
| 64800 Promotional Activities | 53,778 | 64,229 | 96,879 | 28,500 | 28,432 | 26,100 | 28,000 |
| 64810 Advertising | 117,981 | 118,580 | 58,543 | 144,259 | 140,735 | 112,323 | 107,269 |
| 64990 Other Current Charges | 48,827 | 62,049 | 57,708 | 132,725 | 136,440 | 101,461 | 124,837 |

**Tampa Bay Water
Fiscal Year 2011 Approved Budget
Total Operations**

| Uniform Rate Budget | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Approved Budget | 2010 Amended Budget | 2010 Est. Actuals | 2011 Approved Budget |
|---|-------------------|-------------------|-------------------|----------------------------|---------------------------|-------------------------|----------------------------|
| 64991 Permits | 12,768 | 25,136 | 12,037 | 30,300 | 30,300 | 18,423 | 11,750 |
| Total Repairs & Other Services | 2,526,372 | 3,069,874 | 4,516,855 | 4,413,771 | 4,661,942 | 4,187,534 | 4,045,509 |
| 64400 Rentals & Leases | 284,033 | 313,240 | 347,969 | 339,315 | 361,895 | 241,403 | 304,248 |
| 64500 Insurance | 884,230 | 1,086,006 | 880,245 | 1,229,000 | 1,232,000 | 872,797 | 1,046,200 |
| Total Rent & Insurance | 1,168,262 | 1,399,246 | 1,228,213 | 1,568,315 | 1,593,895 | 1,114,200 | 1,350,448 |
| 63110 Legal Services | 1,465,607 | 2,346,781 | 2,051,324 | 931,000 | 4,564,847 | 4,151,192 | 2,015,500 |
| 86100 Land Acq Cost-Purchase | - | 10,200 | 12,454 | 50,000 | 47,500 | 32,649 | 50,000 |
| 86110 Land Acq Cost-Legal | - | 23,054 | - | 25,000 | 27,500 | 2,500 | 25,000 |
| 86190 Land Acq Cost-Other | 4,079 | 12,400 | 24,406 | 10,000 | 12,681 | 11,417 | 5,000 |
| 86300 Capital Improve Facility | 1,958,982 | 1,736,750 | 1,032,493 | 500,000 | 746,839 | 263,343 | - |
| 86305 Capital Improve Facility-Owners Allowance | - | 36,840 | 237,822 | - | 142,013 | 1,713 | - |
| 86400 Mach & Equipment Purchase | 1,288,650 | 1,316,406 | 1,070,317 | 930,526 | 1,060,154 | 1,055,154 | 860,650 |
| 86610 Software-To Amortize | - | 18,230 | 3,190 | 35,000 | 35,000 | - | 35,000 |
| Total Capital Expenditures | 3,251,711 | 3,153,879 | 2,380,682 | 1,550,526 | 2,071,687 | 1,366,776 | 975,650 |
| 86500 Construction in Progress | 63,458 | 1,953,653 | 170,870 | - | 12,876 | 12,876 | - |
| Total Construction in Progress | 63,458 | 1,953,653 | 170,870 | - | 12,876 | 12,876 | - |
| 77210 Interest Bonds | 51,244,839 | 50,984,588 | 51,819,796 | 50,295,624 | 50,295,624 | 50,295,623 | 49,347,606 |
| 77230 Interest FLGFC Loans | (8,153) | (6,071) | - | - | - | - | - |
| 87108 Principal 1998 Bonds | 8,340,000 | 8,680,000 | - | - | - | - | - |
| 87109 Principal 1999 Bonds | 6,280,000 | 6,575,000 | 6,885,000 | 7,220,000 | 7,220,000 | 7,220,000 | 7,585,000 |
| 87111 Principal 2001-A Bonds | 850,000 | 885,000 | 920,000 | 955,000 | 955,000 | 955,000 | 1,000,000 |
| 87112 Principal 2001-B Bonds | 1,270,000 | 3,150,000 | 3,265,000 | 3,385,000 | 3,385,000 | 3,385,000 | 3,510,000 |
| 87113 Principal 2002 Bonds | - | 21,250,000 | - | - | - | - | - |
| 87114 Principal 2004 Bonds | 245,000 | 250,000 | 5,855,000 | 5,995,000 | 5,995,000 | 5,995,000 | 6,175,000 |
| 87116 Principal 2005 Bonds | - | 2,560,000 | 3,490,000 | 3,610,000 | 3,610,000 | 3,610,000 | 3,730,000 |
| 87117 Principal 2006 Bonds | - | - | 2,675,000 | 2,790,000 | 2,790,000 | 2,790,000 | 2,905,000 |
| Total Debt Service | 68,221,686 | 94,328,517 | 74,909,796 | 74,250,624 | 74,250,624 | 74,250,623 | 74,252,606 |
| 77250 Interest Facility Purchase | 6,609,243 | 6,449,678 | 6,280,259 | 6,106,533 | 6,106,533 | 6,106,533 | 5,922,971 |
| 87125 Principal Payment Facility Acq. | 3,806,390 | 3,965,955 | 4,058,676 | 4,125,024 | 4,125,024 | 4,125,024 | 4,308,586 |
| Total Acquisition Credits to Members | 10,415,634 | 10,415,634 | 10,338,935 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| 55250 Water Quality Credit Expense | 363,000 | 309,750 | 292,000 | 292,000 | 292,000 | 292,000 | 195,000 |

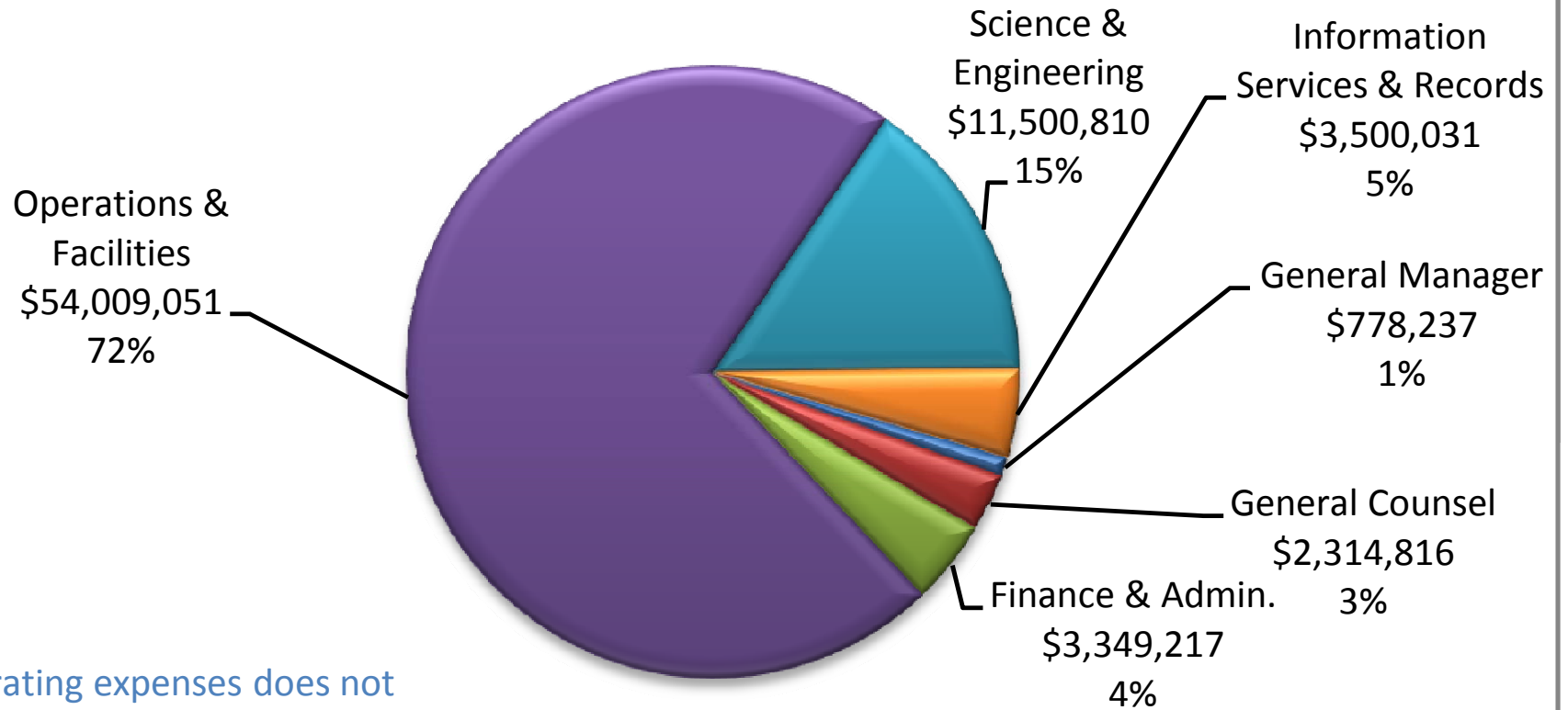
Tampa Bay Water
Fiscal Year 2011 Approved Budget
Total Operations

| Uniform Rate Budget | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Approved Budget | 2010 Amended Budget | 2010 Est. Actuals | 2011 Approved Budget |
|--------------------------------------|--------------------|--------------------|--------------------|----------------------------|---------------------------|-------------------------|----------------------------|
| 82810 O&M Reserve Funding | 974,486 | 706,158 | 337,573 | 1,674,787 | 1,674,787 | 1,674,787 | - |
| 82820 Renewal & Replacement Rsv Fund | 1,700,479 | 600,418 | 575,000 | (250,000) | (250,000) | (250,000) | - |
| 82870 Capital Improvement Funding | 3,537,587 | - | - | - | - | - | 199,402 |
| Total Reserve Funding | 6,252,552 | 1,306,576 | 912,573 | 1,424,787 | 1,424,787 | 1,424,787 | 199,402 |
| 55210 Water Treatment Chemicals | 5,763,118 | 8,259,697 | 12,209,978 | 16,220,170 | 16,259,064 | 9,201,065 | 11,144,048 |
| 64310 Power and Light | 10,177,338 | 16,283,109 | 17,336,596 | 19,285,074 | 19,285,074 | 12,934,650 | 13,626,846 |
| 64380 Water for Resale-Variable | 862,788 | 2,721,021 | 2,227,335 | 4,418,050 | 4,418,050 | 1,930,173 | 1,362,800 |
| Total Variable Costs | 16,803,244 | 27,263,827 | 31,773,909 | 39,923,294 | 39,962,188 | 24,065,888 | 26,133,694 |
| GRAND TOTAL | 148,356,462 | 186,497,290 | 170,835,083 | 175,736,674 | 185,264,089 | 155,589,056 | 160,135,727 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water - 2011 Annual Budget
Divisional Operating Budget Detail

Projected Operating Expenses * FY 2011



*Operating expenses does not include debt service.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Office of General Manager /Public Affairs

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|-----------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| Expenditures: | | | | | | | |
| 41000 Regular Salaries | 383,884 | 428,139 | 335,927 | 339,512 | 453,271 | 449,675 | 466,597 |
| 41300 Other Sal & Wages | 20,394 | 15,154 | 10,386 | 10,565 | 10,565 | 10,258 | 10,770 |
| 41410 Overtime | - | 8 | - | - | - | - | - |
| 42100 FICA | 27,943 | 31,816 | 24,557 | 22,002 | 30,705 | 34,400 | 35,988 |
| 42200 FRS | 38,582 | 42,838 | 33,856 | 36,819 | 47,740 | 53,292 | 50,141 |
| 42300 Life & Health Ins | 31,513 | 22,818 | 26,146 | - | - | - | - |
| 42400 Workers' Compensation | 3,721 | 5,559 | 4,360 | - | - | - | - |
| 42986 Auto Allowance | - | 2,899 | 4,831 | 4,800 | 4,800 | 4,800 | 4,800 |
| Total Personnel Services | 506,037 | 549,231 | 440,064 | 413,698 | 547,081 | 552,426 | 568,296 |
| 55100 Office Supplies | - | - | 210 | 300 | 300 | 300 | 210 |
| 55200 Operating Supplies | 1,647 | 519 | 8,559 | 1,900 | 10,254 | 8,505 | 2,200 |
| 55400 Books, Publs, Subsc, Memberships | 3,426 | 11,315 | 2,812 | 8,148 | 8,148 | 8,148 | 10,194 |
| 55500 Training | - | - | 3,347 | 3,600 | 4,992 | 4,992 | 1,445 |
| Total Materials & Supplies | 5,073 | 11,834 | 14,928 | 13,948 | 23,694 | 21,945 | 14,049 |
| 63190 Other Professional Services | 181,885 | 220,849 | 248,721 | 171,950 | 218,211 | 139,742 | 96,000 |
| Total Professional Services | 181,885 | 221,129 | 248,721 | 171,950 | 218,211 | 139,742 | 96,000 |
| 64000 Travel & Per Diem | 8,806 | 13,062 | 4,742 | 9,060 | 9,060 | 3,506 | 5,095 |
| 64120 Freight & Postage Services | - | - | 194 | 2,750 | 3,062 | 2,801 | 2,555 |
| 64700 Printing & Binding | 7,235 | 13,527 | 3,492 | 12,500 | 12,500 | 12,500 | 20,550 |
| 64800 Promotional Activities | 1,439 | 20,386 | 96,879 | 3,500 | 3,500 | 3,500 | 3,000 |
| 64810 Advertising | 6,968 | 32,280 | 8,178 | 75,324 | 73,815 | 68,462 | 66,672 |
| 64990 Other Current Charges | 2,609 | 6,001 | 2,073 | 3,800 | 5,982 | 4,968 | 2,020 |
| Total Repairs & Other Services | 28,221 | 85,855 | 115,557 | 106,934 | 107,919 | 95,737 | 99,892 |
| GRAND TOTAL | 725,732 | 871,172 | 819,269 | 706,530 | 896,905 | 809,850 | 778,237 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
General Counsel

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenditures: | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| 41000 Regular Salaries | 326,046 | 270,462 | 288,105 | 290,957 | 290,957 | 287,835 | 220,012 |
| 41300 Other Sal & Wages | 8,400 | 8,465 | 9,931 | 9,919 | 9,919 | 9,358 | 9,931 |
| 41410 Overtime | 36 | 25 | - | 270 | 270 | - | 1,144 |
| 42100 FICA | 23,733 | 20,099 | 21,061 | 19,263 | 19,263 | 22,019 | 16,919 |
| 42200 FRS | 32,769 | 27,062 | 29,036 | 36,768 | 36,768 | 35,979 | 25,068 |
| 42300 Life & Health Ins | 31,513 | 22,818 | 26,146 | | | | |
| 42400 Workers' Compensation | 3,721 | 5,559 | 4,360 | | | | |
| 42986 Auto Allowance | 3,600 | 3,628 | 3,614 | 3,600 | 3,600 | 3,600 | 3,600 |
| Total Personnel Services | 429,818 | 358,116 | 382,253 | 360,777 | 360,777 | 358,792 | 276,674 |
| 55100 Office Supplies | - | 162 | - | 200 | 200 | 100 | 100 |
| 55200 Operating Supplies | 1,036 | 97 | (26) | 100 | 100 | - | - |
| 55400 Books, Publs, Subsc, Memberships | 11,668 | 10,348 | 7,029 | 5,942 | 5,942 | 6,359 | 5,792 |
| 55500 Training | | | 776 | 4,000 | 4,000 | 1,350 | 1,600 |
| Total Materials & Supplies | 12,704 | 10,607 | 7,778 | 10,242 | 10,242 | 7,809 | 7,492 |
| 63120 Engineering Services | | - | 132,708 | | 420,912 | 166,300 | |
| 63190 Other Professional Services | 48,000 | 48,284 | 49,806 | 500 | 500 | - | - |
| 63200 Accounting & Auditing | | - | - | | 13,500 | - | - |
| Total Professional Services | 48,000 | 48,284 | 182,514 | 500 | 434,912 | 166,300 | - |
| 64000 Travel & Per Diem | 1,303 | 3,980 | 3,659 | 3,982 | 3,982 | 3,982 | 2,600 |
| 64100 Communications Services | - | 649 | - | | | | |
| 64120 Freight & Postage Services | | | | 650 | 650 | - | |
| 64810 Advertising | - | - | - | - | - | 614 | |
| 64990 Other Current Charges | 72 | 122 | 42 | 150 | 2,000 | 2,000 | 50 |
| Total Repairs & Other Services | 1,376 | 4,751 | 3,702 | 4,782 | 6,632 | 6,596 | 2,650 |
| 63110 Legal Services | 1,465,607 | 2,346,781 | 2,038,824 | 931,000 | 4,564,847 | 4,151,192 | 2,003,000 |
| 86110 Land Acq Cost-Legal | - | 23,054 | - | 25,000 | 25,000 | - | 25,000 |
| 86190 Land Acq Cost-Other | 27 | - | | | | | |
| 86400 Mach & Equipment Purchase | 5,559 | - | | | | | |
| Total Capital Expenditures | 5,586 | 23,054 | - | 25,000 | 25,000 | - | 25,000 |
| GRAND TOTAL | 1,963,090 | 2,791,594 | 2,615,072 | 1,332,301 | 5,402,410 | 4,690,689 | 2,314,816 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Operations & Facilities Division

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| Expenditures: | | | | | | | |
| 41000 Regular Salaries | 2,587,551 | 2,828,490 | 2,940,537 | 3,063,189 | 3,063,189 | 3,039,187 | 2,929,916 |
| 41410 Overtime | 47,708 | 48,905 | 43,123 | 50,591 | 50,591 | 41,647 | 45,585 |
| 41420 Shift Differential | 17,992 | 21,036 | 21,323 | 23,928 | 23,928 | 22,171 | 25,353 |
| 41430 On-call pay | 33,836 | 35,602 | 35,996 | 36,652 | 36,652 | 33,220 | 38,219 |
| 42100 FICA | 188,346 | 210,192 | 214,962 | 242,558 | 242,558 | 239,921 | 239,143 |
| 42200 FRS | 260,059 | 283,011 | 296,356 | 310,815 | 310,815 | 313,622 | 353,996 |
| 42300 Life & Health Ins | 407,736 | 395,518 | 453,199 | - | - | - | - |
| 42400 Workers' Compensation | 32,691 | 96,377 | 75,580 | - | - | - | - |
| Total Personnel Services | 3,575,918 | 3,919,129 | 4,081,077 | 3,727,733 | 3,727,733 | 3,689,767 | 3,632,212 |
| 55100 Office Supplies | 878 | - | 432 | - | - | - | - |
| 55200 Operating Supplies | 824,015 | 1,059,878 | 852,375 | 1,034,299 | 1,096,758 | 1,010,447 | 1,034,210 |
| 55400 Books, Publs, Subsc, Memberships | 176,692 | 222,042 | 184,844 | 178,453 | 180,786 | 178,594 | 181,378 |
| 55500 Training | - | - | 32,509 | 36,850 | 39,800 | 30,205 | 34,990 |
| Total Materials & Supplies | 1,001,584 | 1,281,920 | 1,070,160 | 1,249,602 | 1,317,344 | 1,219,246 | 1,250,578 |
| 63120 Engineering Services | 344,710 | 324,462 | 373,597 | 558,000 | 697,797 | 113,746 | 127,000 |
| 63130 Hydrological Services | 233,645 | 13,430 | 78,394 | - | 1,250 | 1,250 | 114,000 |
| 63181 Mitigation | 1,251,902 | 1,561,695 | 2,314,300 | 1,824,164 | 1,887,531 | 1,887,531 | 1,677,395 |
| 63190 Other Professional Services | 1,345,694 | 1,191,719 | 241,690 | 306,506 | 352,750 | 227,509 | 436,500 |
| 63400 Other Services | 2,233,518 | 2,779,887 | 2,130,152 | 1,668,328 | 2,043,623 | 1,419,797 | 1,309,505 |
| 63410 O & M Agreements | 7,095,882 | 10,080,111 | 10,579,643 | 12,515,460 | 13,102,273 | 9,653,748 | 14,426,935 |
| Total Professional Services | 12,505,352 | 15,951,304 | 15,717,775 | 16,872,458 | 18,085,224 | 13,303,581 | 18,091,335 |
| 64000 Travel & Per Diem | 11,474 | 17,183 | 12,030 | 16,383 | 17,582 | 10,991 | 18,550 |
| 64100 Communications Services | 226,524 | 225,223 | 237,120 | 377,526 | 375,020 | 309,861 | 291,377 |
| 64120 Freight & Postage Services | - | - | 13,114 | 24,800 | 25,991 | 17,039 | 20,925 |
| 64320 Water, Sewer, & Other Utilities | 326,514 | 651,576 | 1,178,551 | 600,235 | 619,106 | 604,148 | 289,756 |
| 64600 Repair & Maint-Eq & Grounds | 1,174,220 | 1,265,233 | 2,246,448 | 2,294,000 | 2,516,099 | 2,342,099 | 2,435,500 |
| 64810 Advertising | 20,454 | 27,821 | 23,655 | 12,500 | 11,185 | 6,250 | 6,000 |
| 64990 Other Current Charges | 17,899 | 34,833 | 24,362 | 92,250 | 92,318 | 69,480 | 85,150 |
| 64991 Permits | 5,988 | 6,816 | 2,747 | 12,300 | 12,300 | 630 | 6,000 |
| Total Repairs & Other Services | 1,783,072 | 2,228,684 | 3,738,027 | 3,429,994 | 3,669,601 | 3,360,498 | 3,153,258 |
| 64400 Rentals & Leases | 240,712 | 264,267 | 312,879 | 287,191 | 306,988 | 189,676 | 253,274 |
| 64500 Insurance | 884,230 | 1,086,006 | 880,245 | 1,229,000 | 1,232,000 | 872,797 | 1,046,200 |
| Total Rent & Insurance | 1,124,941 | 1,350,273 | 1,193,123 | 1,516,191 | 1,538,988 | 1,062,473 | 1,299,474 |

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Operations & Facilities Division

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| 86300 Capital Improve Facility | 1,958,982 | 1,736,750 | 1,032,493 | 500,000 | 746,839 | 263,343 | - |
| 86305 Capital Improve Facility-Owners Allowance | - | 36,840 | 237,822 | - | 142,013 | 1,713 | - |
| 86400 Mach & Equipment Purchase | 452,526 | 407,603 | 202,100 | 268,826 | 395,891 | 395,891 | 253,500 |
| 86610 Software-To Amortize | - | - | - | - | - | - | - |
| Total Capital Expenditures | 2,411,508 | 2,181,192 | 1,472,415 | 768,826 | 1,284,743 | 660,947 | 253,500 |
| 86500 Construction in Progress | 63,458 | 1,953,653 | 170,870 | - | 12,876 | 12,876 | - |
| Total Construction in Progress | 63,458 | 1,953,653 | 170,870 | - | 12,876 | 12,876 | - |
| 55250 Water Quality Credit Expense | 363,000 | 309,750 | 292,000 | 292,000 | 292,000 | 292,000 | 195,000 |
| 55210 Water Treatment Chemicals | 5,763,118 | 8,259,697 | 12,209,978 | 16,220,170 | 16,259,064 | 9,201,065 | 11,144,048 |
| 64310 Power and Light | 10,177,338 | 16,283,109 | 17,336,596 | 19,285,074 | 19,285,074 | 12,934,650 | 13,626,846 |
| 64380 Water for Resale-Variable | 862,788 | 2,721,021 | 2,227,335 | 4,418,050 | 4,418,050 | 1,930,173 | 1,362,800 |
| Total Variable Costs | 16,803,244 | 27,263,827 | 31,773,909 | 39,923,294 | 39,962,188 | 24,065,888 | 26,133,694 |
| GRAND TOTAL | 39,632,078 | 56,439,730 | 59,509,356 | 67,780,098 | 69,890,698 | 47,667,276 | 54,009,051 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Science & Engineering Division

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|-------------------|-------------------|-------------------|------------------|-------------------|------------------|------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| Expenditures: | | | | | | | |
| 41000 Regular Salaries | 2,400,047 | 2,572,099 | 2,622,704 | 2,741,446 | 2,740,246 | 2,644,132 | 2,715,380 |
| 41410 Overtime | 2,388 | 5,321 | 3,502 | 3,300 | 4,600 | 4,057 | 4,320 |
| 42100 FICA | 174,698 | 191,139 | 191,786 | 209,256 | 209,256 | 202,586 | 208,060 |
| 42200 FRS | 241,214 | 257,357 | 264,324 | 264,291 | 264,291 | 264,819 | 299,794 |
| 42300 Life & Health Ins | 275,739 | 273,820 | 313,753 | - | - | - | - |
| 42400 Workers' Compensation | 33,490 | 66,677 | 52,325 | - | - | - | - |
| Total Personnel Services | 3,127,575 | 3,366,414 | 3,448,394 | 3,218,293 | 3,218,393 | 3,115,594 | 3,227,554 |
| 55100 Office Supplies | - | - | - | 50 | - | - | 75 |
| 55200 Operating Supplies | 179,004 | 175,149 | 215,647 | 220,500 | 228,243 | 198,478 | 210,500 |
| 55400 Books, Publs, Subsc, Memberships | 49,991 | 58,434 | 55,643 | 58,246 | 59,506 | 51,545 | 32,789 |
| 55500 Training | - | - | 12,248 | 20,168 | 19,118 | 17,009 | 15,450 |
| Total Materials & Supplies | 228,995 | 233,583 | 283,538 | 298,964 | 306,867 | 267,032 | 258,814 |
| 63120 Engineering Services | 2,788,501 | 3,984,172 | 5,382,125 | 2,391,387 | 3,999,367 | 2,592,693 | 2,170,136 |
| 63130 Hydrological Services | 678,869 | 815,358 | 1,244,307 | 706,000 | 1,207,743 | 551,795 | 403,000 |
| 63140 Ecological Services | 3,810,711 | 3,986,635 | 3,907,245 | 3,912,807 | 4,022,025 | 2,208,253 | 3,551,891 |
| 63182 Augmentation | 2,617,899 | 113,181 | 148,712 | 35,000 | 260,108 | 82,860 | 228,000 |
| 63190 Other Professional Services | 1,255,997 | 1,393,863 | 761,015 | 1,384,625 | 1,809,440 | 874,352 | 1,074,000 |
| 63400 Other Services | 505,950 | 193,839 | 371,588 | 246,000 | 311,640 | 199,165 | 247,500 |
| Total Professional Services | 11,657,926 | 10,487,049 | 11,814,991 | 8,675,819 | 11,610,323 | 6,509,118 | 7,674,527 |
| 64000 Travel & Per Diem | 59,049 | 49,287 | 46,879 | 44,095 | 44,095 | 32,067 | 36,865 |
| 64100 Communications Services | 3,220 | 4,342 | 104 | - | - | - | 40,000 |
| 64120 Freight & Postage Services | - | - | 3,942 | 3,600 | 3,946 | 3,935 | 3,000 |
| 64320 Water, Sewer, & Other Utilities | 1,331 | - | - | - | - | - | - |
| 64600 Repair & Maint-Eq & Grounds | 37,055 | 38,542 | 73,976 | 77,600 | 83,757 | 77,313 | 81,100 |
| 64700 Printing & Binding | 2,173 | 2,995 | 2,096 | 5,000 | 5,000 | 3,892 | 1,000 |
| 64800 Promotional Activities | 52,339 | 43,843 | - | 25,000 | 24,932 | 22,600 | 25,000 |
| 64810 Advertising | 27,806 | 8,596 | 1,927 | 13,000 | 12,300 | 4,040 | 6,600 |
| 64990 Other Current Charges | 4,297 | 2,507 | 11,844 | 5,350 | 6,758 | 1,753 | 600 |
| 64991 Permits | 6,780 | 18,320 | 9,290 | 18,000 | 18,000 | 17,793 | 5,750 |
| Total Repairs & Other Services | 194,050 | 168,432 | 150,059 | 191,645 | 198,788 | 163,392 | 199,915 |
| 64400 Rentals & Leases | - | 22 | - | - | - | - | - |
| Total Rent & Insurance | - | 22 | - | - | - | - | - |

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Science & Engineering Division

| Uniform Rate Budget | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Approved Budget | 2010 Amended Budget | 2010 Est. Actuals | 2011 Approved Budget |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------------|---------------------------|-------------------------|----------------------------|
| 86100 Land Acq Cost-Purchase | - | 10,200 | 12,454 | 50,000 | 47,500 | 32,649 | 50,000 |
| 86190 Land Acq Cost-Other | 4,052 | 12,400 | 24,406 | 10,000 | 12,681 | 11,417 | 5,000 |
| 86400 Mach & Equipment Purchase | 183,504 | 125,687 | 158,182 | 150,000 | 150,000 | 150,000 | 85,000 |
| Total Capital Expenditures | 187,556 | 148,287 | 195,041 | 210,000 | 212,681 | 196,566 | 140,000 |
| GRAND TOTAL | 15,396,103 | 14,403,788 | 15,892,023 | 12,594,721 | 15,547,052 | 10,251,702 | 11,500,810 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Finance and Human Resource Departments

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| Expenditures: | | | | | | | |
| 41000 Regular Salaries | 833,082 | 609,959 | 802,527 | 861,609 | 859,409 | 718,044 | 840,000 |
| 41410 Overtime | 3,711 | 2,533 | 3,014 | 2,626 | 4,626 | 4,083 | 3,124 |
| 42100 FICA | 60,640 | 45,328 | 58,608 | 64,963 | 64,963 | 55,243 | 64,501 |
| 42200 FRS | 83,728 | 61,031 | 80,881 | 84,186 | 84,186 | 72,213 | 91,803 |
| 42300 Life & Health Ins | 86,661 | 83,667 | 92,750 | 1,445,394 | 1,478,592 | 1,429,579 | 1,572,222 |
| 42400 Workers' Compensation | 10,233 | 20,382 | 15,988 | 235,000 | 235,000 | 101,320 | 132,658 |
| 42500 Unemployment Comp | 1,207 | 15,367 | 3,084 | 9,000 | 9,000 | 504 | 15,000 |
| 42600 Other Post Employment Benefits | - | 94,331 | 78,047 | - | - | - | - |
| Total Personnel Services | 1,079,261 | 932,598 | 1,134,899 | 2,702,778 | 2,735,776 | 2,380,985 | 2,719,308 |
| 55100 Office Supplies | 456 | 1,538 | 120 | 1,490 | 1,815 | 1,457 | 1,352 |
| 55200 Operating Supplies | 3,099 | 2,899 | 944 | 1,128 | 1,128 | 177 | 7,362 |
| 55400 Books, Publs, Subsc, Memberships | 14,735 | 13,716 | 7,237 | 6,886 | 7,386 | 6,651 | 5,324 |
| 55500 Training | - | - | 12,660 | 19,948 | 19,598 | 12,447 | 15,350 |
| Total Materials & Supplies | 18,290 | 18,154 | 20,961 | 29,452 | 29,927 | 20,732 | 29,388 |
| 63190 Other Professional Services | 297,904 | 264,003 | 241,911 | 227,695 | 390,996 | 184,869 | 249,357 |
| 63200 Accounting & Auditing | 123,150 | 145,000 | 192,149 | 428,270 | 462,151 | 191,851 | 210,800 |
| 63400 Other Services | 13,898 | 42,778 | 371 | - | 53,470 | 2,500 | 53,470 |
| Total Professional Services | 434,951 | 451,781 | 434,430 | 655,965 | 906,617 | 379,220 | 513,627 |
| 64000 Travel & Per Diem | 5,875 | 2,428 | 2,293 | 5,690 | 5,690 | 2,628 | 4,609 |
| 64100 Communications Services | 908 | 1,106 | 190 | - | 25 | 25 | - |
| 64120 Freight & Postage Services | - | - | 448 | 651 | 651 | 369 | 172 |
| 64600 Repair & Maint-Eq & Grounds | - | 408 | - | 1,500 | 1,500 | - | 1,625 |
| 64700 Printing & Binding | - | - | 3,798 | - | - | - | - |
| 64810 Advertising | 62,753 | 49,883 | 24,783 | 42,935 | 42,935 | 32,957 | 27,997 |
| 64990 Other Current Charges | 23,855 | 18,107 | 19,386 | 30,675 | 28,834 | 23,212 | 37,017 |
| Total Repairs & Other Services | 93,391 | 71,931 | 50,899 | 81,451 | 79,635 | 59,191 | 71,420 |
| 64400 Rentals & Leases | - | 1,807 | - | 2,974 | 2,974 | 1,294 | 2,974 |
| Total Rent & Insurance | - | 1,807 | - | 2,974 | 2,974 | 1,294 | 2,974 |
| 63110 Legal Services | - | - | 12,500 | - | - | - | 12,500 |
| 86400 Mach & Equipment Purchase | 4,683 | - | - | - | - | - | - |
| Total Capital Expenditures | 4,683 | - | - | - | - | - | - |

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Finance and Human Resource Departments

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| 77210 Interest Bonds | 51,244,839 | 50,984,588 | 51,819,796 | 50,295,624 | 50,295,624 | 50,295,623 | 49,347,606 |
| 77230 Interest FLGFC Loans | (8,153) | (6,071) | - | - | - | - | - |
| 87108 Principal 1998 Bonds | 8,340,000 | 8,680,000 | - | - | - | - | - |
| 87109 Principal 1999 Bonds | 6,280,000 | 6,575,000 | 6,885,000 | 7,220,000 | 7,220,000 | 7,220,000 | 7,585,000 |
| 87111 Principal 2001-A Bonds | 850,000 | 885,000 | 920,000 | 955,000 | 955,000 | 955,000 | 1,000,000 |
| 87112 Principal 2001-B Bonds | 1,270,000 | 3,150,000 | 3,265,000 | 3,385,000 | 3,385,000 | 3,385,000 | 3,510,000 |
| 87113 Principal 2002 Bonds | - | 21,250,000 | - | - | - | - | - |
| 87114 Principal 2004 Bonds | 245,000 | 250,000 | 5,855,000 | 5,995,000 | 5,995,000 | 5,995,000 | 6,175,000 |
| 87116 Principal 2005 Bonds | - | 2,560,000 | 3,490,000 | 3,610,000 | 3,610,000 | 3,610,000 | 3,730,000 |
| 87117 Principal 2006 Bonds | - | - | 2,675,000 | 2,790,000 | 2,790,000 | 2,790,000 | 2,905,000 |
| Total Debt Service | 68,221,686 | 94,328,517 | 74,909,796 | 74,250,624 | 74,250,624 | 74,250,623 | 74,252,606 |
| 77250 Interest Facility Purchase | 6,609,243 | 6,449,678 | 6,280,259 | 6,106,533 | 6,106,533 | 6,106,533 | 5,922,971 |
| 87125 Principal Payment Facility Acq. | 3,806,390 | 3,965,955 | 4,058,676 | 4,125,024 | 4,125,024 | 4,125,024 | 4,308,586 |
| Total Acquisition Credits to Members | 10,415,634 | 10,415,634 | 10,338,935 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| 55250 Water Quality Credit Expense | - | - | - | - | - | - | - |
| 82810 O&M Reserve Funding | 974,486 | 706,158 | 337,573 | 1,674,787 | 1,674,787 | 1,674,787 | - |
| 82820 Renewal & Replacement Rsv Fund | 1,700,479 | 600,418 | 575,000 | (250,000) | (250,000) | (250,000) | - |
| 82830 Rate Stabilization Acct.-Reservoir Mitigation | 40,000 | - | - | - | - | - | - |
| 82870 Capital Improvement Funding | 3,537,587 | - | - | - | - | - | 199,402 |
| Total Reserve Funding | 6,252,552 | 1,306,576 | 912,573 | 1,424,787 | 1,424,787 | 1,424,787 | 199,402 |
| GRAND TOTAL | 86,520,448 | 107,526,998 | 87,814,993 | 89,379,588 | 89,661,896 | 88,748,389 | 88,032,782 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

Tampa Bay Water
Fiscal Year 2011 Approved Budget
Information Services & Board Records Departments

| Uniform Rate Budget | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Actual | Approved Budget | Amended Budget | Est. Actuals | Approved Budget |
| Expenditures: | | | | | | | |
| 41000 Regular Salaries | 1,108,698 | 1,206,380 | 1,224,668 | 1,546,585 | 1,432,926 | 1,272,798 | 1,306,645 |
| 41410 Overtime | 2,371 | 2,124 | 2,078 | 2,338 | 2,338 | 1,238 | 2,201 |
| 42100 FICA | 80,701 | 89,649 | 89,527 | 118,494 | 109,791 | 97,464 | 100,129 |
| 42200 FRS | 111,428 | 120,707 | 123,770 | 148,699 | 137,778 | 127,404 | 148,359 |
| 42300 Life & Health Ins | 149,687 | 144,516 | 165,592 | - | - | - | - |
| 42400 Workers' Compensation | 16,745 | 35,205 | 27,616 | - | - | - | - |
| Total Personnel Services | 1,469,630 | 1,598,582 | 1,633,251 | 1,816,116 | 1,682,833 | 1,498,903 | 1,557,334 |
| 55100 Office Supplies | 55,548 | 54,037 | 62,252 | 68,500 | 68,500 | 62,728 | 60,000 |
| 55200 Operating Supplies | 93,800 | 117,159 | 145,635 | 126,450 | 130,692 | 129,008 | 129,925 |
| 55260 Computer Software Expense | 227,227 | 210,194 | 139,803 | 206,850 | 215,650 | 215,650 | 193,900 |
| 55400 Books, Publs, Subsc, Memberships | 25,789 | 37,429 | 1,371 | 6,880 | 6,880 | 5,546 | 7,400 |
| 55500 Training | - | - | 14,961 | 30,075 | 30,075 | 10,018 | 24,290 |
| Total Materials & Supplies | 402,363 | 418,818 | 364,022 | 438,755 | 451,797 | 422,950 | 415,515 |
| 63190 Other Professional Services | 805,428 | 853,118 | 690,630 | 218,450 | 219,350 | 139,822 | 130,750 |
| 63400 Other Services | 334,144 | 237,904 | 289,539 | 275,300 | 310,586 | 297,661 | 272,908 |
| Total Professional Services | 1,139,572 | 1,091,022 | 980,169 | 493,750 | 529,936 | 437,483 | 403,658 |
| 64000 Travel & Per Diem | 16,529 | 10,189 | 10,252 | 8,365 | 8,365 | 1,668 | 8,449 |
| 64100 Communications Services | 381,014 | 467,379 | 357,536 | 371,825 | 372,223 | 338,317 | 324,250 |
| 64120 Freight & Postage Services | - | - | 56,478 | 85,500 | 85,504 | 77,411 | 83,000 |
| 64600 Repair & Maint-Eq & Grounds | 9,614 | 13,337 | 15,168 | 95,225 | 95,225 | 81,897 | 76,425 |
| 64700 Printing & Binding | 19,011 | 18,836 | 19,179 | 37,050 | 37,002 | 2,778 | 26,250 |
| 64810 Advertising | - | - | - | 500 | 500 | - | - |
| 64990 Other Current Charges | 95 | 479 | - | 500 | 548 | 48 | - |
| Total Repairs & Other Services | 426,262 | 510,220 | 458,612 | 598,965 | 599,367 | 502,119 | 518,374 |
| 64400 Rentals & Leases | 43,321 | 44,020 | 35,090 | 49,150 | 51,933 | 50,433 | 48,000 |
| Total Rent & Insurance | 43,321 | 44,020 | 35,090 | 49,150 | 51,933 | 50,433 | 48,000 |
| 86400 Mach & Equipment Purchase | 637,861 | 783,115 | 710,035 | 511,700 | 514,263 | 509,263 | 522,150 |
| 86610 Software-To Amortize | - | 18,230 | 3,190 | 35,000 | 35,000 | - | 35,000 |
| Total Capital Expenditures | 637,861 | 801,345 | 713,225 | 546,700 | 549,263 | 509,263 | 557,150 |
| GRAND TOTAL | 4,119,009 | 4,464,008 | 4,184,370 | 3,943,436 | 3,865,129 | 3,421,151 | 3,500,031 |

Note: Amended Budgets include Adopted Budget plus all approved budget amendments.

*SUMMARY OF CONTRACTS AND
RESOLUTIONS*

Tampa Bay Water - 2011 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 2011 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 - 2011 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 - 2011 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 - 2011 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 12 | X | $\frac{\text{Amount of Quality Water consumed by Member Government during the prior Fiscal Year (A)}}{\text{Total Amount of Quality Water consumed by all Member Governments during the prior Fiscal Year (B)}}$ |
|--|---|------------------------------------|---|--|

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 | $\frac{\text{Total Variable Costs (C) [total variable costs included in the approved annual budget for the current Fiscal Year]}}{\text{Total Annual Estimate (D) [the net annual revenue requirements for the current Fiscal Year]}}$ |
|---|---|---|---|---------------------|---|--|

**Tampa Bay Water - 2011 Annual Budget
Summary of Contracts and Resolutions**

Since the budgeted Variable Costs are allocated to the Member Governments based on their actual consumption of Quality Water, there is no requirement in the Interlocal Agreement or the Master Water Supply Contract to perform an annual true-up of Variable Costs at the end of the fiscal year. Tampa Bay Water recognizes that the actual annual revenues (Variable Costs element only) may be different from the budgeted Variable Costs, if the actual amount of Quality Water delivered to the Member Governments for the given fiscal year is different from the projected amount of Quality Water used for the rate calculation for such fiscal year. Any overage or shortage in actual revenues as a result of this contractual provision is not expected to be material since the Variable Costs are expected to change in direct proportion to changes in the volume of Quality Water delivered to the Member Governments.

Surface Water Source(s)

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

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

**Tampa Bay Water - 2011 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 - 2011 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

**Tampa Bay Water - 2011 Annual Budget
Summary of Contracts and Resolutions**

Supply Contract not to make any amendment to the Interlocal Agreement which would materially adversely affect the rights or security of the Holders of the Bonds. The Issuer agrees to enforce the aforementioned provisions in order to protect the rights and security of the Bondholders.

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

APPENDIX

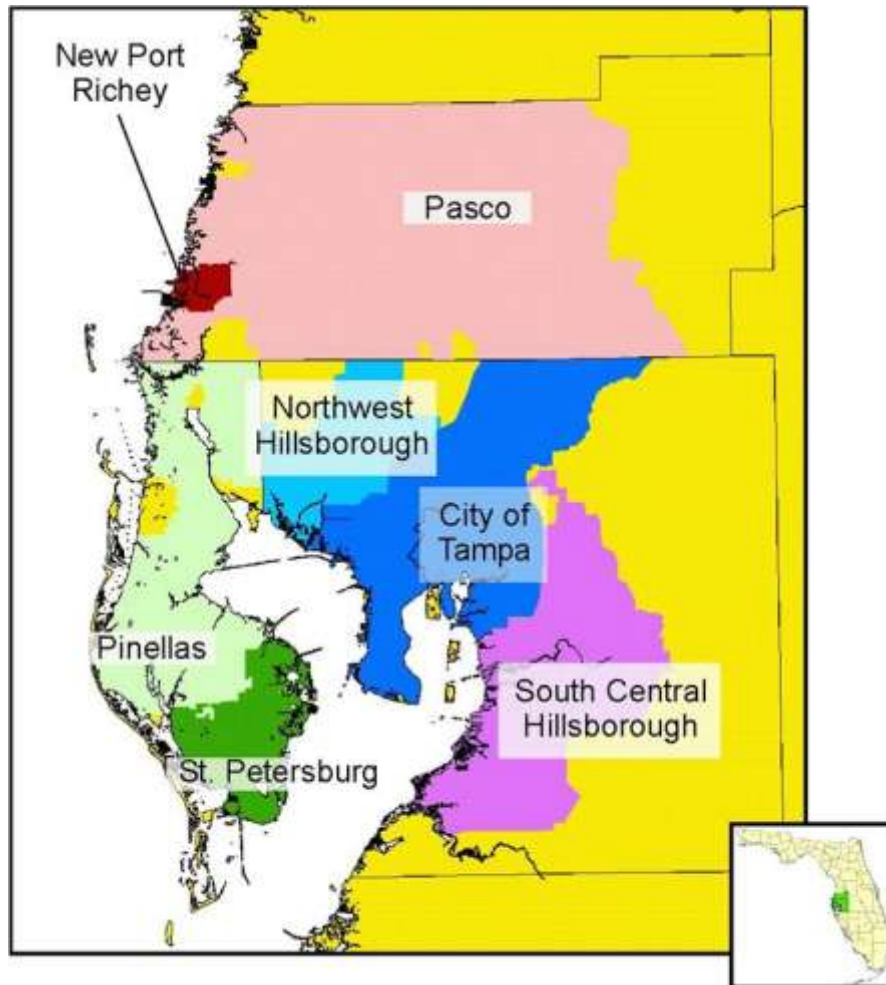
**Tampa Bay Water – 2011 Annual Budget
Appendix**

Tampa Bay Water Service Area Demographics and Statistical Information

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

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

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

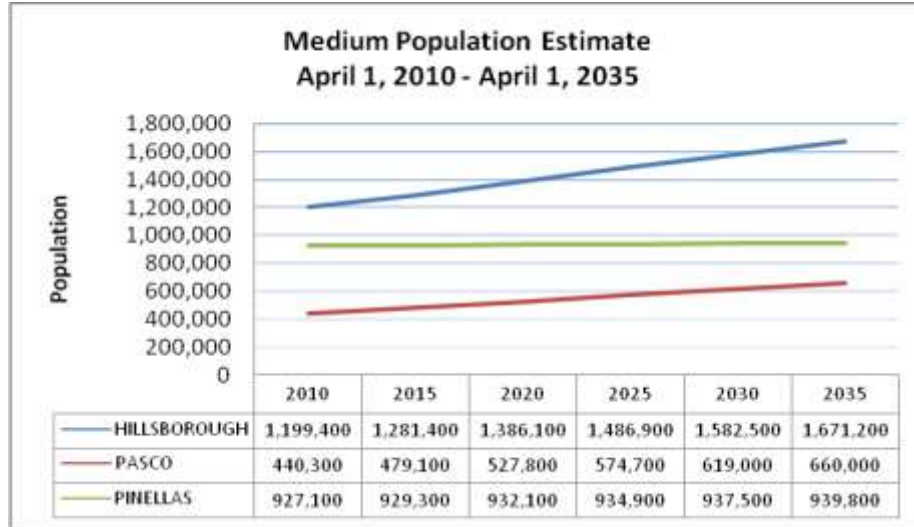


¹ Northwest Hillsborough and South Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

**Tampa Bay Water – 2011 Annual Budget
Appendix**

Population

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



Source: B.E.B.R.

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

Households

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

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

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

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

Source: B.E.B.R.

Tampa Bay Water – 2011 Annual Budget Appendix

Climate Data

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

Weather Stations Used In Modeling

| Station | Owner | County | Beginning of Period of Record | Rainfall Data Used For Modeling Period? | Temperature Data Used For Modeling Period? | Rainfall Data Used for Long-Term Weather? | Temperature Data Used for Long-Term Weather? |
|-------------------------------------|-------|--------------|-------------------------------|---|--|---|--|
| S21-21-10 | TBW | Hillsborough | 10/1/1984 | ✓ | | | |
| CYB-CY-7 RAIN | TBW | Pasco | 10/4/1988 | ✓ | | | |
| CYB-TOT RAIN | TBW | Pasco | 2/21/1986 | ✓ | | | |
| CYC-C-3 RAIN | TBW | Pasco | 9/1/1976 | ✓ | | | |
| CYC-N.GATE RAIN | TBW | Pasco | 11/1/1985 | ✓ | | | |
| CYC-PLANT RAIN | TBW | Pasco | 5/2/1976 | ✓ | | | |
| NEB-DAYS INN RAIN | TBW | Hillsborough | 10/1/1988 | ✓ | | | |
| 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.

Tampa Bay Water – 2011 Annual Budget
Appendix

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

| Long-Term 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 |

TAMPA BAY WATER
ANNUAL TRUE-UP OF FIXED COSTS BILLED TO MEMBERS

FOR YEAR ENDED SEPTEMBER 30, 2010

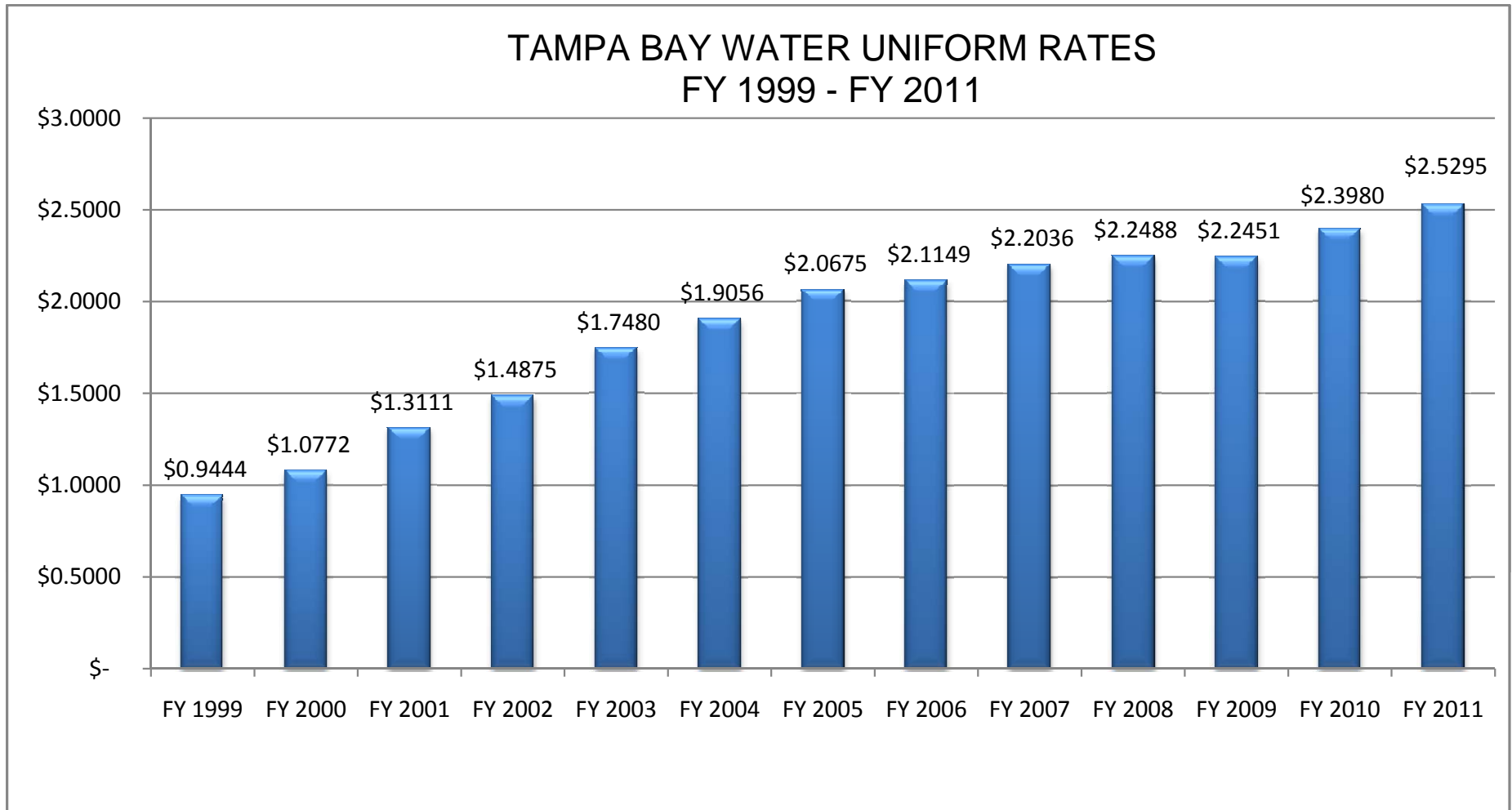
(Reference: Master Water Supply Contract, Section 13(E), Annual True Up.

| | Hillsborough | Pasco | Pinellas | St. Petersburg | Tampa | New Port Richey | Total Agency |
|---|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|----------------------------|
| Fixed Costs in Effect for year ended 9/30/10 per Annual Estimate (2009/2010 Final Budget) before credits | \$ 31,603,130.40 | 15,528,559.08 | 38,616,549.12 | 18,678,944.52 | 8,626,200.24 | 1,599,218.04 | A 114,652,601.40 |
| per Annual Estimate as amended | <u>\$ 31,603,130.40</u> | <u>\$ 15,528,559.08</u> | <u>\$ 38,616,549.12</u> | <u>\$ 18,678,944.52</u> | <u>\$ 8,626,200.24</u> | <u>\$ 1,599,218.04</u> | <u>\$ 114,652,601.40</u> |
| Actual Amount of Quality Water delivered to each member (in millions) (Note 1) | B 17,010.14 | B 7,976.87 | B 19,838.62 | B 9,892.63 | B 0.00 | B 869.59 | C 55,587.85 |
| Members' percentage of Actual amount of Quality Water delivered (D = B / C) | D 30.60046395% | D 14.35002433% | D 35.68877012% | D 17.79638896% | D 0.00000000% | D 1.56435264% | 100.00000% |
| Members' Fixed Costs True-up based on Actual Amount of Quality Water Delivered (= A x D) | \$ 35,084,227.96 | \$ 16,452,676.20 | \$ 40,918,103.35 | \$ 20,404,022.90 | \$ - | \$ 1,793,570.99 | 114,652,601.40 |
| Fixed Costs Billed to Members for year ended 9/30/10 (Note 2) | \$ 31,603,130.40 | \$ 15,528,559.08 | \$ 38,616,549.12 | \$ 18,678,944.52 | \$ 8,626,200.24 | \$ 1,599,218.04 | 114,652,601.40 |
| Underpayment due to Agency from Member (due within 60 days of receipt of determination) | \$ 3,481,097.56 | \$ 924,117.12 | \$ 2,301,554.23 | \$ 1,725,078.38 | | \$ 194,352.95 | \$ 8,626,200.24 |
| Overpayment due to Member from Agency (due within 60 days of distribution of determination) | | | | | \$ (8,626,200.24) | | \$ (8,626,200.24) |
| | | | | | | | \$ (0.00) |

Note 1 - as shown in monthly Water Production Reports provided to Members with monthly invoices.

Note 2 - as shown on monthly invoices submitted to Member Governments.

Tampa Bay Water - 2011 Annual Budget
Appendix



**Tampa Bay Water – 2011 Annual Budget
Budget Development Schedule for Fiscal Year 2012**

| | |
|----------------------|---|
| November 15, 2010 | Request budget changes from staff and members for the coming year. |
| December 1, 2010 | Receive comments and finalize changes for budget format. |
| December 14, 2010 | Budget packets distributed internally, meeting with Directors and Managers for “Fiscal Year 2012 Budget Kickoff.” |
| December 15, 2010 | Request to Member Governments regarding any special or unusual program needs by December 31, 2010. |
| January 14, 2011 | Fiscal year 2012 budget submissions due from departments to finance at 5:00 p.m. |
| January 24, 2011 | Preliminary draft of fiscal year 2012 budget distributed internally for review and comments by all departments and General Counsel. |
| February 1, 2011 | Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area. |
| February 1, 2011 | Request to Member Governments for any project changes since the December request. |
| February 7, 2011 | Finance meets with General Counsel to assess any additional legal needs or requirements. |
| February 8-11, 2011 | Finance meets with Directors and Managers to review department 2012 budget requests. |
| February 14, 2011 | Redistribute preliminary draft fiscal year 2012 budget with changes resulting from February 8-11 meetings. |
| February 16-23, 2011 | General Manager meeting with Directors and General Counsel to review program plans and outstanding issues. |
| February 21, 2011 | Preliminary presentation to Board of proposed Capital Improvement Program. |
| March 1, 2011 | Draft of budget document prepared for internal management review. |
| March 16, 2011 | First bound copy of Proposed Fiscal Year 2012 Budget including annual estimate distributed to staff, Member Governments, and Board. |
| Mar. 23–Apr.12, 2011 | Individual meetings with Member Governments to discuss proposed fiscal year 2012 budget. |
| April 15, 2011 | Tampa Bay Water contractual annual estimate due (will have been distributed March 16th). |
| April 18, 2011 | Board workshop, Tampa Bay Water Board sets preliminary fiscal year 2012 budget and schedules a public hearing for final budget approval on June 20, 2011. |
| June 20, 2011 | Public Hearing and Final Fiscal Year 2012 Budget approved by Board. |
| October 1, 2011 | Uniform Rate for fiscal year 2012 implemented. |
| October 15, 2011 | Fiscal year 2011 post closing adjustment and reconciliation of fixed component to annual estimate distributed to members. |

GLOSSARY

Tampa Bay Water – 2011 Annual Budget
Glossary

Definitions

The following definitions were derived from the Interlocal Agreement and the Master Water Supply Contract. Unless otherwise specifically set forth, the following words and phrases used in the 2011 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.

Tampa Bay Water – 2011 Annual Budget
Glossary

“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).

Tampa Bay Water – 2011 Annual Budget
Glossary

“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

Tampa Bay Water – 2011 Annual Budget
Glossary

machinery, equipment and other tangible personal property; (4) planning, architectural, engineering, surveying, legal, environmental and other consultant services; (5) fees and expenses associated with the issuance of Obligations, including but not limited to bond counsel, disclosure counsel, financial advisor, underwriters' discount, rating agencies, bond insurance, credit or liquidity facilities, and printing the Obligations and supporting documentation; (6) interest accruing on the Obligations for such period of time as Tampa Bay Water deems appropriate; (7) the debt service reserve fund or account, if any, established for the Obligations; and (8) all other expenses that are properly attributable thereto under generally accepted accounting principles, including reimbursement to Tampa Bay Water for any moneys advanced for such purposes and interest on any interfund loan for such purposes.

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

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

“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 – 2011 Annual Budget
Glossary

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

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

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

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

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

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

**Tampa Bay Water – 2011 Annual Budget
Glossary**

Acronyms

BEBR – Bureau of Economic and Business Research

BUDW – Brandon Urban Dispersed Wells

CBIR – Community Budget Issuance Request

CCA – Construction Completion Agreement

CFS – Cubic Feet per Second

CIF – Capital Improvement Fund

CIP – Capital Improvement Program

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)

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

NWH – Northwest Hillsborough

O&M – Operation and Maintenance

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

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

WTP – Water Treatment Plant

Our Members:

- Hillsborough County
- Pasco County
- Pinellas County
- New Port Richey
- St. Petersburg
- Tampa



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Clearwater, FL 33763
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www.tampabaywater.org



**Approved Operating Budget
Fiscal Year 2014
June 2013**



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**Tampa Bay Water
Board of Directors
May 2013**

Susan Latvala _____ Chairman
Commissioner - Pinellas County

Ted Schrader _____ Vice Chairman
Commissioner – Pasco County

Sandra L. Murman _____ Member
Commissioner - Hillsborough County

Mark Sharpe _____ Member
Commissioner - Hillsborough County

Henry Wilson _____ Member
Commissioner - Pasco County

John Morroni _____ Member
Commissioner - Pinellas County

Bob Consalvo _____ Member
Mayor - City of New Port Richey

Karl Nurse _____ Member
Councilmember - City of St. Petersburg

Charlie Miranda _____ Member
Councilmember - City of Tampa

Tampa Bay Water Executives

Charles Carden, Interim General Manager

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

Charles Carden, Chief Operating Officer

Michelle Biddle-Rapp, Chief Communications Officer

Christina Sackett, Chief Financial Officer

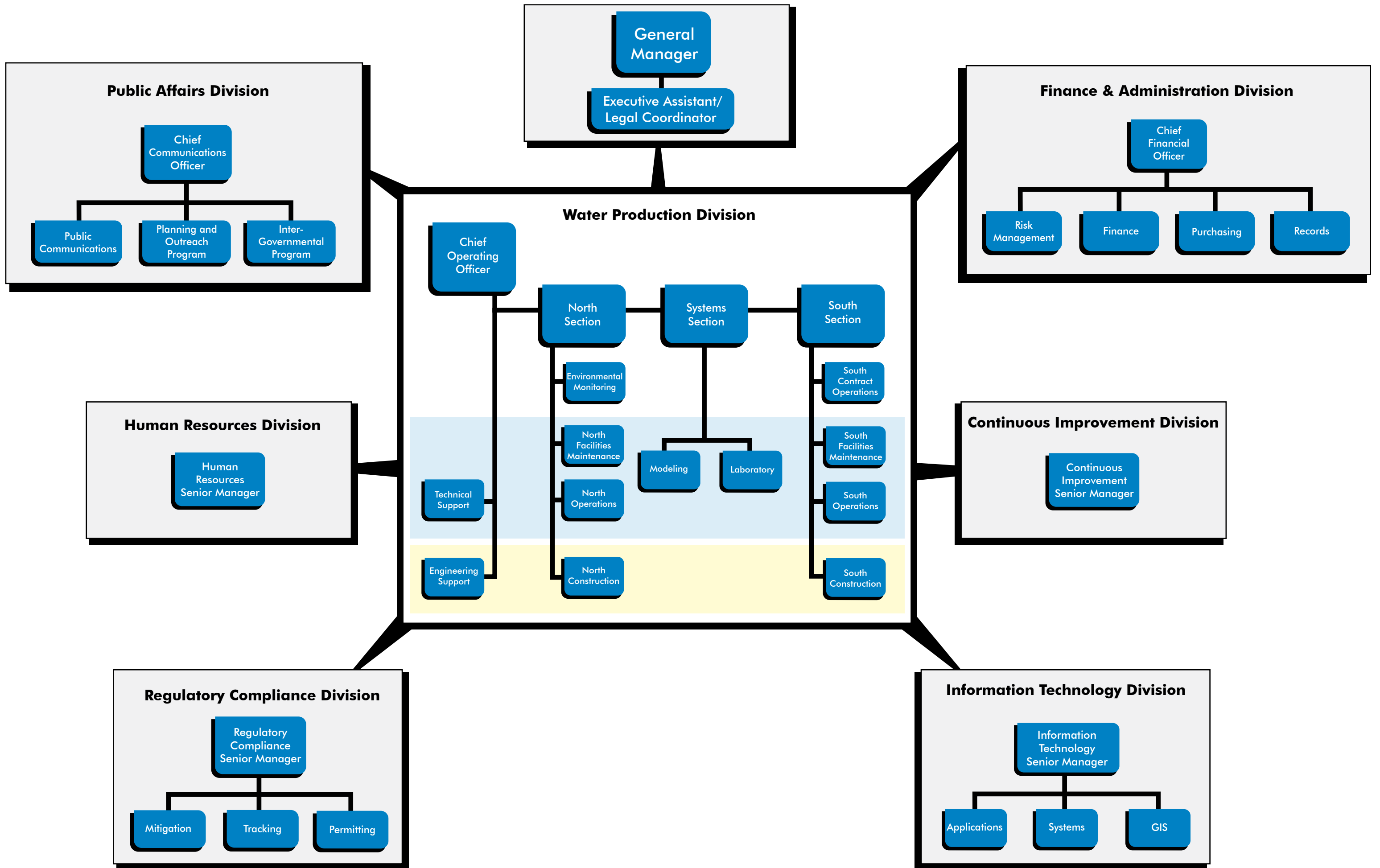
Tampa Bay Water Reorganization

Tampa Bay Water is maturing as an agency. Now 15 years old, the agency is shifting from a focus on building new supplies to maintaining our existing supplies and facilities. Changes in the business environment and regional economy have had a dramatic effect on water sales and production. The shift away from large-scale construction activities to a focus on renewal and replacement allows the agency an opportunity to become a more efficient and effective agency by:

- looking at ways to be more efficient through improving internal processes;
- examining and modifying the organizational structure; and
- revising the flow of communication to internal and external stakeholders.

Thoughtful organizational changes are positioning the Agency and its staff to become more productive and more efficient. These changes will allow Tampa Bay Water to control its own destiny and continue to be successful in meeting its mission to “*reliably provide clean, safe water to the region now and for future generations.*”

The organizational chart on the following page reflects division and departmental reorganizational changes that are taking place in the current fiscal year.



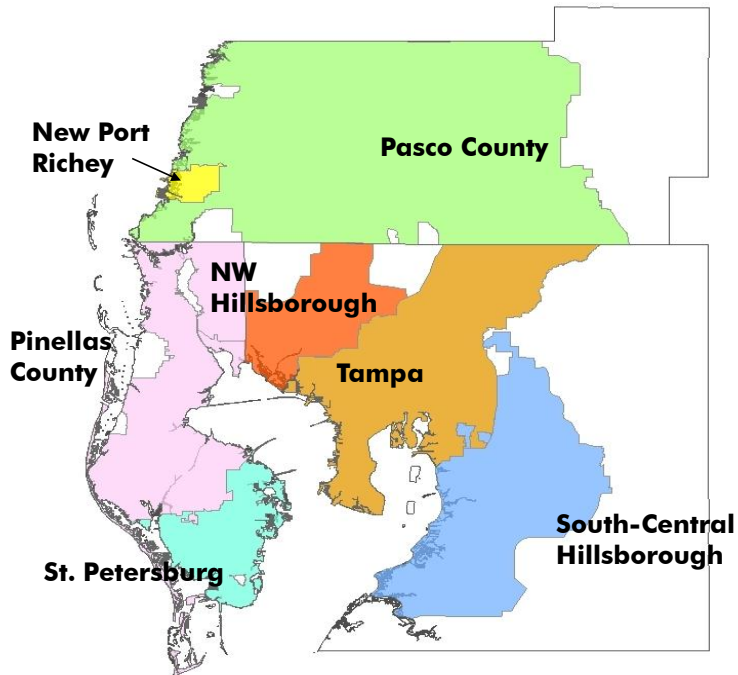
Tampa Bay Water – 2014 Annual Budget Agency Profile

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

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

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

Tampa Bay Water Service Areas



Tampa Bay Water – 2014 Annual Budget Agency Profile

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

Groundwater:

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

Surface Water:

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

Desalinated Water:

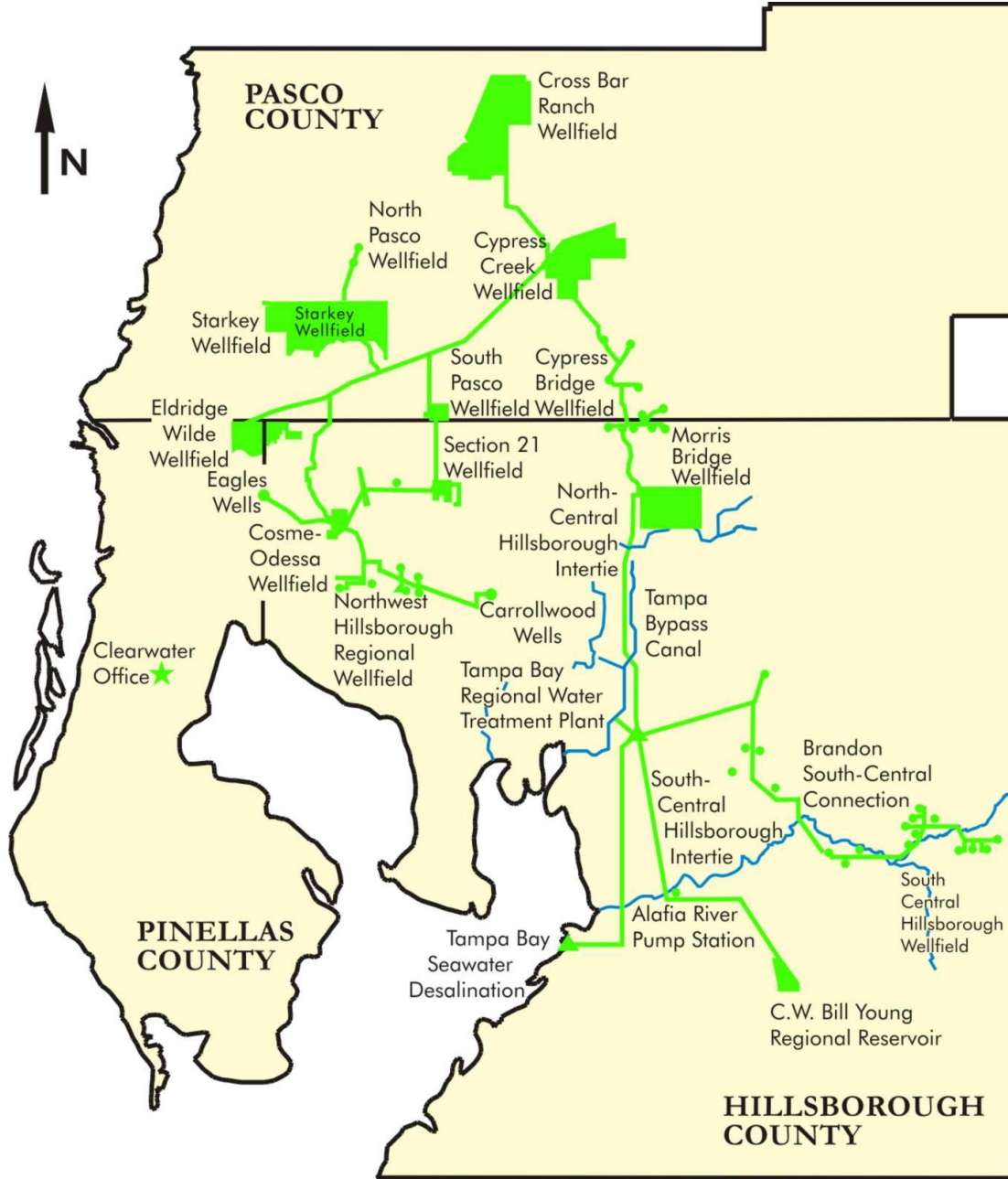
- Tampa Bay Water Seawater Desalination Facility

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

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

Tampa Bay Water – 2014 Annual Budget
Agency Profile

Tampa Bay Water Facility Locations



Tampa Bay Water – 2014 Annual Budget Agency Profile

Agency Update – Strategic Planning and Agency Reorganization

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

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

The adoption of this plan, as well as recommendations from the 2005 and 2010 performance and management audits performed on the agency and the agency shift from focusing on designing and constructing major water supply facilities to managing and maintaining the \$1 billion in infrastructure built, led to the agency reorganization.

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

At the General Manager's direction, a new organization chart was developed and implemented beginning in Fiscal Year 2013. The new organizational design separates the agency into seven divisions: Water Production, Finance & Administration, Public Affairs, Regulatory Compliance, Information Technology, Human Resources and Continuous Improvement. As part of the reorganization, each division is now focused on developing efficient work processes and creating performance measures to strive for efficiencies and affordable service.

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

**Tampa Bay Water – 2014 Annual Budget
Mission Statement, Vision, and Values**

MISSION STATEMENT

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

VISION

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

VALUES – THE PRINCIPLES THAT GUIDE US

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Tampa Bay Water
Florida**

For the Fiscal Year Beginning

October 1, 2012

Christopher P. Morill *Jeffrey R. Emer*

President

Executive Director

General Manager's Budget Message

Fiscal Year 2014

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 2014.

Board of Directors Susan Latvala, Ted Schrader, Robert Consalvo, Charlie Miranda,
John Morrioni, Sandra Murman, Karl Nurse, Mark Sharpe, Henry Wilson
Interim General Manager Charles H. Carden
General Counsel Barrie S. Buenaventura, Pennington, P.A.
2575 Enterprise Road, Clearwater, FL 33763-1102
Phone: 727.796.2355 / Fax: 727.791.2388
www.tampabaywater.org



May 31, 2013

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

Commissioner Latvala and Members of the Board:

In accordance with the established practices of Tampa Bay Water and Section 2.08 of the Amended and Restated Interlocal Agreement, I am pleased to present this recommended annual budget for fiscal year 2014. The budget achieves a reasonable balance between the Board's three prime objectives of environmental stewardship, affordability, and reliability, while maximizing water quality. For the upcoming fiscal year, the Agency anticipates total **sales of 168.5 million gallons per day (MGD)** and a **uniform rate of \$2.5590** per one thousand gallons. The uniform rate will remain unchanged from the current year's rate.

Since its formation fifteen years ago in 1998, Tampa Bay Water has successfully expanded its water production facilities and now serves its member governments with water from a diverse water supply network. Operating as a true regional utility with a uniform rate for our six member governments, the Board has fulfilled its promises to our members, to the Florida Legislature, to regulatory officials, and to the community at large by:

- Reducing groundwater production by approximately 100 MGD through the development of environmentally sound, diverse, and flexible alternative supplies;
- Facilitating environmental recovery in wetland areas;
- Improving environmental monitoring at new and existing source water facilities;
- Improving the quality of water delivered to our six member governments; and
- Ending litigation among the members and regulators on water issues.

This is a significant environmental and policy accomplishment for which the region's elected leadership and this Agency deserve some measure of recognition. But it is also a record that is facing serious challenges this year, brought on by decreases in the demand for potable water over the past five years, the need to invest further in the reliability of existing supply facilities, and a need to manage our existing resources to maintain compliance with all regulatory requirements, while continuously meeting the needs of the public for high quality water at an affordable price.

Policy Goals Used in Budget Development

The recommended budget for the upcoming 2014 fiscal year was developed to ensure that the policy goals of reliability, sustainability and affordability will be met. These policy considerations include the following:

- Meeting the performance requirements of the Master Water Supply Contract in providing high quality water service to our six member government customers.
- Achieving our environmental responsibilities through the operation of water production and transmission facilities to improve both supply delivery and environmental stewardship. Among these objectives, the goal of achieving and maintaining compliance with regulatory requirements established by the Southwest Florida Water Management District (SWFWMD) is paramount.
- Targeting the attention of the Agency's management team on achieving continual progress toward the four strategic initiatives adopted by the Board in 2011;
- Addressing the key recommendations contained in the 2010 Performance Audit and Management Report and reallocating the Agency's limited human and financial resources to properly maintain the extensive water distribution system constructed over the past 15 years;
- Completing construction for the Reservoir Renovation Project through 2013 and 2014, as the Agency moves forward in restoring that facility to its intended use.
- Examining the Agency's practices on outsourcing and evaluating staffing needs against existing human resources within the Agency to ensure that both human and financial resources are efficiently allocated and meet the Board's objectives for a sustainable and affordable water supply and distribution system.
- Complete future needs analysis for long range water supply plan update and Board approval
- Continuing the work to refine the models used to accurately predict the need for new water supplies in the future, well enough in advance to allow for timely development of new sources or the introduction of water saving alternatives so that the financial stability and integrity of the Agency is enhanced.
- Safeguarding the public investment of \$1.876 billion in potable water supply to ensure that both water quality and quantity meets the needs of the 2.3 million residents of our region. Protecting the public investment includes:
 - Focusing on emergency preparedness by establishing procedures for the preparation, staffing and operation of Tampa Bay Water's diverse and geographically dispersed water production facilities during disaster events.
 - Focusing on the renewal and replacement of existing production facilities to ensure continued optimal operation at all facilities over time.
 - Continuing the Source Water Protection Grant Program that will award community groups, environmental or educational organizations for initiatives, activities, programs, or projects that promote Source Water Protection of our drinking water supply.
 - Advocating for water resource protection and water quality by supporting the enforcement of source water protection rules on rezoning and development proposals, including Developments of Regional Impact that are located within our three- county area.
- Continuing work on the development of employee training and information sharing that will assist in addressing the succession planning required over the next several years as many long term employees leave the Agency;
- Maintaining a strong working relationship with the staff of the SWFWMD to ensure open and honest communication on regulatory, planning and financial matters;
- Working with our colleagues around the country in the continuing research into changes in weather patterns and the impact of climate changes upon the surface water system serving the Tampa Bay area.

Key Factors Affecting the 2014 Budget:

I wish to call the Board's attention to several factors that have an influence on the budget for the upcoming fiscal year and which may foretell of challenges in future years:

Economic Uncertainty

Due to the slow recovery from the adverse economic conditions in our region and the resulting budgeting constraints that the six member governments continue to face, the staff members at Tampa Bay Water have budgeted to maintain the rate at \$2.559 for the third consecutive year while still meeting the policy goals established by the Board of Directors.

Regional Demand for Water

The slow economic recovery continues to have an impact on water demands in the region. Changes in growth projections have resulted in a reduction in long term future demands and the scheduling of new water supply projects. The Agency experienced a reduction in quantities treated and distributed in each of the last three fiscal years, when compared to demands from the last decade, reflective of the slack construction market, the abandonment of some residential units, the impact of conservation practices among remaining customers, and an increase in the utilization of reclaimed water in all three counties.

Minimizing any Rate Increase

A key factor in the development of the proposed budget for 2014 was to avoid any rate increase despite some increasing operating costs and relatively stable demand projections. The proposed rate of \$2.5590 per 1,000 gallons is 2.5 cents or 1% less than the rate projected last year for 2014. The net revenue requirement for fiscal year 2014 is over \$652,658 less than the current year's net revenue requirement.

Water Demand Used in the 2014 Budget

The forecast of expected water sales to the six member governments is based on a multi-step process that takes into account the total water demand for each member government and for the region, as reflected in the *probabilistic water demand forecasting model*. This model produces a family of curves representing a range of forecasted potential demand which is then compared with each member government's annual report. Several member governments (City of Tampa, Pasco County, and City of New Port Richey) supply water through their own facilities to meet a portion of their total water needs and 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. Available climatic condition data has forecasted that 2014 will likely be drier than normal and similar to 2013. The 2014 budget was developed to reflect demand with lower than average annual rainfall. This final value forms the basis of the budgeted uniform rate for fiscal year 2014. The forecasted demand for fiscal year 2014 is 168.5 MGD. This compares to 169.2 MGD for the current 2013 fiscal year and is 3.5 MGD higher than what was projected in the 2013 budget document.

The forecast of expected demand 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 experienced in the Hillsborough River basin and which has a direct impact on the amount of ground water used. For budgeting purposes, the City of Tampa's demand is budgeted at 6 MGD for fiscal year 2014.

In a very real sense, the Agency must develop a budget for expected rainfall each year, so that operational scenarios can be developed to maximize the use of available surface water from the rivers and manage the ground water resource in a way to meet recovery objectives and comply with permits. Besides the uncertainty of predicting the weather and the amount of rainfall in the region, the regional reservoir will remain out of service until late summer/early fall of 2014, limiting the potential capture of river flows to meet demand in the spring of 2015.

The financial impact of reduced demand is clear; over time, the sale and delivery of fewer gallons means the unit cost per gallon will be higher as the Agency must recover fixed costs over a smaller sales base. The prospect of managing financial performance with only slow growth in demand presents a significant long term rate challenge to the Agency.

Agency reserves must be sufficient to withstand unexpected changes in demand that can militate in favor of undesirable mid-year rate increases. The Agency is being proactive in funding reserve accounts for both short and long term requirements. Doing so enables the Agency to maintain rates with only moderate increases year to year, implement a Renewal and Replacement Program to ensure the reliability of the system for years to come, and retain excellent credit ratings on debt service.

Operational Highlights of the 2014 Budget

Total funding required to meet fixed and variable expenses in the 2014 budget is \$168,927,297. After application of available funds from other sources, the net revenue requirement for calculation of the uniform rate charged to the six member government customers is \$157,387,253. This represents a uniform rate of **\$2.5590 per 1,000 gallons** that will be assessed to Members before credits. This rate is equal to the current year's rate.

Some of the key features of the 2014 budget are as follows:

- Continued operation of the surface water treatment plant and the two river sources that supply it, six groundwater treatment plants, thirteen regional wellfields, the seawater desalination plant, and almost 200 miles of pipeline.
- Substantial completion of the C.W. Bill Young Regional Reservoir Renovation project by September, 2014.
- Continued operation of the Tampa Bay Seawater Desalination Facility at an annual average for 2014 of 14 MGD. The use of the desalination facility is budgeted so that the agency can utilize a sufficient combination of groundwater and available river water, and maintain compliance with all regulatory permits during FY2014 when the reservoir facility remains out of service for restoration. Utilization of 39.5 MGD annual average production from the Surface Water Treatment Plant, utilizing the flows available in the Hillsborough River and the Alafia River. The plant can be used at or near its design capacity during the wet weather months when river flows are highest; lower rates of production are anticipated when river flows decline during the dry season. Like the desalination facility, to the extent that additional river flows are available for use in 2014, Surface Water Treatment Plant production may be increased proportionately to maintain our ground water pumping limitations.
- Utilization of 86.5 MGD on an annual average basis from the consolidated permit well fields. This budgeted usage is 3.5 MGD less than the permit limit of 90 MGD, in recognition of the fact that we need to increase ground water production, closer to the regulatory limit, as we are anticipating another drier than normal precipitation year. An

anticipated increase in groundwater production will be accompanied by higher than budgeted use of the desalination facility to meet demands in a dry year.

- Utilization of an estimated \$3,160,798 of unencumbered funds from 2013 will be carried over to fiscal year 2014 and applied to minimize any rate impact.

The budget of \$168.9 million includes \$73 million for debt service, \$10.2 million for acquisition credits to the Members, \$30.8 million for variable costs (power, chemicals & purchased water), and \$14.5 million for professional services associated with operations and maintenance agreements for contracted water plant operations. These costs, when coupled with costs for permit-required hydrological and ecological monitoring, **comprise 85%** of the Agency's annual budget.

When focusing on the remaining 15% of the budget, overall, costs increased by \$2.6 million and will be offset by utilizing Rate Stabilization funds.

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Analysis of Costs in 2014 Budget

| Enterprise Fund | APPROVED 2013 | PROPOSED 2014 | VARIANCE + / - |
|---|--------------------------|--------------------------|---------------------------|
| Sources of Funds | | | |
| Water Sales | \$ 158,039,911 | \$157,387,253 | (\$652,658) |
| Additional Credits/Surcharges (Board Approved) | - | 42,000 | 42,000 |
| TBC-Sale of Water | 581,260 | 581,260 | - |
| Interest Income | 989,253 | 842,986 | (146,267) |
| Subtotal | \$ 159,610,424 | \$ 158,853,499 | (\$756,925) |
| Transfers In from Rate Stabilization Account | | 4,132,000 | 4,132,000 |
| Estimated unencumbered funds from Prior Year | 2,857,706 | 3,160,798 | 303,092 |
| Transfer In from Renewal & Replacement | 2,700,000 | 2,781,000 | 81,000 |
| Total Sources | \$ 165,168,130 | \$ 168,927,297 | \$ 3,759,167 |
| Uses of Funds | | | |
| Personnel Services | \$ 11,780,455 | \$ 12,548,254 | \$ 767,799 |
| Materials & Supplies | 2,339,553 | 2,481,280 | 141,727 |
| Professional Services | 23,925,309 | 25,262,286 | 1,336,977 |
| Repairs & Other Services | 3,981,220 | 4,358,320 | 377,100 |
| Rent & Insurance | 1,835,167 | 1,982,773 | 147,606 |
| Legal Services | 545,000 | 545,000 | - |
| Capital Expenditures | 1,118,823 | 1,795,364 | 676,541 |
| Total Debt Service-Bonds | 77,292,831 | 72,982,799 | (4,310,032) |
| Total Debt Service-Acquisition Credit to Member Governments | 10,231,558 | 10,231,558 | - |
| Water Quality Credit to Member Governments | 195,000 | 48,000 | (147,000) |
| Misc./Other-R&R Projects | 2,700,000 | 2,781,000 | 81,000 |
| Water Treatment Chemicals - Variable Cost | 10,641,296 | 10,965,065 | 323,769 |
| Power / Electricity - Variable Cost | 15,971,003 | 18,287,208 | 2,316,205 |
| Water for Resale - Variable Cost | 1,579,800 | 1,512,240 | (67,560) |
| Subtotal | \$ 164,137,015 | \$ 165,781,147 | \$ 1,644,132 |
| Transfer Out to Capital Improvement Fund | 31,115 | 38,768 | 7,653 |
| Transfer Out to R&R Fund | 1,000,000 | 2,700,000 | 1,700,000 |
| Transfer Out to Operating Reserve | | 407,382 | 407,382 |
| Total Uses | \$ 165,168,130 | \$ 168,927,297 | \$ 3,759,167 |
| Projected Water Demand (mgd) | 169.2 | 168.5 | (0.7) |
| Projected Uniform Water Rate (\$/1000 gal.) | \$ 2.559 | \$ 2.559 | - |

The following items are the significant components of the proposed 2014 rate and the table set forth above:

| Rate Increase | Description |
|---------------|--|
| .0357 | Increase in Power / Electricity |
| .0262 | Increase in funding Renewal & Replacement Fund |
| .0206 | Increase in Professional Services |
| .0118 | Increase in Personnel Services |
| .0104 | Increase in Capital Expenditures |
| .0100 | Demand (lower demand increases rate) |

| | |
|-------|--|
| .0063 | Increase in funding Operating Reserve |
| .0058 | Increase in Repairs & Other Services |
| .0050 | Increase in Water Treatment Chemicals |
| .0023 | Increase in Rent & Insurance |
| .0023 | Interest Income (Lower interest rates) |
| .0022 | Increase in Materials & Supplies |
| .0012 | Increase in funding R&R Projects |
| .0001 | Increase in Interest to Transfer to Capital Improvement Fund |

Increases in the wholesale water rate have been offset by the following reductions in operating costs or increases in other revenues:

| Rate Decrease | Description |
|---------------|---|
| (0.0664) | Decrease in Debt Service-Bonds |
| (0.0636) | Transfers In from Rate Stabilization Account (reduces rate) |
| (0.0047) | Estimated unencumbered funds from Prior Year (reduces rate) |
| (0.0023) | Decrease in Water Quality Credit to Member Governments |
| (0.0012) | Transfer In from Renewal & Replacement (reduces rate) |
| (0.0010) | Decrease in Water for Resale |
| (0.0006) | Credit from Member Govt. (reduces rate) |

Future Supply

In September 2003, the Board of Directors approved its Demand Forecasting System and completed a detailed Probabilistic Forecast of future water demands. These forecasts were used to determine the needed future capacity and the timing of future water supply projects. The results of these forecasts, prepared ten years ago, indicated that an additional 8-12 MGD of new water supplies would be needed by FY 2012.

To meet that need, in October of 2006, the Board approved "System Configuration II," comprised of the expansion of the Surface Water Treatment Plant, construction of pump stations at the reservoir and in South Central Hillsborough County, and the associated System Interconnects. These projects were completed and placed into service during fiscal year 2012, finishing a long term effort to develop a flexible, reliable and versatile water supply system for the region.

The Long-term Water Supply Plan is updated by the Board of Directors every five years to assure that the 20-year water supply demand of the Member Governments can be met. The last update was completed in the fall of 2008 and adopted by the Board in December, 2008. An updated Plan is being prepared this year with adoption anticipated in December, 2013. From these long-term planning efforts, any projects required to meet future demand projections, if any, can be addressed by the Board in 2014.

Reserve Funds

Tampa Bay Water maintains various Reserve Funds to comply with Bond requirements associated with the issuance of approximately \$985.3 million in outstanding bonded debt and the Master Water Supply Contract. A Funds Summary with information for all funds can be found in the Financial Plan section of this document. A further detailed description of the debt service is provided in the Debt Service Section of this document.

In Summary:

The rate of \$2.5590 for fiscal year 2014 is \$.0253 below our targeted estimated projection of \$2.5843 presented in the 2013 budget document. Measured against the current year rate of \$2.5590, the recommendation is **no increase to the rate**. Some of these changed conditions are mentioned above but bear repeating:

- Aggregate demand for water from the six members has increased by 8% since the five year demand low in 2010. The proposed budgeted annual demand for FY 2014 is based on drier than normal rainfall conditions and is estimated at 168.5 MGD. The FY 2014 budgeted demand is 0.7 MGD less than the budgeted demand for FY 2013. Last year's 2014 demand projection of 165 MGD was based on normal rainfall conditions. Budgeted water demand five-year projections (2015-2019) are based on normal rainfall conditions and are subject to annual updates.
- Production from the desalination facility is being budgeted at an annual average of 14 MGD for next year, but with sufficient reserves in place to increase production, if needed and conditions warrant increased production in order to meet member demands and safeguard ground water permit limitations.
- Use of \$4,132,000 of Rate Stabilization funds are planned to offset the additional variable costs associated with the increase production of desalinated water. The use of Rate Stabilization funds reduces the uniform rate by \$0.0636. At the end of the current fiscal year, we have estimated that funds equal to 2% of the 2013 water sales revenue will remain unencumbered. These unencumbered funds, estimated to be \$3,160,798 will be brought forward to offset 2014 budgeted expenses. The use of these funds reduces the projected 2014 uniform rate by \$0.0487.

Schedule

In our efforts to continually improve and publish a document that will prove useful to the public and to our members, our staff has initiated a number of modifications to the format of the budget. These changes are based upon the Board's policy direction, member input, and recommended budget practices promulgated by the National Advisory on State and Local Budgeting. Final approval of the budget must occur prior to August 1st of each year; the schedule approved by the Board in June 2012 provided for a Public Hearing and final approval of the 2014 Budget at the Regular Board Meeting held on June 17, 2013.

In accordance with the Budget Schedule approved by the Board last year, the proposed budget was distributed in March. Tampa Bay Water staff met with representatives from each member government to discuss the document in late March and early April. The recommended fiscal year 2014 budget was reviewed by the Board at a Budget Workshop held on April 15th, as part of the regular Board Meeting. At the April meeting, the staff advised the Board to schedule a public hearing on the budget and thereby meet the requirement contained in the Amended and Restated Interlocal Agreement for final budget approval at the June 17th Board Meeting.

As in prior years, the preparation of Tampa Bay Water's annual budget requires the collaborative efforts of a great number of persons. The accuracy and reliability of the budget information is attributable to great work by a number of staff members, with special efforts by Lynda Vatter, Julie Murphy, and Christina Sackett. These individuals merit our collective thanks and recognition for a job well done.

Respectfully submitted,



Charles Carden
Interim General Manager

Annual Budget Development

Fiscal Year 2014

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

Tampa Bay Water – 2014 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 2014.
- 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 2014.
- 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 2014 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 2014 and 2015. 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 – 2014 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 seven divisions under the office of the General Manager as listed below:

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

- **Water Production Division**
 - Chief Operating Officer
 - North Section
 - South Section
 - Systems Section

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

- **Finance and Administration Division**
 - Chief Financial Officer
 - Finance
 - Purchasing
 - Risk Management
 - Board Records

- **Regulatory Compliance Division**
 - Regulatory Compliance Senior Manager
 - Mitigation
 - Tracking
 - Permitting

- **Information Technology Division**
 - Information Technology Senior Manager
 - Applications
 - Systems
 - GIS

- **Human Resources Division**
 - Human Resources Senior Manager

- **Continuous Improvement Division**
 - Continuous Improvement Senior Manager

During fiscal year 2013, Tampa Bay Water made significant organizational changes to the Agency. Each division is now overseen by an Officer or Senior Manager. Collectively the Officers and Senior Managers are part of the Executive Team and report to the General Manager.

Tampa Bay Water – 2014 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
- 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 – 2014 Annual Budget
Annual Budget Development**

Budget Basis

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

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

Tampa Bay Water – 2014 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 – 2014 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 – 2014 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 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 |

**Tampa Bay Water – 2014 Annual Budget
Annual Budget Development**

| Month | Key Activities | Responsible Entity |
|---|---|---|
| 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 |
| 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.

Tampa Bay Water – 2014 Annual Budget Annual Budget Development

- 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.).
 - Meet with the department managers and staff to review the annual budgetary estimates for the ensuing fiscal year for their respective division/department/office.
 - Meet with division Officers, Senior Managers, General Counsel 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 the bound 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:

Tampa Bay Water – 2014 Annual Budget Annual Budget Development

- 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.
- 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.

Tampa Bay Water – 2014 Annual Budget Annual Budget Development

- Publish a notice of its intention to adopt the budget for the ensuing fiscal year during the scheduled public meeting.
- Conduct a public hearing and adopt the final budget and rates with any amendments it deems advisable.

Budget Implementation

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

Budget Amendments

Agency policy allows the transfer of budget between sub-categories within a single budgetary category (e.g. within Professional Services from Hydrological Services to Ecological Services) with the approval of the General Manager. Transfers of budget between major categories (e.g. from Professional Services to Rent and Insurance or to Electric) 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 2014

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

Tampa Bay Water – 2014 Annual Budget
Financial Management Policies

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

Utility Reserve Fund (Fund Balance) Policy

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

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

Rate Stabilization Account Policy

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

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

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

Tampa Bay Water – 2014 Annual Budget Financial Management Policies

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

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

Fixed Asset Policy

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

Debt Policy

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

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

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

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

Tampa Bay Water – 2014 Annual Budget Financial Management Policies

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

Investment Policy

The objectives of the Agency's investment policy are safety, liquidity and return on investment. The primary objective is safety, i.e. the minimization of risk and the preservation and protection of investment principal. The second objective is to maintain sufficient liquidity at all times to meet all cash requirements that can reasonably be anticipated. The third objective is to maximize investment return, but only within the constraints of the first two objectives. The investment policy also establishes allowable investments, investment providers, and investment concentrations in furtherance of these objectives. The Agency currently maintains all of its deposit accounts in accounts that qualify as Public Deposit accounts as defined by Florida Statutes or have been purchased from 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 – 2014 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 2010.

Financial Plan

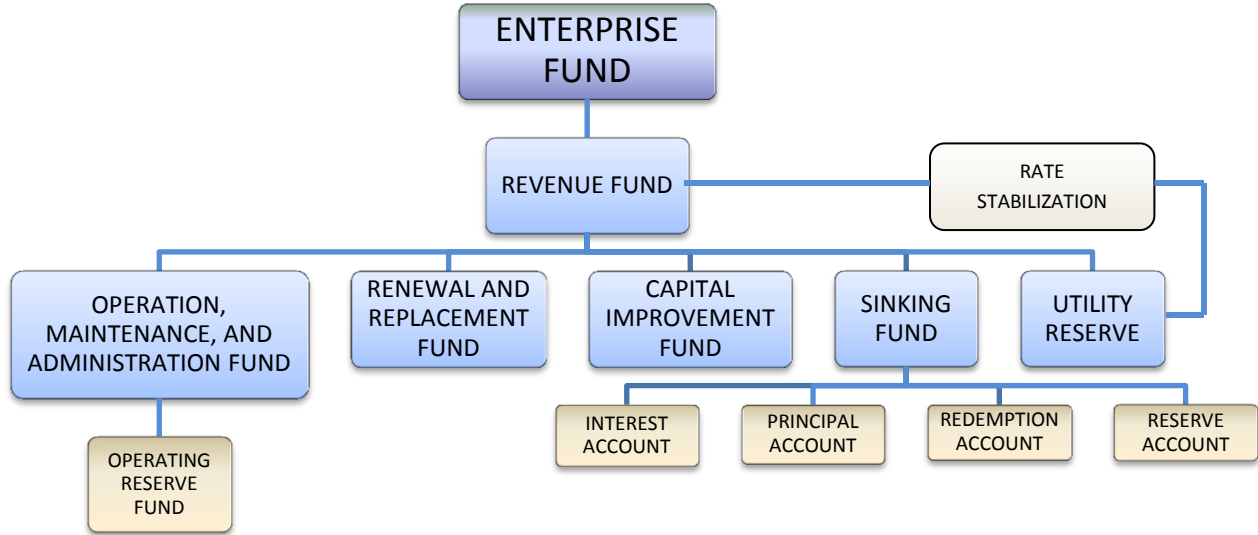
Fiscal Year 2014

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 – 2014 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

Tampa Bay Water – 2014 Annual Budget Financial Plan

Reserves and Restricted Funds

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

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

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

The Operating Reserve balance at October 1, 2013 is estimated to be \$4,720,037. Variable costs for fiscal year 2014 are estimated to be \$30,764,513. Two months of variable costs will equal \$5,127,419. Therefore; additional funding in the amount of \$407,382 is required for fiscal year 2014.

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

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

The Renewal and Replacement fund balance at October 1, 2013 is estimated at \$11,448,153. 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 2014 is \$2,781,000. Renewal and Replacement Funds used in fiscal year 2013 will be reimbursed in fiscal year 2014. The estimated amount to be reimbursed is \$2,700,000.

- 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. These funds are budgeted in conjunction with the Capital Improvement Budget. Estimated expenditures in fiscal year 2014 for projects approved for Capital Improvement Funds is \$1,423,040.
- 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 2014 is \$50,372,281.

Tampa Bay Water – 2014 Annual Budget Financial Plan

- Sinking Fund Debt Service Reserve Account – Tampa Bay Water is required to fund and maintain an amount equal to the lesser of maximum annual aggregate debt service coming due in any fiscal year or 125% of the average annual debt service over the life of the Bonds outstanding. These funds may be used only to satisfy an insufficiency in the Debt Service 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, 2013 is estimated at \$24,027,530 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 \$7,292,798 will be withdrawn from the Rate Stabilization account in fiscal year 2014. A withdrawal of \$4,132,000 will be used to offset costs associated with operating the Desalination Facility at an annual average of 14-MGD. Thereby, maintaining the Uniform Rate equal to the current year. A withdrawal of \$3,160,798 is equal to the estimated amount of unexpended 2013 funds that will carry-forward into fiscal year 2014. Funds available for carry-forward are 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.

Tampa Bay Water - 2014 Annual Budget
Financial Plan

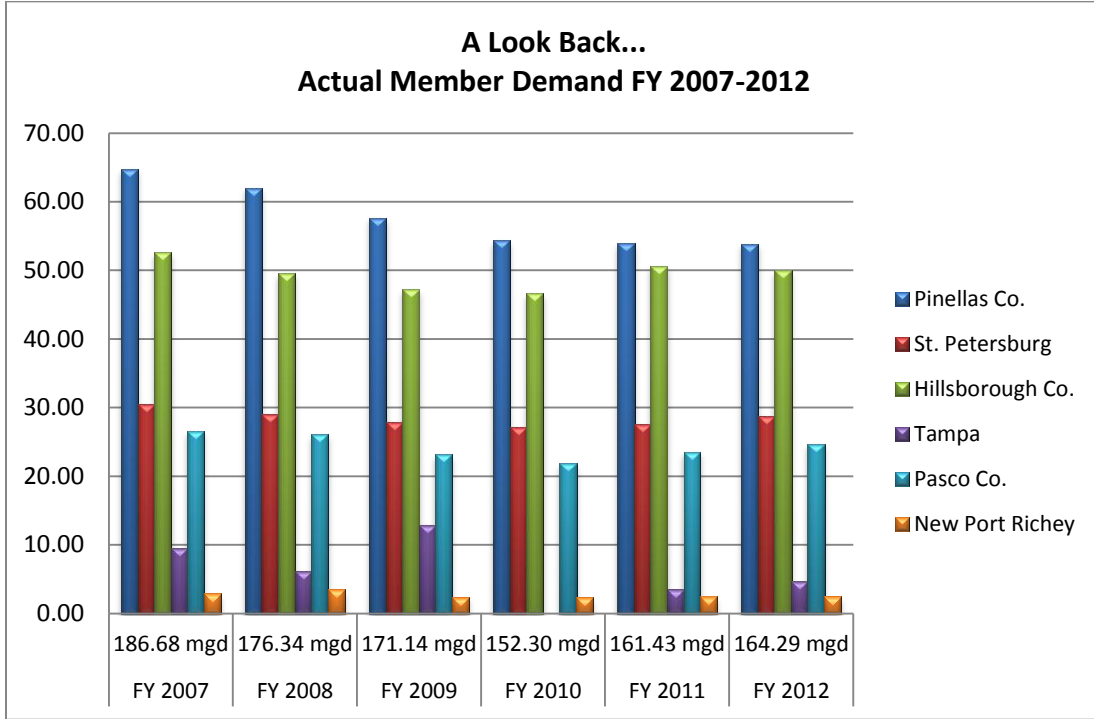
**TAMPA BAY WATER
PROJECTED CHANGES IN FUND EQUITY
BUDGET YEAR 2014**

| | SINKING FUNDS | | | | | | | | | |
|---|---------------|-------------------|----------------------------|--------------------------|---------------------------------|------------------------------|----------------------|----------------------------|-------------|-----------------------|
| | OPERATIONS | OPERATING RESERVE | RENEWAL & REPLACEMENT FUND | CAPITAL IMPROVEMENT FUND | INTEREST AND PRINCIPAL ACCOUNTS | DEBT SERVICE RESERVE ACCOUNT | UTILITY RESERVE FUND | RATE STABILIZATION ACCOUNT | REBATE FUND | TOTAL ENTERPRISE FUND |
| ESTIMATED BEGINNING FUND BALANCE 10/01/2013 | \$ 8,876,686 | \$ 4,720,037 | \$ 11,448,153 | \$ 9,691,961 | \$ 50,391,768 | \$ 73,716,549 | \$ 27,873,673 | \$ 24,027,530 | \$ - | \$ 210,746,357 |
| REVENUES: | | | | | | | | | | |
| Water Sales | 157,383,557 | | | | | | | | | \$ 157,383,557 |
| Water Sales - Tampa Bypass Canal | 581,260 | | | | | | | | | \$ 581,260 |
| Interest Earned | 35,507 | 18,880 | 45,793 | 38,768 | 201,567 | 294,866 | 111,495 | 96,110 | - | \$ 842,986 |
| EXPENDITURES: | | | | | | | | | | |
| Fixed Costs | (49,460,581) | | | | | | | | | \$ (49,460,581) |
| Variable Costs | (30,764,513) | | | | | | | | | \$ (30,764,513) |
| Debt Service - bonds | | | | | (73,002,286) | | | | | \$ (73,002,286) |
| Debt Service - acquisition credits | (10,231,558) | | | | | | | | | \$ (10,231,558) |
| Water Quality Credits | (48,000) | | | | | | | | | \$ (48,000) |
| CAPITAL PROJECT EXPENDITURES: | | | | (1,423,040) | | | | | | \$ (1,423,040) |
| GRANTS | | | | | | | | | | \$ - |
| INTERFUND TRANSFERS: | | | | | | | | | | |
| Transfer interest available for operations | 807,479 | (18,880) | (45,793) | (38,768) | (201,567) | (294,866) | (111,495) | (96,110) | | \$ - |
| Transfer from Operations to Debt Service Fund | (72,982,799) | | | | 72,982,799 | | | | | \$ - |
| Transfer from Rate Stabilization Account | 7,418,416 | 407,382 | | | | | (7,825,798) | | | \$ - |
| Transfer from Renewal & Replacement | 2,781,000 | | (2,781,000) | | | | | | | \$ - |
| Transfer to Renewal & Replacement | (2,700,000) | | 2,700,000 | | | | | | | \$ - |
| Transfer to Capital Improvement Fund | (38,768) | | | 38,768 | | | | | | \$ - |
| ESTIMATED ENDING FUND BALANCE 09/30/2014 | \$ 11,657,686 | \$ 5,127,419 | \$ 11,367,153 | \$ 8,307,689 | \$ 50,372,281 | \$ 73,716,549 | \$ 27,873,673 | \$ 16,201,732 | \$ - | \$ 204,624,182 |

**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

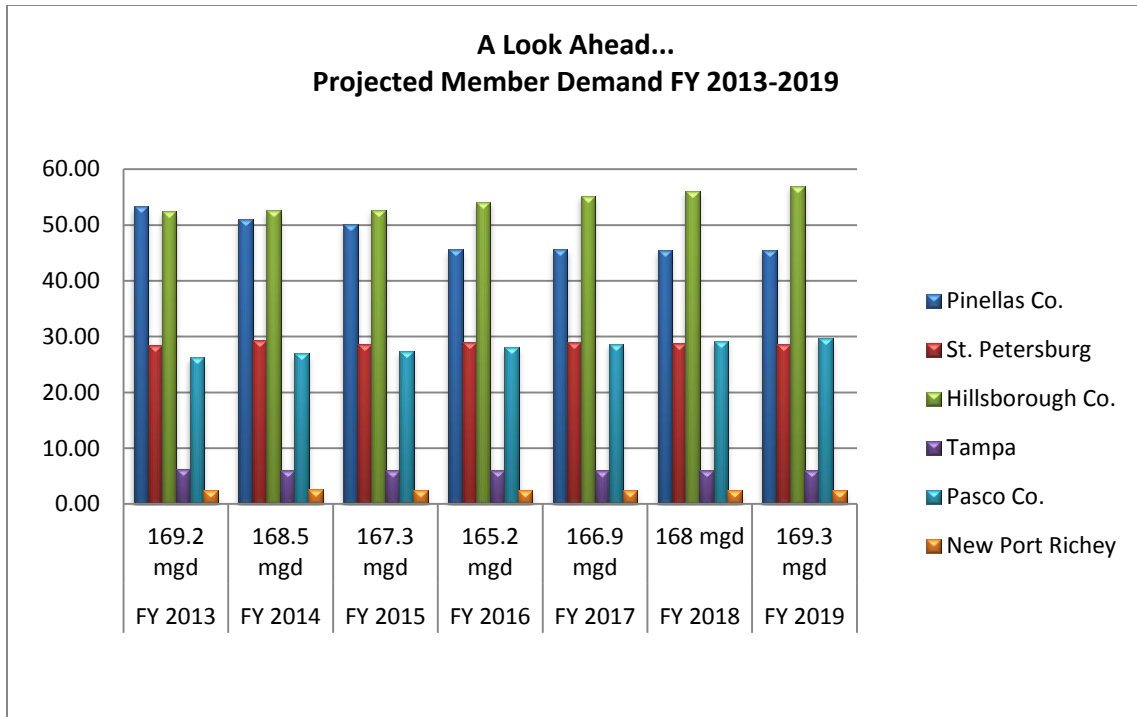
Financial Planning and Trends

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.



Drought conditions during 2007 are evident by the increased member demand for the year. As a result of the long-term drought conditions, conservation measurements were put into action in the form of watering restrictions and public awareness announcements throughout the Tampa Bay Region. Sharp declines in growth and development in the Tampa Bay Region coupled with strict conservation measures lead to marked decreases in demand for 2008 through 2010. Normal rainfall conditions lead to the easing of strict watering restrictions in 2011 and 2012.

**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

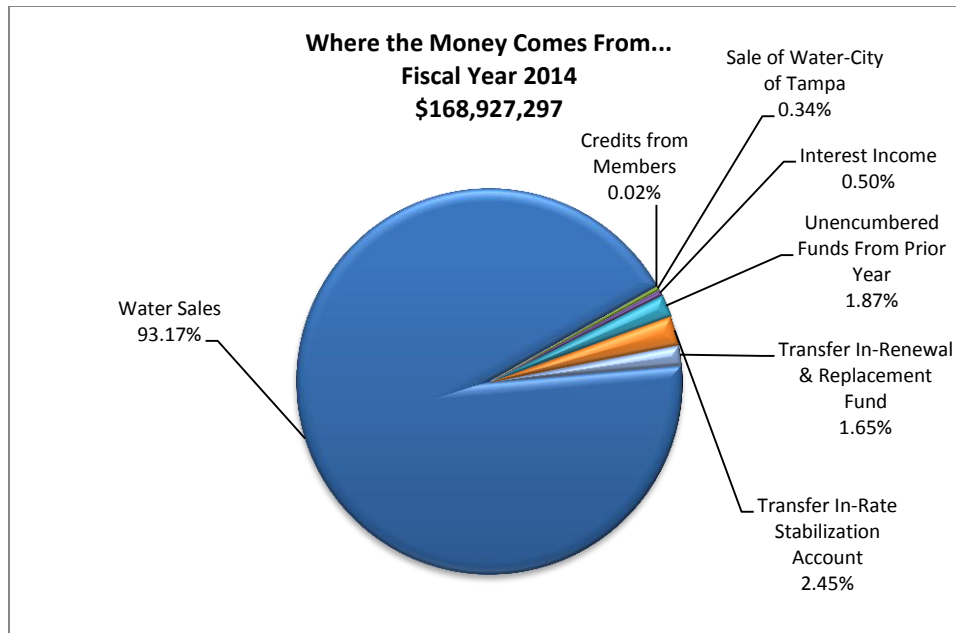


Member demand in the current year, and fiscal year 2014 are based on below average rainfall years. Future demand projections are based on average rainfall years. It is also projected that economic recovery will be slow resulting in gradual population growth and economic development for the Tampa Bay Region.

Tampa Bay Water – 2014 Annual Budget Financial Plan

Revenues

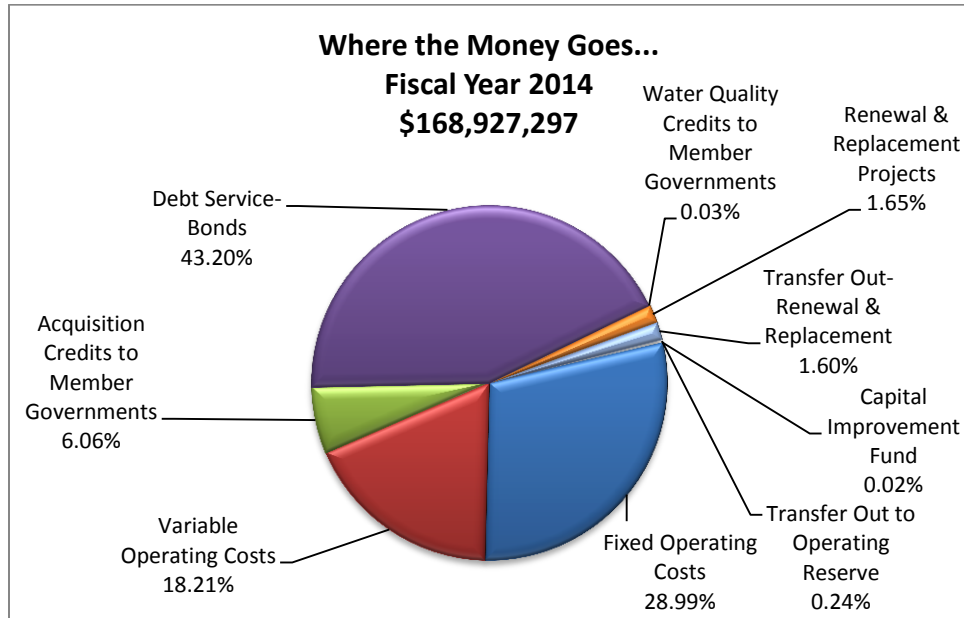
The Agency's primary revenue source is sale of water to its six member governments. The Master Water Supply Contract establishes a budget process through which the Agency establishes an annual Uniform Rate which is charged to the Members. A fixed cost component of the rate is established and billed monthly 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 – 2014 Annual Budget Financial Plan

Expenditures

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



Balanced Budget

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

**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

Sources & Uses of Funds

Actuals 2012, Approved 2013 and Approved 2014

| Enterprise Fund | ACTUAL 2012 | APPROVED 2013 | APPROVED 2014 |
|---|-----------------------|-----------------------|-----------------------|
| Sources of Funds | | | |
| Water Sales | \$ 157,523,970 | \$ 158,039,911 | \$ 157,387,253 |
| Additional Credits/Surcharges (Board Approved) | - | - | 42,000 |
| TBC-Sale of Water | 592,097 | 581,260 | 581,260 |
| Interest Income | 1,235,692 | 989,253 | 842,986 |
| Litigation & Insurance Recoveries | (19,299,350) | | |
| Miscellaneous Income | 486,098 | | |
| Subtotal | 140,538,507 | 159,610,424 | 158,853,499 |
| Transfers In from Rate Stabilization Account | 31,075,823 | | 4,132,000 |
| Estimated unencumbered funds from Prior Year (note 1) | 3,004,848 | 2,857,706 | 3,160,798 |
| Transfer in from Capital Improvement | 4,825,958 | | |
| Transfer In from Renewal & Replacement | 300,626 | 2,700,000 | 2,781,000 |
| Total Sources | \$ 179,745,762 | \$ 165,168,130 | \$ 168,927,297 |
| Uses of Funds | | | |
| Personnel Services | 10,841,978 | 11,780,455 | 12,548,254 |
| Materials & Supplies | 1,868,548 | 2,339,553 | 2,481,280 |
| Professional Services | 23,470,265 | 23,925,309 | 25,262,286 |
| Repairs & Other Services | 3,320,120 | 3,981,220 | 4,358,320 |
| Rent & Insurance | 1,424,433 | 1,835,167 | 1,982,773 |
| Legal Services | 2,934,148 | 545,000 | 545,000 |
| Capital Expenditures | 4,169,435 | 1,118,823 | 1,795,364 |
| Total Debt Service-Bonds | 73,084,766 | 77,292,831 | 72,982,799 |
| Total Debt Service-Acquisition Credit to Member Governments | 10,231,558 | 10,231,558 | 10,231,558 |
| Water Quality Credit to Member Governments | 195,000 | 195,000 | 48,000 |
| Misc./Other-R&R Projects | | 2,700,000 | 2,781,000 |
| Water Treatment Chemicals - Variable Cost | 8,331,008 | 10,641,296 | 10,965,065 |
| Power / Electricity - Variable Cost | 9,199,169 | 15,971,003 | 18,287,208 |
| Water for Resale - Variable Cost | 1,568,872 | 1,579,800 | 1,512,240 |
| Subtotal | 150,639,301 | 164,137,015 | 165,781,147 |
| Transfer Out to Capital Improvement Fund | 976,653 | 31,115 | 38,768 |
| Transfer Out to R&R Fund | 775,437 | 1,000,000 | 2,700,000 |
| Transfer Out to Operating Reserve | | | 407,382 |
| Transfer Out to Rate Stabilization Account | 26,150,905 | - | - |
| Transfer Out to Utility Reserve | 1,203,466 | - | - |
| Total Uses | \$ 179,745,762 | \$ 165,168,130 | \$ 168,927,297 |

NOTE:

[1] FOR 2014, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. 2015-2019 ARE ESTIMATED AT 1.5% OF PRIOR YEAR WATER SALES.

**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

**Sources & Uses of Funds
Budget Projections 2015 through 2019**

| Enterprise Fund | BUDGET PROJECTIONS | | | | |
|---|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Sources of Funds | | | | | |
| Water Sales | \$158,632,039 | \$159,244,237 | \$163,361,952 | \$166,982,096 | \$ 170,758,452 |
| Addl. Credits/Surcharges (Board Approved) | 42,000 | 42,000 | 42,000 | 42,000 | 42,000 |
| TBC-Sale of Water | 581,260 | 581,260 | 581,260 | 581,260 | 581,260 |
| Interest Income | 951,202 | 1,141,868 | 1,432,198 | 1,636,484 | 1,937,166 |
| Subtotal | 160,206,501 | 161,009,365 | 165,417,410 | 169,241,840 | 173,318,878 |
| Transfers In from Rate Stabilization Account | 500,000 | 1,300,000 | 1,800,000 | 900,000 | - |
| Estimated unencumbered funds from Prior Year (note 1) | 2,360,809 | 2,379,481 | 2,388,664 | 2,450,429 | 2,504,731 |
| Transfer In from Renewal & Replacement | 2,864,430 | 2,950,363 | 3,038,874 | 3,130,040 | 3,223,941 |
| Total Sources | \$ 165,931,740 | \$167,639,209 | \$172,644,948 | \$175,722,309 | \$ 179,047,551 |
| Uses of Funds (note 2) | | | | | |
| Personnel Services | \$ 13,175,667 | \$ 13,834,450 | \$ 14,526,173 | \$ 15,252,481 | \$ 16,015,105 |
| Materials & Supplies | 2,521,243 | 2,603,753 | 2,688,944 | 2,776,905 | 2,867,724 |
| Professional Services | 24,674,031 | 25,470,899 | 26,293,666 | 27,143,173 | 28,020,288 |
| Repairs & Other Services | 4,475,005 | 4,620,232 | 4,770,178 | 4,924,997 | 5,084,849 |
| Rent & Insurance | 2,014,182 | 2,079,610 | 2,147,165 | 2,216,916 | 2,288,933 |
| Legal Services | 562,713 | 581,001 | 599,883 | 619,379 | 639,509 |
| Capital Expenditures | 1,770,597 | 1,828,141 | 1,887,556 | 1,948,901 | 2,012,241 |
| Total Debt Service-Bonds (note 3) | 72,876,252 | 73,700,316 | 73,714,366 | 73,691,242 | 73,703,286 |
| Total Debt Service-Acquisition Credit to Member Governments | 10,231,558 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| Water Quality Credit to Member Governments | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Misc./Other-R&R Projects | 2,864,430 | 2,950,363 | 3,038,874 | 3,130,040 | 3,223,941 |
| Water Treatment Chemicals - Variable Cost | 10,281,186 | 10,615,324 | 10,960,322 | 11,316,533 | 11,684,320 |
| Power / Electricity - Variable Cost | 15,727,797 | 16,238,950 | 16,766,716 | 17,311,634 | 17,874,263 |
| Water for Resale - Variable Cost | 1,562,144 | 1,613,695 | 1,666,947 | 1,721,956 | 1,778,780 |
| Subtotal | \$ 162,784,802 | \$166,416,291 | \$169,340,346 | \$172,333,713 | \$ 175,472,795 |
| Transfer Out to Capital Improvement Fund | 24,923.47 | 17,474 | 13,224 | 8,707 | 8,226 |
| Transfer Out to R&R Fund | 3,122,014.59 | 3,205,445 | 3,291,377 | 3,379,888 | 3,471,055 |
| Transfer Out to Operating Reserve | - | - | - | - | 95,475 |
| Total Uses | \$ 165,931,740 | \$169,639,209 | \$172,644,948 | \$175,722,309 | \$ 179,047,551 |

NOTES:

[1] FOR 2014, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. 2015-2019 ARE ESTIMATED AT 1.5% OF PRIOR YEAR WATER SALES.

[2] AN INFLATION RATE RANGE OF 3.3% TO 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 COSTS PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.

**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

Explanation of Significant Variances

| Budget Category | Approved 2013 | Approved 2014 | Variance + / - | Explanation |
|---|--------------------|--------------------|------------------|---|
| Personnel Services | 11,780,455 | 12,548,254 | 767,799 | -Board approved 6 additional positions that were not included in FY 2013 Budget. -Anticipate additional staffing requirements and/or position changes from Board approved reorganization pay/class study |
| Materials & Supplies | 2,339,553 | 2,481,280 | 141,727 | -Increase in fuel costs. -Additional training required for staff in new positions. |
| Professional Services | 23,925,309 | 25,262,286 | 1,336,977 | -O&M Agreement for Lithia H2S Facility. - Contract Programming Svc IT-Aps |
| Repairs & Other Services | 3,981,220 | 4,358,320 | 377,100 | -Additional travel required for staff training. -Additional sludge disposal costs due to increased production at Desal. -Additional communication costs for newly installed surveillance lines at various facilities. |
| Rent & Insurance | 1,835,167 | 1,982,773 | 147,606 | -Additional insurance premiums for Lithia H2S Facility |
| Legal Services | 545,000 | 545,000 | - | |
| Capital Expenditures | 1,118,823 | 1,795,364 | 676,541 | -Increase for the purchase and implementation of a new CMMS program (Maximo) -Replacement of console at Cypress Creek Pump Station. -Replacement of computer grid system. |
| Total Debt Service-Bonds | 77,292,831 | 72,982,799 | (4,310,032) | -Capitalized interest on 2013 Bond Issue |
| Total Debt Service-Acquisition Credit to Member Governments | 10,231,558 | 10,231,558 | - | |
| Water Quality Credit to Member Governments | 195,000 | 48,000 | (147,000) | -Reduced Hillsborough Co. water quality credit due to Lithia H2S Facility coming on line |
| Misc./Other-R&R Projects | 2,700,000 | 2,781,000 | 81,000 | Increase in funding R&R Program Projects |
| Water Treatment Chemicals - Variable Cost | 10,641,296 | 10,965,065 | 323,769 | -Increase production at Desal and High Svc. Pump Sta. |
| Power / Electricity - Variable Cost | 15,971,003 | 18,287,208 | 2,316,205 | -Increase production at Desal and High Svc. Pump Sta. |
| Water for Resale - Variable Cost | 1,579,800 | 1,512,240 | (67,560) | |
| Subtotal | 164,137,015 | 165,781,147 | 1,644,132 | |
| Transfer Out to Capital Improv. Fund | 31,115 | 38,768 | 7,653 | |
| Transfer Out to R&R Fund | 1,000,000 | 2,700,000 | 1,700,000 | -Increase in reimbursement of Renewal & Replacement Fund |
| Transfer Out to Operating Reserve | | 407,382 | 407,382 | -Increase to meet funding requirement of 2 months of variable costs |
| Total Uses | 165,168,130 | 168,927,297 | 3,759,167 | |

Tampa Bay Water – 2014 Annual Budget Financial Plan

The approved budget for 2014 increased \$3,759,167 over the approved 2013 budget. An increase in Operating and Maintenance Agreements expenses for the Lithia Hydrogen Sulfide Facility was anticipated in the fiscal year 2013 projection for 2014.

In December 2012, the Board approved adding six full time employees at a cost of \$618,200. The 2013 approved budget did not include funding for the additional staff in the Personnel Services budget category. A budget transfer amendment from the Professional Service budget was also approved by the Board.

The 2014 approved budget includes a Capital Expenditure that was recommended by the 2010 Performance Audit. A request for the initial purchase, contracted installation, and startup of a Computerized Maintenance Management System (CMMS) is included. First year costs for CMMS are estimated to be \$550,000.

Estimated variable costs for Water Treatment Chemicals and Electric have increased over the 2013 approved budget. A total increase of nearly \$4 million in variable cost in 2014 is due to an unanticipated increase in production demand at the Desalination and High Service Pump Station Facilities. Due to a predicted drier than normal year in 2014, the projected production of desalinated water increased from 11-MGD to 14-MGD. Total 2014 production estimates from all sources was 165-MGD. The revised estimate for 2014 is 168.5-MGD

The 2014 approved budget includes an additional transfer in from the Rate Stabilization account for \$4,132,000 that will be used to maintain the uniform rate at the current rate of \$2.559 per 1,000 gallons. In 2013 it was projected that a transfer in of \$4.8 million would be needed to manage only a slight increase to \$2.5843 per 1,000 gallons.

Capital Improvements Planning and Financing

- **Planning:**

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

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

Tampa Bay Water – 2014 Annual Budget Financial Plan

- 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 – 2014 Annual Budget
Financial Plan**

Impact of Capital Improvement Program on the 2014 Operating Budget

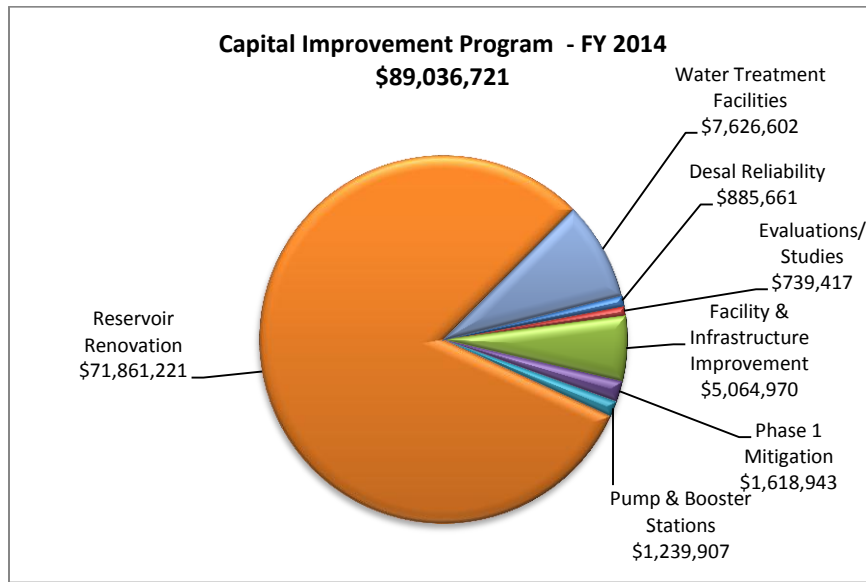
The current Capital Improvement Program schedule anticipates the completion of ten projects during fiscal year 2014. It is estimated that the completion of these projects will have a \$913,882 net impact on the operating budget. The following is a list of capital projects that are anticipated to be completed and operational within fiscal year 2014.

| Project # | Project Name | Est. In Service FY 2014 | Annual Operating & Maintenance Cost (+ / -) | Effect on FY 2014 Operating Budget |
|------------------|---|--------------------------------|--|---|
| 06315 | Alafia Pump Station Modifications | Aug-14 | 23,250 | \$ 3,875 |
| 00000 | Cypress Bridge WF Generator Replacement | Aug-14 | - | - |
| 50006 | Cypress Bridge/BUD-7 Variable Frequency Drive Replacement | Jan-14 | - | - |
| 00000 | Cypress Creek WF and Section 21 WF MCCs Replacement | Jul-14 | - | - |
| 50004 | Cypress Creek WTP Chemical Feed Systems Rehabilitation | Nov-13 | - | - |
| 00000 | Cypress Creek WTP Tanks Rehabilitation | Nov-13 | - | - |
| 01310 | C.W. Bill Young Regional Reservoir Renovation | Sep-14 | (1,000,000) | \$ (83,333) |
| 06503 | SCHIP Phase III (Hydrogen Sulfide Removal at Lithia) | Oct-13 | 993,340 | \$ 993,340 |
| 00000 | Structures 160, 161, and 162 Actuator Upgrades | Jun-14 | - | - |
| 07500 | Vulnerability Assessment-Recommended Improvements | Sep-14 | - | - |
| | | | | \$ 913,882 |

The Capital Improvement Program Section of this document provides the project budget detail and for all projects that will be in process during fiscal year 2014. Further details of Tampa Bay Water’s Long-term Capital Improvement Program are provided in a separate document titled “Tampa Bay Water Capital Improvement Program”.

Tampa Bay Water – 2014 Annual Budget Financial Plan

The following chart summarizes significant Capital Improvement expenditures for fiscal year 2014.

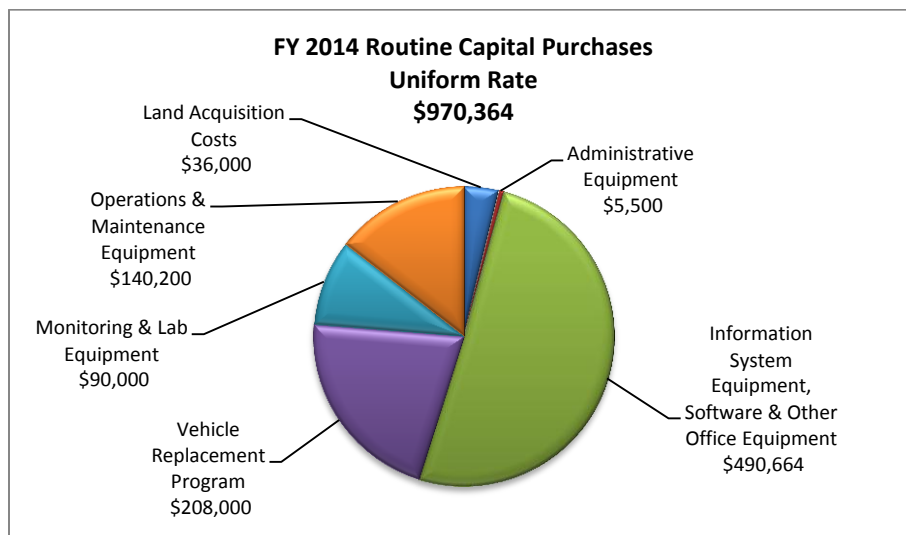


Routine Capital Purchases

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

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 2014.

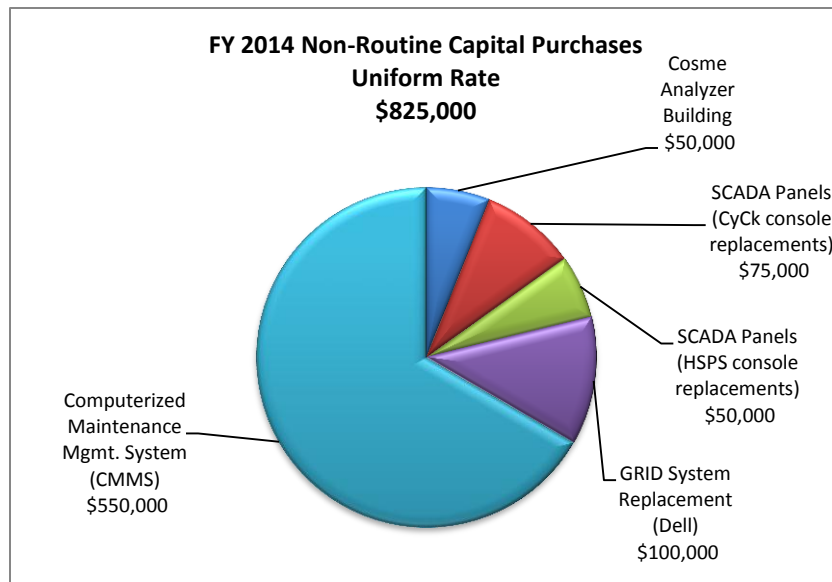


**Tampa Bay Water – 2014 Annual Budget
Financial Plan**

Non-Routine Capital Purchases

For fiscal year 2014 requests for property and equipment that is not routinely purchased but is required to be capitalized includes the purchase of a Computerized Maintenance Management System (CMMS), purchase and installation of an analyzer building at the Cosme location, replacement of SCADA console screens at the High Service and Cypress Creek Pumps Stations, and replacement of a Dell GRID System.

The 2014 approved budget includes funding for these non-routine capital purchases through the Uniform Rate. The following chart summarizes non-routine capital purchases budgeted for fiscal year 2014.



Non-Capital Projects

The Approved budget for fiscal year 2014 includes two non-capital projects. These projects will be funded through the 2014 Uniform Rate. These projects are considered non-capital because they do not meet the defined criteria of the Capital Improvement Program.

The following table is non-capital projects requested for fiscal year 2014.

Non-Capital Projects

| Project # | Project Name | Funding Source | FY 2014 Request |
|--------------|--|----------------|-------------------|
| TBD | Regional Transmission Main Assessment | Uniform Rate | \$ 500,000 |
| TBD | Point of Connection adjustments and facilities evaluation (St. Petersburg/Cosme WTP) | Uniform Rate | \$ 250,000 |
| TOTAL | | | \$ 750,000 |

Annual Rate Setting & Member Costs

Fiscal Year 2014

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 – 2014 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 2014.

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 2014 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 2014 are budgeted at \$157,387,253. Interest income available for operations is estimated to be \$842,986.

Revenue from Pasco County for operation of the Lake Bridge Point of Connection Chemical Trim Facility has been budgeted at \$42,000 for fiscal year 2014.

It is estimated that \$3,160,798 of unencumbered monies from fiscal year 2013 will be transferred through the Rate Stabilization account for use in fiscal year 2014. An additional

Tampa Bay Water – 2014 Annual Budget Annual Rate Setting and Member Costs

transfer of \$4,132,000 from Rate Stabilization will be used to maintain water sales at the \$157,387,253 level.

The Tampa Bypass Canal sale of water represents the estimated billing to the City of Tampa for its water needs at the Tampa Bypass Canal facility at a rate of .1570 per 1000 gallons for 2014.

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 – 2014 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 – 2014 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 unit rate for 2014 is \$.157 (\$/1,000 gallons).

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

Other Budget Factors

- For fiscal year 2014, \$842,986 has been estimated for interest income. Interest income will be applied to offset projected expenditures, to the extent permitted.
- The fund balance in the Operating Reserve is greater than two times the monthly average variable costs as provided in the budget. Additional funding is not required in fiscal year 2014.
- 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 2014 have been established and will be credited to Hillsborough County, and New Port Richey.

Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs

Uniform Water Rates

| Cost Category | Fiscal Year | PROPOSED | | BUDGET PROJECTIONS | | | |
|---|-------------|--------------------|-----------------|--------------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Fixed Operating Costs | | \$ 48,973,277 | \$ 49,193,437 | \$ 51,018,086 | \$ 52,913,565 | \$ 54,882,752 | \$ 56,928,648 |
| Variable Operating Costs | | 30,764,513 | 27,571,126 | 26,467,969 | 29,393,985 | 30,350,123 | 31,337,363 |
| Total Debt Service-Bonds (note 1) | | 72,982,799 | 72,876,252 | 73,700,316 | 73,714,366 | 73,691,242 | 73,703,286 |
| Total Debt Service-Acquisition Credits to Member Governments | | 10,231,558 | 10,231,558 | 10,231,557 | 10,231,557 | 10,231,557 | 10,231,557 |
| Water Quality Credits to Member Governments | | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Misc./Other - Renewal & Replacement Projects | | 2,781,000 | 2,864,430 | 2,950,363 | 3,038,874 | 3,130,040 | 3,223,941 |
| Total Costs (note 2) | | 165,781,147 | 162,784,802 | 164,416,291 | 169,340,346 | 172,333,713 | 175,472,795 |
| Adjustments | | | | | | | |
| Less: Estimated unencumbered funds from prior year (note 3) | | (3,160,798) | (2,360,809) | (2,379,481) | (2,388,664) | (2,450,429) | (2,504,731) |
| Less: Estimated Credit(s)/Surcharge(s) | | (42,000) | (42,000) | (42,000) | (42,000) | (42,000) | (42,000) |
| Less: Estimated Revenues from TBC | | (581,260) | (581,260) | (581,260) | (581,260) | (581,260) | (581,260) |
| Less: Estimated Interest Earned (includes Capital Improvement Fund) | | (842,986) | (951,202) | (1,141,868) | (1,432,198) | (1,636,484) | (1,937,166) |
| Less: Transfer In from Rate Stabilization Account | | (4,132,000) | (500,000) | (1,300,000) | (1,800,000) | (900,000) | - |
| Less: SWFWMD Grant | | - | - | - | - | - | - |
| Less: Capitalized Interest | | - | - | - | - | - | - |
| Less: Transfer in from Renewal & Replacement Fund | | (2,781,000) | (2,864,430) | (2,950,363) | (3,038,874) | (3,130,040) | (3,223,941) |
| Plus: Transfer Out to Capital Improvement Fund | | 38,768 | 24,923 | 17,474 | 13,224 | 8,707 | 8,226 |
| Plus: Transfer Out to R&R Fund | | 2,700,000 | 3,122,015 | 3,205,445 | 3,291,377 | 3,379,888 | 3,471,055 |
| Plus: Transfer Out to Operating Reserve | | 407,382 | - | - | - | - | 95,475 |
| Plus: Transfer Out to Rate Stabilization Account | | - | - | - | - | - | - |
| Plus: Transfer to Rate Stabilization | | - | - | - | - | - | - |
| Subtotal Adjustments | | (8,393,894) | (4,152,763) | (5,172,054) | (5,978,394) | (5,351,617) | (4,714,343) |
| Total Net Revenues Required | | \$ 157,387,253 | \$ 158,632,039 | \$ 159,244,237 | \$ 163,361,952 | \$ 166,982,096 | \$ 170,758,452 |
| Projected Water Demand (mgd) | | 168.50 | 167.30 | 165.20 | 166.90 | 168.00 | 169.30 |
| Projected Uniform Water Rate (\$/1000 gal.) | | \$2.5590 | \$2.5978 | \$2.6410 | \$2.6816 | \$2.7231 | \$2.7633 |

NOTES:

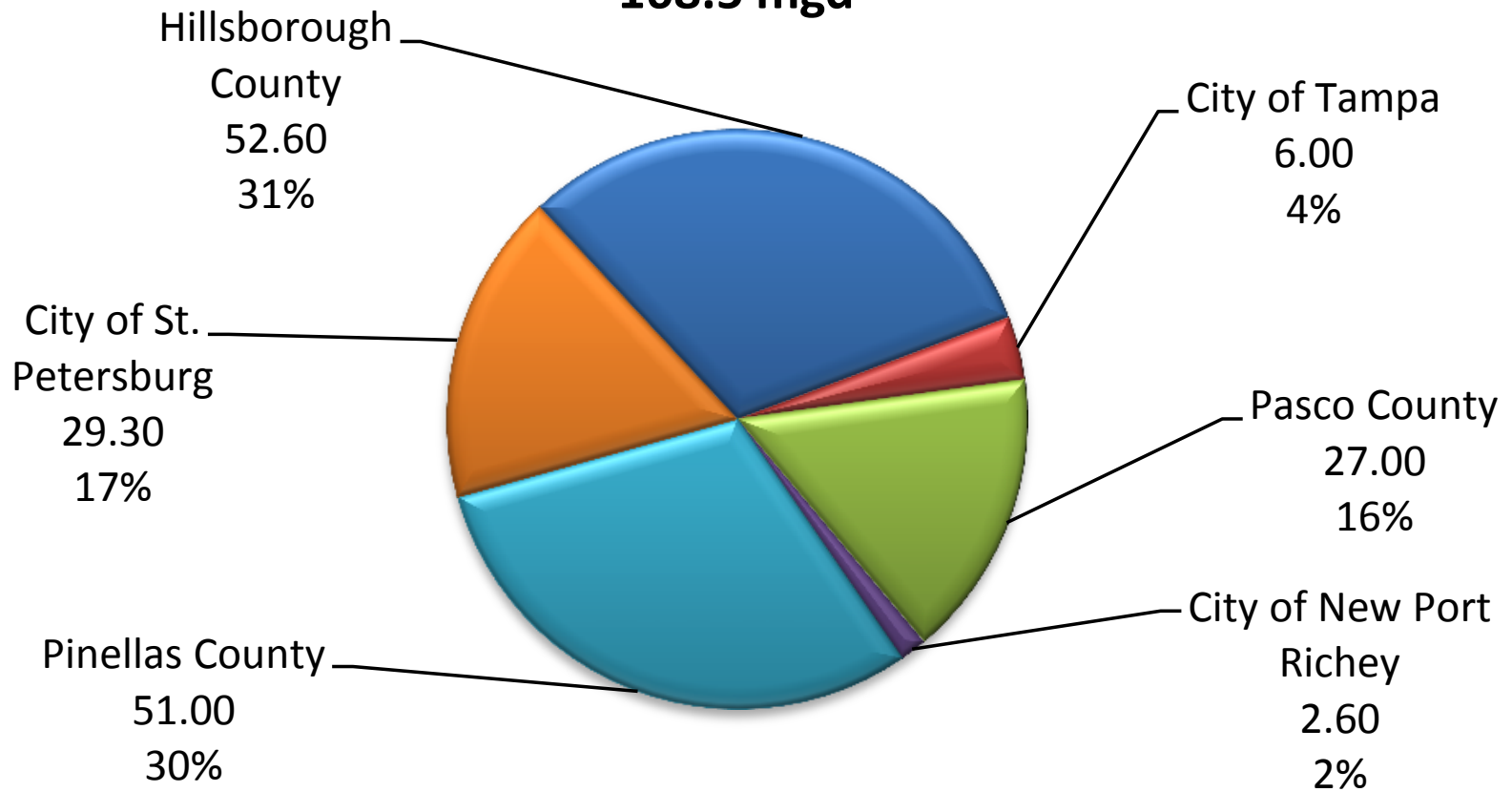
[1] DEBT SERVICE FOR FY 2016 THRU 2019 REFLECT A DEBT SERVICE CALCULATED ON A 25 YEAR EQUAL DISTRIBUTION FOR 2011A & B SERIES BONDS SHORT TERM MATURITIES (SEE DEBT SERVICE SECTION FOR FURTHER EXPLANATION).

[2] AN INFLATION RATE RANGE OF 3.3% TO 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 COSTS PROVISION IS MADE FOR THOSE PROJECTS WHICH HAVE NOT BEEN SELECTED BY THE BOARD FOR CONSTRUCTION.

[3] FOR 2014, ESTIMATED UNENCUMBERED FUNDS FROM PRIOR YEAR ARE ESTIMATED AT 2% OF PRIOR YEAR WATER REVENUE FROM WATER SALES. FUNDS TRANSFER THROUGH THE RATE STABILIZATION ACCOUNT AT YEAR END. 2015-2019 ARE ESTIMATED AT 1.5% OF PRIOR YEAR WATER SALES.

Projected Water Demand for FY 2014

168.5 mgd



Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs

Estimated Annual Member Costs FY 2014

| 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 (\$/1,000 gallons) | \$ 2.5590 | \$ 2.5590 | \$ 2.5590 | \$ 2.5590 | \$ 2.5590 | \$ 2.5590 | \$ 2.5590 |
| Member Water Demand Projection (mgd) for FY 2014 | 52.60 | 6.00 | 27.00 | 2.60 | 51.00 | 29.30 | 168.50 |
| Percentage of Total Water Sales (see note # 1) | 31.2166% | 3.5608% | 16.0237% | 1.5430% | 30.2671% | 17.3887% | 100.0000% |
| Estimated Member Water Purchase (FY 2013) | 52.50 | 6.30 | 26.20 | 2.40 | 53.30 | 28.50 | 169.20 |
| Percentage of Total Water Sales (see note # 2) | 31.0284% | 3.7234% | 15.4846% | 1.4184% | 31.5012% | 16.8440% | 100.0000% |
| Total Member Fixed Costs before Credits/Surcharge FY 2014 | \$ 39,288,970.61 | \$ 4,714,676.47 | \$ 19,607,067.24 | \$ 1,796,067.23 | \$ 39,887,659.69 | \$ 21,328,298.33 | \$ 126,622,739.57 |
| Total Member Variable Costs before Credits/Surcharge FY 2014 | 9,603,640.26 | 1,095,472.27 | 4,929,625.23 | 474,704.65 | 9,311,514.32 | 5,349,556.27 | 30,764,513.00 |
| Total Member Costs before Credits/Surcharge FY 2014 | 48,892,610.87 | 5,810,148.74 | 24,536,692.47 | 2,270,771.88 | 49,199,174.01 | 26,677,854.60 | 157,387,252.57 |
| Additional Credits/Surcharges (Board Approved) | - | - | 42,000 | - | - | - | 42,000 |
| Sale of Surface Water (TBC) | - | 581,260.00 | - | - | - | - | 581,260.00 |
| Water Quality Credits to Member Governments for FY 2014 | (36,000.00) | - | - | (12,000.00) | - | - | (48,000.00) |
| Facilities Acquisition Credits to Member Governments for FY 2014 | (1,238,467.88) | (219,828.36) | (1,873,512.62) | (847,578.84) | (4,378,395.83) | (1,673,774.06) | (10,231,557.59) |
| Net Annual Member Costs | \$ 47,618,142.99 | \$ 6,171,580.38 | \$ 22,705,179.85 | \$ 1,411,193.04 | \$ 44,820,778.18 | \$ 25,004,080.54 | \$ 147,730,954.98 |

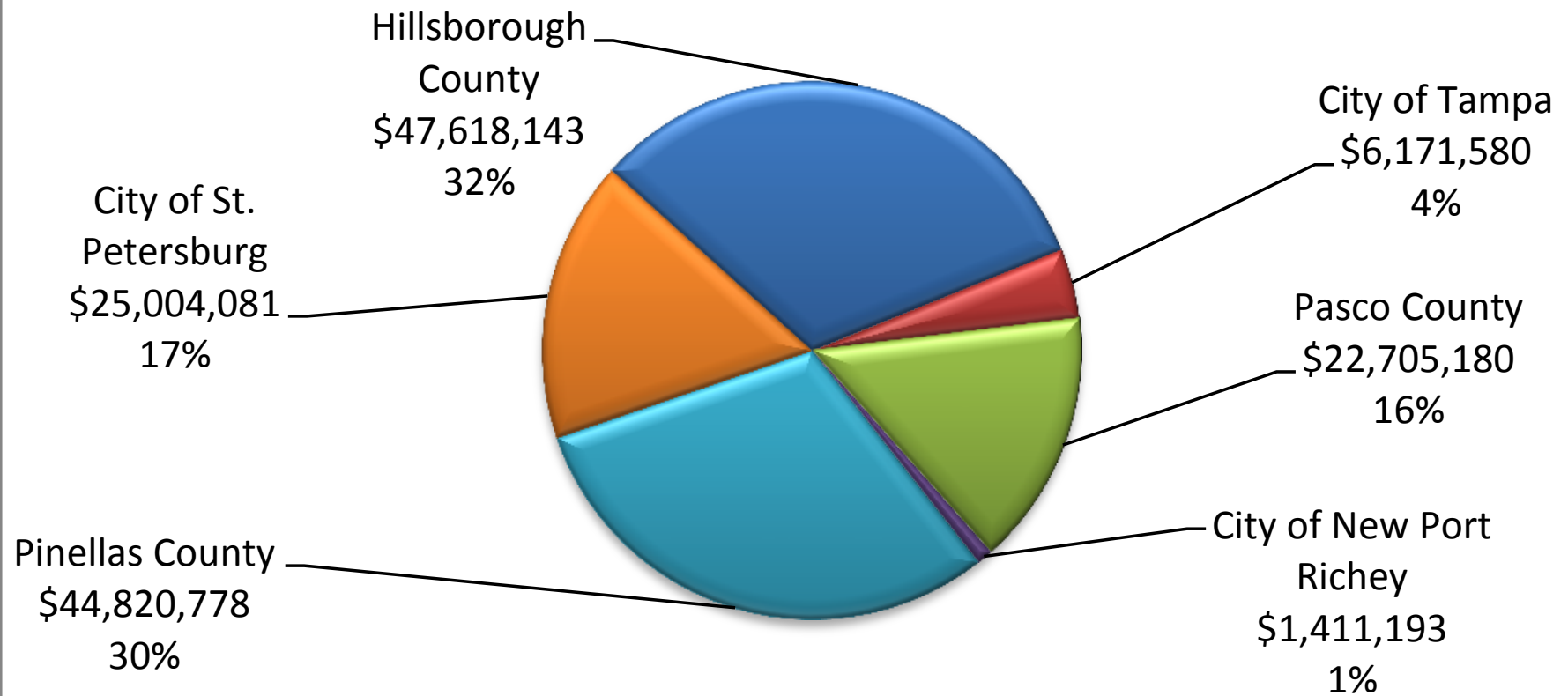
Notes:

[1] Variable costs are allocated based on the member government's projected annual water demand (mgd) for FY 2014

[2] Fixed costs billed to member governments in FY 2014 are based on the actual FY 2013 production. A true-up to the actual FY 2014 production is completed at FY 2014 year end.

Estimated Net Member Costs FY 2014

Total Net Annual Costs=\$147,730,955



**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

Hillsborough County:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| Hillsborough County Estimated Water Demand (mgd) through September 30, 2013 | 52.50 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 31.03% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 52.60 |

| | Annual Billing | Monthly Billing |
|--|------------------------|------------------------|
| Fixed Cost Summary | \$39,288,970.61 | \$3,274,080.88 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$9,603,640.26 | \$800,303.36 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2014 | (\$36,000.00) | (\$3,000.00) |
| Annual Facilities Acquisition Credits | (\$1,238,467.88) | (\$103,205.66) |
| TOTAL | \$47,618,142.99 | \$3,968,178.58 |

**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

City of Tampa:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|-------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| City of Tampa Estimated Water Demand (mgd) through September 30, 2013 | 6.30 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 3.72% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 6.00 |

| | Annual Billing | Monthly Billing |
|--|-----------------------|------------------------|
| Fixed Cost Summary | \$ 4,714,676.47 | \$392,889.71 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$1,095,472.27 | \$91,289.36 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$581,260.00 | \$48,438.33 |
| Water Quality Credits FY 2014 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$219,828.36) | (\$18,319.03) |
| TOTAL | \$6,171,580.38 | \$514,298.37 |

**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

Pasco County:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| Pasco County Estimated Water Demand (mgd) through September 30, 2013 | 26.20 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 15.48% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 27.00 |

| | Annual Billing | Monthly Billing |
|--|------------------------|------------------------|
| Fixed Cost Summary | \$19,607,067.24 | \$1,633,922.27 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$4,929,625.23 | \$410,802.10 |
| Additional Credits/Surcharges | \$42,000.00 | \$3,500.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2014 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$1,873,512.62) | (\$156,126.05) |
| TOTAL | \$22,705,179.85 | \$1,892,098.32 |

**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

City of New Port Richey:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|-------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| City of New Port Richey Estimated Water Demand (mgd) through September 30, 2013 | 2.40 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 1.42% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 2.60 |

| | Annual Billing | Monthly Billing |
|--|-----------------------|------------------------|
| Fixed Cost Summary | \$1,796,067.23 | \$149,672.27 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$474,704.65 | \$39,558.72 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2014 | (\$12,000.00) | (\$1,000.00) |
| Annual Facilities Acquisition Credits | (\$847,578.84) | (\$70,631.57) |
| TOTAL | \$1,411,193.04 | \$117,599.42 |

**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

Pinellas County:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| Pinellas County Estimated Water Demand (mgd) through September 30, 2013 | 53.30 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 31.50% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 51.00 |

| | Annual Billing | Monthly Billing |
|--|------------------------|------------------------|
| Fixed Cost Summary | \$39,887,659.69 | \$3,323,971.64 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$9,311,514.32 | \$775,959.53 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2014 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$4,378,395.83) | (\$364,866.32) |
| TOTAL | \$44,820,778.18 | \$3,735,064.85 |

**Tampa Bay Water - 2014 Annual Budget
Annual Rate Setting and Member Costs**

Estimated Member Cost FY 2014

City of St. Petersburg:

FY 2014 Billing Based on FY 2013 Actual Usage per Section 13(B)

| | |
|--|--------------|
| Total Estimated Water Demand (mgd) through September 30, 2013 | 169.20 |
| City of St. Petersburg Estimated Water Demand (mgd) through September 30, 2013 | 28.50 |
| Percentage of FY 2013 Water Demand/Total Water Demand (applied to FY 2014 Fixed Costs) | 16.84% |
| Variable Rate is Based on Percentage of Projected FY 2014 Water Demand (mgd) of: | 29.30 |

| | Annual Billing | Monthly Billing |
|--|------------------------|------------------------|
| Fixed Cost Summary | \$21,328,298.33 | \$1,777,358.19 |
| Variable Rate (\$/1,000 gallons) = \$0.5002 | \$5,349,556.27 | \$445,796.36 |
| Additional Credits/Surcharges | \$0.00 | \$0.00 |
| Sale of Surface Water (TBC) | \$0.00 | \$0.00 |
| Water Quality Credits FY 2014 | \$0.00 | \$0.00 |
| Annual Facilities Acquisition Credits | (\$1,673,774.06) | (\$139,481.17) |
| TOTAL | \$25,004,080.54 | \$2,083,673.38 |

Debt Service

Fiscal Year 2014

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 – 2014 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, and 2011B were a refunding only. The Series 2010 bond issue refunded the remainder of the 1998A and 1998B bonds, and partially refunded the 2001B bonds. The Series 2011 bonds partially refunded the 2001A bonds. In 2010 the final \$21,250,000 of the 2002 bonds was redeemed utilizing proceeds of the SWFWMD Desalination Plant Funding Agreement. The 2011A Bonds partially refunded the 2001A Bonds, and terminated the 2007 Swaptions. The 2011B Bonds partially refunded the 2001B Bonds, and terminated the 2005 Swaptions. The 2013 Bonds are funding approved Capital Improvements to the Utility System, including the Reservoir Renovation Project.

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

Tampa Bay Water's Outstanding Bonds

| Original Issue | | Projected Balance Outstanding 10/1/2013 | All-In True Interest Cost | Final Maturity | Purpose |
|----------------|--|--|------------------------------------|-------------------|---|
| 309,370,000 | Refunding Revenue Bonds, Series 2001 A | 50,000,000 | 5.13% | 2029 | Partial defeasance of 1999 Bonds |
| 107,870,000 | Refunding Revenue Bonds, Series 2004 | 69,070,000 | 3.69% | 2019 | Partial defeasance of 1998 A, 1998 B and 2001 B Bonds |
| 174,965,000 | Refunding Revenue Bonds, Series 2005 | 155,080,000 | 3.99% | 2024 | Partial defeasance of 1998 A, 1998 B and 2001 B Bonds; Fund Capital Improvement Program |
| 81,885,000 | Refunding Revenue Bonds, Series 2006 | 64,795,000 | 4.63% | 2036 | Refund 2002 Bonds and FLGFC Loans; fund Capital Improvement Program |
| 101,375,000 | Revenue Bonds, Series 2008 | 101,375,000 | 4.87% | 2038 | Fund Capital Improvement Program |
| 66,980,000 | Refunding Revenue Bonds, Series 2010 | 66,980,000 | 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 | 87,585,000 | 3.38% | 2021 | Partial defeasance of 2001A Bonds |
| 140,645,000 | Refunding Revenue Bonds, Series 2011A | 139,760,000 | 5.93% | 2024 | Partial defeasance of 2001A Bonds; terminate 2007 Swaptions |
| 148,920,000 | Refunding Revenue Bonds, Series 2011 B | 148,270,000 | 5.93% | 2019 | Partial defeasance of 2001B Bonds; terminate 2005 Swaptions |
| 75,295,000 | Revenue Bonds, Series 2013 | 75,295,000 | 3.88% | 2038 | Fund Capital Improvement Program |
| | | 958,210,000 | | | |

**Tampa Bay Water – 2014 Annual Budget
Debt Service**

Rate Covenant

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

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

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

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

| |
|---|
| Net Revenues = (Gross Revenues – Operating Expenses) |
|---|

Rate Coverage Test:

| |
|--|
| Rate Coverage Test = $\frac{\text{Net Revenues} + \text{Utility Reserve Fund Balance}}{\text{Total Debt Service}}$ |
|--|

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

Debt Coverage Test:

| |
|---|
| Debt Coverage Test = $\frac{\text{Net Revenues}}{(\text{Total Debt Service} + \text{Annual Contribution to Capital Improvement Fund} + \text{Annual Contribution to R\&R Fund})}$ |
|---|

Tampa Bay Water – 2014 Annual Budget
Debt Service

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).

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 10/1/2013 | Projected Balance Outstanding 9/30/2014 |
|------------------------------|--|--|
| Pasco County | \$ 19,424,453 | \$ 18,520,506 |
| City of New Port Richey | 8,787,640 | 8,378,694 |
| Hillsborough County | 12,840,352 | 12,242,806 |
| City of St. Petersburg | 17,353,577 | 16,546,002 |
| Pinellas County | 45,394,913 | 43,282,392 |
| City of Tampa | 2,279,166 | 2,173,101 |
| | \$106,080,101 | \$101,143,501 |

| Summary of 2014 Debt Service | | | |
|--|----------------------|----------------------|----------------------|
| | Interest | Principal | Total |
| <u>Bonds</u> | | | |
| Refunding Revenue Bond, Series 2001 A | \$ 3,000,000 | | \$ 3,000,000 |
| Refunding Revenue Bond, Series 2004 | 3,599,538 | 10,655,000 | 14,254,538 |
| Refunding Revenue Bond, Series 2005 | 8,490,825 | 4,875,000 | 13,365,825 |
| Refunding Revenue Bond, Series 2006 | 2,941,054 | 1,905,000 | 4,846,054 |
| Revenue Bond, Series 2008 | 5,068,750 | - | 5,068,750 |
| Refunding Revenue Bond, Series 2010 | 3,331,800 | - | 3,331,800 |
| Refunding Revenue Bond, Series 2011 | 4,379,250 | 9,170,000 | 13,549,250 |
| Refunding Revenue Bond, Series 2011 A | 6,627,750 | 295,000 | 6,922,750 |
| Refunding Revenue Bond, Series 2011 B | 7,213,800 | 165,000 | 7,378,800 |
| Revenue Bond, Series 2013 | 1,265,033 | | 1,265,033 |
| DEBT SERVICE BONDS & LOANS | \$ 45,917,799 | \$ 27,065,000 | \$ 72,982,799 |
| | Interest | Principal | Total |
| <u>Facility Acquisition Credits</u> | | | |
| Pasco County | \$ 969,566 | \$ 903,946 | \$ 1,873,513 |
| City of New Port Richey | 438,633 | 408,946 | 847,579 |
| Hillsborough County | 640,923 | 597,545 | 1,238,468 |
| City of St. Petersburg | 866,199 | 807,575 | 1,673,774 |
| Pinellas County | 2,265,875 | 2,112,521 | 4,378,396 |
| City of Tampa | 113,764 | 106,064 | 219,828 |
| DEBT SERVICE FACILITY ACQUISITION CREDITS | \$ 5,294,959 | \$ 4,936,599 | \$ 10,231,558 |
| TOTAL DEBT SERVICE | \$ 51,212,758 | \$ 32,001,599 | \$ 83,214,357 |

**Tampa Bay Water – 2014 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 – 2014 Annual Budget
Debt Service

In May, 2008 Tampa Bay Water’s debt received a rating upgrade from both Standard & Poor’s and Fitch. In 2010, Fitch again updated the Agency’s debt from AA to AA+ and Moody’s updated the Agency’s debt from Aa3 to Aa2. The following table summarizes the underlying ratings assigned to Tampa Bay Water’s debt by the rating agencies at time of issuance based on the agency’s credit.

| Bond Issue | Moody's | Fitch | Standard & Poor's |
|--------------|---------|-------|-------------------|
| 2001A Bonds | A1 | AA- | A+ |
| 2004 Bonds | Aa3 | AA- | A+ |
| 2005 Bonds | Aa3 | AA- | A+ |
| 2006 Bonds | Aa3 | AA- | AA- |
| 2008 Bonds | Aa3 | AA | AA+ |
| 2010 Bonds | Aa2 | AA+ | AA+ |
| 2011 Bonds | Aa2 | AA+ | AA+ |
| 2011A Bonds | Aa2 | AA+ | AA+ |
| 2011 B Bonds | Aa2 | AA+ | AA+ |
| 2013 Bonds | Aa2 | AA+ | AA+ |

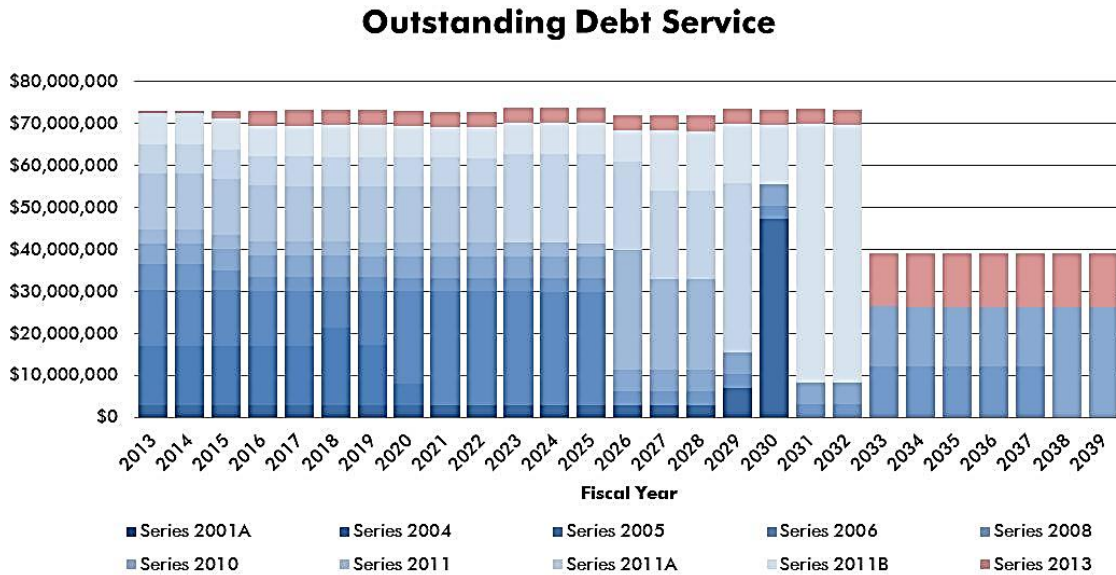
Tampa Bay Water’s 2001A, 2004, 2005 and 2006 Bonds are insured by Financial Guaranty Insurance Company (FGIC) and at the time of issuance the insured ratings were AAA rated by the three rating agencies. In early 2008, the insurer’s financial strength and ratings were downgraded by Moody’s, Fitch and 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 2008, 2010, 2011, 2011A, 2011B and 2013 Bonds are uninsured.

**Tampa Bay Water – 2014 Annual Budget
Debt Service**

Outstanding Debt Service

The Series 2013 bonds closed on February 7, 2013. The Agency capitalized interest in the Series 2013 bonds financing, to establish a level aggregate debt service. Outstanding Debt Service drops in fiscal year 2033, allowing us to structure the Series 2013 Debt with minimal effect on our Stakeholders.

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



Future Borrowing

The 2011A and 2011B Refunding Bonds have short term maturities in fiscal years 2016 to 2019. These maturities will be refinanced either at the stated maturity date or earlier.

Capital Improvement Program

Fiscal Year 2014

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 2014.

Tampa Bay Water – 2014 Annual Budget Capital Improvement Program

In fiscal year 2010, Tampa Bay Water redeveloped its capital planning procedures. This has resulted in a more efficient and comprehensive project evaluation and prioritization process. Tampa Bay Water's five year plan for its Capital Improvement Program is presented in a separate document titled "Capital Improvement Program Fiscal Years 2014 through 2018".

This section provides details of only those projects Tampa Bay Water will be managing during fiscal year 2014.

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 2014 CIP Budget is the basis for budgeted expenditures when adopting the 2014 Annual Budget.

Goals

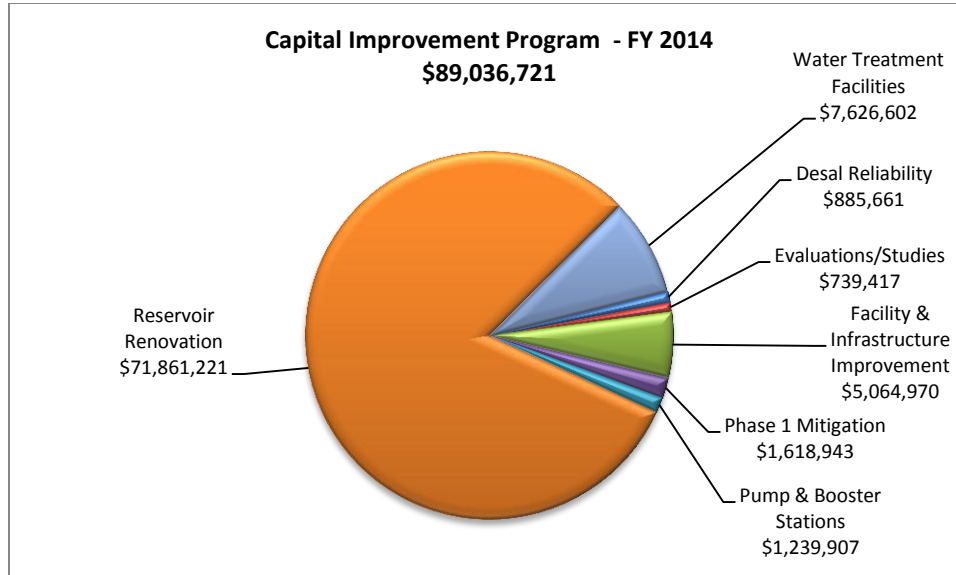
The following goals are used by Tampa Bay Water staff to develop the annual capital budget and the CIP:

- 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 – 2014 Annual Budget Capital Improvement Program

2014 Capital Improvement Program Funding

For fiscal year 2014, Tampa Bay Water has budgeted \$89,036,721 planned CIP activities. Funding for CIP activities is based on project cash flow estimates for all planned CIP activities.



Capital Improvement Financing

Revenue Bonds

Tampa Bay Water's current Capital Improvement Program is funded primarily 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 technological upgrades and facility remodeling or renovations.

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. A Joint Project Agreement with Pinellas County is

**Tampa Bay Water – 2014 Annual Budget
Capital Improvement Program**

funding a portion of the Eldridge Wilde Hydrogen Sulfide Removal Facility and Points of Connection Updates project.

The following table provides a summary of planned project expenditures for fiscal year 2014 as of May 2013.

**CAPITAL IMPROVEMENT PROGRAM
PROJECTS IN PROCESS DURING FY 2014**

| Proj. No. | Project Description | Funding Source | Funding Source Total | FY 2014 |
|---------------------------------------|---|--|----------------------|------------|
| 6315 | Alafia Pump Station Modifications | Revenue Bonds | \$1,581,000 | \$827,729 |
| 50020 | Alafia River Pump Station Pumps 1, 2, and 3 | Renewal & Replacement Fund | 1,761,000 | 353,996 |
| 1310 | C.W. Bill Young Regional Reservoir Renovation | Revenue Bonds | 146,814,441 | 71,861,221 |
| 9004 | Cosme WTP and St. Petersburg's POC Update | Uniform Rate Funds | 250,000 | 99,508 |
| 7131 | Cosme WTP Yard | Capital Improvement Fund | 1,600,907 | 21,218 |
| 7152 | Cross Bar Ranch Wellfield - Pumps Replacement | Renewal & Replacement Fund | 4,162,500 | 1,200,286 |
| 50014 | Cypress Bridge WF Generator Replacement | Renewal & Replacement Fund | 162,000 | 162,000 |
| 50006 | Cypress Bridge/BUD-7 Variable Frequency Drive Replacement | Renewal & Replacement Fund | 504,591 | 136,774 |
| 11004 | Cypress Creek Crossing Wellfield Collection Main Assessment\Evaluation | Uniform Rate Funds | 500,000 | 500,000 |
| 9104 | Cypress Creek Surface Water Management Systems Enhancements | Uniform Rate Funds-Phase 1 Mitigation | 1,000,000 | 167,130 |
| TBD | Cypress Creek WF and Section 21 WF MCCs Replacement | Renewal & Replacement Fund | 263,000 | 263,000 |
| 50004 | Cypress Creek WTP Chemical Feed Systems Rehabilitation | Renewal & Replacement Fund | 615,000 | 2,653 |
| 7007 | Cypress Creek WTP Chemical System Upgrades | Capital Improvement Fund | 734,000 | 20,833 |
| 50024 | Cypress Creek WTP Open Shed | Renewal & Replacement Fund | 252,000 | 120,411 |
| 50011 | Cypress Creek WTP Tanks Rehabilitation | Renewal & Replacement Fund | 112,000 | 12,511 |
| 0 | Eldridge-Wilde Hydrogen Sulfide Removal Facility and Pinellas County POCs Updates | Member Government Contribution | 3,675,948 | 2,272,237 |
| 0 | Eldridge-Wilde Hydrogen Sulfide Removal Facility and Pinellas County POCs Updates | Revenue Bonds | 4,569,489 | 2,399,377 |
| 50016 | Eldridge-Wilde WF Pumps & Motors Replacement | Renewal & Replacement Fund | 345,000 | 345,000 |
| 9103 | Grass Prairie berm removal/hydrologic restoration | Uniform Rate Funds-Phase 1 Mitigation | 153,000 | 118,943 |
| 50019 | HSPS Tanks Rehab | Renewal & Replacement Fund | 244,000 | 244,000 |
| 9101 | Lake Horse, Raleigh and Rogers Restoration | co-Funding | 1,735,154 | 750,000 |
| 9101 | Lake Horse, Raleigh and Rogers Restoration | Uniform Rate Funds-Phase 1 Mitigation | 1,735,154 | 750,000 |
| 50022 | Morris Bridge Booster Station Pumps 1 and 2 Replacement | Renewal & Replacement Fund | 985,000 | 58,182 |
| 50021 | Morris Bridge WF MCCs and Transformers Replacement | Renewal & Replacement Fund | 836,000 | 836,000 |
| 50012 | Morris Bridge WF Pumps & Motors Replacement | Renewal & Replacement Fund | 223,000 | 147,339 |
| 7004 | Morris Bridge WTP Chemical System Upgrades | Capital Improvement Fund | 398,000 | 11,979 |
| 7002 | North System Pressure Modification Project | Capital Improvement Fund | 1,656,000 | 156,490 |
| 7052 | Repump Station Drainage Improvements | Capital Improvement Fund | 290,000 | 38,319 |
| 6503 | SCHIP Phase III (Hydrogen Sulfide Removal at Lithia) | Revenue Bonds | 34,741,300 | 2,774,045 |
| TBD | Section 21 Overhead Power Line Replacement | Capital Improvement Fund | 361,000 | 33,050 |
| 7006 | South Pasco Generator and Fuel Tank | Capital Improvement Fund | 621,000 | 151,096 |
| 7061 | South Pasco Wellfield Underground Commercial Powerline | Not Yet Determined | 1,715,850 | 1,588 |
| 50018 | South Pasco WF Pump Replacement | Renewal & Replacement Fund | 52,000 | 45,810 |
| 7005 | South Pasco WTP Chemical System Upgrades | Capital Improvement Fund | 379,000 | 12,556 |
| 50023 | Starkey WF Motor Control Centers Replacement | Renewal & Replacement Fund | 556,000 | 92,137 |
| 50017 | Structures 160, 161, and 162 Actuator Upgrades | Renewal & Replacement Fund | 443,000 | 443,000 |
| 6910 | Surface & Recharge Water Projects-Planning Study | co-Funding | 751,649 | 46,787 |
| 6910 | Surface & Recharge Water Projects-Planning Study | Revenue Bonds | 1,496,020 | 93,122 |
| 7401 | Tampa Bay Seawater Desalination Reliability Program | Capital Improvement Fund | 1,280,000 | 396,766 |
| 7401 | Tampa Bay Seawater Desalination Reliability Program | Revenue Bonds (FLGFC-Desal) | 4,115,146 | 488,895 |
| 7500 | Vulnerability Assessment-Recommended Improvements | Capital Improvement Fund | 2,227,604 | 580,733 |
| Total CIP for Fiscal Year 2014 | | | \$89,036,721 | |

Further project detail is provided in a separate document titled "Tampa Bay Water's Capital Improvement Program".

Divisional Operating Budget Detail

Fiscal Year 2014

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 2014 budget for each division and historical budget trends of the divisions for the preceding four years.

Tampa Bay Water – 2014 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 from prior to Agency’s reorganization.

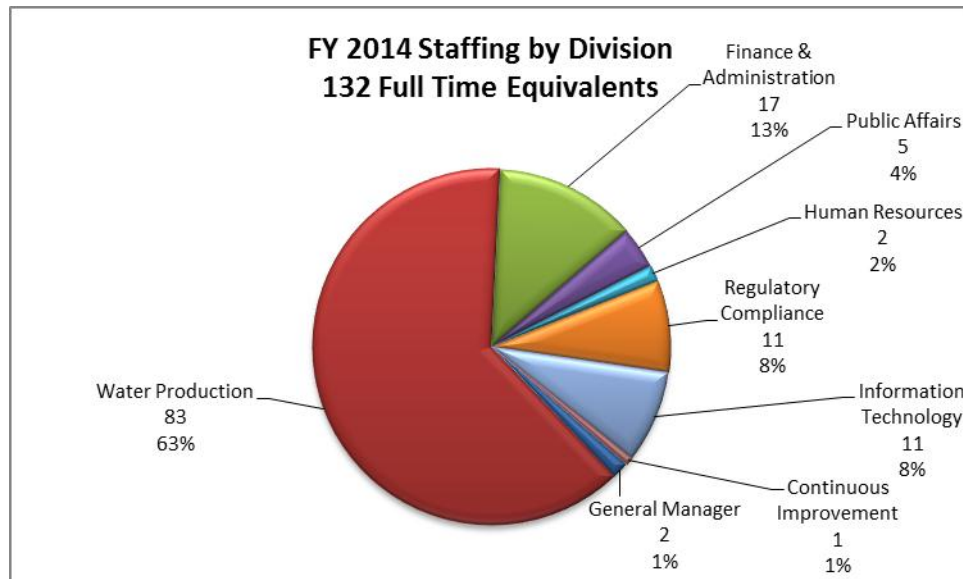
At the General Manager’s direction, a new organization chart was developed and implemented beginning in Fiscal Year 2013. The new organizational design separates the agency into seven divisions: Water Production, Finance & Administration, Public Affairs, Regulatory Compliance, Information Technology, Human Resources and Continuous Improvement. As part of the reorganization, each division is now focused on developing efficient work processes and creating performance measures to strive for efficiencies and affordable service.

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

Staffing

For fiscal year 2014, \$12,548,254 or approximately 7.4 percent of the Operating Budget is funding for 132 fulltime employees and 4 Co-op students.

The following graph identifies full-time equivalent (FTE) positions by division.



**Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail**

The chart below shows staffing levels from fiscal years 2010 through 2013, prior to the Agency's reorganization.

**STAFFING COMPARISON BY DEPARTMENT (PRIOR TO AGENCY
REORGANIZATION)
IN FULL-TIME EQUIVALENTS**

| | Approved FY 2010 | Approved FY 2011 | Approved FY 2012 | Approved FY 2013 |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>Executive Offices:</u> | | | | |
| General Manager | 2 | 2 | 2 | 2 |
| Public Relations | 1 | 3 | 3 | 3 |
| General Counsel | 3 | 2 | 2 | 1 |
| <u>Operations & Facilities Division:</u> | | | | |
| Operations & Facilities Director | 2 | 2 | 2 | 2 |
| Water Quality | 1 | 1 | 1 | 1 |
| Operations | 19 | 21 | 21 | 21 |
| Instrumentation & Control | 9 | 9 | 9 | 9 |
| Maintenance | 14 | 14 | 14 | 14 |
| Construction | 3 | 3 | 3 | 3 |
| Mitigation | 4 | 2 | 2 | 3 |
| <u>Science & Engineering Division:</u> | | | | |
| Science & Engineering Director | 2 | 2 | 2 | 1 |
| Evaluation & Permitting | 8 | 8 | 8 | 8 |
| Laboratory Services | 15 | 15 | 16 | 16 |
| Source Rotation & Environmental Protection | 5 | 5 | 5 | 5 |
| Planning & Engineering | 7 | 7 | 8 | 9 |
| <u>Finance & Administration Division</u> | | | | |
| Finance Director | 1 | 1 | 1 | 1 |
| Information Systems | 16 | 13 | 13 | 12 |
| Records | 6 | 5 | 5 | 5 |
| Finance | 8 | 8 | 8 | 8 |
| Human Resources | 2 | 2 | 2 | 2 |
| | 128 | 125 | 127 | 126 |

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

Positions for Fiscal Year 2014

The Management and Performance Audit presented to the Board in 2010 indicated the need to systematically review the Agency's outsourcing activities to ensure the Agency is receiving good value. As Tampa Bay Water shifted focus from designing and building new infrastructure to maintaining, and renewal and replacement of existing infrastructure, staff reviewed the outsourcing activities associated with engineering and determined that there was an opportunity to receive a better value for engineering labor by completing engineering tasks with in-house staff.

The Management and Performance Audit also indicated that the Agency's maintenance department was understaffed, especially in view of the additional infrastructure that has been constructed or acquired over the past decade. Staff reviewed the outsourcing activities associated with well complaint investigations. Staff determined there was an opportunity for the Agency to bring the same level of well complaint investigations in-house while simultaneously increasing the maintenance staff.

In December 2012, the Board approved a total of six additional full time employees in fiscal year 2013 that will be assigned to Water Production Division.

**Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail**

The chart below shows current staffing levels under Tampa Bay Water’s new organizational structure.

**STAFFING COMPARISON BY DEPARTMENT
IN FULL-TIME EQUIVALENTS**

| | Amended Dec. 2012 <hr/> FY 2013 | Approved June 2013 <hr/> FY 2014 |
|--|--|---|
| <u>Executive Office:</u> | | |
| General Manager | 2 | 2 |
| <u>Water Production Division:</u> | | |
| Chief Operations Officer | 2 | 2 |
| North Section | 34 | 34 |
| South Section | 22 | 22 |
| System Operations | 12 | 12 |
| Engineering Support | 8 | 8 |
| Technical Support | 5 | 5 |
| <u>Finance & Administration Division</u> | | |
| Chief Financial Officer | 1 | 1 |
| Finance | 7 | 7 |
| Risk Management | 1 | 1 |
| Purchasing | 3 | 3 |
| Records | 5 | 5 |
| <u>Public Affairs Division:</u> | | |
| Chief Communications Officer | 1 | 1 |
| Public Communications | 2 | 2 |
| Planning & Outreach | 1 | 1 |
| Inter-Governmental | 1 | 1 |
| <u>Regulatory Compliance Division</u> | | |
| Regulatory Compliance Senior Manager | 1 | 1 |
| Permitting | 8 | 8 |
| Tracking | 1 | 1 |
| Mitigation | 1 | 1 |
| <u>Information Technology Division</u> | | |
| Information Technology Senior Manager | 1 | 1 |
| Applications | 3 | 3 |
| Systems | 5 | 5 |
| GIS | 2 | 2 |
| <u>Human Resources Division</u> | | |
| Human Resources Senior Manager | 2 | 2 |
| <u>Continuous Improvement Division</u> | | |
| Continuous Improvement Senior Manager | 1 | 1 |
| | 132 | 132 |

Tampa Bay Water
Fiscal Year 2014 Proposed Budget
Total Operations

May-13

| Uniform Rate Budget | 2008 | 2009 | 2010 | 2011 | 2012 | 2012 | 2012 | 2013 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Actual | Approved Budget | Amended Budget | Actuals | Approved Budget | Approved Budget |
| Expenditures: | | | | | | | | | |
| 41000 Regular Salaries | 7,915,530 | 8,214,468 | 8,523,863 | 8,500,129 | 8,732,243 | 8,645,432 | 8,407,490 | 8,520,515 | 9,593,796 |
| 41300 Other Sal & Wages | 23,619 | 20,317 | 20,317 | 20,309 | 20,825 | 20,825 | 16,162 | 10,584 | 10,584 |
| 41310 Employee Awards (FRS Exempt) | - | - | 200 | 800 | 1,200 | 1,200 | 700 | 1,200 | 2,650 |
| 41320 Taxable Insurance Benefit (FRS Exempt) | - | - | 100 | 1,708 | - | - | - | - | - |
| 41330 Taxable Excess Life Insurance (FRS Exempt) | - | - | - | 2,188 | - | - | - | - | - |
| 41340 Auto Allowance | 6,526 | 8,445 | 8,456 | 8,453 | 8,400 | 8,400 | 6,904 | 4,800 | 4,800 |
| 41350 Employee Training Incentives (FRS Exempt) | - | - | - | - | - | 75,000 | 75,000 | - | - |
| 41410 Overtime | 58,916 | 51,717 | 54,677 | 59,656 | 53,624 | 61,184 | 61,184 | 65,426 | 68,120 |
| 41420 Shift Differential | 21,036 | 21,323 | 24,135 | 27,905 | 25,361 | 29,308 | 29,308 | 31,586 | 32,860 |
| 41430 On-call pay | 35,602 | 35,996 | 35,748 | 35,223 | 37,139 | 37,442 | 37,442 | 35,776 | 41,084 |
| 42100 FICA | 588,222 | 600,502 | 617,750 | 621,546 | 670,769 | 670,769 | 623,121 | 657,097 | 744,794 |
| 42200 FRS | 792,006 | 828,223 | 888,127 | 753,049 | 1,200,191 | 1,200,191 | 419,558 | 634,062 | 468,776 |
| 42300 Life & Health Ins | 943,157 | 1,077,586 | 1,362,857 | 1,327,009 | 1,711,624 | 1,743,099 | 1,093,774 | 1,667,020 | 1,381,776 |
| 42400 Workers' Compensation | 229,758 | 180,230 | 101,320 | 85,368 | 106,265 | 106,265 | 96,638 | 88,152 | 134,014 |
| 42500 Unemployment Comp | 15,367 | 3,084 | 83 | 8,524 | 15,400 | 15,400 | - | 15,000 | 15,000 |
| 42600 Other Post Employment Benefits | 94,331 | 78,047 | 60,388 | - | 72,466 | 72,466 | (25,304) | 49,237 | 50,000 |
| Total Personnel Services | 10,724,069 | 11,119,938 | 11,698,022 | 11,451,868 | 12,655,507 | 12,686,982 | 10,841,978 | 11,780,455 | 12,548,254 |
| 55100 Office Supplies | 55,737 | 63,014 | 33,969 | 30,583 | 63,010 | 63,184 | 37,708 | 62,744 | 67,384 |
| 55200 Operating Supplies | 1,355,701 | 1,223,133 | 1,133,532 | 1,394,451 | 1,602,811 | 1,637,826 | 1,337,557 | 1,705,253 | 1,793,338 |
| 55260 Computer Software Expense | 210,194 | 139,803 | 192,479 | 110,629 | 203,000 | 203,000 | 187,684 | 199,850 | 188,880 |
| 55400 Books, Pubs, Subsc, Memberships | 353,284 | 258,936 | 246,702 | 220,721 | 232,330 | 233,256 | 211,031 | 243,271 | 256,563 |
| 55500 Training | - | 76,501 | 65,045 | 47,643 | 108,503 | 106,012 | 68,102 | 128,435 | 175,115 |
| Total Materials & Supplies | 1,974,916 | 1,761,387 | 1,671,727 | 1,804,028 | 2,209,654 | 2,243,278 | 1,842,082 | 2,339,553 | 2,481,280 |
| 63120 Engineering Services | 4,308,634 | 5,888,430 | 2,662,636 | 2,375,566 | 2,665,029 | 3,233,577 | 2,072,725 | 2,160,866 | 2,075,000 |
| 63125 Engineering Services-Owners Allowance | - | - | 10,000 | - | - | 15,946 | - | - | - |
| 63130 Hydrological Services | 828,788 | 1,322,700 | 684,147 | 279,525 | 407,000 | 495,963 | 253,310 | 436,200 | 430,000 |
| 63140 Ecological Services | 3,986,635 | 3,907,245 | 3,267,403 | 3,030,565 | 3,507,596 | 4,054,117 | 3,193,427 | 3,354,557 | 3,016,508 |

Tampa Bay Water
Fiscal Year 2014 Proposed Budget
Total Operations

May-13

| Uniform Rate Budget | 2008 | 2009 | 2010 | 2011 | 2012 | 2012 | 2012 | 2013 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Actual | Approved Budget | Amended Budget | Actuals | Approved Budget | Approved Budget |
| 63181 Mitigation | 1,561,695 | 2,314,300 | 2,038,982 | 909,353 | 1,891,992 | 998,886 | 974,579 | 916,291 | 975,000 |
| 63182 Augmentation | 113,181 | 148,712 | 85,322 | 66,328 | 383,000 | 595,752 | 83,553 | 330,050 | 317,153 |
| 63190 Other Professional Services | 3,971,836 | 2,233,773 | 1,420,624 | 1,403,592 | 1,786,321 | 2,011,666 | 1,181,401 | 1,591,455 | 1,961,430 |
| 63200 Accounting & Auditing | 145,000 | 192,149 | 226,851 | 178,807 | 279,000 | 448,193 | 187,000 | 210,000 | 257,000 |
| 63400 Other Services | 3,254,688 | 2,791,650 | 1,683,247 | 1,411,303 | 1,603,078 | 1,642,556 | 1,369,967 | 1,637,699 | 1,692,344 |
| 63410 O & M Agreements | 10,080,111 | 10,579,643 | 10,224,403 | 12,094,396 | 14,534,995 | 15,548,882 | 13,641,558 | 13,288,191 | 14,537,851 |
| Total Professional Services | 28,250,569 | 29,378,601 | 22,303,614 | 21,749,436 | 27,058,011 | 29,045,538 | 22,957,520 | 23,925,309 | 25,262,286 |
| 64000 Travel & Per Diem | 96,130 | 79,855 | 50,545 | 55,908 | 69,768 | 69,841 | 44,536 | 75,199 | 112,875 |
| 64100 Communications Services | 698,916 | 594,950 | 515,190 | 543,675 | 737,148 | 742,006 | 602,770 | 686,627 | 836,517 |
| 64120 Freight & Postage Services | - | 74,176 | 96,098 | 92,202 | 101,386 | 106,205 | 91,685 | 106,072 | 132,445 |
| 64320 Water, Sewer, & Other Utilities | 651,576 | 1,178,551 | 433,170 | 145,830 | 307,346 | 308,649 | 77,946 | 335,000 | 411,200 |
| 64600 Repair & Maint-Eq & Grounds | 1,317,900 | 2,335,593 | 1,798,122 | 1,845,111 | 2,533,323 | 3,155,724 | 2,178,105 | 2,464,371 | 2,603,383 |
| 64700 Printing & Binding | 35,358 | 28,564 | 26,563 | 21,419 | 58,600 | 56,239 | 17,578 | 55,600 | 45,600 |
| 64800 Promotional Activities | 64,229 | 96,879 | 30,793 | 47,210 | 28,500 | 28,925 | 21,712 | 28,000 | 13,100 |
| 64810 Advertising | 118,580 | 58,543 | 95,731 | 69,299 | 112,995 | 87,815 | 22,216 | 103,516 | 91,600 |
| 64990 Other Current Charges | 62,049 | 57,708 | 103,779 | 90,963 | 153,997 | 155,892 | 121,684 | 115,835 | 99,360 |
| 64991 Permits | 25,136 | 12,037 | 13,673 | 4,594 | 17,000 | 16,700 | 9,700 | 11,000 | 12,240 |
| Total Repairs & Other Services | 3,069,874 | 4,516,855 | 3,163,665 | 2,916,211 | 4,120,063 | 4,727,996 | 3,187,933 | 3,981,220 | 4,358,320 |
| 64400 Rentals & Leases | 313,240 | 347,969 | 264,973 | 263,204 | 283,666 | 287,258 | 276,886 | 277,318 | 304,318 |
| 64500 Insurance | 1,086,006 | 880,245 | 870,417 | 920,963 | 1,269,047 | 1,267,562 | 1,147,547 | 1,557,849 | 1,678,455 |
| Total Rent & Insurance | 1,399,246 | 1,228,213 | 1,135,390 | 1,184,167 | 1,552,713 | 1,554,820 | 1,424,433 | 1,835,167 | 1,982,773 |
| 63110 Legal Services | 2,346,781 | 2,051,324 | 4,241,500 | 3,866,647 | 755,000 | 3,756,857 | 2,934,148 | 545,000 | 545,000 |
| 86100 Land Acq Cost-Purchase | 10,200 | 12,454 | 16,878 | - | 30,000 | 29,841 | - | 25,000 | 25,000 |
| 86110 Land Acq Cost-Legal | 23,054 | - | - | - | 25,000 | 25,000 | - | 30,000 | 10,000 |
| 86120 Land Acq Cost-Prop Stlmnt Attny | - | - | 2,500 | - | - | - | - | - | - |
| 86190 Land Acq Cost-Other | 12,400 | 24,406 | 7,079 | 15,279 | - | 159 | 95 | - | 1,000 |
| 86300 Capital Improve Facility | 1,736,750 | 1,032,493 | 209,175 | - | - | - | - | - | - |

Tampa Bay Water
Fiscal Year 2014 Proposed Budget
Total Operations

May-13

| Uniform Rate Budget | 2008 | 2009 | 2010 | 2011 | 2012 | 2012 | 2012 | 2013 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Actual | Actual | Approved Budget | Amended Budget | Actuals | Approved Budget | Approved Budget |
| 86305 Capital Improve Facility-Owners Allowance | 36,840 | 237,822 | - | - | - | - | - | - | - |
| 86400 Mach & Equipment Purchase | 1,316,406 | 1,070,317 | 994,667 | 1,054,084 | 1,068,744 | 1,150,469 | 830,410 | 1,014,823 | 1,160,364 |
| 86610 Software-To Amortize | 18,230 | 3,190 | - | 34,249 | 35,000 | 35,000 | 28,915 | 49,000 | 599,000 |
| Total Capital Expenditures | 3,153,879 | 2,380,682 | 1,230,298 | 1,103,611 | 1,158,744 | 1,240,469 | 859,420 | 1,118,823 | 1,795,364 |
| 86500 Construction in Progress | 1,953,653 | 170,870 | - | - | - | - | - | - | - |
| 86505 Construction in Progress-Owners Allowance | - | - | - | - | - | - | - | - | - |
| Total Construction in Progress | 1,953,653 | 170,870 | - | - | - | - | - | - | - |
| 77210 Interest Bonds | 50,984,588 | 51,819,796 | 50,425,770 | 48,321,657 | 47,674,967 | 47,674,967 | 47,224,766 | 50,172,831 | 45,917,799 |
| 77230 Interest FLGFC Loans | (6,071) | - | - | - | - | - | - | - | - |
| 87108 Principal 1998 Bonds | 8,680,000 | - | - | - | - | - | - | - | - |
| 87109 Principal 1999 Bonds | 6,575,000 | 6,885,000 | 7,220,000 | 7,585,000 | - | - | - | - | - |
| 87111 Principal 2001-A Bonds | 885,000 | 920,000 | 955,000 | 1,000,000 | - | - | - | - | - |
| 87112 Principal 2001-B Bonds | 3,150,000 | 3,265,000 | 3,385,000 | 3,510,000 | - | - | - | - | - |
| 87113 Principal 2002 Bonds | 21,250,000 | - | - | - | - | - | - | - | - |
| 87114 Principal 2004 Bonds | 250,000 | 5,855,000 | 5,995,000 | 6,175,000 | 9,660,000 | 9,660,000 | 9,660,000 | 10,145,000 | 10,655,000 |
| 87116 Principal 2005 Bonds | 2,560,000 | 3,490,000 | 3,610,000 | 3,730,000 | 4,415,000 | 4,415,000 | 4,415,000 | 4,640,000 | 4,875,000 |
| 87117 Principal 2006 Bonds | - | 2,675,000 | 2,790,000 | 2,905,000 | 3,015,000 | 3,015,000 | 3,015,000 | 3,145,000 | 1,905,000 |
| 87118 Principal 2008 Bonds | - | - | - | - | 10,025,000 | 10,025,000 | - | - | - |
| 87140 Principal 2011 Bonds | - | - | - | - | - | - | 8,325,000 | 8,735,000 | 9,170,000 |
| 87141 Principal 2011A Bonds | - | - | - | 310,000 | - | - | 285,000 | 290,000 | 295,000 |
| 87142 Principal 2011B Bonds | - | - | - | 325,000 | - | - | 160,000 | 165,000 | 165,000 |
| Total Debt Service | 94,328,517 | 74,909,796 | 74,380,770 | 73,861,657 | 74,789,967 | 74,789,967 | 73,084,766 | 77,292,831 | 72,982,799 |
| 77250 Interest Facility Purchase | 6,449,678 | 6,280,259 | 6,106,533 | 5,922,970 | 5,726,930 | 5,726,930 | 5,726,929 | 5,517,464 | 5,294,959 |
| 87125 Principal Payment Facility Acq. | 3,965,955 | 4,058,676 | 4,125,024 | 4,308,586 | 4,504,628 | 4,504,628 | 4,504,628 | 4,714,094 | 4,936,599 |
| Total Acquisition Credits to Members | 10,415,634 | 10,338,935 | 10,231,557 | 10,231,556 | 10,231,558 | 10,231,558 | 10,231,558 | 10,231,558 | 10,231,558 |
| 55250 Water Quality Credit Expense | 309,750 | 292,000 | 292,000 | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 | 48,000 |

Tampa Bay Water
Fiscal Year 2014 Proposed Budget
Total Operations

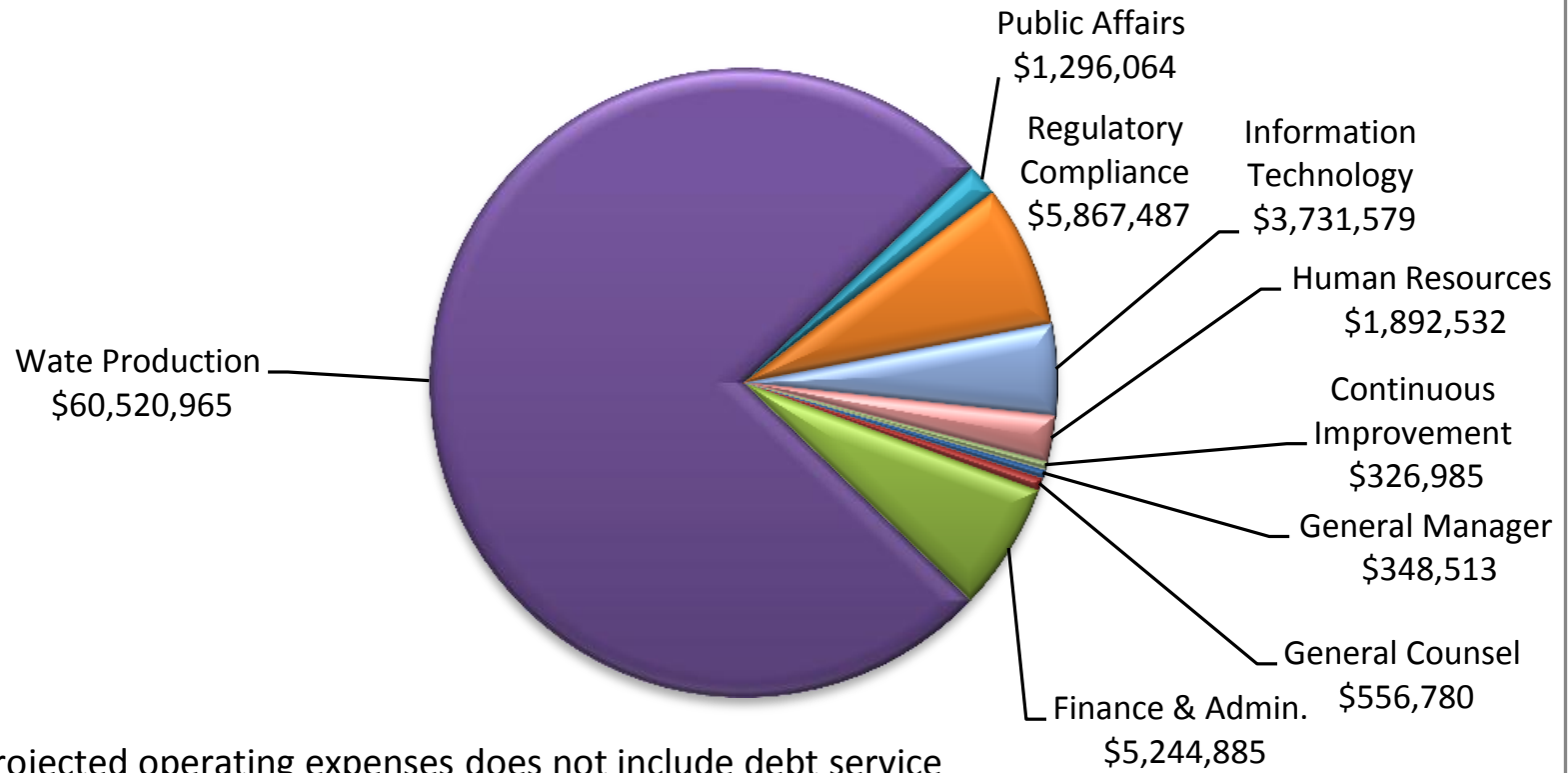
May-13

| Uniform Rate Budget | 2008 | 2009 | 2010 | 2011 | 2012 | 2012 | 2012 | 2013 | 2014 |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Actual | Approved Budget | Amended Budget | Actuals | Approved Budget | Approved Budget |
| 82810 O&M Reserve Funding | 706,158 | 337,573 | 1,674,787 | - | - | - | - | - | 407,382 |
| 82820 Renewal & Replacement Rsv Fund | 600,418 | 575,000 | (250,000) | - | 999,452 | 999,452 | 999,452 | 3,700,000 | 5,481,000 |
| 82870 Capital Improvement Funding | - | - | - | 199,402 | 52,130 | 52,130 | - | 31,115 | 38,768 |
| Total Reserve Funding | 1,306,576 | 912,573 | 1,424,787 | 199,402 | 1,051,582 | 1,051,582 | 999,452 | 3,731,115 | 5,927,150 |
| 55210 Water Treatment Chemicals | 8,259,697 | 12,209,978 | 9,250,955 | 8,338,843 | 11,723,158 | 14,117,492 | 8,331,008 | 10,641,296 | 10,965,065 |
| 64310 Power and Light | 16,283,109 | 17,336,596 | 13,264,739 | 10,853,333 | 15,017,266 | 15,017,266 | 9,199,169 | 15,971,003 | 18,287,208 |
| 64380 Water for Resale-Variable | 2,721,021 | 2,227,335 | 2,068,958 | 1,462,445 | 1,579,800 | 1,579,800 | 1,568,872 | 1,579,800 | 1,512,240 |
| Total Variable Costs | 27,263,827 | 31,773,909 | 24,584,652 | 20,654,621 | 28,320,224 | 30,714,558 | 19,099,049 | 28,192,099 | 30,764,513 |
| GRAND TOTAL | 186,497,290 | 170,835,083 | 156,357,982 | 149,218,204 | 164,098,023 | 172,238,605 | 147,657,339 | 165,168,130 | 168,927,297 |

Note: Amended Budget includes Adopted Budget plus all approved budget amendments.

Tampa Bay Water - 2014 Annual Budget
Divisional Operating Budget Detail

Projected Operating Expenses * FY 2014

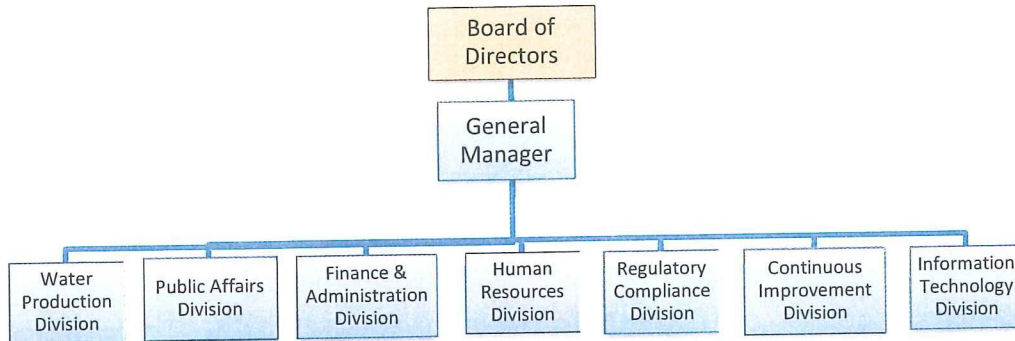


*Projected operating expenses does not include debt service

Tampa Bay Water – 2014 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 and administration and ensuring that Board policies and programs are implemented in accordance with the Board's direction. The General Manager oversees seven 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 and 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, defense of legal matters, construction-related services, human resource and fiscal matters. Since May 2012, the agency's general counsel duties have been performed through contracted services with Pennington, Moore, Wilkinson, Bell and Dunbar, P.A.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

General Manager Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$265,748.00 | \$0.00 | \$265,748.00 |
| 41300 | Other Salaries and Wages | \$10,584.00 | \$0.00 | \$10,584.00 |
| 41340 | Auto Allowance | \$4,800.00 | \$0.00 | \$4,800.00 |
| 42100 | FICA | \$20,631.00 | \$0.00 | \$20,631.00 |
| 42200 | FRS | \$12,985.00 | \$0.00 | \$12,985.00 |
| | Total Salaries and Wages | \$314,748.00 | \$0.00 | \$314,748.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55200 | Operating Supplies | \$312.00 | \$0.00 | \$312.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$22,128.00 | \$0.00 | \$22,128.00 |
| 55500 | Training | \$1,490.00 | \$0.00 | \$1,490.00 |
| | Total Materials and Supplies | \$23,930.00 | \$0.00 | \$23,930.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$5,000.00 | \$0.00 | \$5,000.00 |
| 64120 | Freight | \$50.00 | \$0.00 | \$50.00 |
| 64810 | Advertising | \$3,400.00 | \$0.00 | \$3,400.00 |
| 64990 | Other Current Charges | \$1,385.00 | \$0.00 | \$1,385.00 |
| | Total Repairs and Other Services | \$9,835.00 | \$0.00 | \$9,835.00 |

General Manager Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$348,513.00 | \$0.00 | \$348,513.00 |

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

General Counsel Division

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-------------------------------------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$100.00 | \$0.00 | \$100.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$1,480.00 | \$0.00 | \$1,480.00 |
| 55500 | Training | \$1,000.00 | \$0.00 | \$1,000.00 |
| Total Materials and Supplies | | \$2,580.00 | \$0.00 | \$2,580.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|------------------------------------|-----------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$3,000.00 | \$0.00 | \$3,000.00 |
| Total Professional Services | | \$3,000.00 | \$0.00 | \$3,000.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|---|-----------------------|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$1,000.00 | \$0.00 | \$1,000.00 |
| 64990 | Other Current Charges | \$200.00 | \$0.00 | \$200.00 |
| Total Repairs and Other Services | | \$1,200.00 | \$0.00 | \$1,200.00 |

Legal Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------------------------|----------------|--------------------------|------------------------|--------------------------------|
| 63110 | Legal Services | \$545,000.00 | \$0.00 | \$545,000.00 |
| Total Legal Services | | \$545,000.00 | \$0.00 | \$545,000.00 |

Capital Expenditures

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------------------------------|-------------------------------|--------------------------|------------------------|--------------------------------|
| 86110 | Land Acquisition Cost - Legal | \$5,000.00 | \$0.00 | \$5,000.00 |
| Total Capital Expenditures | | \$5,000.00 | \$0.00 | \$5,000.00 |

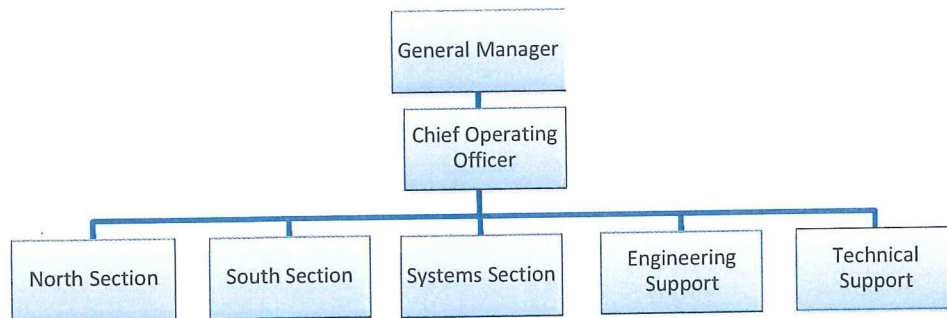
General Counsel Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$556,780.00 | \$0.00 | \$556,780.00 |

**Tampa Bay Water – 2014 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 based upon geographical locations: North, South and Systems. The group also includes two support departments: Technical Support and Engineering Support that work with both Regions providing technical expertise and providing uniformity and consistency throughout the system.



The **North and South Sections** are responsible for inspection, programming, testing, calibration and maintenance of critical agency equipment. These Sections operate and monitor Agency facilities and maintain process control instruments. They are responsible for implementing Renewal and Replacement projects, managing construction activities and performing engineering inspections in addition to monitoring environmental conditions to support production from water supplies and meeting compliance obligations of the Amended and Restated Interlocal Agreement.

Goals of the North and South Sections:

- Provide assistance with the Keller Point of Contact (POC) and H2S improvements, Cypress Creek chemical feed upgrades, Cross Bar wellfield improvements, Cypress Creek Energy Audit, Lithia ozone project and the Variable Frequency Drive (VFD) replacements in the Cypress Bridge wellfield.
- Work with Technical support on purchasing and implementing a new Computerized Maintenance Management System (CMMS).
- Work with contractors on the fiber optic cable installation at Eldridge Wilde wellfield.

Tampa Bay Water – 2014 Annual Budget Divisional Operating Budget Detail

- Manage the consolidated wellfield production below the permit condition of 90 mgd.
- Manage the non-consolidated wellfield production below the respective permit conditions.
- Maintain compliance with all state and federal regulations, along with all Exhibit C and D member requirements.
- Continue to provide assistance during commissioning and acceptance testing of the Lithia H2S Removal Facility. Ensure all resources are in place to begin period of contract operations with CH2MHill.
- Continue to provide assistance during transition of Regional Reservoir to construction phase of renovation project.
- Transition from contract operations (monitoring and maintenance) with Veolia at Regional Reservoir to construction phase services with Kiewit. Ensure fish removal is completed per task authorization with Veolia.
- Select an implementation method for completion of Desal Reliability program projects (2nd scavenger tank and DE Building). Begin implementation.
- Complete staff training for pre- and post-well mitigation inspections. Begin completing these activities with scheduling assistance from Scheduler/Planner position and Well Mitigation staff in Regulatory Compliance.

The **System Section** coordinates with the North and South regions to operate the regional system reliably and securely, is responsible for the preparation, review and update of critical Agency plans, monitors and evaluates water production and quantity data to provide decision support for efficient short term and long range operations.

Goals of the System Section:

- Prepare annual source allocation for FY 2014 budget.
- Assist North and South infrastructure in implementing the Reservoir out of service water delivery plan.
- Prepare weekly and monthly assessments of forecasted delivery and source allocation and provide at monthly source rotation meeting
- Assist North and South Sections with analyzing source/treatment water quality issues affecting production goal.

Tampa Bay Water – 2014 Annual Budget Divisional Operating Budget Detail

- 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.
- Implement development of operational level system-wide performance evaluation model.
- Develop an approach for incorporating energy management into OROP or operational system performance model.
- Provide as needed assistance to Permit Compliance Group on CWUP modeling/analysis issues.
- Coordinate with Permit Compliance Group on all compliance issues associated with OROP.
- Coordinate with Permit Compliance Group on strategy for Recovery Analysis – determine modeling effort and time frame.

The **Technical Support Department** provides system technical support to the North and South Sections for the operation and maintenance of the system. Their work improves the reliability and consistency of the regional system.

Goals of the Technical Support Department:

- Renewal & Replacement Program (R&R)
 - Continue to Update the Enterprise Maintenance Management System (EMMS) to interact with the Reliability Pricing Model (RPM) model, or replace the EMMS system and ensure that the replacement program interacts with the RPM model.
 - Continue to develop and refine reports to be used for scheduling work and preparing the fiscal and future budgets.
 - Finish assessment of remaining Tampa Bay Water facilities.
 - Produce the next round of R&R output and use as back-up for Capital Improvement Plan (CIP) and Rate project development.
- Computerized Maintenance Management Software (CMMS) Program - work to define, evaluate, and select the next CMMS program. Get it installed and running. Administer the new system.
- Energy Program – Support the ongoing energy audits.
- CIP Program – Support engineering efforts related to this program.

Tampa Bay Water – 2014 Annual Budget Divisional Operating Budget Detail

The **Engineering Department** 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.

Goals of the Engineering Support Department:

Projects

- C.W. Bill Young Regional Reservoir – Assist construction efforts.
- Lithia H₂S Facility - Assist construction efforts.
- Eldridge-Wilde H₂S Removal Facility (Keller) and Pinellas Point of Connection (POC) Project - Assist construction efforts.
- Eldridge-Wilde Wellfield Fiber Optic Project - Assist construction efforts.
- Cross Bar Wellfield Pumps Replacement - Complete design.
- Tampa Bay Desalination Reliability Program - Support design and permitting as required for the scavenger tank and DE building projects.
- Surface & Recharge Water Projects Long-Term Planning Project – Complete and closeout co-funding.
- Evaluate existing engineering knowledge management (Basis of Design Reports through Record Drawings and standards) system(s) and determine how best to expand.
- Continue to maintain standard specifications and details.
- Continue to self-perform stormwater facilities inspections.
- Estimate staffing, permitting and cost requirements for design and implementation of Renewal and Replacement (R&R) projects.
- Maintain hydraulic model training and ready-to-respond status.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

Water Production Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$5,498,205.00 | \$0.00 | \$5,498,205.00 |
| 41410 | Overtime | \$49,255.00 | \$0.00 | \$49,255.00 |
| 41420 | Shift Differential | \$32,860.00 | \$0.00 | \$32,860.00 |
| 41430 | On-call Pay | \$41,084.00 | \$0.00 | \$41,084.00 |
| 42100 | FICA | \$426,842.00 | \$0.00 | \$426,842.00 |
| 42200 | FRS | \$268,655.00 | \$0.00 | \$268,655.00 |
| | Total Salaries and Wages | \$6,316,901.00 | \$0.00 | \$6,316,901.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$100.00 | \$0.00 | \$100.00 |
| 55200 | Operating Supplies | \$1,339,376.00 | \$0.00 | \$1,339,376.00 |
| 55250 | Water Quality Credits | \$48,000.00 | \$0.00 | \$48,000.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$179,463.00 | \$0.00 | \$179,463.00 |
| 55500 | Training | \$46,370.00 | \$0.00 | \$46,370.00 |
| | Total Materials and Supplies | \$1,613,309.00 | \$0.00 | \$1,613,309.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63120 | Engineering Services | \$2,050,000.00 | \$0.00 | \$2,050,000.00 |
| 63130 | Hydrological Services | \$56,000.00 | \$0.00 | \$56,000.00 |
| 63190 | Other Professional Services | \$805,000.00 | \$0.00 | \$805,000.00 |
| 63400 | Other Contractual Services | \$610,208.00 | \$0.00 | \$610,208.00 |
| 63410 | O&M Agreements | \$14,537,851.00 | \$0.00 | \$14,537,851.00 |
| | Total Professional Services | \$18,059,059.00 | \$0.00 | \$18,059,059.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|--|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$45,900.00 | \$0.00 | \$45,900.00 |
| 64100 | Communications | \$442,117.00 | \$0.00 | \$442,117.00 |
| 64120 | Freight | \$25,070.00 | \$0.00 | \$25,070.00 |
| 64320 | Water, Sewer, and Other Utilities | \$368,200.00 | \$0.00 | \$368,200.00 |
| 64600 | Repair & Maintenance Equipment and Grounds | \$1,988,246.00 | \$0.00 | \$1,988,246.00 |
| 64810 | Advertising | \$3,600.00 | \$0.00 | \$3,600.00 |
| 64990 | Other Current Charges | \$61,350.00 | \$0.00 | \$61,350.00 |
| 64991 | Permits | \$11,000.00 | \$0.00 | \$11,000.00 |
| | Total Repairs and Other Services | \$2,945,483.00 | \$0.00 | \$2,945,483.00 |

Rent and Insurance

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 64400 | Rentals and Leases | \$209,000.00 | \$0.00 | \$209,000.00 |
| 64500 | Insurance | \$215,000.00 | \$0.00 | \$215,000.00 |
| | Total Rent and Insurance | \$424,000.00 | \$0.00 | \$424,000.00 |

Capital Expenditures

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|-----------------------------------|--------------------------|------------------------|--------------------------------|
| 86400 | Machine and Equipment Purchase | \$397,700.00 | \$0.00 | \$397,700.00 |
| | Total Capital Expenditures | \$397,700.00 | \$0.00 | \$397,700.00 |

Water Treatment Chemicals

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|--|--------------------------|------------------------|--------------------------------|
| 55210 | Water Treatment Chemicals | \$10,965,065.00 | \$0.00 | \$10,965,065.00 |
| | Total Water Treatment Chemicals | \$10,965,065.00 | \$0.00 | \$10,965,065.00 |

Power / Electricity

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|----------------------------------|--------------------------|------------------------|--------------------------------|
| 64310 | Power and Light | \$18,287,208.00 | \$0.00 | \$18,287,208.00 |
| | Total Power / Electricity | \$18,287,208.00 | \$0.00 | \$18,287,208.00 |

Water for Resale - Variable Cost

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 64380 | Water for Resale - Variable Cost | \$1,512,240.00 | \$0.00 | \$1,512,240.00 |
| | Total Water for Resale - Variable Cost | \$1,512,240.00 | \$0.00 | \$1,512,240.00 |

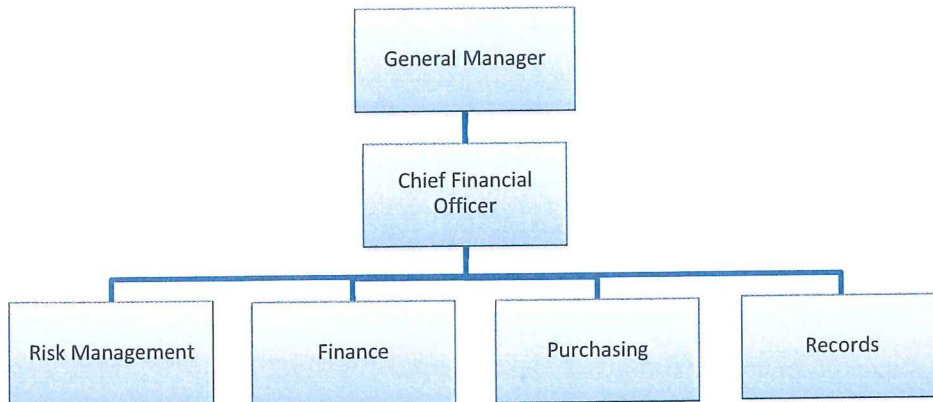
Water Production Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$60,520,965.00 | \$0.00 | \$60,520,965.00 |

**Tampa Bay Water – 2014 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 four departments; Risk Management, 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 three strategies developed to help achieve this goal; develop and maintain predictable rates for the six member governments, explore opportunities to off-set costs in innovative ways, develop a budget model that accounts for source uncertainties.



The **Risk Management** department is responsible for managing all areas of risk exposure to the agency, including risk to agency employees and equipment, risk to agency facilities, and risk related to agency operations.

Goals of Risk Management Department:

- Maintain a safe workplace for all employees.
- Minimize agency liability exposure and to contain costs related to agency insurance coverage.
- Always be in a state of readiness to respond to an emergency situation facing the agency.
- Oversee agency housekeeping practices for generating, storing and disposing of hazardous waste material according to local, state and federal regulations.
- Coordinate the proper response to, and reporting of if needed, accidental chemical releases at agency facilities.

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

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

Goals of the Finance Department:

- Plan, develop, organize and implement annual budget for FY 2014.
- 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.
- Record investments and document revenues, gains and losses.
- Maintain proper internal controls and support for financial statement audit.
- 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 Division on upgrades and maintenance of accounting software, MUNIS.

The **Purchasing Department** provides system technical support to the North and South Sections for the operation and maintenance of the system. Their work improves the reliability and consistency of the regional system.

Goals of the Purchasing Department:

- Centralize Agency procurement.
- Update Agency purchasing policy.
- Coordinate with North & South Sections on streamlining inventory process.
- Enhance Agency's practices concerning maintenance on fleet and physical facilities.
- Update and develop new contract front-end documents.
- Centralize Agency contract development and processing.

**Tampa Bay Water – 2014 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.

Goals of the Records Department:

- Automate Agency phone system.
- Coordinate with other Departments on updating Agency policies.
- Provide as needed training of records software, TRIM.
- Determine completion dates of contracts and projects to improve disposition of records.
- Evaluate files stored at off-site vendor to reduce volume and cost.
- Complete projects relating to real estate files, record drawings and permits.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

Finance & Administration Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$1,114,799.00 | \$0.00 | \$1,114,799.00 |
| 41410 | Overtime | \$9,987.00 | \$0.00 | \$9,987.00 |
| 42100 | FICA | \$86,545.00 | \$0.00 | \$86,545.00 |
| 42200 | FRS | \$54,472.00 | \$0.00 | \$54,472.00 |
| 42600 | Other Post Employment Benefits | \$50,000.00 | \$0.00 | \$50,000.00 |
| | Total Salaries and Wages | \$1,315,803.00 | \$0.00 | \$1,315,803.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$61,059.00 | \$0.00 | \$61,059.00 |
| 55200 | Operating Supplies | \$343,825.00 | \$0.00 | \$343,825.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$14,556.95 | \$0.00 | \$14,556.95 |
| 55500 | Training | \$49,500.00 | \$0.00 | \$49,500.00 |
| | Total Materials and Supplies | \$468,940.95 | \$0.00 | \$468,940.95 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$232,580.00 | \$0.00 | \$232,580.00 |
| 63200 | Accounting and Auditing | \$257,000.00 | \$0.00 | \$257,000.00 |
| 63400 | Other Contractual Services | \$423,226.00 | \$0.00 | \$423,226.00 |
| | Total Professional Services | \$912,806.00 | \$0.00 | \$912,806.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|--|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$6,610.00 | \$0.00 | \$6,610.00 |
| 64100 | Communications | \$8,000.00 | \$0.00 | \$8,000.00 |
| 64120 | Freight | \$104,840.00 | \$0.00 | \$104,840.00 |
| 64320 | Water, Sewer, and Other Utilities | \$43,000.00 | \$0.00 | \$43,000.00 |
| 64600 | Repair & Maintenance Equipment and Grounds | \$545,037.00 | \$0.00 | \$545,037.00 |
| 64700 | Printing and Binding | \$23,500.00 | \$0.00 | \$23,500.00 |
| 64810 | Advertising | \$4,000.00 | \$0.00 | \$4,000.00 |
| 64990 | Other Current Charges | \$11,175.00 | \$0.00 | \$11,175.00 |
| | Total Repairs and Other Services | \$746,162.00 | \$0.00 | \$746,162.00 |

Rent and Insurance

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 64400 | Rentals and Leases | \$91,218.00 | \$0.00 | \$91,218.00 |
| 64500 | Insurance | \$1,463,455.00 | \$0.00 | \$1,463,455.00 |
| | Total Rent and Insurance | \$1,554,673.00 | \$0.00 | \$1,554,673.00 |

Debt Service

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|---------------------------|----------------------------------|--------------------------|------------------------|--------------------------------|
| 77240 | Interest - All Other Bonds | \$45,917,799.00 | \$0.00 | \$45,917,799.00 |
| 77250 | Interest - Facility Acquisition | \$5,294,958.82 | \$0.00 | \$5,294,958.82 |
| 87114 | Principal 2004 Bonds | \$10,655,000.00 | \$0.00 | \$10,655,000.00 |
| 87116 | Principal 2005 Bonds | \$4,875,000.00 | \$0.00 | \$4,875,000.00 |
| 87117 | Principal 2006 Bonds | \$1,905,000.00 | \$0.00 | \$1,905,000.00 |
| 87125 | Principal - Facility Acquisition | \$4,936,598.74 | \$0.00 | \$4,936,598.74 |
| 87140 | Principal 2011 Bonds | \$9,170,000.00 | \$0.00 | \$9,170,000.00 |
| 87141 | Principal 2011A Bonds | \$295,000.00 | \$0.00 | \$295,000.00 |
| 87142 | Principal 2011B Bonds | \$165,000.00 | \$0.00 | \$165,000.00 |
| Total Debt Service | | \$83,214,356.56 | \$0.00 | \$83,214,356.56 |

Capital Expenditures

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------------------------------|----------------------------------|--------------------------|------------------------|--------------------------------|
| 86100 | Land Acquisition Cost - Purchase | \$25,000.00 | \$0.00 | \$25,000.00 |
| 86110 | Land Acquisition Cost - Legal | \$5,000.00 | \$0.00 | \$5,000.00 |
| 86190 | Land Acquisition Cost - Other | \$1,000.00 | \$0.00 | \$1,000.00 |
| 86400 | Machine and Equipment Purchase | \$215,500.00 | \$0.00 | \$215,500.00 |
| Total Capital Expenditures | | \$246,500.00 | \$0.00 | \$246,500.00 |

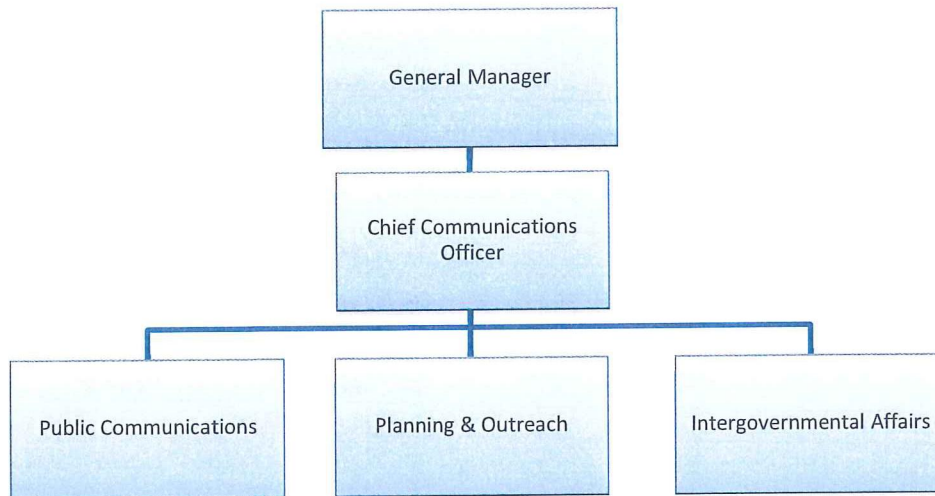
Finance & Administration Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$88,459,241.51 | \$0.00 | \$88,459,241.51 |

**Tampa Bay Water – 2014 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; provide education, information and outreach on agency projects, programs and policies to stakeholders; and develop and implement critical water supply plans. The Division is divided into three departments: Public Communications, Planning and Outreach, and Intergovernmental Affairs.



The **Public Communications Department** 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.

Goals of the Public Communications Department:

- 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 communications.

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

- 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.

The **Planning and Outreach Department** develops and implements critical water supply plans, and creates and manages education and outreach programs with member governments, community groups and educational institutions. The department is responsible for the completion of the Master Water Plan every five years as detailed in the Interlocal Agreement and in implementing agency outreach programs on source water protection and demand management.

Goals of the Planning and Outreach Department:

- Complete the five year update of the agency’s Master Water Plan for Board approval, including outreach and education to interested stakeholders.
- Implement the agency’s source water protection mini grant program.
- Research and identify opportunities for the agency to reach out to younger generations, including the opportunity to develop and distribute lesson plans and curriculum on the region’s water supply that meet state educational standards.
- Implement the Master Water Plan feasibility program.
- Complete regulatory required reports and distribute to the water management district and member governments.

The **Intergovernmental Affairs Department** advocates for the 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 develops intergovernmental and grant funding initiatives and helps to implement intergovernmental and funding agreements.

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

Goals of the Intergovernmental Affairs Department:

- 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 proposed federal and state legislation and policies which may positively affect Tampa Bay Water. Oppose proposed 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 Authority
Attachment F
Annual Budget Request for FY-2014**

Public Affairs Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$416,371.00 | \$0.00 | \$416,371.00 |
| 42100 | FICA | \$32,324.00 | \$0.00 | \$32,324.00 |
| 42200 | FRS | \$20,345.00 | \$0.00 | \$20,345.00 |
| | Total Salaries and Wages | \$469,040.00 | \$0.00 | \$469,040.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55200 | Operating Supplies | \$500.00 | \$0.00 | \$500.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$15,859.00 | \$0.00 | \$15,859.00 |
| 55500 | Training | \$13,815.00 | \$0.00 | \$13,815.00 |
| | Total Materials and Supplies | \$30,174.00 | \$0.00 | \$30,174.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$379,700.00 | \$0.00 | \$379,700.00 |
| 63400 | Other Contractual Services | \$306,550.00 | \$0.00 | \$306,550.00 |
| | Total Professional Services | \$686,250.00 | \$0.00 | \$686,250.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$19,500.00 | \$0.00 | \$19,500.00 |
| 64120 | Freight | \$1,000.00 | \$0.00 | \$1,000.00 |
| 64700 | Printing and Binding | \$22,000.00 | \$0.00 | \$22,000.00 |
| 64800 | Promotional Activities | \$13,100.00 | \$0.00 | \$13,100.00 |
| 64810 | Advertising | \$55,000.00 | \$0.00 | \$55,000.00 |
| | Total Repairs and Other Services | \$110,600.00 | \$0.00 | \$110,600.00 |

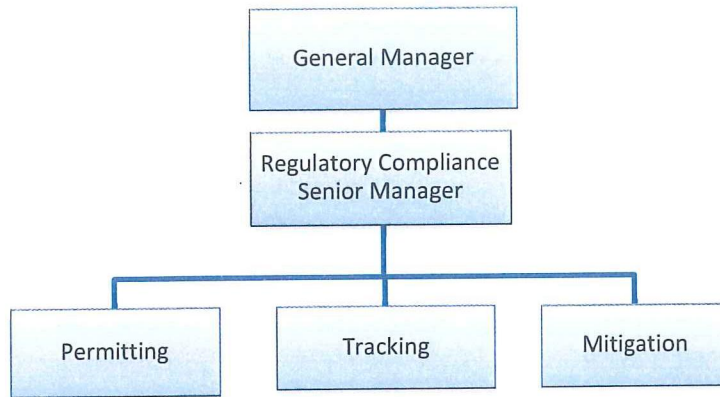
Public Affairs Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$1,296,064.00 | \$0.00 | \$1,296,064.00 |

**Tampa Bay Water – 2014 Annual Budget
Division Operating Budget Detail**

Regulatory Compliance Division

The **Regulatory Compliance Division** leads the Agency in all regulatory permitting and reporting services.



Permitting Department

The **Permitting Department** is responsible for the acquisition and renewal of, and compliance with, agency water use permits and environmental resource permits. The Permitting Department staff prepares all of the permit applications and supporting documents necessary to maintain the operating capacity of our water supply facilities. Staff analyzes environmental data to assure compliance with our water supply facility permits and avoid impacts to the environment near our facilities. They also mitigate 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 the unavoidable impact. Management of lands owned by Tampa Bay Water is performed to maintain habitat for birds and animals and promote the health of the environment.

Permit Department Goals & Objectives

- Maintain compliance with water facility permits to maintain a reliable water supply system and support financial stability.
- Continuously monitor environmental systems near agency facilities to minimize impacts to water resources and operate our facilities in an environmentally sustainable manner.
- Communicate the results of our monitoring and analyses with local governments and interested citizens to enhance understanding of our environmental systems and how best to protect them.

Tampa Bay Water – 2014 Annual Budget
Division Operating Budget Detail

Tracking Department

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

Tracking Department Goal and Objectives

- 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's report compliance requirements.
- Work closely with Agency staff to complete all assigned strategic goals related to Agency compliance with all regulatory requirements.
- Set strategic vision and goals for tracking department.

Mitigation Department

The **Mitigation Department** leads and supports the Agency in complying with Water Use Permit requirements for resolving well complaints.

The Mitigation Coordinator oversees all aspects of domestic well complaints, as well as working with drillers, consultants and interacting with the District. The Mitigation Coordinator manages and tracks complaints to ensure all policy and procedures are in compliance in with the Board directives, the Agency Water Use Permit, and the Department of Health and State Regulatory as well as adhering to the department's budget.

Mitigation Department Goal and Objectives

- Maintain the Agencies required performance of being in full compliance at all times on targeted deadlines, efficiencies, reporting conditions and practices.
- Ensure applicable practices and regulation requirements are implemented and adhered to and be attentive of any new changes to existing conditions that may affect the Agency.
- Provide a strategic goal to ensure annual budget costs do not increase the projected Agency objective.
- Make available to the Agency any services required or needed by our member(s) in relation to their conditions.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

Regulatory Compliance Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$991,039.00 | \$0.00 | \$991,039.00 |
| 41410 | Overtime | \$8,878.00 | \$0.00 | \$8,878.00 |
| 42100 | FICA | \$76,937.00 | \$0.00 | \$76,937.00 |
| 42200 | FRS | \$48,425.00 | \$0.00 | \$48,425.00 |
| | Total Salaries and Wages | \$1,125,279.00 | \$0.00 | \$1,125,279.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$2,200.00 | \$0.00 | \$2,200.00 |
| 55200 | Operating Supplies | \$1,750.00 | \$0.00 | \$1,750.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$3,942.00 | \$0.00 | \$3,942.00 |
| 55500 | Training | \$4,415.00 | \$0.00 | \$4,415.00 |
| | Total Materials and Supplies | \$12,307.00 | \$0.00 | \$12,307.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63120 | Engineering Services | \$25,000.00 | \$0.00 | \$25,000.00 |
| 63130 | Hydrological Services | \$374,000.00 | \$0.00 | \$374,000.00 |
| 63140 | Ecological Services | \$3,016,508.00 | \$0.00 | \$3,016,508.00 |
| 63181 | Mitigation | \$975,000.00 | \$0.00 | \$975,000.00 |
| 63182 | Augmentation | \$317,153.00 | \$0.00 | \$317,153.00 |
| | Total Professional Services | \$4,707,661.00 | \$0.00 | \$4,707,661.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$17,400.00 | \$0.00 | \$17,400.00 |
| 64810 | Advertising | \$3,600.00 | \$0.00 | \$3,600.00 |
| 64991 | Permits | \$1,240.00 | \$0.00 | \$1,240.00 |
| | Total Repairs and Other Services | \$22,240.00 | \$0.00 | \$22,240.00 |

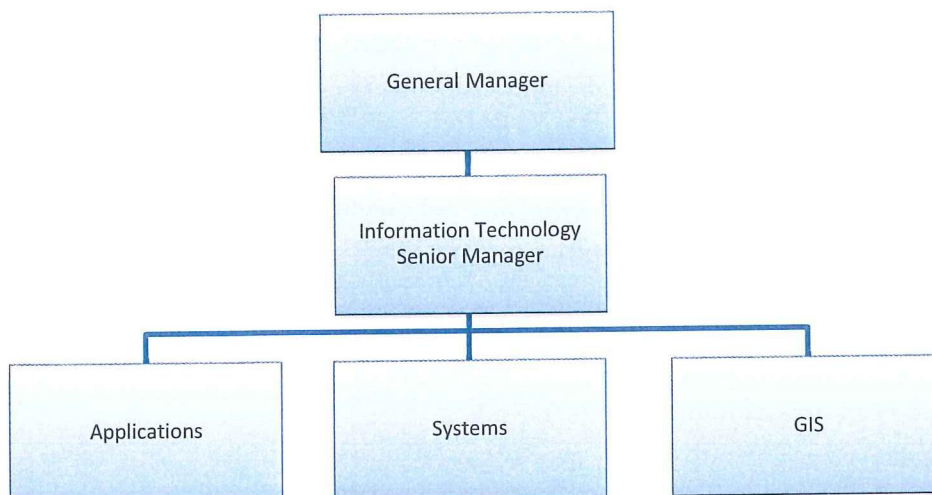
Regulatory Compliance Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$5,867,487.00 | \$0.00 | \$5,867,487.00 |

**Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail**

Information Technology Division

The **Information Technology Division** designs, builds, supports, manages and maintains information technology systems, applications, networks and databases to optimize agency productivity. The Group is divided into three functional departments: Information Technology Systems, Information Technology Applications and Information Technology Geographic Information Systems (GIS). The group consists of 11 full-time positions that report to the Information Technology Senior Manager.



Information Technology Applications Overview

The IT Applications Group creates and manages databases that hold the Agency’s enterprise data and also authors custom software application programs that support scientific models and data analysis for other departments within the Agency. These software programs 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 avenues of end user support, such as loading bulk data from member governments into our databases, managing our MUNIS financial system, end-user testing, training, and authoring user manuals for custom application packages.

Goals of the Information Technology Applications Department:

- Support and maintain OROP (Optimized Regional Operations Plan)
- Develop integrate and maintain Chemical/Energy Demand Data with Agency’s enterprise database systems.
- Continued support and maintenance of the Agency’s Well Mitigation program
- Support Long Term Demand Forecasting modeling and data processing efforts

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

- Continued development and support of the Integrated Hydrologic Model (IHM) Water Balance integrated time series software; development of IHM Monte Carlo statistical analysis; work for the Well Field Annual Report system. Internal efforts represent costs savings by performing this work in-house.
- Continued support for the Monthly Operations Report (MOR) generated for Agency staff, member governments and other stakeholders
- Continued modification of the Enterprise Maintenance Management System in support of Repair and Replacement and Agency Reorganization efforts.
- Development and support of mobile applications to support field operations
- Continued upgrade of the Water Use Permit Management system.
- Continued development of the Reliability and Future Needs Analysis project.
- Continue providing on demand support for over 100 legacy production applications

Information Technology Systems Overview

The IT Systems 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. IT Systems also performs computer maintenance support throughout Tampa Bay Water, including daily and weekly tape data backups, maintaining our network security systems, and configuring and performing maintenance on our Supervisory Control and Data Acquisition (SCADA) systems.

Goals of the Information Technology Systems Department:

- Continued support and maintenance of the Agency's two redundant datacenters (Clearwater, Cypress Creek) including servers, switches, fibers and HVAC systems.
- Continued support for SCADA system and control systems
- Continued support for computers, tablets, phones and other hardware to facilitate staff productivity
- Continued support and maintenance for all physical and virtual servers (VMWare)
- Installation and configuration of fiber links to Desal and Reservoir facilities.
- Resolving outstanding SCADA redundancy project issues.
- Upgrading VOIP (Voice Over Internet Protocol) phone systems.

Information Technology Geographic Information System (GIS) Overview

The IT GIS department creates and manages Geographical Information System (GIS) databases for the Agency, loads Global Position System (GPS) and survey data into the Agency's enterprise GIS databases, creates GIS maps and performs data analysis for engineers and project managers, develops custom software application programs that include GIS interfaces for display and analysis of spatial data, and manages the audio/visual systems during Board meetings and other special business meetings. The IT GIS department maintains geodatabases that contain location

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

information for Agency assets such as pipelines, valves, real estate easements, pumps, facilities, wells, regulatory boundaries and other applicable features.

Goals of the Information Technology Geographic Information Systems (GIS) Department:

- Continued development of an AVL (automatic vehicle locator) system for real-time tracking of Agency fleet vehicles and support of dispatch system.
- Continued management and population of GIS enterprise ArcSDE database with field assets
- Continued support for real estate management including the tracking of fee property acquisitions, permanent easements, license agreements and other encumbrances
- Update and manage the HBMP (hydro-biological monitoring program) GIS database
- Continued development of our GIS infrastructure data for use in system reliability modeling efforts
- Continued support for Long Term Demand Forecast geocoding and geoprocessing efforts
- Continued management of spatial software infrastructure including license servers, desktop client software and servers.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

Information Technology Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$1,041,886.00 | \$0.00 | \$1,041,886.00 |
| 42100 | FICA | \$80,885.00 | \$0.00 | \$80,885.00 |
| 42200 | FRS | \$50,909.00 | \$0.00 | \$50,909.00 |
| | Total Salaries and Wages | \$1,173,680.00 | \$0.00 | \$1,173,680.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55200 | Operating Supplies | \$105,350.00 | \$0.00 | \$105,350.00 |
| 55260 | Computer Software | \$184,900.00 | \$0.00 | \$184,900.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$4,400.00 | \$0.00 | \$4,400.00 |
| 55500 | Training | \$12,375.00 | \$0.00 | \$12,375.00 |
| | Total Materials and Supplies | \$307,025.00 | \$0.00 | \$307,025.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$336,650.00 | \$0.00 | \$336,650.00 |
| 63400 | Other Contractual Services | \$307,360.00 | \$0.00 | \$307,360.00 |
| | Total Professional Services | \$644,010.00 | \$0.00 | \$644,010.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|--|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$8,800.00 | \$0.00 | \$8,800.00 |
| 64100 | Communications | \$386,400.00 | \$0.00 | \$386,400.00 |
| 64120 | Freight | \$1,200.00 | \$0.00 | \$1,200.00 |
| 64600 | Repair & Maintenance Equipment and Grounds | \$68,600.00 | \$0.00 | \$68,600.00 |
| 64700 | Printing and Binding | \$100.00 | \$0.00 | \$100.00 |
| | Total Repairs and Other Services | \$465,100.00 | \$0.00 | \$465,100.00 |

Rent and Insurance

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 64400 | Rentals and Leases | \$1,100.00 | \$0.00 | \$1,100.00 |
| | Total Rent and Insurance | \$1,100.00 | \$0.00 | \$1,100.00 |

Capital Expenditures

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|-----------------------------------|--------------------------|------------------------|--------------------------------|
| 86400 | Machine and Equipment Purchase | \$541,664.00 | \$0.00 | \$541,664.00 |
| 86610 | Software - To Amortize | \$599,000.00 | \$0.00 | \$599,000.00 |
| | Total Capital Expenditures | \$1,140,664.00 | \$0.00 | \$1,140,664.00 |

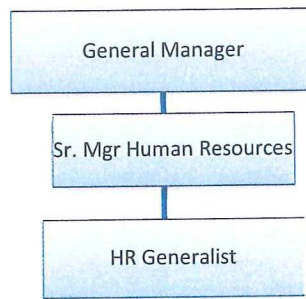
Information Technology Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|---------------------------------|-------------------------------|---------------------------------------|
| | \$3,731,579.00 | \$0.00 | \$3,731,579.00 |

**Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail**

Human Resources Division

The **Human Resources Division** is responsible for assisting in the needs of the 132 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 Division 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 people and that the development of the greatest potential for each employee will create job satisfaction and career opportunities for individuals and provide maximum benefit to the organization.

The Human Resources Division 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 Division encourages open discussion between supervisors and employees and manages the process to regularly review employee performance by establishing clear objectives, providing relevant and positive feedback to assure continued development, and consistently works towards the objective of achieving an environment of involvement, commitment, empowerment, and productivity.
- Promoting a diverse workforce that recognizes each employee as an individual in a safe and discrimination/harassment free environment through positive programs of hiring, career development, and promotion.
- Facilitating change management and the pursuit of excellence in all employee programs, and influencing positive employee-management relationships.
- Establishing, administering, and communicating sound policies and practices that treat employees with dignity and equality while maintaining compliance with applicable law, policy, and regulation.

Tampa Bay Water – 2014 Annual Budget
Divisional Operating Budget Detail

- 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 Authority
Attachment F
Annual Budget Request for FY-2014**

Human Resource Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$146,785.00 | \$0.00 | \$146,785.00 |
| 41310 | Employee Awards (FRS Exempt) | \$2,650.00 | \$0.00 | \$2,650.00 |
| 42100 | FICA | \$11,395.00 | \$0.00 | \$11,395.00 |
| 42200 | FRS | \$7,172.00 | \$0.00 | \$7,172.00 |
| 42300 | Life and Health Insurance | \$1,381,776.00 | \$0.00 | \$1,381,776.00 |
| 42400 | Workers' Compensation | \$134,014.00 | \$0.00 | \$134,014.00 |
| 42500 | Unemployment Comp | \$15,000.00 | \$0.00 | \$15,000.00 |
| | Total Salaries and Wages | \$1,698,792.00 | \$0.00 | \$1,698,792.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$1,425.00 | \$0.00 | \$1,425.00 |
| 55200 | Operating Supplies | \$2,225.00 | \$0.00 | \$2,225.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$2,240.00 | \$0.00 | \$2,240.00 |
| 55500 | Training | \$34,650.00 | \$0.00 | \$34,650.00 |
| | Total Materials and Supplies | \$40,540.00 | \$0.00 | \$40,540.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$54,500.00 | \$0.00 | \$54,500.00 |
| 63400 | Other Contractual Services | \$40,000.00 | \$0.00 | \$40,000.00 |
| | Total Professional Services | \$94,500.00 | \$0.00 | \$94,500.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|--|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$2,165.00 | \$0.00 | \$2,165.00 |
| 64120 | Freight | \$285.00 | \$0.00 | \$285.00 |
| 64600 | Repair & Maintenance Equipment and Grounds | \$1,500.00 | \$0.00 | \$1,500.00 |
| 64810 | Advertising | \$22,000.00 | \$0.00 | \$22,000.00 |
| 64990 | Other Current Charges | \$25,250.00 | \$0.00 | \$25,250.00 |
| | Total Repairs and Other Services | \$51,200.00 | \$0.00 | \$51,200.00 |

Rent and Insurance

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 64400 | Rentals and Leases | \$2,000.00 | \$0.00 | \$2,000.00 |
| | Total Rent and Insurance | \$2,000.00 | \$0.00 | \$2,000.00 |

Capital Expenditures

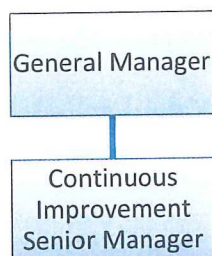
| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------------------------|
| 86400 | Machine and Equipment Purchase | \$5,500.00 | \$0.00 | \$5,500.00 |
| | Total Capital Expenditures | \$5,500.00 | \$0.00 | \$5,500.00 |

Human Resource Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|---------------------------------|-------------------------------|---------------------------------------|
| | \$1,892,532.00 | \$0.00 | \$1,892,532.00 |

Continuous Improvement Division

The **Continuous Improvement Division** encourages and supports innovation and efficiency through developing, testing and coordinating the implementation of technologies, processes and performance measurements. The division is responsible for managing all agency quality programs and the implementation of methods to improve efficiency throughout the agency through coordination of activities in organizational design and strategic planning. This division fosters the professional development of agency employees by leading and supporting a continuous improvement culture.



Specifically, the Continuous Improvement Division researches methods for improving agency performance in support of the mission, vision and values; analyzes agency insource/outsourced activities to determine the most cost-effective use of agency funds; facilitates the agency's internal strategic planning process; assesses the progress of the executive team, and the agency as a whole, toward goals included in the agency's strategic plan; incorporates new methods derived from research efforts into the agency's continuous improvement strategies; and facilitates the development of project scope and the review of ongoing projects. Goals for Fiscal Year 2014 include:

- Assisting the agency in the completion of the reorganization while ensuring that activities are consistent with the Amended and Restated Inter-local Agreement, Master Water Supply Contract and the Agency Strategic Plan.
- Assist the agency in the implementation of the Computerized Maintenance Management System (CMMS), a computer program designed to assist in the asset management for the agency.
- Assist the agency divisions in developing cross-functional teams to perform agency work and to develop benchmark and performance measurements.

**Tampa Bay Water Authority
Attachment F
Annual Budget Request for FY-2014**

Continuous Improvement Division

Salaries and Wages

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 41000 | Regular Salaries | \$118,963.00 | \$0.00 | \$118,963.00 |
| 42100 | FICA | \$9,235.00 | \$0.00 | \$9,235.00 |
| 42200 | FRS | \$5,813.00 | \$0.00 | \$5,813.00 |
| | Total Salaries and Wages | \$134,011.00 | \$0.00 | \$134,011.00 |

Materials and Supplies

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 55100 | Office Supplies | \$2,500.00 | \$0.00 | \$2,500.00 |
| 55260 | Computer Software | \$3,980.00 | \$0.00 | \$3,980.00 |
| 55400 | Books, Publications, Subscriptions, Memberships | \$12,494.00 | \$0.00 | \$12,494.00 |
| 55500 | Training | \$11,500.00 | \$0.00 | \$11,500.00 |
| | Total Materials and Supplies | \$30,474.00 | \$0.00 | \$30,474.00 |

Professional Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|------------------------------------|--------------------------|------------------------|--------------------------------|
| 63190 | Other Professional Services | \$150,000.00 | \$0.00 | \$150,000.00 |
| 63400 | Other Contractual Services | \$5,000.00 | \$0.00 | \$5,000.00 |
| | Total Professional Services | \$155,000.00 | \$0.00 | \$155,000.00 |

Repairs and Other Services

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---|--------------------------|------------------------|--------------------------------|
| 64000 | Travel and Per Diem | \$6,500.00 | \$0.00 | \$6,500.00 |
| | Total Repairs and Other Services | \$6,500.00 | \$0.00 | \$6,500.00 |

Rent and Insurance

| Line Item | Reference | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|-----------|---------------------------------|--------------------------|------------------------|--------------------------------|
| 64400 | Rentals and Leases | \$1,000.00 | \$0.00 | \$1,000.00 |
| | Total Rent and Insurance | \$1,000.00 | \$0.00 | \$1,000.00 |

Continuous Improvement Division Totals

| | Operating Budget Request | Capital Budget Request | Total FY - 2014 Budget Request |
|--|--------------------------|------------------------|--------------------------------|
| | \$326,985.00 | \$0.00 | \$326,985.00 |

Summary of Contracts and Resolutions

Fiscal Year 2014

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 - 2014 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 2014 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 - 2014 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 - 2014 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 - 2014 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 | $\frac{\text{Amount of Quality Water consumed by Member Government during the prior Fiscal Year (A)}}{\text{Total Amount of Quality Water consumed by all Member Governments during the prior Fiscal Year (B)}}$ |
| | | 12 | | |

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

Variable Costs

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

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

**Tampa Bay Water - 2014 Annual Budget
Summary of Contracts and Resolutions**

Since the budgeted Variable Costs are allocated to the Member Governments based on their actual consumption of Quality Water, there is no requirement in the Interlocal Agreement or the Master Water Supply Contract to perform an annual true-up of Variable Costs at the end of the fiscal year. Tampa Bay Water recognizes that the actual annual revenues (Variable Costs element only) may be different from the budgeted Variable Costs, if the actual amount of Quality Water delivered to the Member Governments for the given fiscal year is different from the projected amount of Quality Water used for the rate calculation for such fiscal year. Any overage or shortage in actual revenues as a result of this contractual provision is not expected to be material since the Variable Costs are expected to change in direct proportion to changes in the volume of Quality Water delivered to the Member Governments.

Surface Water Source(s)

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

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

**Tampa Bay Water - 2014 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 - 2014 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

**Tampa Bay Water - 2014 Annual Budget
Summary of Contracts and Resolutions**

Supply Contract not to make any amendment to the Interlocal Agreement which would materially adversely affect the rights or security of the Holders of the Bonds. The Issuer agrees to enforce the aforementioned provisions in order to protect the rights and security of the Bondholders.

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

Appendix

Fiscal Year 2014

The Appendix includes a schedule of key dates for the budget process for fiscal years 2014 and 2015. 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.

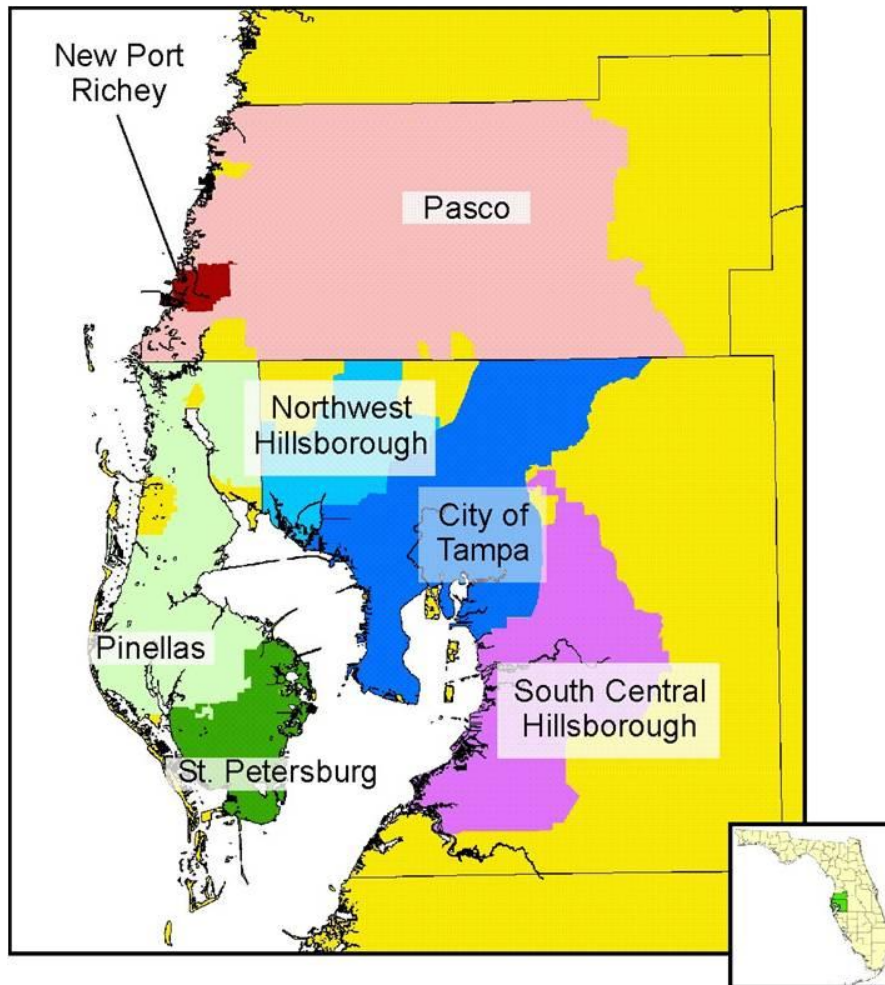
**Tampa Bay Water – 2014 Annual Budget
Appendix**

Tampa Bay Water Service Area Demographics and Statistical Information

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

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

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

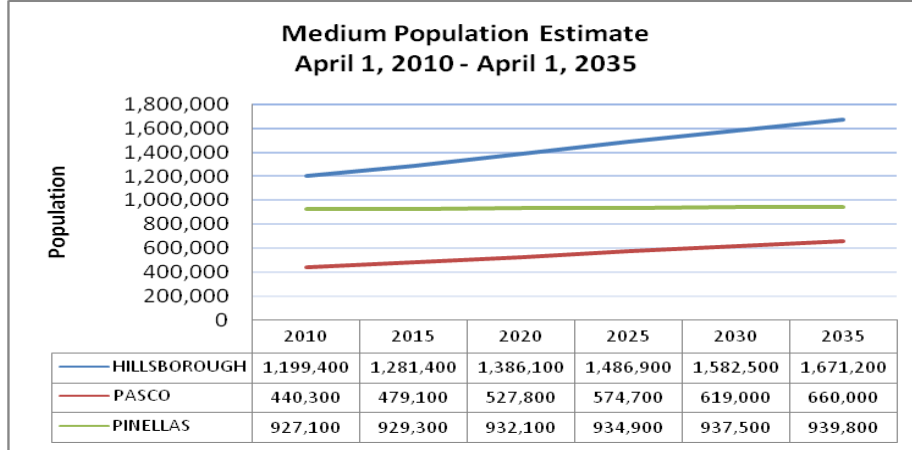


¹ Northwest Hillsborough and South Central Hillsborough are parts of the Hillsborough County service area but are geographically split by the City of Tampa service area.

**Tampa Bay Water – 2014 Annual Budget
Appendix**

Population

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



Source: B.E.B.R.

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

Households

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

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

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

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

Source: B.E.B.R.

**Tampa Bay Water – 2014 Annual Budget
Appendix**

Climate Data

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

Weather Stations Used In Modeling

| Station | Owner | County | Beginning of Period of Record | Rainfall Data Used For Modeling Period? | Temperature Data Used For Modeling Period? | Rainfall Data Used for Long-Term Weather? | Temperature Data Used for Long-Term Weather? |
|-------------------------------------|-------|--------------|-------------------------------|---|--|---|--|
| S21-21-10 | TBW | Hillsborough | 10/1/1984 | ✓ | | | |
| CYB-CY-7 RAIN | TBW | Pasco | 10/4/1988 | ✓ | | | |
| CYB-TOT RAIN | TBW | Pasco | 2/21/1986 | ✓ | | | |
| CYC-C-3 RAIN | TBW | Pasco | 9/1/1976 | ✓ | | | |
| CYC-N.GATE RAIN | TBW | Pasco | 11/1/1985 | ✓ | | | |
| CYC-PLANT RAIN | TBW | Pasco | 5/2/1976 | ✓ | | | |
| NEB-DAYS INN RAIN | TBW | Hillsborough | 10/1/1988 | ✓ | | | |
| 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.

Tampa Bay Water – 2014 Annual Budget Appendix

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

| Long-Term 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 |

Tampa Bay Water - 2014 Annual Budget

Appendix

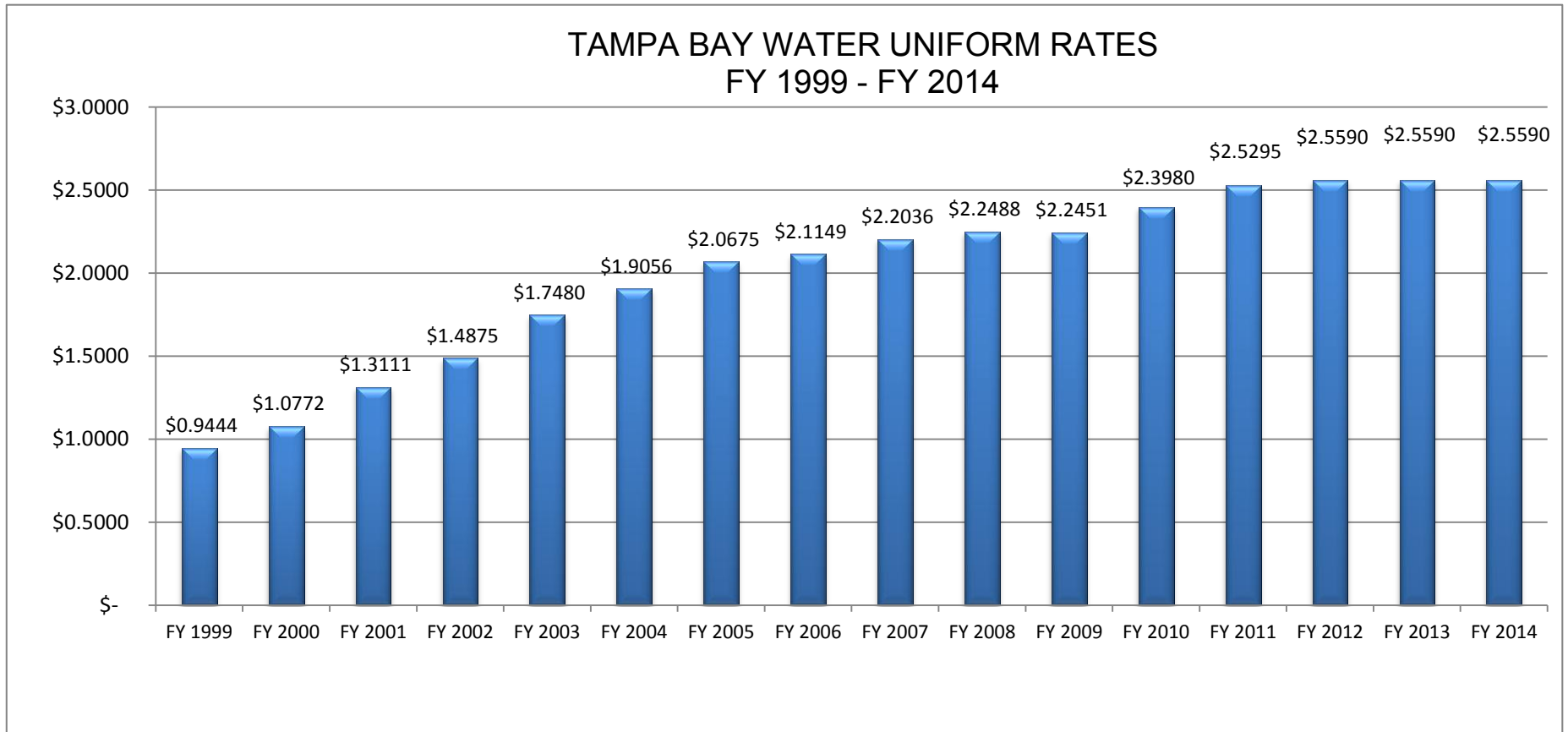
POTENTIAL MEMBER YEAR END TRUE-UP
WITH YEAR-TO-DATE DEMAND
FISCAL YEAR 2013 - THROUGH JUNE 2013

Monthly Demand

| | ST PETE | PINELLAS | TAMPA (Morris Br) | HILLSBOROUGH | PASCO | NEW PORT RICHEY | TOTALS | | |
|--------------------|------------|------------|----------------------|--------------|------------|--------------------|-------------|--------|-----|
| Oct-12 | 887.35 | 1,685.90 | 10.09 | 1,536.18 | 775.81 | 75.44 | 4,970.77 | | |
| Nov-12 | 861.06 | 1,624.83 | - | 1,634.57 | 813.63 | 76.20 | 5,010.29 | | |
| Dec-12 | 857.77 | 1,587.62 | - | 1,549.53 | 754.94 | 75.16 | 4,825.02 | | |
| Jan-13 | 892.48 | 1,604.09 | - | 1,547.54 | 757.83 | 79.29 | 4,881.23 | | |
| Feb-13 | 792.99 | 1,488.09 | - | 1,415.75 | 702.69 | 72.19 | 4,471.71 | | |
| Mar-13 | 878.70 | 1,654.50 | - | 1,551.17 | 800.51 | 85.44 | 4,970.32 | | |
| Apr-13 | 868.00 | 1,627.99 | - | 1,575.14 | 825.98 | 87.74 | 4,984.85 | | |
| May-13 | 903.00 | 1,704.77 | - | 1,667.56 | 891.45 | 92.56 | 5,259.34 | | |
| Jun-13 | 850.28 | 1,547.64 | - | 1,382.78 | 740.93 | 85.15 | 4,606.78 | | |
| Jul-13 | | | | | | | - | | |
| Aug-13 | | | | | | | - | | |
| Sep-13 | | | | | | | - | | |
| FY 12 TOTAL | 10,488.44 | 19,705.62 | 1,710.09 | 18,294.76 | 9,038.59 | 892.77 | 60,130.27 | 164.29 | MGD |
| FY 13 YTD | 7,791.63 | 14,525.43 | 10.09 | 13,860.22 | 7,063.77 | 729.17 | 43,980.31 | 161.10 | MGD |
| + / - | (2,696.81) | (5,180.19) | (1,700.00) | (4,434.54) | (1,974.82) | (163.60) | (16,149.96) | (3.19) | MGD |

| | | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-------------------|
| FY13 YTD MGD | 28.54 | 53.21 | 0.04 | 50.77 | 25.87 | 2.67 | 161.10 |
| % of YTD | 17.72% | 33.03% | 0.02% | 31.51% | 16.06% | 1.66% | 100% |
| FY 12 MGD | 28.66 | 53.84 | 4.67 | 49.99 | 24.70 | 2.44 | 164.29 |
| % of FY12 | 17.44% | 32.77% | 2.84% | 30.43% | 15.03% | 1.48% | 100% |
| Fixed billed fy13 | \$ 22,649,174.59 | \$ 42,553,137.33 | \$ 3,692,839.64 | \$ 39,506,467.43 | \$ 19,518,308.05 | \$ 1,927,884.76 | \$ 129,847,811.80 |
| Actual fixed based on % of ytd | \$ 23,004,069.45 | \$ 42,884,993.33 | \$ 29,789.80 | \$ 40,921,022.11 | \$ 20,855,129.89 | \$ 2,152,807.22 | \$ 129,847,811.80 |
| Potential True-up | \$ 354,894.86 | \$ 331,856.00 | \$(3,663,049.84) | \$ 1,414,554.68 | \$ 1,336,821.84 | \$ 224,922.46 | \$ 0 |

Tampa Bay Water - 2014 Annual Budget
Appendix



**Tampa Bay Water – 2014 Annual Budget
Budget Development Schedule for Fiscal Year 2014 and Fiscal Year 2015**

FY 2014:

| | |
|----------------------|---|
| December 21, 2012 | Budget packets distributed internally, meeting with Officers and Sr. Managers for “Fiscal Year 2014 Budget Kickoff.” |
| January 16, 2013 | Fiscal year 2014 budget submissions due from departments to finance at 5:00 p.m. |
| February 1, 2013 | Member Governments will supply Tampa Bay Water with an updated Annual Report, in the form provided in Exhibit K of the Amended and Restated Interlocal Agreement, setting forth the next five fiscal years of projected water service demand from their service area. |
| February 1, 2013 | Request to Member Governments for any project changes since the December request. |
| February 1, 2013 | Preliminary draft of fiscal year 2014 budget distributed internally for review and comments by all departments and General Counsel. |
| February 8, 2013 | Finance meets with General Counsel to assess any additional legal needs or requirements. |
| February 11-15, 2013 | Finance meets with Officers and Sr. Managers to review department 2014 budget requests. |
| February 21, 2013 | Redistribute preliminary draft fiscal year 2014 budget with changes resulting from February meetings. |
| February 25, 2013 | General Manager meeting with Officers and General Counsel to review program plans and outstanding issues. |
| March 1, 2013 | Draft of budget document prepared for internal management review. |
| March 18, 2013 | First bound copy of Proposed Fiscal Year 2014 Budget including annual estimate distributed to staff, Member Governments, and Board. |
| Mar. 25–29, 2013 | Individual meetings with Member Governments to discuss proposed fiscal year 2014 budget. |
| April 15, 2013 | Tampa Bay Water contractual annual estimate due (will have been distributed March 15th). |
| April 15, 2013 | Board workshop, Tampa Bay Water Board sets preliminary fiscal year 2014 budget and schedules a public hearing for final budget approval on June 17, 2013. |
| April 15, 2013 | Preliminary presentation to Board of proposed Capital Improvement Program. |
| June 17, 2013 | Public Hearing and Final Fiscal Year 2014 Budget approved by Board. |
| October 1, 2013 | Uniform Rate for fiscal year 2014 implemented. |
| October 15, 2013 | Fiscal year 2013 post closing adjustment and reconciliation of fixed component to annual estimate distributed to members. |
| November 15, 2013 | Request budget changes from staff and members for the coming year. |
| December 1, 2013 | Receive comments and finalize changes for budget format. |

Tampa Bay Water – 2014 Annual Budget
Budget Development Schedule for Fiscal Year 2014 and Fiscal Year 2015

FY 2015:

| | |
|----------------------|---|
| December 20, 2013 | Budget packets distributed internally, meeting with Officers and Sr. Managers for “Fiscal Year 2015 Budget Kickoff.” |
| January 17, 2014 | Fiscal year 2015 budget submissions due from departments to finance at 5:00 p.m. |
| February 1, 2014 | 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 3, 2014 | Request to Member Governments for any project changes since the December request. |
| February 3, 2014 | Preliminary draft of fiscal year 2015 budget distributed internally for review and comments by all departments and General Counsel. |
| February 7, 2014 | Finance meets with General Counsel to assess any additional legal needs or requirements. |
| February 10-14, 2014 | Finance meets with Officers and Sr. Managers to review department 2015 budget requests. |
| February 21, 2014 | Redistribute preliminary draft fiscal year 2015 budget with changes resulting from February meetings. |
| February 26, 2014 | General Manager meeting with Officers and General Counsel to review program plans and outstanding issues. |
| March 2, 2014 | Draft of budget document prepared for internal management review. |
| March 17, 2014 | First bound copy of Proposed Fiscal Year 2015 Budget including annual estimate distributed to staff, Member Governments, and Board. |
| Mar. 24–28, 2014 | Individual meetings with Member Governments to discuss proposed fiscal year 2015 budget. |
| April 15, 2014 | Tampa Bay Water contractual annual estimate due (will have been distributed March 17th). |
| April 21, 2014 | Board workshop, Tampa Bay Water Board sets preliminary fiscal year 2015 budget and schedules a public hearing for final budget approval on June 17, 2014. |
| April 21, 2014 | Preliminary presentation to Board of proposed Capital Improvement Program. |
| June 16, 2014 | Public Hearing and Final Fiscal Year 2015 Budget approved by Board. |
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| November 15, 2014 | Request budget changes from staff and members for the coming year. |
| December 1, 2014 | Receive comments and finalize changes for budget format. |

Glossary

Fiscal Year 2014

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

Tampa Bay Water – 2014 Annual Budget
Glossary

Definitions

The following definitions were derived from the Interlocal Agreement and the Master Water Supply Contract. Unless otherwise specifically set forth, the following words and phrases used in the 2014 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.

Tampa Bay Water – 2014 Annual Budget
Glossary

“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

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machinery, equipment and other tangible personal property; (4) planning, architectural, engineering, surveying, legal, environmental and other consultant services; (5) fees and expenses associated with the issuance of Obligations, including but not limited to bond counsel, disclosure counsel, financial advisor, underwriters' discount, rating agencies, bond insurance, credit or liquidity facilities, and printing the Obligations and supporting documentation; (6) interest accruing on the Obligations for such period of time as Tampa Bay Water deems appropriate; (7) the debt service reserve fund or account, if any, established for the Obligations; and (8) all other expenses that are properly attributable thereto under generally accepted accounting principles, including reimbursement to Tampa Bay Water for any moneys advanced for such purposes and interest on any interfund loan for such purposes.

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

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

“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.

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

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

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

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

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

“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

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)

MGD – million gallons per day

NOAA – National Oceanic and Atmospheric Administration

NWH – Northwest Hillsborough

O&M – Operation and Maintenance

R&R – Renewal and Replacement

SCADA – Supervisory Control and Data Acquisition

SCHIP – South-Central Hillsborough Infrastructure Project

SIPC – Securities Investor Protection Corporation

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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

WTP – Water Treatment Plant

**TAMPA
BAY 
WATER**

Supplying Water To The Region

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