

ORDINANCE NO. 1567-25

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, AMENDING CHAPTER 58, ARTICLE II – WATER SERVICE AND ARTICLE III – SEWER SERVICE, OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED, FLORIDA, REGARDING RATES AND CHARGES; PROVIDING FOR THE INCORPORATION OF RECITALS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENER’S ERRORS; PROVIDING FOR CODIFICATION; PROVIDING FOR BUSINESS IMPACT ESTIMATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred (the “City”) is a Florida municipal corporation vested with home rule authority pursuant to the *Municipal Home Rule Powers Act* (F.S. Chapter 166) and *Article VIII, §2 of the Florida Constitution*; and

WHEREAS, pursuant to *Section 2(b), Article VIII of the Florida Constitution* and *Chapter 166, Florida Statutes*, the City is vested with governmental, corporate, and proprietary powers to enable it to conduct municipal government, perform municipal functions, and render municipal services, including the general exercise of any power for municipal purposes; and

WHEREAS, the City operates and maintains municipal water and sewer utility systems, which are located within the corporate limits of the City of Lake Alfred, in order to provide safe and reliable utility service(s) to its residents and customers; and

WHEREAS, Raftelis Financial Consultants, Inc. (“Raftelis”) performed, on behalf of the City, a utility rate study, entitled *City of Lake Alfred 2022 Utility Rate Study, December 2, 2022* (the “2022 Study”); and

WHEREAS, the 2022 Study provided a thorough fiscal analysis of the City’s water and wastewater utility systems and, in part, recommended that the City update the 2022 Study every other year, or as needed, due to the variability of customer growth and changes to PRWC revenue considerations/assumptions; and

WHEREAS, on December 5, 2022, based on the findings and recommendations set forth in the 2022 Study, the City Commission of the City of Lake Alfred (the “City Commission”) passed and adopted *City of Lake Alfred Ordinance No. 1506-22* which amended *Chapter 58, Article II – Water Service* and *Article III – Sewer Service*, of the Code of Ordinances of the City of Lake Alfred, Florida (the “Code”), in order revise the utility rates charges for services to water and wastewater customer’s within the City’s Utility Service Area; and

WHEREAS, on or about March 7, 2025, the City entered into that certain *Clean Water State Revolving Fund Design Loan Agreement WW530521* and thereafter, on or about June 17, 2025, the City entered into that certain *Drinking Water State Revolving Fund Construction Loan Agreement DW530511* (collectively referred to as the “Loans”); and

WHEREAS, pursuant to the material terms and conditions of the Loans, all income and earnings received by the City from the ownership and/or operation of the City’s utility system(s) are pledged as security for the repayment of the Loans; and

WHEREAS, Raftelis, on behalf of the City, performed a utility rate study, entitled *City of Lake Alfred 2025 Utility Rate Study, October 30, 2025* (the “2025 Study”); and

WHEREAS, the 2025 Study, which updates the 2022 Study, provided a thorough fiscal analysis of the City’s water and wastewater revenues generated from utility user rates, fees and charges and municipal expenses in the form of operating and maintenance activities, debt service payments, repayment of the Loans, renewal and replacement charges, fund transfers, minor capital costs, major capital costs, projected capital improvements, and updated the considerations and assumptions related to and/or arising out of the PRWC; and

WHEREAS, a copy of the Study is attached hereto as **Composite Exhibit “A”** and incorporated herein by reference; and

WHEREAS, the City Commission of the City of Lake Alfred, Florida has received, reviewed, and hereby adopts the 2025 Study (see **Composite Exhibit “A”**); and

WHEREAS, the City desires to continue to promote and implement water conservation measures and best management practices regarding the consumption and use of water resources; and

WHEREAS, *Chapter 180 of the Florida Statutes*, which is titled *Municipal Public Works Law*, authorizes the City to provide water and sewer service(s) and establish just and equitable rates, fees, and charges for same; and

WHEREAS, all notice requirements under *Section 180.136 of the Florida Statutes* have been complied with prior to adoption of this **Ordinance No. 1567-25**; and

WHEREAS, the City Commission found that all public hearing and notice requirements imposed by *Chapter 180 of the Florida Statutes* and applicable general law, if any, for the consideration and adoption of this **Ordinance No. 1567-25** have been met; and

WHEREAS, the 2025 Study (see **Composite Exhibit “A”**) provides the City Commission with competent evidence upon which to base its decision to legislatively adopt the recommended water and sewer rate(s) and charge(s) as just and equitable within the meaning of the *Municipal Public Works Law*; and

WHEREAS, in the exercise of its legislative authority, the City Commission has determined it is in the best interests of the health, safety and welfare of the citizens and residents of the City of Lake Alfred, Florida, and consistent and in accordance with applicable Florida law to amend *Chapter 58, Articles II and III, of the Code* relating to rates and charges for water service and sewer service; and

WHEREAS, on November 17, 2025, at a duly noticed public hearing, the City Commission determined that this **Ordinance No. 1567-25** amending the Code related to the City’s rates and charges for water service, meter installation fees, and sewer service promotes the public health, safety, and general welfare of the community and found that the passage and enactment of this **Ordinance No. 1567-25** is consistent with the *City of Lake Alfred 2030 Comprehensive Plan* and promotes and protects the public interest; and

WHEREAS, the City Commission of the City of Lake Alfred, Florida, finds that the approval and adoption of this **Ordinance No. 1567-25** is intended to enhance the present advantages that

exist within the corporate limits of the City of Lake Alfred, Florida; is consistent with the public interest; and this **Ordinance No. 1567-25** is intended to promote, protect, and improve the public health, safety, and general welfare of the citizens and residents of the City of Lake Alfred, Florida.

NOW, THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF LAKE ALFRED, FLORIDA:

Section 1. Incorporation of Factual Recitals.

The above-referenced factual recitals (WHEREAS clauses) and referenced exhibits are incorporated herein as true and correct statements that form a factual and material basis for the adoption of this **Ordinance No. 1567-25**, and the City Commission of the City of Lake Alfred, Florida, hereby adopts the above-referenced factual recitals as the legislative findings supporting the adoption of this **Ordinance No. 1567-25**.

Section 2. Adoption of Amendments and Rate Study.

The City Commission of the City of Lake Alfred, Florida (the "City Commission"), has received, reviewed, and hereby adopts the *City of Lake Alfred 2025 Utility Rate Study, October 30, 2025* (the "2025 Study") prepared by Raftelis Financial Consultants, Inc., which is attached hereto as **Composite Exhibit "A"** and incorporated herein by reference.

Chapter 58, Article II and Article III, of the Code of Ordinances, City of Lake Alfred, Florida (the "Code") are amended as set forth in **Exhibit "B"** attached hereto and made a part hereof by reference (provisions deleted are shown as ~~strikethrough~~ and provisions added are shown as underlined).

Section 3. Conflicts.

All ordinances in conflict herewith are hereby repealed but only to the extent necessary to give this **Ordinance No. 1567-25** full force and effect, provided however, that nothing herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the *City of Lake Alfred 2030 Comprehensive Plan and/or Code of Ordinances, City of Lake Alfred, Florida*, unless such repeal is explicitly set forth herein.

Section 4. Severability.

The provisions of this **Ordinance No. 1567-25** are severable. If any section, subsection, sentence, clause, phrase of this **Ordinance No. 1567-25**, or the application thereof shall be held invalid, unenforceable, or unconstitutional by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City Commission of the City of Lake Alfred hereby declares that it would have passed this **Ordinance No. 1567-25**, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared invalid, unenforceable, or unconstitutional, or unenforceable. If any word, sentence, clause, phrase, or provision of this **Ordinance No. 1567-25** for any reason is declared by any court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, then all remaining provisions and portions of this **Ordinance No. 1567-25** shall remain in full force and effect. If any section, subsection, sentence, clause or phrase of this **Ordinance No. 1567-25** is, for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this **Ordinance No. 1567-25**. The City of Lake

Alfred, Florida, by and through its City Commission, hereby declares that it would have passed this **Ordinance No. 1567-25**, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

Section 5. Administrative Correction of Scrivener's Errors.

It is the intention of the City Commission that sections of this **Ordinance No. 1567-25** may be renumbered or re-lettered and the word "resolution" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and sections of this **Ordinance No. 1567-25** may be re-numbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

Section 6. Codification.

It is the intention of the City Commission that the provisions of this **Ordinance No. 1567-25** shall become and be made a part of the *Code of Ordinances, City of Lake Alfred, Florida*; and that sections of this **Ordinance No. 1567-25** may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the *Code of Ordinances, City of Lake Alfred, Florida*, is accomplished, sections of this **Ordinance No. 1567-25** may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his or her designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

Section 7. Business Impact Estimate.

On October 1, 2023, *Senate Bill 170* ("SB 170"), *Chapter 2023-309, Laws of Florida*, was enacted amending *Section 166.041, Florida Statutes*, requiring a local government to prepare a *business impact estimate* before the enactment of an ordinance. On October 1, 2024, *Senate Bill 1628* ("SB 1628"), as codified under *Chapter 2024-145, Laws of Florida*, further amended *Section 166.041, Fla. Stat. (2023)*, by creating certain express exclusion(s).

In this instance, this **Ordinance No. 1567-25** is required for compliance with state law and/or regulation(s) relating to the adoption of budgets and/or budget amendments which includes, but may not be limited to, revenue sources to necessary to fund the budget. As such, pursuant to applicable Florida law, this **Ordinance No. 1567-25** is exempt and does **not** require a business impact estimate.

Section 8. Effective Date.

This **Ordinance No. 1567-25** shall take effect immediately upon adoption after Second and Final Reading, provided however, that the rates, fees, and charges effective on October 1, 2025, and which were established by the adoption of *City of Lake Alfred Ordinance No. 1506-22*, shall remain in full force and effect until January 1, 2026. Provided further, that the other rates, fees, and charges established in this **Ordinance No. 1567-25**, which are effective January 1, 2026 and thereafter, shall not take effect until January 1, 2026, and apply to bills in the first full

billing cycle after January 1, 2026, it being the intent not to impose pro-rated rates, fees, and charges established herein and effective on January 1, 2026.

INTRODUCED AND PASSED on first reading and public hearing at the regular meeting of the City of Lake Alfred City Commission held this 3rd day of November 2025.

PASSED AND ADOPTED on second reading with a quorum present and voting at the regular meeting of the City of Lake Alfred City Commission held this 17th day of November 2025.

CITY OF LAKE ALFRED, FLORIDA

By: 
C. Mac Fuller, Mayor

ATTEST:


Linda Bourgeois, BAS, MMC, City Clerk



Approved as to form:


Frederick J. Murphy, Jr., City Attorney

**CITY OF LAKE ALFRED
EXHIBIT "A"
ORDINANCE 1567-25
Rate Study**

City of
Lake Alfred

2025 Utility Rate Study

October 30, 2025





October 30, 2025

Ryan Leavengood
City Manager
City of Lake Alfred
120 E. Pomelo Street
Lake Alfred, FL 33850

Subject: 2025 Utility Rate Study

Dear Mr. Leavengood,

Pursuant to our agreement with the City of Lake Alfred (City), Raftelis conducted an update to the water and wastewater rate study including a review of anticipated customer growth, Polk Regional Water Cooperative (PRWC) impacts, funding plans for the City's Capital Improvement Plan (CIP) that includes several large water and wastewater plant expansions, and the overall adequacy of the user rates, fees, and charges. This report provides the analysis, findings, conclusions, and recommendations. Professional care was used in identifying and utilizing data, assumptions and estimates such that the rate structure and rates reasonably recovers the costs of providing services to customers within the City's service area.

Thanks and appreciation is extended to the City for this opportunity and to the fine staff members that provided data and assisted in the study process.

Sincerely,

A handwritten signature in blue ink that reads "Joe Williams".

Joe Williams
Senior Manager

A handwritten signature in blue ink that reads "Michelle Galvin".

Michelle Galvin
Senior Consultant

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List of Exhibits

- Exhibit 1: Water and Wastewater Budget Projections
- Exhibit 2: Existing and Projected Water Customer Statistics
- Exhibit 3: Existing and Projected Wastewater Customer Statistics
- Exhibit 4: Projected Water Revenue With Existing Rates
- Exhibit 5: Projected Wastewater Revenue With Existing Rates
- Exhibit 6: Forecast of Miscellaneous Charge Revenues
- Exhibit 7: Capital Improvement Plan Projects and Funding Sources
- Exhibit 8: Projected Water Revenue Requirements
- Exhibit 9: Projected Wastewater Revenue Requirements
- Exhibit 10: Projected Debt Service Coverage
- Exhibit 11: Projected Fund Balances
- Exhibit 12: Projected Water and Wastewater Rates

Executive Summary

Background of the Study

The City of Lake Alfred (City) provides water and wastewater service to properties located within and outside of the City limits. The City accounts for the water and wastewater funds and financial reporting as a combined enterprise fund (System). As an enterprise fund the costs of providing service are recovered primarily through user fees. Specifically, the City recovers its water and wastewater utility costs through user rates and ancillary charges.

The City has engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a rate study, including provisions for a revenue sufficiency projection. Raftelis has prepared this report to document our findings and conclusions. Raftelis created an Excel-based financial model with the primary purpose of providing the City with a management tool to anticipate future needs, enhance operation and capital planning, and diminish the probability of sudden rate adjustments or other adverse financial conditions. This model can be updated periodically to estimate impacts of certain events such as new customer growth, large capital projects, etc. and overall revenue sufficiency over a multi-year period. This executive summary provides an overview of the study and includes findings and recommendations for future rate adjustments and financial policies.

System Overview

The City last completed a comprehensive rate study in 2022 where certain rate structure adjustments were made in anticipation of customer growth, project to expand treatment capacity for water and wastewater, and involvement in the Polk Regional Water Cooperative (PRWC). Since that time, the City’s customer base has continued to grow, and there have been large increases in the estimated costs from PRWC. For example in the 2022 study the PRWC had identified costs ramping up to approximately \$1.1 million by FY 2028 when water would first be delivered. The updated information from the PRWC has increased that estimate to approximately \$2.4 million, which is resulting in the need for elevated rate adjustments. The continued customer growth has prompted the City to participate in the PRWC, which is a collection of Polk County utilities that are working together to obtain future alternative water supply, as directed in part by the Southwest Florida Water Management Districts (SWFWMD). On the wastewater side, the City has identified the need for a significant plant expansion to increase capacity to accommodate future growth. To offset some of the impacts of this project, the City has secured grants in the form of principal forgiveness from SRF. Each of these projects is having impacts on the System over the next several years and have been factored into the analysis to the extent information is available. Based on the forecast certain rate adjustments have been identified, as shown on the table below:

Table ES- 1: Proposed Annual Rate Adjustments

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water	15.00%	15.00%	12.50%	3.50%	3.50%
Wastewater	4.50%	2.75%	3.50%	3.50%	3.50%
Typical 5,000 Gallon Bill	\$71.98	\$75.58	\$79.49	\$82.22	\$85.07

Notes: The FY 2026 increase referenced will be effective on January 1, 2026 for the water system. On October 1, 2025 a 4.50% rate increase was enacted for both water and wastewater. The wastewater rate increase shown of 4.50% on the table above will not change the wastewater rates that are currently in effect as of October 1, 2025.

It should be noted that the 15.0% identified for water is a targeted revenue increase amount, in addition to annual growth. In lieu of implementing across-the-board increases to the base and usage charges for water, this report

outlines an alternative approach that will increase the higher end usage charge by more than 15.0% and the base charges and first usage block by less than 15.0%. This will allow the City to promote conservation of water and provide incentives for users that if they reduce consumption there will be a noticeable reduction in the utility bill as well.

Local Rate Comparison

A common activity used by administrators, management, customers, and other stakeholders during the utility rate setting process are comparisons of the existing and proposed rates to those of other nearby communities/utilities. Cost recovery through user rates, fees and charges is a dynamic activity of utility enterprises, which for the most part, use common or similar names for the charge, rate and fee components; however, in many instances are formulated using different methodologies, costs and policies. The cost allocations and formulation of determinants for each rate, charge or fee generally varies significantly. Therefore, comparisons of other communities should be considered as illustrations of the amount paid by the customers and not functional cost of service. For example, based on the costs associated with the PRWC each entity receiving water will have differing impacts based on many factors including, but not limited to i) the amount of water taken, ii) percentage of PRWC water compared to existing supply, iii) customer growth rates; and iv) connection fee levels to offset capital costs.

Nearby communities were contacted to obtain current water and wastewater rates. The results for a typical 5,000 gallons per month single family water and wastewater customer were calculated and illustrated on the figure below. The amounts shown on the graph represent the monthly billings before any franchise, service or other applicable fees or charges not directly related to the cost for the subject utility service.

Figure ES 1: Local Single Family Comparison at 5,000 Gallons



Capital Funding Program

The capital expenditures planned through FY 2030 are based on the City’s capital improvement program (CIP) provided by staff. The combined water and wastewater six-year CIP demonstrates the need for approximately \$64.2 million of projects. Funding for these improvements is projected to be from a variety of mechanisms including, but not limited to, unrestricted operating reserves, connection fees, and three new SRF loans. The table below presents the larger individual projects, timing, and funding sources driving a large portion of the required rate adjustments presented on Table ES-1.

Table ES- 2: Capital Funding Program FY 2025 – FY 2030

Description	Cost	Timing	Funding
New Water Plant	\$17,000,000	2025	SRF Loan
Sewer Plant Expansion - Design	1,700,000	2025	SRF Loan
Sewer Plant Expansion – Construction	32,118,000	2028	SRF Loan
Rapid Infill Basins	2,141,200	2028	WW Con. Fees
Receiving Station	7,661,000	2025-2026	Grants
CR 557 Water Main Relocate	1,046,500	2027	W Con. Fees & Reserves
Other Projects	2,520,800	Varies	Conn. Fees & Reserves
Total	\$64,187,500		

Three additional SRF loans are anticipated for the water treatment plant rebuild and the expansion to the water reclamation facility (WRF), which is split into design and construction loans. The City has already entered into SRF loan agreements with FDEP for the loans and will be receiving principal forgiveness for the three loans. For the water treatment plant, there will be a 60% principal forgiveness on the loan; for the WRF design loan, there will be 80% principal forgiveness; and for the WRF construction loan, there will be 80% principal forgiveness for the first year’s spend which is assumed at \$20.0 million. The loan assumptions and estimated repayment amounts are provided below:

Table ES- 3: Anticipated SRF Loans

Description	2025 Water SRF Loan [1]	2025	2028	Total Proposed
		Wastewater Design SRF Loan [2]	Wastewater Construction SRF Loan [3]	
Estimated Project Cost	\$17,000,000	\$1,700,000	\$32,118,000	\$50,818,000
Loan Principal	\$7,187,500	\$356,700	\$16,118,000	\$23,662,200
Loan Term (Years)	20	10	20	
Interest Rate	1.50%	1.24%	2.5%	
Annual Debt Service Payment	\$417,300	\$38,000	\$1,029,000	\$1,484,300
First Year of Debt Service	2027	2026	2030	

[1] This loan includes 50% principal forgiveness, which was not applied to the estimated capitalized interest amount.

[2] This loan includes 80% principal forgiveness, which was not applied to the estimated capitalized interest amount.

[3] This loan includes 80% principal forgiveness for the first year of funding, which is assumed to be \$20.0 million, which was not applied to the estimated capitalized interest amount.

PRWC Costs

As previously mentioned, the City is a member of the PRWC along with 14 other municipalities, including Polk County, in the Southeast Wellfield project area (SE Project). For the City, commitments have been made to take 0.76 MGD of water capacity from the first phase of projects and an additional 0.24 MGD of capacity from the second phase, for a total of 1.00 MGD. PRWC is finalizing the designs and in the early construction phases of the process

and since it is an organization made up of individual members, the only revenues available are from the members. Based on an array of factors, more information of which are available directly from PRWC, the City’s annual payments are currently anticipated to be as follows (the project costs, member demand forecasts, and timing of payments are subject to change as the projects progress towards construction):

Table ES- 4: PRWC Costs

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Costs [1]	\$104,599	\$149,271	\$142,438	\$1,354,721	\$1,483,246	\$1,559,815
Debt Service [2]	152,511	200,244	246,436	1,044,811	1,259,219	1,232,167
Administrative [3]	4,696	7,143	7,396	7,659	7,934	8,221
Total	\$261,806	\$356,658	\$396,270	\$2,407,191	\$2,750,399	\$2,800,204

[1] Includes several line items from PRWC including Fixed O&M, Variable O&M, Line of Credit Interest Payments, Member Funded payments, and a Coverage Allowance to provide working capital for PRWC.

[2] Associated with a combination of SRF and WIFIA¹ loans PRWC will issue to fund construction and related costs.

[3] Administrative costs include the annual administrative and conservation budgets from PRWC.

Water Tier Adjustments

Water consumption is billed based on an established rate per 1,000 gallons, with blocks (or tiers) that increase the rate as more water is used. The City currently has a three (3) block structure with Block 1 from 0 to 5,000 gallons, Block 2 from 5,001 to 10,000 gallons and Block 3 for usage above 10,000 gallons each month. This is a typical water volumetric rate structure in the utility industry. However, based on the desire to encourage water conservation, in light of several factors including: i) heightened awareness of conservation throughout the industry and customers; ii) significant anticipate growth of the customer base; and iii) more expensive water to meet increased demands being provided through PRWC that has increased significantly since the first water tier adjustments, it is recommended that the City adjust the pricing structure of the blocks further while using a similar approach. The first block will increase, but by a lesser magnitude as Blocks 2 and 3, as it represents an essential monthly usage level. Blocks 2 and 3 will be increased at a higher rate over time to achieve the City’s goals and with the intention to promote enhanced water conservation. The table below demonstrates the block rates under an across-the-board adjustment where no enhanced conservation adjustments are made versus the version with enhanced conservation adjustments, where the latter option is recommended.

Table ES- 5: Water Tiered Rate Adjustments – Alternative

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Across the Board Adjustments					
Block 1	\$1.41	\$1.62	\$1.82	\$1.88	\$1.95
Block 2	\$2.46	\$2.83	\$3.18	\$3.29	\$3.41
Block 3	\$3.42	\$3.93	\$4.42	\$4.57	\$4.73
Enhanced Conservation Adjustments					
Block 1	\$1.37	\$1.48	\$1.58	\$1.63	\$1.68
Block 2	\$2.78	\$3.32	\$3.85	\$3.98	\$4.11
Block 3	\$3.98	\$4.70	\$5.40	\$5.58	\$5.77

¹ The US Water Infrastructure Finance and Innovation Act (WIFIA) program as administered by the US Environmental Protection Agency (EPA).

Recommendations

Based on the information, analysis and discussions included in this report, it is recommended that:

1. The City proceed to establish the following water rates including a focus on enhancing the water conservation efforts throughout the community, that will achieve rate objectives including conservation and include the rate adjustments identified each year of the forecast for inside City customers. Outside City customers will pay an additional 25% as shown on Exhibit 12, per City's existing policy.

Description	1/1/2026 FY 2026	10/1/2026 FY 2027	10/1/2027 FY 2028	10/1/2028 FY 2029	10/1/2029 FY 2030
Residential Inside City					
Base Charge					
All Meters	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
Usage Charges per 1,000 gallons					
Block 1	\$1.37	\$1.48	\$1.58	\$1.63	\$1.68
Block 2	\$2.78	\$3.32	\$3.85	\$3.98	\$4.11
Block 3	\$3.98	\$4.70	\$5.40	\$5.58	\$5.77
Commercial					
Base Charge					
5/8-inch	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
1-inch	\$28.70	\$32.68	\$36.38	\$37.63	\$38.93
1.5-inch	\$57.40	\$65.35	\$72.75	\$75.25	\$77.85
2-inch and above	\$91.84	\$104.56	\$116.40	\$120.40	\$124.56
Usage Charges per 1,000 gallons					
All Consumption	\$2.92	\$3.49	\$4.04	\$4.18	\$4.32

2. The City proceed to establish the following wastewater rates for inside City customers. Outside City customers will pay an additional 25% as shown on Exhibit 12, per City's existing policy.

Description	1/1/2026 FY 2026	10/1/2026 FY 2027	10/1/2027 FY 2028	10/1/2028 FY 2029	10/1/2029 FY 2030
Residential Inside City					
Base Charge					
All Meters	\$38.45	\$39.51	\$40.89	\$42.32	\$43.80
Usage Charges per 1,000 gallons					
All Consumption (10,000 Cap)	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46
Commercial					
Base Charge					
5/8-inch	\$49.98	\$51.35	\$53.15	\$55.01	\$56.94
1-inch	\$96.11	\$98.75	\$102.21	\$105.79	\$109.49
1.5-inch	\$192.21	\$197.50	\$204.41	\$211.56	\$218.96
2-inch and above	\$307.52	\$315.98	\$327.04	\$338.49	\$350.34
Usage Charges per 1,000 gallons					
All Consumption	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46

3. The City closely monitor the growth rate of new connections over the next few years as there are many financial impacts including, but not limited to: a) capacity constraints and needed additional capacity sooner or later; b) rate revenue considerations – many of the PRWC costs are fixed so rates may need to be adjusted up or down depending on customer growth; and c) connection fees are anticipated to be available for debt service payments in the future as an offset to the need for additional rate adjustments.
4. Due to the variability of customer growth and the large commitments made to the PRWC, it is recommended the City update the rate study during the spring of 2027, prior to when the first major PRWC related costs are due, to ensure the revenue forecast will support this increased operating expense.

It should be noted that assumptions used in this study reflect conservative positions such that actual results are anticipated to exceed the forecasted results. The expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historic data along with projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed rates and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

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Section 1. Introduction

Background

The City of Lake Alfred (City) provided water and wastewater services to approximately 6,700 water customers and 3,600 wastewater customers located within and outside of the City's municipal limits in fiscal year 2025. The City has engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a rate study to review the sufficiency of the water and wastewater systems' (System) ability to meet financial requirements including operating costs, capital improvements, and reserve fund requirements over the fiscal years 2025 through 2030 (Forecast Period).

Summary of Report

In addition to Section 1, this report is subdivided into four (4) other sections. The following is a brief discussion of the remaining sections included in this report.

Section 2. Customers and Existing Rates – This section summarizes the existing rate structures along with illustrating the historical and projected customers and sales. Projections are primarily based off recent historical trends and expected future growth with a conservative outlook.

Section 3. Revenue Requirements – This section summarizes the forecast of revenue requirements, which serves as the basis for the revenue sufficiency analysis. Included in this section is a discussion of the assumptions utilized in the forecast of operating and maintenance expenditures, debt service requirements, and capital improvement needs. A focus is placed on future debt obligations and increased Polk Regional Water Cooperative (PRWC) costs.

Section 4. Revenue Sufficiency – This section provides the future revenue forecast from existing rates based on the projected customers and sales identified in Section 2. The forecasted revenues are compared to the revenue requirements identified in Section 3 to determine the level of rate adjustments needed. Once the necessary rate adjustments are identified, there is a projection of cash reserves and debt service coverage. Additionally, the water and wastewater rates are compared to customer bills with other nearby communities.

Section 5. Findings and Recommendations – This section summarizes the findings, conclusions and recommendations developed during the course of this study, resulting from various data review and analysis performed.

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Section 2. Customers and Existing Rates

General

A major component in the determination of sustained revenue sufficiency for water and wastewater service is the development of a forecast of customers and sales, to which existing rates are applied to calculate revenues. The customer and sales forecasts are essential components of this study that help to align the timing of future rate adjustments with capital projects and anticipated increases to ongoing operations. This section provides a discussion of the recent historical trends and the forecast of customers through FY 2030.

The revenues are generated from monthly base and usage rates, ancillary charges for specifically requested services, penalties, and related interest earnings. Additionally, the utility system recovers costs through connection fees. The primary source of revenues for the water and wastewater system is from the monthly rates designed on a modified cost-of-service basis and applied equitably pursuant to customer class, meter size and usage. Pursuant to Section 58-57 and Section 58-123 of the City Code of Ordinances, the existing water and wastewater rates were last adjusted with the passage of Ordinance No. 1506-22, effective in April 2023, and each October 1st thereafter through 2027.

Existing Rate Structure and Rates

The existing water and wastewater structure utilizes two components for the generation of monthly revenues: base and usage charges. For residential customers, the water base charged is a fixed monthly fee and is uniform for all connection sizes and, the water usage charges are on an inclining block basis to encourage conservation, with a three-block structure. Block 1 ranges from 0 gallons to 5,000 gallons, Block 2 ranges from 5,001 to 10,000 gallons and Block 3 is applied to all usage above 10,000 gallons. For non-residential customers, the water base charge increases pursuant to the meter size used for service and are charged a uniform rate for all consumption. For residential wastewater, the current base charge is a fixed monthly amount and is uniform for all consumption charges. For non-residential customers, the wastewater base charge increases pursuant to the meter size used for water service. Both residential and non-residential wastewater consumption is charged a uniform consumption rate per 1,000 gallons with residential customers having a cap of 10,000 gallons per month. The City charges 25% more to water and wastewater customers outside of the City limits.

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Table 1: Existing FY 2025 Water Rates

Description	Inside City	Outside City
Residential		
Base Charge	\$10.08	\$12.60
Usage Charges per 1,000 gallons		
Block 1 (0 - 5,000)	1.23	1.53
Block 2 (5,001 - 10,000)	2.14	2.67
Block 3 (Above 10,000)	2.97	3.71
Non-Residential		
Base Charge		
5/8-inch	\$10.08	\$12.60
1-inch	25.20	31.50
1.5-inch	50.40	63.00
2-inch	80.64	100.80
3-inch	80.64	100.80
4-inch	80.64	100.80
6-inch	80.64	100.80
All Consumption per 1,000 gallons	2.25	2.81

Table 2: Existing FY 2025 Wastewater Rates

Description	Inside City	Outside City
Residential		
Base Charge	\$36.79	\$45.98
All Consumption per 1,000 gallons (10,000 Cap)	2.91	3.63
Non-Residential		
Base Charge		
5/8-inch	\$47.83	\$59.78
1-inch	91.97	114.96
1.5-inch	183.93	229.91
2-inch	294.28	367.85
3-inch	294.28	367.85
4-inch	294.28	367.85
6-inch	294.28	367.85
All Consumption per 1,000 gallons	2.91	3.63

Current and Projected Customers

The City provided historical billing statistics in Microsoft-Excel format which included data on every bill issued during the FY 2024 period. The statistics included account numbers, customer type, water meter size, metered monthly usage, and the annual bill amounts. The historical customers served and the trends in growth and water use/billed wastewater flow per equivalent residential unit (ERU) provided the basis for the forecast of customers through FY 2030.

The table below summarizes the historical FY 2024 customer statistics for the water system which served as the basis for the forecast of the billing determinates for the water system and the corresponding rate revenues.

Table 3: Historical FY 2024 Water Customer Statistics

Description	FY 2024
Single Family Inside City	
Accounts	4,154
Equivalencies	4,154
Annual Consumption (1,000s of gallons)	384,660
Average Monthly Use per Equiv.	7.72
Single Family Outside City	
Accounts	330
Equivalencies	330
Annual Consumption (1,000s of gallons)	23,866
Average Monthly Use per Equiv.	6.03
Mobile Home Inside City	
Accounts	626
Equivalencies	626
Annual Consumption (1,000s of gallons)	25,066
Average Monthly Use per Equiv.	3.34
Mobile Home Outside City	
Accounts	735
Equivalencies	735
Annual Consumption (1,000s of gallons)	34,261
Average Monthly Use per Equiv.	3.88
Multi-Family Inside City	
Accounts	17
Equivalencies	106
Annual Consumption (1,000s of gallons)	3,576
Average Monthly Use per Equiv.	2.81
Multi-Family Outside City	
Accounts	4
Equivalencies	132
Annual Consumption (1,000s of gallons)	4,593
Average Monthly Use per Equiv.	2.90
Non-Residential Inside City	
Accounts	164
Equivalencies	392
Annual Consumption (1,000s of gallons)	62,827
Average Monthly Use per Equiv.	13.36
Non-Residential Outside City	
Accounts	10
Equivalencies	22
Annual Consumption (1,000s of gallons)	2,010
Average Monthly Use per Equiv.	7.61
Total	
Accounts	6,040
Equivalencies	6,497
Annual Consumption (1,000s of gallons)	540,859
Average Monthly Use per Equiv.	6.94

As shown above, there were approximately 6,000 water customers in FY 2024. The average monthly use per Equivalency is about 6,940 gallons per month.

Table 4: Historical FY 2024 Wastewater Customer Statistics

Description	FY 2024
Single Family Inside City	
Accounts	2,107
Equivalencies	2,103
Annual Consumption (1,000s of gallons)	131,313
Average Monthly Use per Equiv.	5.20
Single Family Outside City	
Accounts	48
Equivalencies	48
Annual Consumption (1,000s of gallons)	2,427
Average Monthly Use per Equiv.	4.21
Mobile Home Inside City	
Accounts	397
Equivalencies	397
Annual Consumption (1,000s of gallons)	13,087
Average Monthly Use per Equiv.	2.75
Mobile Home Outside City	
Accounts	627
Equivalencies	627
Annual Consumption (1,000s of gallons)	27,957
Average Monthly Use per Equiv.	3.72
Multi-Family Inside City	
Accounts	5
Equivalencies	49
Annual Consumption (1,000s of gallons)	2,033
Average Monthly Use per Equiv.	3.46
Multi-Family Outside City	
Accounts	2
Equivalencies	116
Annual Consumption (1,000s of gallons)	3,293
Average Monthly Use per Equiv.	2.37
Non-Residential Inside City	
Accounts	111
Equivalencies	212
Annual Consumption (1,000s of gallons)	27,722
Average Monthly Use per Equiv.	10.90
Non-Residential Outside City	
Accounts	7
Equivalencies	9
Annual Consumption (1,000s of gallons)	1,326
Average Monthly Use per Equiv.	12.28
Total	
Accounts	3,304
Equivalencies	3,561
Annual Consumption (1,000s of gallons)	209,158
Average Monthly Use per Equiv.	4.89

There are approximately 3,300 wastewater customers in FY 2024. The average monthly use per ERU is about 4,890 gallons per month.

The billing frequency analysis provides historical actual data associated with the number of accounts and ERUs together with the average monthly billable consumption per rate block per ERU by customer class. These billable flows per block are considered reliable indicators for ratemaking and projection purposes, as average usage trends are not anticipated to vary materially from year to year except for periods experiencing unusual weather conditions. Conversations with City staff together with an understanding of recent trends and maintaining a conservative approach to forecasting customer growth, an annual average water customer growth rate of approximately 12.5% is assumed in FY 2026 through FY 2027 and an annual average of 7.6% in Fiscal Years 2028 through 2030 for an annual growth of between 350 to 450 accounts per year. The wastewater customer growth is based on the water customer forecast and assumes that all new development has both water and wastewater services.

A summary of the forecasted growth in water customer accounts, ERUs and billable consumption are provided in the table below with more detailed information by customer class provided in Exhibit 2 at the end of this report.

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Table 5: Water Customer Forecast

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Single Family Inside City							
Accounts	4,154	4,854	5,754	6,654	7,354	8,054	8,754
Equivalencies	4,154	4,854	5,754	6,654	7,354	8,054	8,754
Annual Consumption (Th. of gallons)	384,660	458,700	554,100	649,400	723,400	797,600	871,700
Avg Monthly Use per Equiv.	7.72	7.87	8.02	8.13	8.20	8.25	8.30
Single Family Outside City							
Accounts	330	330	330	330	330	330	330
Equivalencies	330	330	330	330	330	330	330
Annual Consumption (Th. of gallons)	23,866	23,900	23,900	23,900	23,900	23,900	23,900
Avg Monthly Use per Equiv.	6.03	6.04	6.04	6.04	6.04	6.04	6.04
Mobile Home Inside City							
Accounts	626	626	626	626	626	626	626
Equivalencies	626	626	626	626	626	626	626
Annual Consumption (Th. of gallons)	25,066	25,000	25,000	25,000	25,000	25,000	25,000
Avg Monthly Use per Equiv.	3.34	3.33	3.33	3.33	3.33	3.33	3.33
Mobile Home Outside City							
Accounts	735	735	735	735	735	735	735
Equivalencies	735	735	735	735	735	735	735
Annual Consumption (Th. of gallons)	34,261	34,200	34,200	34,200	34,200	34,200	34,200
Avg Monthly Use per Equiv.	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Multi-Family Inside City							
Accounts	17	17	17	17	17	17	17
Equivalencies	106	106	106	106	106	106	106
Annual Consumption (Th. of gallons)	3,576	3,600	3,600	3,600	3,600	3,600	3,600
Avg Monthly Use per Equiv.	2.81	2.83	2.83	2.83	2.83	2.83	2.83
Multi-Family Outside City							
Accounts	4	4	4	4	4	4	4
Equivalencies	132	132	132	132	132	132	132
Annual Consumption (Th. of gallons)	4,593	4,600	4,600	4,600	4,600	4,600	4,600
Avg Monthly Use per Equiv.	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Non-Residential Inside City							
Accounts	164	164	164	164	164	164	164
Equivalencies	392	392	392	392	392	392	392
Annual Consumption (Th. of gallons)	62,827	62,900	62,900	62,900	62,900	62,900	62,900
Avg Monthly Use per Equiv.	13.36	13.37	13.37	13.37	13.37	13.37	13.37
Non-Residential Outside City							
Accounts	10	10	10	10	10	10	10
Equivalencies	22	22	22	22	22	22	22
Annual Consumption (Th. of gallons)	2,010	2,000	2,000	2,000	2,000	2,000	2,000
Avg Monthly Use per Equiv.	7.61	7.58	7.58	7.58	7.58	7.58	7.58
Total							
Accounts	6,040	6,740	7,640	8,540	9,240	9,940	10,640
Equivalencies	6,497	7,197	8,097	8,997	9,697	10,397	11,097
Annual Consumption (Th. of gallons)	540,859	614,900	710,300	805,600	879,600	953,800	1,027,900
Avg Monthly Use per Equiv.	6.94	7.12	7.31	7.46	7.56	7.64	7.72

A summary of the forecasted growth in wastewater customers is provided in the table below with more detail provided in Exhibit 3.

Table 6: Wastewater Customer Forecast

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Single Family Inside City							
Accounts	2,107	2,457	2,907	3,357	3,707	4,057	4,407
Equivalencies	2,103	2,452	2,901	3,350	3,699	4,048	4,397
Annual Consumption (Th. of gallons)	131,313	153,100	181,100	209,200	231,000	252,800	274,600
Avg Monthly Use per Equiv.	5.20	5.20	5.20	5.20	5.20	5.20	5.20
Single Family Outside City							
Accounts	48	48	48	48	48	48	48
Equivalencies	48	48	48	48	48	48	48
Annual Consumption (Th. of gallons)	2,427	2,400	2,400	2,400	2,400	2,400	2,400
Avg Monthly Use per Equiv.	4.21	4.21	4.21	4.21	4.21	4.21	4.21
Mobile Home Inside City							
Accounts	397	397	397	397	397	397	397
Equivalencies	397	397	397	397	397	397	397
Annual Consumption (Th. of gallons)	13,087	13,100	13,100	13,100	13,100	13,100	13,100
Avg Monthly Use per Equiv.	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Mobile Home Outside City							
Accounts	627	627	627	627	627	627	627
Equivalencies	627	627	627	627	627	627	627
Annual Consumption (Th. of gallons)	27,957	28,000	28,000	28,000	28,000	28,000	28,000
Avg Monthly Use per Equiv.	3.72	3.72	3.72	3.72	3.72	3.72	3.72
Multi-Family Inside City							
Accounts	5	5	5	5	5	5	5
Equivalencies	49	49	49	49	49	49	49
Annual Consumption (Th. of gallons)	2,033	2,000	2,000	2,000	2,000	2,000	2,000
Avg Monthly Use per Equiv.	3.46	3.46	3.46	3.46	3.46	3.46	3.46
Multi-Family Outside City							
Accounts	2	2	2	2	2	2	2
Equivalencies	116	116	116	116	116	116	116
Annual Consumption (Th. of gallons)	3,293	3,300	3,300	3,300	3,300	3,300	3,300
Avg Monthly Use per Equiv.	2.37	2.37	2.37	2.37	2.37	2.37	2.37
Non-Residential Inside City							
Accounts	111	111	111	111	111	111	111
Equivalencies	212	212	212	212	212	212	212
Annual Consumption (Th. of gallons)	27,722	27,700	27,700	27,700	27,700	27,700	27,700
Avg Monthly Use per Equiv.	10.90	10.90	10.90	10.90	10.90	10.90	10.90
Non-Residential Outside City							
Accounts	7	7	7	7	7	7	7
Equivalencies	9	9	9	9	9	9	9
Annual Consumption (Th. of gallons)	1,326	1,326	1,326	1,326	1,326	1,326	1,326
Avg Monthly Use per Equiv.	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Total							
Accounts	3,304	3,654	4,104	4,554	4,904	5,254	5,604
Equivalencies	3,561	3,910	4,359	4,808	5,157	5,506	5,855
Annual Consumption (Th. of gallons)	209,158	230,926	258,926	287,026	308,826	330,626	352,426
Avg Monthly Use per Equiv.	4.89	4.92	4.95	4.97	4.99	5.00	5.02

Section 3. Revenue Requirements

General

The City recovers the cost of providing water and wastewater services through the monthly user rates, fees, and capital recovery charges. Operating cash revenue requirements is the term that defines the various components of cost associated with operating and maintaining the City's utility service. The sum of these cost components, less other income, represents the net revenue requirements that are funded from the monthly user rates and/or fees. The projected revenue requirements over the Forecast Period include the various generalized cost components described below:

- Operating and Maintenance (O&M) Expenses: These expenses include the cost of labor, insurance, utilities, contractual services, maintenance, materials, supplies, administration, and other items necessary for the operation and maintenance related to providing services. As will be discussed and demonstrated several times throughout this section, the City is a member of the Polk Regional Water Cooperative (PRWC) for the purpose of obtaining water to serve future customers. The PRWC costs are included in this forecast as operating expenses, which will be discussed at length in this section.
- Debt Service: Debt service includes the principal and interest on outstanding debt obligations payable from the net operating revenues. The projected revenue requirements also include the assumption that there will be additional debt during the Forecast Period to fund certain larger capital improvements. The City currently has two outstanding loans for utility infrastructure: the wastewater State Revolving Fund (SRF) Loan which will be paid off in FY 2027, and the drinking water SRF Loan that will be paid of in FY 2033. The City has plans to fund the replacement of the existing water treatment plant and the expansion of the wastewater treatment plant through various SRF loans. These loans are assumed to begin repayment starting in FY 2026.
- Other Revenue Requirements: This component of cost includes, in general, any ongoing capital improvements to be financed from revenues, transfers to the general fund, and funding of certain capital projects on a pay-as-you-go basis.

Projected Net Rate Requirements

The projected net rate requirements to be recovered through the monthly user rates, fees and charges were identified using the City's budgets for FY 2025. Projections for fiscal years 2026 through 2030, reflect the anticipated impacts of inflation, labor and benefit adjustments, growth, and other increases affecting utilities. These impacts are addressed on a budget line-item basis using specific escalation factors. This process results in fiscal and net rate requirements that reasonably reflect future economic operating conditions of the Utility.

The primary assumptions utilized in the projection of net rate requirements for the years subsequent to FY 2025 are:

- Expenditures anticipated to be impacted by general inflation increase at 2.3 percent annually through FY 2030².

² Based on projections provided by the Congressional Budget Office (CBO) Budget and Economic Outlook report from January 2025.

- Personnel salaries, merit and associated benefits increase 4.0 percent annually.
- In association with the wastewater plant upgrades and expansions identified on the tables in the Capital Improvement Requirements and Funding subsection, as well as overall customer and account growth, additional personnel have been assumed to be needed to sustain high level customer service and utility operations. With increased capacity at the wastewater plant there are regulations requiring increased on-site monitoring from operators. The table below highlights the additional personnel and timing assumptions:

Description	Timing	Est. Salary + Benefits
Service Worker	FY 2026	\$53,000
Water Operator	FY 2026	69,000
Water Trainee	FY 2026	53,000

- Insurance expenses increase 5.0 percent annually.
- General maintenance expenses increase 5.0 percent annually.
- Utilities and chemicals are increased by 5.0 percent annually.
- The general fund transfer was kept constant, based on discussions with staff.
- Miscellaneous revenues, such as meter installations and tap fees are tied to new customer growth, with others such as late charges, are kept constant.
- Three additional SRF loans are anticipated for the water treatment plant rebuild and the expansion to the water reclamation facility (WRF), which is split into design and construction loans. The City has already entered into SRF loan agreements with FDEP for the loans and will be receiving principal forgiveness for the three loans. For the water treatment plant, there will be a 60% principal forgiveness on the loan; for the WRF design loan, there will be 80% principal forgiveness; and for the WRF construction loan, there will be 80% principal forgiveness for the first year's spend which is assumed at \$20.0 million. The loan assumptions and estimated repayment amounts are provided below:

Description	2025 Water SRF Loan [1]	2025	2028	Total Proposed
		Wastewater Design SRF Loan [2]	Wastewater Construction SRF Loan [3]	
Estimated Project Cost	\$17,000,000	\$1,700,000	\$32,118,000	\$50,818,000
Loan Principal	\$7,187,500	\$356,700	\$16,118,000	\$23,662,200
Loan Term (Years)	20	10	20	
Interest Rate	1.50%	1.24%	2.5%	
Annual Debt Service Payment	\$417,300	\$38,000	\$1,029,000	\$1,484,300
First Year of Debt Service	2027	2026	2030	

[1] This loan includes 50% principal forgiveness, which was not applied to the estimated capitalized interest amount.

[2] This loan includes 80% principal forgiveness, which was not applied to the estimated capitalized interest amount.

[3] This loan includes 80% principal forgiveness for the first year of funding, which is assumed to be \$20.0 million, which was not applied to the estimated capitalized interest amount.

Capital Improvement Requirements and Funding

The capital expenditures planned through FY 2030 are based on the City's capital improvement program (CIP) provided by staff. The combined water and wastewater six-year CIP demonstrates the need for approximately \$64.2 million of projects. Funding for these improvements is projected to be from a variety of mechanisms including, but not limited to, unrestricted operating reserves, connection fees, and three new SRF loans. The table below illustrates the anticipated funding sources for the six-year CIP.

Table 7: Combined Six-Year Capital Improvement Program Funding

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Operating Reserves	\$620,000	\$174,000	\$543,700	\$53,500	\$65,700	\$1,120,400	\$2,577,300
Water Connection Fees	0	0	785,400	0	0	0	785,400
Wastewater Connection Fees	0	204,600	0	2,141,200	0	0	2,345,800
Proposed 2025 W SRF Loan [1]	17,000,000	0	0	0	0	0	17,000,000
Proposed 2025 WW SRF Loan [1]	1,700,000	0	0	0	0	0	1,700,000
Proposed 2028 WW SRF Loan [1]	0	0	0	32,118,000	0	0	32,118,000
Grants	500,000	7,161,000	0	0	0	0	7,661,000
Total	\$19,820,000	\$7,539,600	\$1,329,100	\$34,312,700	\$65,700	\$1,120,400	\$64,187,500

[1] Amounts shown reflect the total costs of the projects funded through the SRF loans. The SRF agreements provide for principal forgiveness, which is reflected in the annual debt service payments forecast as demonstrated on the table above.

The timing and funding sources for each project within the CIP are provided on Exhibit 7, and summarized on the table below:

Table 8: CIP Projects

Description	Cost	Timing	Funding
New Water Plant	\$17,000,000	2025	SRF Loan
Sewer Plant Expansion - Design	1,700,000	2025	SRF Loan
Sewer Plant Expansion – Construction	32,118,000	2028	SRF Loan
Rapid Infill Basins	2,141,200	2028	WW Con. Fees
Receiving Station	7,661,000	2025-2026	Grants
CR 557 Water Main Relocate	1,046,500	2027	W Con. Fees & Reserves
Other Projects	2,520,800	Varies	Conn. Fees & Reserves
Total	\$64,187,500		

The WRF expansion in FY 2028 is expected to increase the treatment capacity to around 1.8 – 2.0 MGD.

PRWC Costs

As previously mentioned, the City is a member of the PRWC along with 14 other municipalities, including Polk County, in the Southeast Wellfield project area (SE Project). This group was formed several years ago to begin planning for alternative water supply needed throughout the County since the demands on traditional water supply were forecasted to be strained and not available in the quantities needed. The PRWC has been working diligently with the Southwest Florida Water Management District (SWFWMD) to meet the various participation, capacity, source, and other requirements in order to obtain a significant amount of grant funding towards the alternative water projects.

For the City, commitments have been made to take 0.76 MGD of water capacity from the first phase of projects and an additional 0.24 MGD of capacity from the second phase, for a total of 1.00 MGD. PRWC is finalizing the designs and in the early construction phases of the process and since it is an organization made up of individual members, the only revenues available are from the members. Based on an array of factors, more information of which are available directly from PRWC, the City’s annual payments are currently anticipated to be as follows (the project costs, member demand forecasts, and timing of payments are subject to change as the projects progress towards construction):

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Table 9: PRWC Costs

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Costs [1]	\$104,599	\$149,271	\$142,438	\$1,354,721	\$1,483,246	\$1,559,815
Debt Service [2]	152,511	200,244	246,436	1,044,811	1,259,219	1,232,167
Administrative [3]	4,696	7,143	7,396	7,659	7,934	8,221
Total	\$261,806	\$356,658	\$396,270	\$2,407,191	\$2,750,399	\$2,800,204

[1] Includes several line items from PRWC including Fixed O&M, Variable O&M, Line of Credit Interest Payments, Member Funded payments, and a Coverage Allowance to provide working capital for PRWC.

[2] Associated with a combination of SRF and WIFIA³ loans PRWC will issue to fund construction and related costs.

[3] Administrative costs include the annual administrative and conservation budgets from PRWC.

The City’s water connection fees are primarily designed to recover the costs associated with additional capacity obtained through the PRWC. Therefore, the debt service component of the PRWC will be funded annually from water connection fees recovered in the current year and prior years. While the debt service component of the PRWC costs will likely be classified as an operating cost for the City, it is appropriate in this somewhat unique circumstance to use the water connection fees as the funding source since it is tied to the underlying water capacity and infrastructure investments made on behalf of the City by PRWC. It is forecast that in part due to interest only payments and the structuring of the PRWC debt, that the City will collect adequate water connection fees over the next few years to be able to fully fund the debt service component of the PRWC payments each year during the Forecast Period, and likely beyond. This allows the City to keep the utility rates lower each year by this amount and better aligns the cost with the new development that is benefiting most from the additional capacity.

While the PRWC cost information is still preliminary, it is the most current and up to date information currently available. The City should continue to review financial information shared by PRWC to evaluate potential impacts to utility rates.

Net Rate Requirement Forecast

Based on the primary assumptions mentioned above, a summary of the projected amounts for water and wastewater by major category are provided on Tables 10 and 11 as summarized from Exhibits 8 and 9. It should be noted that projections are based on anticipated events and assumptions that are subject to change; therefore, no assurance can be given with respect to the accuracy of such projections.

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³ The US Water Infrastructure Finance and Innovation Act (WIFIA) program as administered by the US Environmental Protection Agency (EPA).

Table 10: Water Projected Net Rate Requirements

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Operating Expenses	\$1,375,494	\$1,815,942	\$2,272,230	\$2,399,909	\$2,535,101	\$2,678,196
PRWC Operating Expenses	261,806	356,658	396,270	2,407,191	2,750,399	2,800,204
Total Operating Expenses	\$1,637,300	\$2,172,600	\$2,668,500	\$4,807,100	\$5,285,500	\$5,478,400
Existing Debt Service	31,720	31,681	31,681	31,681	31,681	31,681
Proposed Debt Service	0	0	417,300	417,300	417,300	417,300
Minor Operating Capital	26,400	0	0	0	0	0
Transfer to General Fund	127,424	127,424	127,424	127,424	127,424	127,424
Total Rate Revenue Requirements	\$1,822,844	\$2,331,705	\$3,244,905	\$5,383,505	\$5,861,905	\$6,054,805
Less Revenue from Other Sources						
Miscellaneous Revenues	\$610,250	\$342,250	\$353,450	\$315,250	\$332,650	\$349,150
Connection Fees for Debt Service [1]	0	200,200	246,400	1,044,800	1,259,200	1,232,100
Total Revenue from Other Sources	\$610,250	\$542,450	\$599,850	\$1,360,050	\$1,591,850	\$1,581,250
Net Revenue Requirements	\$1,212,594	\$1,789,255	\$2,645,055	\$4,023,455	\$4,270,055	\$4,473,555

[1] Water connection fees used to fund the PRWC debt service component.

The water net rate requirements are projected to increase from \$1.2 million in FY 2025 to \$4.5 million by FY 2030. This increase can be primarily attributable to increases in operating and maintenance expenses due to additional personnel and inflationary pressures and the PRWC costs associated with the alternative water supply needs, which are significantly higher than estimated in the 2022 Utility Rate Study. Additionally, a new SRF loan will be used to fund the new water treatment plant.

The projected net rate requirements for the wastewater system, net of income other than monthly rate revenue sources, estimated to be needed from the user rates and charges are summarized below:

Table 11: Wastewater Projected Net Rate Requirements

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Expenses	\$2,407,600	\$2,358,300	\$2,493,850	\$2,625,300	\$2,764,200	\$2,911,100
Existing Debt Service	315,646	315,646	315,646	0	0	0
Proposed Debt Service	0	38,000	38,000	38,000	38,000	1,067,000
Transfer to General Fund	162,576	162,576	162,576	162,576	162,576	162,576
Total Rate Revenue Requirements	\$2,885,822	\$2,874,522	\$3,010,072	\$2,825,876	\$2,964,776	\$4,140,676
Less Revenue from Other Sources						
Miscellaneous Revenues	\$230,250	\$152,750	\$152,750	\$137,750	\$137,750	\$137,750
Connection Fees for Debt Service	0	0	0	0	0	1,067,000
Total Revenue from Other Sources	\$230,250	\$152,750	\$152,750	\$137,750	\$137,750	\$1,204,750
Net Revenue Requirements	\$2,655,572	\$2,721,772	\$2,857,322	\$2,688,126	\$2,827,026	\$2,935,926

The wastewater system is also anticipated to experience cost escalations due to growth, inflationary pressures, and additional personnel. Additionally, two new SRF loans will be used to fund the design and construction of the water reclamation facility expansion. It is anticipated that the City will be able to fund a portion of the proposed debt service with wastewater connection fees annually but will be subject to availability of funds that are derived each year from new development. A conservative forecast was used in this model to have utility rates that will largely be sufficient to fund this debt service and not be overly reliant on connection fee revenues.

Section 4. Revenue Sufficiency

General

Sufficient revenues are necessary to pay for the continuing operations of the utility system providing for the health, safety and welfare of the community. The measure of revenue sufficiency is demonstrated not only by the ability to meet the annual operating requirements, but also to provide for ongoing capital asset renewals, upgrades and expansions. The initial task in determining revenue sufficiency is to identify the relative sufficiency of the revenues generated from existing rates, charges and fees to provide for: 1) projected O&M expenses including PRWC costs; 2) debt service plus coverage and other covenant requirements for outstanding loans; 3) transfers to maintain reserve funds at adequate levels; and 4) capital improvement expenditures.

Revenue Sufficiency Projections at Existing Rates

Operating revenues are projected based on: 1) the existing rates, charges and fees; 2) forecasted growth in customers, billing equivalencies, and sales; and 3) other revenue from miscellaneous charges, penalties, and interest earnings. The first revenue test performed and shown on the following tables are projected sufficiency from revenues at existing rate levels.

The tables below show the water and wastewater revenue sufficiency based on existing rates and is detailed in Exhibits 8 and 9.

Table 12: Water Revenue Sufficiency Forecast at Existing Rates

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Existing Rates	\$2,150,200	\$2,394,900	\$2,638,500	\$2,827,500	\$3,017,000	\$3,206,600
Net Rate Requirements	1,212,594	1,789,255	2,645,055	4,023,455	4,270,055	4,473,555
Surplus/(Deficit)	\$937,606	\$605,645	(\$6,555)	(\$1,195,955)	(\$1,253,055)	(\$1,266,955)

Table 13: Wastewater Revenue Sufficiency Forecast at Existing Rates

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Existing Rates	\$2,442,500	\$2,707,900	\$2,973,700	\$3,180,100	\$3,386,500	\$3,593,000
Net Rate Requirements	2,655,572	2,721,772	2,857,322	2,688,126	2,827,026	2,935,926
Surplus/(Deficit)	(\$213,072)	(\$13,872)	\$116,378	\$491,974	\$559,474	\$657,074

The existing water rates are not projected to meet revenue requirements by FY 2027 when the new water plant is anticipated to come online resulting in increased personnel and operating expenses, along with payments for the related SRF loan. Additionally, in FY 2028 PRWC costs are anticipated to ramp up in alignment with the delivery of potable water, resulting in significant operating deficits from existing rate revenue levels. The wastewater rates are currently falling slightly short of producing sufficient revenues to cover the Net Rate Requirements. However, with continued customer growth and paying off the existing SRF Loan (WW719090) in FY 2027, the projected revenues from existing rates are anticipated to be in a surplus position. With that being said, there are additional projects identified on the CIP that require ongoing funding above the surpluses shown on Table 13.

Sufficiency of Projected Utility Rate Revenues

As previously discussed, the existing rates will not be sufficient to support the net rate requirements during the Forecast Period. Therefore, rate adjustments are necessary to provide for full funding of the revenue requirements as well as to meet targeted debt service coverage levels and maintain strong utility fund balances. On Table 14 below are the rate adjustments identified to meet the City’s needs for the next several years, based on currently available information from PRWC and the current CIP. Each of these items has the potential to change dramatically in a short period of time and should be monitored closely by the City to see if the recommendations contained herein need to be updated.

Table 14: Proposed Annual Rate Adjustments

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water	15.00%	15.00%	12.50%	3.50%	3.50%
Wastewater	4.50%	2.75%	3.50%	3.50%	3.50%
Typical 5,000 Gal. Bill	\$71.98	\$75.58	\$79.49	\$82.22	\$85.07

With the implementation of the proposed rate adjustments, projected revenues are expected to meet revenue requirements throughout the Forecast Period, as shown on the tables below.

Table 15: Water Revenue Sufficiency Forecast with Rate Adjustments

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Proposed Rates	\$2,150,200	\$2,754,100	\$3,489,400	\$4,206,800	\$4,645,800	\$5,110,600
Net Rate Requirements	1,212,594	1,789,255	2,645,055	4,023,455	4,270,055	4,473,555
Surplus/(Deficit)	\$937,606	\$964,845	\$844,345	\$183,345	\$375,745	\$637,045

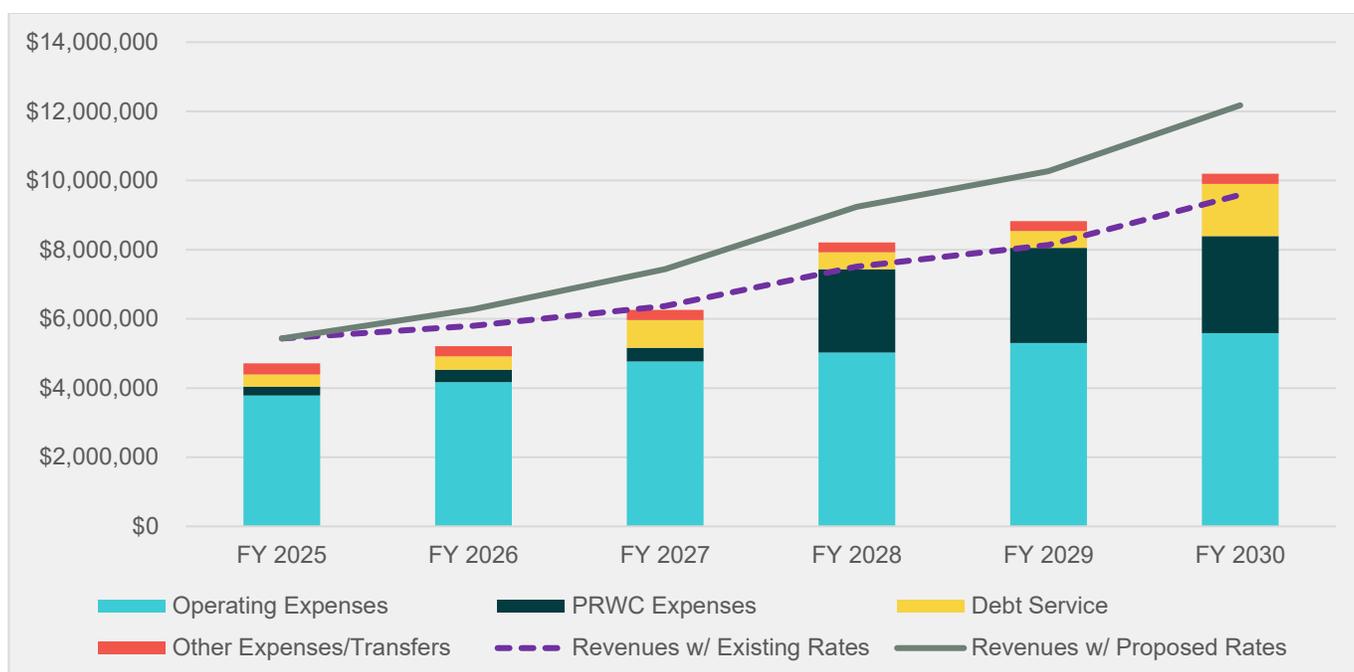
Table 16: Wastewater Revenue Sufficiency Forecast with Rate Adjustments

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue from Proposed Rates	\$2,442,500	\$2,829,800	\$3,193,000	\$3,534,100	\$3,895,200	\$4,277,300
Net Rate Requirements	2,655,572	2,721,772	2,857,322	2,688,126	2,827,026	2,935,926
Surplus/(Deficit)	(\$213,072)	\$108,028	\$335,678	\$845,974	\$1,068,174	\$1,341,374

The figure on the following page demonstrates the combined forecast in a visual representation:

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Figure 1: Combined Water and Wastewater Revenue Sufficiency Chart



Note: The revenues include connection fee revenues used to pay eligible PRWC expenses and debt service payments.

ALTERNATIVE RATE DESIGN

To address the necessity of future water rate adjustments, that exceed increases implemented in recent years, a more strategic and differentiated rate approach rather than a uniform across-the-board increase is recommended. The focus is specifically on adjusting tiered water consumption rates. Currently, existing rate blocks do not fully account for the escalating financial burden associated with higher water usage – especially when such demand, along with continued growth, compels the City to engage an alternative water supplier to augment the primary groundwater supply. Consequently, the adjustments outlined below are designed to increase rates for the highest consumption tiers (Tiers 2 and 3) at a more accelerated pace than for lower-use customers (Tier 1). This serves a dual purpose: to actively encourage water conservation among heavy users and to ensure that the true costs of providing water for high consumption, particularly when an alternative source is required, are more accurately reflected in user rates. Financially, these adjustments are structured to yield the same overall revenue as the adjustments on Table 14 with annual across-the-board rate increase, but with a more targeted impact based on usage.

Water consumption is billed based on an established rate per 1,000 gallons, with blocks (or tiers) that increase the rate as more water is used. The City currently has a three (3) block structure with Block 1 from 0 to 5,000 gallons, Block 2 from 5,001 to 10,000 gallons and Block 3 for usage above 10,000 gallons each month. This is a typical water volumetric rate structure in the utility industry. However, based on the desire to encourage water conservation, in light of several factors including: i) heightened awareness of conservation throughout the industry and customers; ii) significant anticipate growth of the customer base; and iii) more expensive water to meet increased demands being provided through PRWC, it is recommended that the City adjust the pricing structure of the blocks. The first block will largely be left untouched as it represents more of an essential monthly usage level. Blocks 2 and 3 will be increased at a higher rate over time to achieve the City’s goal of aligning the increased costs of providing water with higher users, with an anticipated outcome being water conservation. The table below demonstrates the block rates under an across the board adjustment where no enhanced conservation adjustments are made versus the version with enhanced conservation adjustments, where the latter option is recommended.

Table 17: Water Tiered Rate Adjustments – Alternative

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Across the Board Adjustments					
Block 1	\$1.41	\$1.62	\$1.82	\$1.88	\$1.95
Block 2	\$2.46	\$2.83	\$3.18	\$3.29	\$3.41
Block 3	\$3.42	\$3.93	\$4.42	\$4.57	\$4.73
Enhanced Conservation Adjustments					
Block 1	\$1.37	\$1.48	\$1.58	\$1.63	\$1.68
Block 2	\$2.78	\$3.32	\$3.85	\$3.98	\$4.11
Block 3	\$3.98	\$4.70	\$5.40	\$5.58	\$5.77

Additionally, in light of the increased focus on the block rate adjustments for higher uses, the monthly water base charges will increase by slightly less than the rate adjustments identified on Table 14. The alternative base charges are shown on the table below:

Table 18: Water Base Charges – Alternative

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Across the Board Adjustments					
Water Base Charge	\$11.59	\$13.33	\$15.00	\$15.53	\$16.07
Enhanced Conservation Adjustments					
Water Base Charge	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57

Debt Service Coverage

An important financial metric is debt service coverage, which is one of the most talked about and utilized financial indicators in the utility industry because of the nature of funding capital assets. The required coverage ratio, established within the rate covenant provision of the SRF loan agreements, is intended to provide a buffer in the event of sudden downturns resulting in reduced revenues. The coverage ratio is generally only a minimum required coverage level as evidenced by the 1.15x net revenue requirement set forth in the SRF agreements. However, prudent utility rate setting provides for coverage ratios significantly greater than the minimum requirement as the City has achieved historically.

It is recommended the Utility strive to maintain coverage at or above 1.50x on an all-in debt service coverage calculation, Table 19 provides the debt service calculation for the combined utility:

Table 19: Debt Service Coverage Forecast

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Net Operating Revenues [1]	\$5,362,200	\$6,657,500	\$7,135,950	\$4,736,000	\$4,936,400	\$5,460,100
Total Debt Service	347,366	385,327	802,627	486,981	486,981	1,515,981
Debt Service Coverage						
Calculated	15.44	17.28	8.89	9.73	10.14	3.60
Required	1.15	1.15	1.15	1.15	1.15	1.15

[1] Amount shown includes connection fees collected each year.

As demonstrated above, the Net Operating Revenues are strong and increasing with the annual rate adjustments in anticipation of the increased PRWC operating expense payments coming due in FY 2028. While the PRWC payments consist of operating expenses, debt service, and allowances for future capital R&R work, the entire payment is considered as operating expense for the City. The debt service coverage forecast, after factoring in the increased PRWC expenses and the debt service from the new SRF loans, remains very strong throughout the entire five-year forecast.

Projected Reserve Fund Balances

The primary reserve funds for the objectives in this study consist of the Unrestricted Operating Fund and Capital Recovery Charges Fund.

The Unrestricted Operating Fund provides for the accumulation and expenditure of unrestricted earnings of the utility. The Capital Recovery Charges reserve funds are limited to expenditures for improvements directly associated with capacity expansion of the systems. A key financial measure of the financial stability, health and creditworthiness of a utility and enterprise fund is the ability to maintain adequate levels of unrestricted funds. It is recommended that the City keeps at least 180 days of O&M expenses for the Unrestricted Operating Fund. This target is reduced from prior recommendations since the Utility is becoming a larger entity and having 180 days of O&M expenses builds to over a \$4 million minimum balance by FY 2030. Having this level of reserves in a Utility is strongly recommended considering the significant assets being constructed and maintained over the next few years. Should any of these assets require emergency repair or replacement, upgrades, or other related improvements having sufficient cash reserves available will help reduce the need for additional rate adjustments.

The projected reserve fund balances resulting from inflows based on the rate adjustments and projected outflows in support of the O&M expenses, debt service, and capital improvements are illustrated on Table 20 as summarized from Exhibit 11. These projections illustrate the relative activities in each reserve fund and demonstrate the levels of funds available for discretionary (amounts above minimum fund balances) capital expenditures, which should be reviewed each fiscal year and adjusted pursuant to the then current financial conditions.

Table 20: Project Reserve Fund Balances

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Unrestricted Operating Fund						
Beginning Balance	\$1,608,000	\$1,712,534	\$2,611,607	\$3,248,329	\$4,224,748	\$5,603,766
Transfers In	724,534	1,073,073	1,180,423	1,029,919	1,444,719	1,979,319
Transfers Out	(620,000)	(174,000)	(543,700)	(53,500)	(65,700)	(1,120,400)
Ending Balance	\$1,712,534	\$2,611,607	\$3,248,329	\$4,224,748	\$5,603,766	\$6,462,685
Water Capital Recovery Charges						
Beginning Balance	\$6,778,300	\$8,994,850	\$11,644,500	\$13,462,550	\$14,634,300	\$15,591,650
Transfers In	2,216,550	2,849,850	2,849,850	2,216,550	2,216,550	2,216,550
Transfers Out	0	(200,200)	(1,031,800)	(1,044,800)	(1,259,200)	(1,232,100)
Ending Balance	\$8,994,850	\$11,644,500	\$13,462,550	\$14,634,300	\$15,591,650	\$16,576,100
Wastewater Capital Recovery Charges						
Beginning Balance	\$4,777,800	\$6,233,380	\$7,985,860	\$9,942,700	\$9,257,310	\$10,712,520
Transfers In	1,757,350	2,259,450	2,259,450	1,757,350	1,757,350	1,757,350
Transfers Out	(301,770)	(506,970)	(302,610)	(2,442,740)	(302,140)	(1,369,370)
Ending Balance	\$6,233,380	\$7,985,860	\$9,942,700	\$9,257,310	\$10,712,520	\$11,100,500

As previously discussed, it is anticipated the City will collect a significant amount of connection fees, or capital recovery charges, over the next several years of the Forecast Period. This will result in large fund balances that will

be used to offset future debt service payments. Based on the timing of new connections, construction of facilities to provide capacity, and the funding mechanisms used the City should review the capital recovery charge fund balances every few years to ensure there is the ability to continue funding future debt service payments. If the capital recovery charge funds are ultimately spent in another manner, it may result in unanticipated rate increases to start making the required full debt service payments.

Local Rate Comparison

A common activity used by administrators, management, customers, and other stakeholders during the utility rate setting process are comparisons of the existing and proposed rates to those of other nearby communities/utilities. Cost recovery through user rates, fees and charges is a dynamic activity of utility enterprises, which for the most part, use common or similar names for the charge, rate and fee components; however, in many instances are formulated using different methodologies, costs and policies. The cost allocations and formulation of determinants for each rate, charge or fee generally varies significantly. Therefore, comparisons of other communities should be considered as illustrations of the amount paid by the customers and not functional cost of service. For example, based on the costs associated with the PRWC each entity receiving water will have differing impacts based on many factors including, but not limited to i) the amount of water taken, ii) percentage of PRWC water compared to existing supply, iii) customer growth rates; and iv) connection fee levels to offset capital costs.

Nearby communities were contacted to obtain current water and wastewater rates. The results for a typical 5,000 gallons per month single family water and wastewater customer were calculated and illustrated on the figure below. The amounts shown on the graph represent the monthly billings before any franchise, service or other applicable fees or charges not directly related to the cost for the subject utility service.

Figure 2: Local Single Family Comparison at 5,000 Gallons



Section 5. Findings and Recommendations

Findings

This study undertook a comprehensive review of critical components required to adequately fund the operating requirements, remain in compliance with debt covenants, address future capital improvements, and importantly maintain just and equitable cost recovery from all customer classifications. The study has determined that the existing rate structure continues to provide just and equitable recovery of operating costs as required by Florida Statutes along with encouraging water conservation. The study findings are clear that rate adjustments are necessary not only to address the inflationary impact on O&M, but to also provide for alternative water costs, significant CIP funding, and maintaining adequate reserve fund balances. Additionally, the study identified that: 1) the elevated levels of new connections during the last several years are anticipated to continue increasing at a rapid rate over the Forecast Period; 2) additional annual debt service payments are expected for funding large improvements; 3) Utility staff has also identified CIP requirements to address expansion capacity, upgrades and major facility R&R; 4) the PRWC operating cost projections have increased significantly over the past two to three years; and 5) existing reserve fund balances together with surpluses from anticipated rate adjustments and issuance of new debt should be adequate to allow for strategic CIP funding options as well as the ability to pay all PRWC related costs.

Recommendations

Based on the information, analysis and discussions included in this report, it is recommended that:

1. The City proceed to establish the following water rates including a focus on enhancing the water conservation efforts throughout the community, that will achieve rate objectives including conservation and include the rate adjustments identified each year of the forecast for inside City customers. Outside City customers will pay an additional 25% as shown on Exhibit 12, per City's existing policy.

Description	1/1/2026 FY 2026	10/1/2026 FY 2027	10/1/2027 FY 2028	10/1/2028 FY 2029	10/1/2029 FY 2030
Residential Inside City					
Base Charge					
All Meters	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
Usage Charges per 1,000 gallons					
Block 1	\$1.37	\$1.48	\$1.58	\$1.63	\$1.68
Block 2	\$2.78	\$3.32	\$3.85	\$3.98	\$4.11
Block 3	\$3.98	\$4.70	\$5.40	\$5.58	\$5.77
Commercial					
Base Charge					
5/8-inch	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
1-inch	\$28.70	\$32.68	\$36.38	\$37.63	\$38.93
1.5-inch	\$57.40	\$65.35	\$72.75	\$75.25	\$77.85
2-inch and above	\$91.84	\$104.56	\$116.40	\$120.40	\$124.56
Usage Charges per 1,000 gallons					
All Consumption	\$2.92	\$3.49	\$4.04	\$4.18	\$4.32

- The City proceed to establish the following wastewater rates for inside City customers. Outside City customers will pay an additional 25% as shown on Exhibit 12, per City’s existing policy.

Description	1/1/2026 FY 2026	10/1/2026 FY 2027	10/1/2027 FY 2028	10/1/2028 FY 2029	10/1/2029 FY 2030
Residential Inside City					
Base Charge					
All Meters	\$38.45	\$39.51	\$40.89	\$42.32	\$43.80
Usage Charges per 1,000 gallons					
All Consumption (10,000 Cap)	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46
Commercial					
Base Charge					
5/8-inch	\$49.98	\$51.35	\$53.15	\$55.01	\$56.94
1-inch	\$96.11	\$98.75	\$102.21	\$105.79	\$109.49
1.5-inch	\$192.21	\$197.50	\$204.41	\$211.56	\$218.96
2-inch and above	\$307.52	\$315.98	\$327.04	\$338.49	\$350.34
Usage Charges per 1,000 gallons					
All Consumption	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46

- The City closely monitor the growth rate of new connections over the next few years as there are many financial impacts including, but not limited to: a) capacity constraints and needed additional capacity sooner or later; b) rate revenue considerations – many of the PRWC costs are fixed so rates may need to be adjusted up or down depending on customer growth; and c) connection fees are anticipated to be available for debt service payments in the future as an offset to the need for additional rate adjustments.
- Due to the variability of customer growth and the large commitments made to the PRWC, it is recommended the City update the rate study during the spring of 2027, prior to when the first major PRWC related costs are due, to ensure the revenue forecast will support this increased operating expense.

It should be noted that assumptions used in this study reflect conservative positions such that actual results are anticipated to exceed the forecasted results. The expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historic data along with projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed rates and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

**City of Lake Alfred
2025 Rate Study
Exhibit 1: Water and Wastewater Budget Projections**

ACCT. #	ACCOUNT DESCRIPTION	FY 2025 BUDGET	ADJUSTMENTS	FY 2025 BUDGET	% ALLOCATED TO WATER	ESCALATION FACTOR	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED	FY 2030 PROJECTED
401.533- WATER OPERATIONS											
412.000	Salaries & Wages	\$60,336	\$0	\$60,300	100%	Labor	\$62,700	\$65,200	\$67,800	\$70,500	\$73,300
	Additional Personnel	0	0	0	100%	Input	182,200	189,700	197,300	205,300	213,600
414.000	Overtime Pay	2,000	0	2,000	100%	Labor	2,100	2,200	2,300	2,400	2,500
421.000	FICA Expense	4,769	0	4,800	100%	Labor	5,000	5,200	5,400	5,600	5,800
422.000	Retirement	9,050	0	9,100	100%	Labor	9,500	9,900	10,300	10,700	11,100
423.000	Life & Health Insurance	12,615	0	12,600	200%	Labor	13,100	13,600	14,100	14,700	15,300
424.000	Workers Comp Insurance	3,900	0	3,900	100%	Ins-Health	4,100	4,300	4,500	4,700	4,900
431.300	Engineering	30,000	0	30,000	100%	Inflation	30,700	31,400	32,100	32,800	33,600
432.000	Accounting & Auditing	0	0	0	100%	Inflation	0	0	0	0	0
434.000	Contractual Services	10,000	0	10,000	100%	Inflation	10,200	10,400	10,600	10,800	11,000
434.102	Engineering- Water Monitor	21,000	0	21,000	100%	Inflation	21,500	44,000	45,000	46,000	47,100
440.100	Land Leases	3,000	0	3,000	100%	Inflation	3,100	3,200	3,300	3,400	3,500
440.300	Training & Travel	2,000	0	2,000	100%	Inflation	2,000	2,000	2,000	2,000	2,000
443.200	Electric	46,000	0	46,000	100%	W Utilities	52,700	89,850	100,000	110,900	122,600
445.000	Property & Liability	29,634	0	29,600	100%	Inflation	30,300	62,000	63,400	64,900	66,400
446.000	R & M Services	35,000	0	35,000	100%	Inflation	35,800	51,600	52,800	54,000	55,200
446.100	R & M - Auto	500	0	500	100%	Inflation	500	500	500	500	500
446.200	R & M - Water Tower	0	0	0	100%	Inflation	0	0	0	0	0
452.000	Operating Supplies	3,000	0	3,000	100%	Inflation	3,100	6,400	6,500	6,600	6,800
452.600	Chemicals	200,000	0	200,000	100%	W Chemical	229,100	521,000	579,900	643,000	710,900
452.700	Fuel	500	0	500	100%	Inflation	500	750	800	800	800
452.800	Diesel	500	0	500	100%	Inflation	500	750	800	800	800
?	Communication	0	0	0	100%	Inflation	0	1,500	1,500	1,500	1,500
454.000	Subscriptions & Membership	2,000	0	2,000	100%	Inflation	2,000	2,000	2,000	2,000	2,000
455.00	Water Cooperative	41,889	219,911	261,800	100%	Input	356,700	396,300	2,407,200	2,750,400	2,800,200
464.105	Capital - Project	0	0	0	100%	Input	0	0	0	0	0
464.200	Capital - Vehicle & Equip	0	0	0	100%	Inflation	0	0	0	0	0
	TOTAL WATER OPS	\$517,693	\$219,911	\$737,600			\$1,057,400	\$1,513,750	\$3,610,100	\$4,044,300	\$4,191,400
401.535- WASTE WATER OPERATIONS											
412.000	Salaries & Wages	\$153,455	\$0	\$153,500	0%	Labor	\$159,600	\$166,000	\$172,600	\$179,500	\$186,700
	Additional Personnel	0	0	0	0%	Input	0	0	0	0	0
414.000	Overtime Pay	4,000	0	4,000	0%	Labor	4,200	4,400	4,600	4,800	5,000
421.000	FICA Expense	12,045	0	12,000	0%	Labor	12,500	13,000	13,500	14,000	14,600
422.000	Retirement	7,005	0	7,000	0%	Labor	7,300	7,600	7,900	8,200	8,500
423.000	Life & Health Insurance	37,844	0	37,800	0%	Ins-Health	39,700	41,700	43,800	46,000	48,300
424.000	Workers Comp Insurance	7,800	0	7,800	0%	Ins-Health	8,200	8,600	9,000	9,500	10,000
431.300	Engineering	10,000	0	10,000	0%	Inflation	10,200	10,400	10,600	10,800	11,000
431.500	Employee Exams	300	0	300	0%	Inflation	300	300	300	300	300
	Accounting & Auditing	0	0	0	0%	Inflation	0	0	0	0	0
434.100	Contractual Services	500	0	500	0%	Inflation	500	500	500	500	500
434.500	Sampling of Wells	18,000	0	18,000	0%	Inflation	18,400	18,800	19,200	19,600	20,100
434.510	Sludge Hauling	25,000	0	25,000	0%	S Utilities	29,300	33,900	38,200	42,800	47,800
440.300	Training & Travel	1,000	0	1,000	0%	Inflation	1,000	1,000	1,000	1,000	1,000
441.000	Communications	8,000	0	8,000	0%	Inflation	8,200	8,400	8,600	8,800	9,000
	Cell Phone	0	0	0	0%	Inflation	0	0	0	0	0
443.200	Electric	125,000	0	125,000	0%	S Utilities	146,300	169,400	190,900	214,100	239,000
445.000	Property & Liability	111,126	0	111,100	0%	Inflation	113,700	116,300	119,000	121,700	124,500
446.000	R & M Services	75,000	0	75,000	0%	Inflation	76,700	78,500	80,300	82,100	84,000
446.100	R & M - Auto	5,000	0	5,000	0%	Inflation	5,100	5,200	5,300	5,400	5,500
446.200	R & M - Line Replacement	50,000	0	50,000	0%	Inflation	51,200	52,400	53,600	54,800	56,100
452.000	Operating Supplies	12,000	0	12,000	0%	Inflation	12,300	12,600	12,900	13,200	13,500
452.100	Septic to Sewer Program	20,000	0	20,000	0%	Inflation	20,500	21,000	21,500	22,000	22,500
452.600	Chemicals	200,000	0	200,000	0%	S Chemical	234,200	271,200	305,500	342,600	382,400
452.700	Fuel	6,000	0	6,000	0%	S Utilities	7,000	8,100	9,100	10,200	11,400
	Diesel Fuel	0	0	0	0%	Utilities	0	0	0	0	0
452.940	Uniforms & Shoes	2,000	0	2,000	0%	Inflation	2,000	2,000	2,000	2,000	2,000
463.801	Sewer Improvements	0	0	0	0%	Inflation	0	0	0	0	0
464.200	Capital - Project	0	0	0	0%	Input	0	0	0	0	0
464.205	Capital - Buena Vista Lift Station	0	0	0	0%	Input	0	0	0	0	0
464.201	Capital - Bypass Pump	0	0	0	0%	Input	0	0	0	0	0
464.202	Capital - Lake George Ext.	0	0	0	0%	Input	0	0	0	0	0
464.203	Capital - WW Plant Exp.	0	0	0	0%	Input	0	0	0	0	0
464.100	Capital - 557 Force Main	0	0	0	0%	Input	0	0	0	0	0
	TOTAL WASTEWATER	\$891,075	\$0	\$891,000			\$968,400	\$1,051,300	\$1,129,900	\$1,213,900	\$1,303,700
401.000- DEBT SERVICE											
517.716	Loan F-EF Refinanced Bridge (2023)	\$0	\$0	\$0	50%	Input	\$0	\$0	\$0	\$0	\$0
517.718	517.718 General Fund Repayment	301,863	(301,863)	0	50%	Input	\$0	\$0	\$0	\$0	\$0
517.719	517.719 Wastewater Loan (2027)	315,645	(315,645)	0	0%	Input	\$0	\$0	\$0	\$0	\$0
517.72	517.720 DW - Loan DW530510	34,794	(34,794)	0	100%	Input	0	0	0	0	0
	TOTAL DEBT SERVICE	\$652,302	(\$652,302)	\$0			\$0	\$0	\$0	\$0	\$0

**City of Lake Alfred
2025 Rate Study
Exhibit 1: Water and Wastewater Budget Projections**

ACCT. #	ACCOUNT DESCRIPTION	FY 2025 BUDGET	ADJUSTMENTS	FY 2025 BUDGET	% ALLOCATED TO WATER	ESCALATION FACTOR	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED	FY 2030 PROJECTED
401.536-	SERVICE										
412.000	Salaries & Wages	\$684,515	\$0	\$684,500	44%	Labor	\$711,900	\$740,400	\$770,000	\$800,800	\$832,800
413.000	Part Time Wages	0	0	0	44%	Labor	0	0	0	0	0
414.000	Overtime Pay	6,000	0	6,000	44%	Labor	6,200	6,400	6,700	7,000	7,300
421.000	FICA Expense	52,824	0	52,800	44%	Labor	54,900	57,100	59,400	61,800	64,300
422.000	Retirement	84,117	0	84,100	44%	Labor	87,500	91,000	94,600	98,400	102,300
423.000	Life & Health Insurance	153,976	0	154,000	44%	Ins-Health	161,700	169,800	178,300	187,200	196,600
424.000	Workers Comp Insurance	29,250	0	29,300	44%	Ins-Health	30,800	32,300	33,900	35,600	37,400
431.300	Engineering	30,000	0	30,000	44%	Inflation	30,700	31,400	32,100	32,800	33,600
431.500	Employee Exams	1,000	0	1,000	44%	Inflation	1,000	1,000	1,000	1,000	1,000
433.000	Point and Pay Fees	0	0	0	44%	Inflation	0	0	0	0	0
440.300	Training & Travel	4,000	0	4,000	44%	Inflation	4,100	4,200	4,300	4,400	4,500
441.000	Postage & Communications	36,000	0	36,000	44%	Inflation	36,800	37,600	38,500	39,400	40,300
	Communications	0	0	0	44%	Inflation	0	0	0	0	0
	Cell Phone	0	0	0	44%	Inflation	0	0	0	0	0
443.200	Electric	2,000	0	2,000	44%	W Utilities	2,300	2,600	2,900	3,200	3,500
	Rental Equipment	0	0	0	44%	Inflation	0	0	0	0	0
446.100	R & M - Auto	25,000	0	25,000	44%	Inflation	25,600	26,200	26,800	27,400	28,000
446.120	R & M - Copier	2,000	0	2,000	44%	Inflation	2,000	2,000	2,000	2,000	2,000
446.348	Annual Software Maint.	4,000	0	4,000	44%	Inflation	4,100	4,200	4,300	4,400	4,500
446.350	R & M - Water Lines	60,000	0	60,000	100%	Inflation	61,400	62,800	64,200	65,700	67,200
446.360	R & M - Fire Hydrants	60,000	0	60,000	100%	Inflation	61,400	62,800	64,200	65,700	67,200
446.370	R & M - Lift Stations	130,000	0	130,000	0%	Inflation	133,000	136,100	139,200	142,400	145,700
446.380	R & M - Sewer Lines	20,000	0	20,000	0%	Inflation	20,500	21,000	21,500	22,000	22,500
446.390	R & M - Seives	5,000	0	5,000	44%	Inflation	5,100	5,200	5,300	5,400	5,500
452.000	Operating Supplies	25,000	0	25,000	44%	Inflation	25,600	26,200	26,800	27,400	28,000
452.700	Fuel	15,000	0	15,000	44%	W Utilities	17,200	19,600	21,800	24,200	26,800
452.800	Diesel	5,000	0	5,000	44%	W Utilities	5,700	6,500	7,200	8,000	8,800
452.900	Meter & Fittings - New	300,000	0	300,000	44%	Inflation	306,900	314,000	321,200	328,600	336,200
452.940	Uniforms & Shoes	5,000	0	5,000	44%	Inflation	5,100	5,200	5,300	5,400	5,500
464.100	Capital - Project	0	0	0	44%	Input	0	0	0	0	0
464.200	Capital - Vehicle & Equip	60,000	(60,000)	0	44%	Input	0	0	0	0	0
464.300	Capital - Carryover	0	0	0	44%	Input	0	0	0	0	0
536.910	Interfund Transfer - General	290,000	0	290,000	44%	Input	290,000	290,000	290,000	290,000	290,000
533.910	Cost Allocation - General	676,087	0	676,100	44%	Labor	703,100	731,200	760,400	790,800	822,400
536.999	Contingency	510	0	500	44%	Input	500	500	500	500	500
537.000	Enterprise Fund Reserve	100,000	(100,000)	0	44%	Input	0	0	0	0	0
	Capital - Machinery & Equip	0	0	0	44%	Input	0	0	0	0	0
	TOTAL SERVICE	\$2,866,279	(\$160,000)	\$2,706,300			\$2,795,100	\$2,887,300	\$2,982,400	\$3,081,500	\$3,184,400
	TOTAL WATER & SEWER EXPENDITURES	\$4,927,349	(\$592,391)	\$4,334,900			\$4,820,900	\$5,452,350	\$7,722,400	\$8,339,700	\$8,679,500

City of Lake Alfred
2025 Rate Study
Exhibit 2: Existing and Projected Water Customer Statistics

Water Stats Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Water Accounts							
Single Family - Inside City							
Average Monthly Accounts	2,700	3,050	3,500	3,950	4,300	4,650	5,000
Average Monthly Units/Equiv	2,700	3,050	3,500	3,950	4,300	4,650	5,000
Annual Consumption (Th. gallons)	166,359	187,900	215,700	243,400	264,900	286,500	308,100
Average Monthly kGal/Unit	5.13	5.13	5.13	5.13	5.13	5.13	5.13
Single Family - Outside City							
Average Monthly Accounts	238	238	238	238	238	238	238
Average Monthly Units/Equiv	238	238	238	238	238	238	238
Annual Consumption (Th. gallons)	15,056	15,100	15,100	15,100	15,100	15,100	15,100
Average Monthly kGal/Unit	5.27	5.27	5.27	5.27	5.27	5.27	5.27
Mobile Home - Inside City							
Average Monthly Accounts	412	412	412	412	412	412	412
Average Monthly Units/Equiv	412	412	412	412	412	412	412
Annual Consumption (Th. gallons)	14,648	14,600	14,600	14,600	14,600	14,600	14,600
Average Monthly kGal/Unit	2.96	2.96	2.96	2.96	2.96	2.96	2.96
Mobile Home - Outside City							
Average Monthly Accounts	651	651	651	651	651	651	651
Average Monthly Units/Equiv	651	651	651	651	651	651	651
Annual Consumption (Th. gallons)	29,320	29,300	29,300	29,300	29,300	29,300	29,300
Average Monthly kGal/Unit	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Multi-Family - Inside City							
Average Monthly Accounts	17	17	17	17	17	17	17
Average Monthly Units/Equiv	106	106	106	106	106	106	106
Annual Consumption (Th. gallons)	3,576	3,600	3,600	3,600	3,600	3,600	3,600
Average Monthly kGal/Unit	2.81	2.81	2.81	2.81	2.81	2.81	2.81
Multi-Family - Outside City							
Average Monthly Accounts	4	4	4	4	4	4	4
Average Monthly Units/Equiv	132	132	132	132	132	132	132
Annual Consumption (Th. gallons)	4,593	4,600	4,600	4,600	4,600	4,600	4,600
Average Monthly kGal/Unit	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Non-Residential - Inside City							
Average Monthly Accounts	145	145	145	145	145	145	145
Average Monthly Units/Equiv	352	352	352	352	352	352	352
Annual Consumption (Th. gallons)	57,969	58,000	58,000	58,000	58,000	58,000	58,000
Average Monthly kGal/Unit	13.72	13.72	13.72	13.72	13.72	13.72	13.72
Non-Residential - Outside City							
Average Monthly Accounts	9	9	9	9	9	9	9
Average Monthly Units/Equiv	21	21	21	21	21	21	21
Annual Consumption (Th. gallons)	1,937	1,900	1,900	1,900	1,900	1,900	1,900
Average Monthly kGal/Unit	7.69	7.69	7.69	7.69	7.69	7.69	7.69

City of Lake Alfred
2025 Rate Study
Exhibit 2: Existing and Projected Water Customer Statistics

Water Stats Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Total Water							
Total Monthly Accounts	4,176	4,526	4,976	5,426	5,776	6,126	6,476
Average Monthly Units	4,612	4,962	5,412	5,862	6,212	6,562	6,912
Annual Consumption (Th. gallons)	293,458	315,000	342,800	370,500	392,000	413,600	435,200
Average Monthly kGal/Unit	5.30	5.29	5.28	5.27	5.26	5.25	5.25
Average Monthly kGal/Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unbilled Water Percentage	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%
Unbilled Water Amount	133,592	143,399	156,054	168,664	178,452	188,285	198,118
Total Water Produced	427,050	458,399	498,854	539,164	570,452	601,885	633,318
Avg MGD (Permit 1.3MGD)	1.170	1.256	1.367	1.477	1.563	1.649	1.735
Annual Water Consumption by Usage Block							
Block 1							
Single Family - Inside City	103,004	116,300	133,600	150,800	164,100	177,500	190,900
Single Family - Outside City	8,032	8,100	8,100	8,100	8,100	8,100	8,100
Mobile Home - Inside City	11,338	11,300	11,300	11,300	11,300	11,300	11,300
Mobile Home - Outside City	20,027	20,000	20,100	20,100	20,100	20,100	20,100
Multi-Family - Inside City	3,250	3,300	3,300	3,300	3,300	3,300	3,300
Multi-Family - Outside City	3,986	4,000	4,000	4,000	4,000	4,000	4,000
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 1	149,637	163,000	180,400	197,600	210,900	224,300	237,700
Block 2							
Single Family - Inside City	29,052	32,800	37,700	42,500	46,300	50,100	53,900
Single Family - Outside City	2,737	2,700	2,700	2,700	2,700	2,700	2,700
Mobile Home - Inside City	1,463	1,500	1,500	1,500	1,500	1,500	1,500
Mobile Home - Outside City	4,743	4,700	4,700	4,700	4,700	4,700	4,700
Multi-Family - Inside City	320	300	300	300	300	300	300
Multi-Family - Outside City	363	400	400	400	400	400	400
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 2	38,678	42,400	47,300	52,100	55,900	59,700	63,500
Block 3							
Single Family - Inside City	34,304	38,700	44,400	50,100	54,500	58,900	63,300
Single Family - Outside City	4,287	4,300	4,300	4,300	4,300	4,300	4,300
Mobile Home - Inside City	1,847	1,800	1,800	1,800	1,800	1,800	1,800
Mobile Home - Outside City	4,550	4,500	4,500	4,500	4,500	4,500	4,500
Multi-Family - Inside City	6	0	0	0	0	0	0
Multi-Family - Outside City	244	200	200	200	200	200	200
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 3	45,238	49,500	55,200	60,900	65,300	69,700	74,100
Total Consumption by Class							
Single Family - Inside City	166,360	187,800	215,700	243,400	264,900	286,500	308,100
Single Family - Outside City	15,056	15,100	15,100	15,100	15,100	15,100	15,100
Mobile Home - Inside City	14,648	14,600	14,600	14,600	14,600	14,600	14,600
Mobile Home - Outside City	29,320	29,200	29,300	29,300	29,300	29,300	29,300
Multi-Family - Inside City	3,576	3,600	3,600	3,600	3,600	3,600	3,600
Multi-Family - Outside City	4,593	4,600	4,600	4,600	4,600	4,600	4,600
Non-Residential - Inside City	57,969	58,000	58,000	58,000	58,000	58,000	58,000
Non-Residential - Outside City	1,937	1,900	1,900	1,900	1,900	1,900	1,900
Total Consumption	293,459	314,800	342,800	370,500	392,000	413,600	435,200

City of Lake Alfred
2025 Rate Study
Exhibit 2: Existing and Projected Water Customer Statistics

Water Stats Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Irrigation Accounts							
Single Family - Inside City							
Average Monthly Accounts	1,454	1,804	2,254	2,704	3,054	3,404	3,754
Average Monthly Units/Equiv	1,454	1,804	2,254	2,704	3,054	3,404	3,754
Annual Consumption (Th. gallons)	218,301	270,800	338,400	406,000	458,500	511,100	563,600
Average Monthly kGal/Unit	12.51	12.51	12.51	12.51	12.51	12.51	12.51
Single Family - Outside City							
Average Monthly Accounts	92	92	92	92	92	92	92
Average Monthly Units/Equiv	92	92	92	92	92	92	92
Annual Consumption (Th. gallons)	8,810	8,800	8,800	8,800	8,800	8,800	8,800
Average Monthly kGal/Unit	7.98	7.98	7.98	7.98	7.98	7.98	7.98
Mobile Home - Inside City							
Average Monthly Accounts	214	214	214	214	214	214	214
Average Monthly Units/Equiv	214	214	214	214	214	214	214
Annual Consumption (Th. gallons)	10,418	10,400	10,400	10,400	10,400	10,400	10,400
Average Monthly kGal/Unit	4.06	4.06	4.06	4.06	4.06	4.06	4.06
Mobile Home - Outside City							
Average Monthly Accounts	84	84	84	84	84	84	84
Average Monthly Units/Equiv	84	84	84	84	84	84	84
Annual Consumption (Th. gallons)	4,941	4,900	4,900	4,900	4,900	4,900	4,900
Average Monthly kGal/Unit	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Non-Residential - Inside City							
Average Monthly Accounts	19	19	19	19	19	19	19
Average Monthly Units/Equiv	40	40	40	40	40	40	40
Annual Consumption (Th. gallons)	4,858	4,900	4,900	4,900	4,900	4,900	4,900
Average Monthly kGal/Unit	10.12	10.12	10.12	10.12	10.12	10.12	10.12
Non-Residential - Outside City							
Average Monthly Accounts	1	1	1	1	1	1	1
Average Monthly Units/Equiv	1	1	1	1	1	1	1
Annual Consumption (Th. gallons)	73	100	100	100	100	100	100
Average Monthly kGal/Unit	6.08	6.08	6.08	6.08	6.08	6.08	6.08
Total Irrigation							
Total Monthly Accounts	1,864	2,214	2,664	3,114	3,464	3,814	4,164
Average Monthly Units	1,885	2,235	2,685	3,135	3,485	3,835	4,185
Annual Consumption (Th. gallons)	247,401	299,900	367,500	435,100	487,600	540,200	592,700
Average Monthly kGal/Unit	10.94	46	46	46	46	46	46
Average Monthly kGal/Account	0.000	0	0	0	0	0	0
Unbilled Water Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unbilled Water Amount	0	0	0	0	0	0	0
Total Water Produced	247,401	299,900	367,500	435,100	487,600	540,200	592,700
Avg MGD (Permit 1.3MGD)	0.678	0.822	1.007	1.192	1.336	1.480	1.624

City of Lake Alfred
2025 Rate Study
Exhibit 2: Existing and Projected Water Customer Statistics

Water Stats Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Annual Irrigation Consumption by Usage Block							
Block 1							
Single Family - Inside City	55,543	62,700	72,000	81,200	88,400	95,600	102,800
Single Family - Outside City	3,181	3,200	3,200	3,200	3,200	3,200	3,200
Mobile Home - Inside City	6,805	6,800	6,800	6,800	6,800	6,800	6,800
Mobile Home - Outside City	2,799	2,800	2,800	2,800	2,800	2,800	2,800
Non-Residential - Inside City	515						
Non-Residential - Outside City	44						
Total Block 1	68,887	75,500	84,800	94,000	101,200	108,400	115,600
Block 2							
Single Family - Inside City	40,386	45,600	52,400	59,100	64,300	69,500	74,700
Single Family - Outside City	1,533	1,500	1,500	1,500	1,500	1,500	1,500
Mobile Home - Inside City	2,380	2,400	2,400	2,400	2,400	2,400	2,400
Mobile Home - Outside City	1,341	1,300	1,300	1,300	1,300	1,300	1,300
Non-Residential - Inside City	428						
Non-Residential - Outside City	11						
Total Block 2	46,079	50,800	57,600	64,300	69,500	74,700	79,900
Block 3							
Single Family - Inside City	122,372	138,200	158,700	179,100	194,900	210,800	226,700
Single Family - Outside City	4,097	4,100	4,100	4,100	4,100	4,100	4,100
Mobile Home - Inside City	1,233	1,200	1,200	1,200	1,200	1,200	1,200
Mobile Home - Outside City	801	800	800	800	800	800	800
Non-Residential - Inside City	3,915						
Non-Residential - Outside City	18						
Total Block 3	132,436	144,300	164,800	185,200	201,000	216,900	232,800
Total Consumption by Class							
Single Family - Inside City	218,301	246,500	283,100	319,400	347,600	375,900	404,200
Single Family - Outside City	8,811	8,800	8,800	8,800	8,800	8,800	8,800
Mobile Home - Inside City	10,418	10,400	10,400	10,400	10,400	10,400	10,400
Mobile Home - Outside City	4,941	4,900	4,900	4,900	4,900	4,900	4,900
Non-Residential - Inside City	4,858	4,900	4,900	4,900	4,900	4,900	4,900
Non-Residential - Outside City	73	100	100	100	100	100	100
Total Consumption	247,402	275,600	312,200	348,500	376,700	405,000	433,300
Total Water & Irrigation System							
Single Family - Inside City							
Average Monthly Accounts	4,154	4,854	5,754	6,654	7,354	8,054	8,754
Average Monthly Units/Equiv	4,154	4,854	5,754	6,654	7,354	8,054	8,754
Annual Consumption (Th. gallons)	384,660	458,700	554,100	649,400	723,400	797,600	871,700
Average Monthly kGal/Unit	7.72	7.87	8.02	8.13	8.20	8.25	8.30
Single Family - Outside City							
Average Monthly Accounts	330	330	330	330	330	330	330
Average Monthly Units/Equiv	330	330	330	330	330	330	330
Annual Consumption (Th. gallons)	23,866	23,900	23,900	23,900	23,900	23,900	23,900
Average Monthly kGal/Unit	6.03	6.04	6.04	6.04	6.04	6.04	6.04
Mobile Home - Inside City							
Average Monthly Accounts	626	626	626	626	626	626	626
Average Monthly Units/Equiv	626	626	626	626	626	626	626
Annual Consumption (Th. gallons)	25,066	25,000	25,000	25,000	25,000	25,000	25,000
Average Monthly kGal/Unit	3.34	3.33	3.33	3.33	3.33	3.33	3.33

City of Lake Alfred
2025 Rate Study
Exhibit 2: Existing and Projected Water Customer Statistics

Water Stats Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Mobile Home - Outside City							
Average Monthly Accounts	735	735	735	735	735	735	735
Average Monthly Units/Equiv	735	735	735	735	735	735	735
Annual Consumption (Th. gallons)	34,261	34,200	34,200	34,200	34,200	34,200	34,200
Average Monthly kGal/Unit	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Multi-Family - Inside City							
Average Monthly Accounts	17	17	17	17	17	17	17
Average Monthly Units/Equiv	106	106	106	106	106	106	106
Annual Consumption (Th. gallons)	3,576	3,600	3,600	3,600	3,600	3,600	3,600
Average Monthly kGal/Unit	2.81	2.83	2.83	2.83	2.83	2.83	2.83
Multi-Family - Outside City							
Average Monthly Accounts	4	4	4	4	4	4	4
Average Monthly Units/Equiv	132	132	132	132	132	132	132
Annual Consumption (Th. gallons)	4,593	4,600	4,600	4,600	4,600	4,600	4,600
Average Monthly kGal/Unit	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Non-Residential - Inside City							
Average Monthly Accounts	164	164	164	164	164	164	164
Average Monthly Units/Equiv	392	392	392	392	392	392	392
Annual Consumption (Th. gallons)	62,827	62,900	62,900	62,900	62,900	62,900	62,900
Average Monthly kGal/Unit	13.36	13.37	13.37	13.37	13.37	13.37	13.37
Non-Residential - Outside City							
Average Monthly Accounts	10	10	10	10	10	10	10
Average Monthly Units/Equiv	22	22	22	22	22	22	22
Annual Consumption (Th. gallons)	2,010	2,000	2,000	2,000	2,000	2,000	2,000
Average Monthly kGal/Unit	7.61	7.58	7.58	7.58	7.58	7.58	7.58
Total							
Total Monthly Accounts	6,040	6,740	7,640	8,540	9,240	9,940	10,640
Average Monthly Units	6,497	7,197	8,097	8,997	9,697	10,397	11,097
Annual Consumption (Th. gallons)	540,859	614,900	710,300	805,600	879,600	953,800	1,027,900
Average Monthly kGal/Unit	6.94	7.12	7.31	7.46	7.56	7.64	7.72
Average Monthly kGal/Account	7.46	7.60	7.75	7.86	7.93	8.00	8.05
			13.4%	11.8%	8.2%	7.6%	7.0%

City of Lake Alfred
2025 Rate Study
Exhibit 3: Existing and Projected Sewer Customer Statistics

Description	From BF	Projected FY Ending September 30,					
	2024	2025	2026	2027	2028	2029	2030
Single Family - Inside City							
Average Monthly Accounts	2,107	2,457	2,907	3,357	3,707	4,057	4,407
Average Monthly Units/Equiv	2,103	2,452	2,901	3,350	3,699	4,048	4,397
Annual Consumption (Th. gallons)	131,313	153,100	181,100	209,200	231,000	252,800	274,600
Average Monthly kGal/Unit	5.20	5.20	5.20	5.20	5.20	5.20	5.20
Single Family - Outside City							
Average Monthly Accounts	48	48	48	48	48	48	48
Average Monthly Units/Equiv	48	48	48	48	48	48	48
Annual Consumption (Th. gallons)	2,427	2,400	2,400	2,400	2,400	2,400	2,400
Average Monthly kGal/Unit	4.21	4.21	4.21	4.21	4.21	4.21	4.21
Mobile Home - Inside City							
Average Monthly Accounts	397	397	397	397	397	397	397
Average Monthly Units/Equiv	397	397	397	397	397	397	397
Annual Consumption (Th. gallons)	13,087	13,100	13,100	13,100	13,100	13,100	13,100
Average Monthly kGal/Unit	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Mobile Home - Outside City							
Average Monthly Accounts	627	627	627	627	627	627	627
Average Monthly Units/Equiv	627	627	627	627	627	627	627
Annual Consumption (Th. gallons)	27,957	28,000	28,000	28,000	28,000	28,000	28,000
Average Monthly kGal/Unit	3.72	3.72	3.72	3.72	3.72	3.72	3.72
Multi-Family - Inside City							
Average Monthly Accounts	5	5	5	5	5	5	5
Average Monthly Units/Equiv	49	49	49	49	49	49	49
Annual Consumption (Th. gallons)	2,033	2,000	2,000	2,000	2,000	2,000	2,000
Average Monthly kGal/Unit	3.46	3.46	3.46	3.46	3.46	3.46	3.46
Multi-Family - Outside City							
Average Monthly Accounts	2	2	2	2	2	2	2
Average Monthly Units/Equiv	116	116	116	116	116	116	116
Annual Consumption (Th. gallons)	3,293	3,300	3,300	3,300	3,300	3,300	3,300
Average Monthly kGal/Unit	2.37	2.37	2.37	2.37	2.37	2.37	2.37
Non-Residential - Inside City							
Average Monthly Accounts	111	111	111	111	111	111	111
Average Monthly Units/Equiv	212	212	212	212	212	212	212
Annual Consumption (Th. gallons)	27,722	27,700	27,700	27,700	27,700	27,700	27,700
Average Monthly kGal/Unit	10.90	10.90	10.90	10.90	10.90	10.90	10.90
Non-Residential - Outside City							
Average Monthly Accounts	7	7	7	7	7	7	7
Average Monthly Units/Equiv	9	9	9	9	9	9	9
Annual Consumption (Th. gallons)	1,326	1,326	1,326	1,326	1,326	1,326	1,326
Average Monthly kGal/Unit	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Total Wastewater							
Average Monthly Accounts	3,304	3,654	4,104	4,554	4,904	5,254	5,604
Average Monthly Units/Equiv	3,561	3,910	4,359	4,808	5,157	5,506	5,855
Annual Consumption (Th. gallons)	209,158	230,926	258,926	287,026	308,826	330,626	352,426
Average Monthly kGal/Unit	4.89	4.92	4.95	4.97	4.99	5.00	5.02
Average Monthly kGal/Account	5.28	5.27	5.26	5.25	5.25	5.24	5.24

City of Lake Alfred
2025 Rate Study
Exhibit 4: Projected Water Revenue With Existing Rates

	Calculated		Projected Fiscal Year				
	2024	2025	2026	2027	2028	2029	2030
Water Stats							
Base Charge Revenue							
Single Family - Inside City	\$323,400	\$368,900	\$423,400	\$477,800	\$520,100	\$562,500	\$604,800
Single Family - Outside City	35,600	36,000	36,000	36,000	36,000	36,000	36,000
Mobile Home - Inside City	49,300	49,800	49,800	49,800	49,800	49,800	49,800
Mobile Home - Outside City	97,400	98,400	98,400	98,400	98,400	98,400	98,400
Multi-Family - Inside City	12,700	12,800	12,800	12,800	12,800	12,800	12,800
Multi-Family - Outside City	19,800	20,000	20,000	20,000	20,000	20,000	20,000
Non-Residential - Inside City	42,200	42,600	42,600	42,600	42,600	42,600	42,600
Commercial - Outside City	3,100	3,200	3,200	3,200	3,200	3,200	3,200
Total Base Charge Revenue	\$583,500	\$631,700	\$686,200	\$740,600	\$782,900	\$825,300	\$867,600
Volumetric Revenue							
Block 1							
Single Family - Inside City	\$123,600	\$143,000	\$164,300	\$185,500	\$201,800	\$218,300	\$234,800
Single Family - Outside City	12,000	12,400	12,400	12,400	12,400	12,400	12,400
Mobile Home - Inside City	13,600	13,900	13,900	13,900	13,900	13,900	13,900
Mobile Home - Outside City	30,000	30,600	30,800	30,800	30,800	30,800	30,800
Multi-Family - Inside City	3,900	4,100	4,100	4,100	4,100	4,100	4,100
Multi-Family - Outside City	6,000	6,100	6,100	6,100	6,100	6,100	6,100
Non-Residential - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Total Block 1	\$189,100	\$210,100	\$231,600	\$252,800	\$269,100	\$285,600	\$302,100
Block 2							
Single Family - Inside City	\$55,800	\$70,200	\$80,700	\$91,000	\$99,100	\$107,200	\$115,300
Single Family - Outside City	6,600	7,200	7,200	7,200	7,200	7,200	7,200
Mobile Home - Inside City	2,800	3,200	3,200	3,200	3,200	3,200	3,200
Mobile Home - Outside City	11,400	12,500	12,500	12,500	12,500	12,500	12,500
Multi-Family - Inside City	600	600	600	600	600	600	600
Multi-Family - Outside City	900	1,100	1,100	1,100	1,100	1,100	1,100
Non-Residential - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Total Block 2	\$78,100	\$94,800	\$105,300	\$115,600	\$123,700	\$131,800	\$139,900
Block 3							
Single Family - Inside City	\$87,100	\$114,900	\$131,900	\$148,800	\$161,900	\$174,900	\$188,000
Single Family - Outside City	13,600	16,000	16,000	16,000	16,000	16,000	16,000
Mobile Home - Inside City	4,700	5,300	5,300	5,300	5,300	5,300	5,300
Mobile Home - Outside City	14,400	16,700	16,700	16,700	16,700	16,700	16,700
Multi-Family - Inside City	0	0	0	0	0	0	0
Multi-Family - Outside City	800	700	700	700	700	700	700
Non-Residential - Inside City	0	0	0	0	0	0	0
Commercial - Outside City	0	0	0	0	0	0	0
Total Block 3	\$120,600	\$153,600	\$170,600	\$187,500	\$200,600	\$213,600	\$226,700
Total Volumetric Revenue by Class							
Single Family - Inside City	\$266,500	\$328,100	\$376,900	\$425,300	\$462,800	\$500,400	\$538,100
Single Family - Outside City	32,200	35,600	35,600	35,600	35,600	35,600	35,600
Mobile Home - Inside City	21,100	22,400	22,400	22,400	22,400	22,400	22,400
Mobile Home - Outside City	55,800	59,800	60,000	60,000	60,000	60,000	60,000
Multi-Family - Inside City	4,500	4,700	4,700	4,700	4,700	4,700	4,700
Multi-Family - Outside City	7,700	7,900	7,900	7,900	7,900	7,900	7,900
Non-Residential - Inside City	117,100	130,500	130,500	130,500	130,500	130,500	130,500
Commercial - Outside City	4,900	5,300	5,300	5,300	5,300	5,300	5,300
Total	\$509,800	\$594,300	\$643,300	\$691,700	\$729,200	\$766,800	\$804,500

**City of Lake Alfred
2025 Rate Study**

Exhibit 4: Projected Water Revenue With Existing Rates

	Calculated		Projected Fiscal Year				
	2024	2025	2026	2027	2028	2029	2030
Total Revenue by Class							
Single Family - Inside City	\$589,900	\$697,000	\$800,300	\$903,100	\$982,900	\$1,062,900	\$1,142,900
Single Family - Outside City	67,800	71,600	71,600	71,600	71,600	71,600	71,600
Mobile Home - Inside City	70,400	72,200	72,200	72,200	72,200	72,200	72,200
Mobile Home - Outside City	153,200	158,200	158,400	158,400	158,400	158,400	158,400
Multi-Family - Inside City	17,200	17,500	17,500	17,500	17,500	17,500	17,500
Multi-Family - Outside City	27,500	27,900	27,900	27,900	27,900	27,900	27,900
Non-Residential - Inside City	159,300	173,100	173,100	173,100	173,100	173,100	173,100
Commercial - Outside City	8,000	8,500	8,500	8,500	8,500	8,500	8,500
Total	\$1,093,300	\$1,226,000	\$1,329,500	\$1,432,300	\$1,512,100	\$1,592,100	\$1,672,100
Irrigation Stats							
Base Charge Revenue							
Single Family - Inside City	\$174,100	\$218,200	\$272,600	\$327,100	\$369,400	\$411,700	\$454,100
Single Family - Outside City	13,800	13,900	13,900	13,900	13,900	13,900	13,900
Mobile Home - Inside City	25,600	25,900	25,900	25,900	25,900	25,900	25,900
Mobile Home - Outside City	12,600	12,700	12,700	12,700	12,700	12,700	12,700
Non-Residential - Inside City	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Non-Residential - Outside City	100	200	200	200	200	200	200
Total Base Charge Revenue	\$231,000	\$275,700	\$330,100	\$384,600	\$426,900	\$469,200	\$511,600
Volumetric Revenue							
Block 1							
Single Family - Inside City	\$66,700	\$77,100	\$88,600	\$99,900	\$108,700	\$117,600	\$126,400
Single Family - Outside City	4,800	4,900	4,900	4,900	4,900	4,900	4,900
Mobile Home - Inside City	8,200	8,400	8,400	8,400	8,400	8,400	8,400
Mobile Home - Outside City	4,200	4,300	4,300	4,300	4,300	4,300	4,300
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 1	\$83,900	\$94,700	\$106,200	\$117,500	\$126,300	\$135,200	\$144,000
Block 2							
Single Family - Inside City	\$77,500	\$97,600	\$112,100	\$126,500	\$137,600	\$148,700	\$159,900
Single Family - Outside City	3,700	4,000	4,000	4,000	4,000	4,000	4,000
Mobile Home - Inside City	4,600	5,100	5,100	5,100	5,100	5,100	5,100
Mobile Home - Outside City	3,200	3,500	3,500	3,500	3,500	3,500	3,500
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 2	\$89,000	\$110,200	\$124,700	\$139,100	\$150,200	\$161,300	\$172,500
Block 3							
Single Family - Inside City	\$310,800	\$410,500	\$471,300	\$531,900	\$578,900	\$626,100	\$673,300
Single Family - Outside City	13,000	15,200	15,200	15,200	15,200	15,200	15,200
Mobile Home - Inside City	3,100	3,600	3,600	3,600	3,600	3,600	3,600
Mobile Home - Outside City	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Non-Residential - Inside City							
Non-Residential - Outside City							
Total Block 3	\$329,400	\$432,300	\$493,100	\$553,700	\$600,700	\$647,900	\$695,100

**City of Lake Alfred
2025 Rate Study**

Exhibit 4: Projected Water Revenue With Existing Rates

	Calculated		Projected Fiscal Year				
	2024	2025	2026	2027	2028	2029	2030
Total Volumetric Revenue by Class							
Single Family - Inside City	\$455,000	\$585,200	\$672,000	\$758,300	\$825,200	\$892,400	\$959,600
Single Family - Outside City	21,500	24,100	24,100	24,100	24,100	24,100	24,100
Mobile Home - Inside City	15,900	17,100	17,100	17,100	17,100	17,100	17,100
Mobile Home - Outside City	9,900	10,800	10,800	10,800	10,800	10,800	10,800
Non-Residential - Inside City	9,800	11,000	11,000	11,000	11,000	11,000	11,000
Non-Residential - Outside City	200	300	300	300	300	300	300
Total	\$512,300	\$648,500	\$735,300	\$821,600	\$888,500	\$955,700	\$1,022,900
Total Revenue by Class							
Single Family - Inside City	\$629,100	\$803,400	\$944,600	\$1,085,400	\$1,194,600	\$1,304,100	\$1,413,700
Single Family - Outside City	35,300	38,000	38,000	38,000	38,000	38,000	38,000
Mobile Home - Inside City	41,500	43,000	43,000	43,000	43,000	43,000	43,000
Mobile Home - Outside City	22,500	23,500	23,500	23,500	23,500	23,500	23,500
Non-Residential - Inside City	14,600	15,800	15,800	15,800	15,800	15,800	15,800
Non-Residential - Outside City	300	500	500	500	500	500	500
Total	\$743,300	\$924,200	\$1,065,400	\$1,206,200	\$1,315,400	\$1,424,900	\$1,534,500
Total Water and Irrigation	\$1,836,600	\$2,150,200	\$2,394,900	\$2,638,500	\$2,827,500	\$3,017,000	\$3,206,600

City of Lake Alfred
2025 Rate Study
Exhibit 5: Projected Water Revenue With Existing Rates

	Calculated		Projected Fiscal Year				
	2024	2025	2026	2027	2028	2029	2030
Base Charge Revenue							
Single Family - Inside City	\$888,600	\$1,082,500	\$1,280,700	\$1,479,000	\$1,633,000	\$1,787,100	\$1,941,200
Single Family - Outside City	25,300	26,500	26,500	26,500	26,500	26,500	26,500
Mobile Home - Inside City	167,700	175,300	175,300	175,300	175,300	175,300	175,300
Mobile Home - Outside City	331,100	346,000	346,000	346,000	346,000	346,000	346,000
Multi-Family - Inside City	20,700	21,600	21,600	21,600	21,600	21,600	21,600
Multi-Family - Outside City	61,300	64,000	64,000	64,000	64,000	64,000	64,000
Non-Residential - Inside City	116,400	121,700	121,700	121,700	121,700	121,700	121,700
Commercial - Outside City	4,900	5,200	5,200	5,200	5,200	5,200	5,200
Total Base Charge Revenue	\$1,616,000	\$1,842,800	\$2,041,000	\$2,239,300	\$2,393,300	\$2,547,400	\$2,701,500
Volumetric Revenue							
Consumption Below Cap							
Single Family - Inside City	\$300,700	\$367,000	\$434,200	\$501,700	\$554,100	\$606,400	\$658,800
Single Family - Outside City	7,700	8,000	8,000	8,000	8,000	8,000	8,000
Mobile Home - Inside City	33,900	35,500	35,500	35,500	35,500	35,500	35,500
Mobile Home - Outside City	82,300	86,000	86,000	86,000	86,000	86,000	86,000
Multi-Family - Inside City	5,700	5,800	5,800	5,800	5,800	5,800	5,800
Multi-Family - Outside City	11,400	12,000	12,000	12,000	12,000	12,000	12,000
Non-Residential - Inside City	77,100	80,600	80,600	80,600	80,600	80,600	80,600
Commercial - Outside City	4,600	4,800	4,800	4,800	4,800	4,800	4,800
Total Block 1	\$523,400	\$599,700	\$666,900	\$734,400	\$786,800	\$839,100	\$891,500
Total Volumetric Revenue by Class							
Single Family - Inside City	\$300,700	\$367,000	\$434,200	\$501,700	\$554,100	\$606,400	\$658,800
Single Family - Outside City	7,700	8,000	8,000	8,000	8,000	8,000	8,000
Mobile Home - Inside City	33,900	35,500	35,500	35,500	35,500	35,500	35,500
Mobile Home - Outside City	82,300	86,000	86,000	86,000	86,000	86,000	86,000
Multi-Family - Inside City	5,700	5,800	5,800	5,800	5,800	5,800	5,800
Multi-Family - Outside City	11,400	12,000	12,000	12,000	12,000	12,000	12,000
Non-Residential - Inside City	77,100	80,600	80,600	80,600	80,600	80,600	80,600
Commercial - Outside City	4,600	4,800	4,800	4,800	4,800	4,800	4,800
Total	\$523,400	\$599,700	\$666,900	\$734,400	\$786,800	\$839,100	\$891,500
Total Revenue by Class							
Single Family - Inside City	\$1,189,300	\$1,449,500	\$1,714,900	\$1,980,700	\$2,187,100	\$2,393,500	\$2,600,000
Single Family - Outside City	33,000	34,500	34,500	34,500	34,500	34,500	34,500
Mobile Home - Inside City	201,600	210,800	210,800	210,800	210,800	210,800	210,800
Mobile Home - Outside City	413,400	432,000	432,000	432,000	432,000	432,000	432,000
Multi-Family - Inside City	26,400	27,400	27,400	27,400	27,400	27,400	27,400
Multi-Family - Outside City	72,700	76,000	76,000	76,000	76,000	76,000	76,000
Non-Residential - Inside City	193,500	202,300	202,300	202,300	202,300	202,300	202,300
Commercial - Outside City	9,500	10,000	10,000	10,000	10,000	10,000	10,000
Total	\$2,139,400	\$2,442,500	\$2,707,900	\$2,973,700	\$3,180,100	\$3,386,500	\$3,593,000

City of Lake Alfred
2025 Rate Study
Exhibit 6: Forecast of Miscellaneous Charge Revenues

ACCT. #	ACCOUNT DESCRIPTION	FY 2024 ACTUAL	FY 2025 PROPOSED	ADJUSTMENTS	FY 2025 BUDGET	% ALLOCATED TO WATER	ESCALATION FACTOR	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED	FY 2030 PROJECTED
401.000- UTILITY BILLING RECEIPTS												
343.302	Water Revenue	\$1,117,138	\$1,128,850	(1,128,850)	0	100%	Constant	0	0	0	0	0
343.303	Water Billing Adj.	0	0	0	0	100%	Constant	0	0	0	0	0
343.308	Temp Water Service	3,650	4,000	(4,000)	0	100%	Constant	0	0	0	0	0
343.305	Irrigation	744,901	738,500	(738,500)	0	100%	Constant	0	0	0	0	0
343.500	Sewer Revenue	2,134,019	2,215,500	(2,215,500)	0	0%	Constant	0	0	0	0	0
343.503	Sewer Adjustment	0	0	0	0	0%	Constant	0	0	0	0	0
TOTAL BILLING REVENUES		\$3,999,708	\$4,086,850	(\$4,086,850)	\$0			\$0	\$0	\$0	\$0	\$0
OTHER REVENUE												
343.550	Tap Fees	\$101,550	\$20,000	0	20,000	0%	Input	\$67,500	\$67,500	\$52,500	\$52,500	\$52,500
343.304	Turn On Fee	62,822	30,000	0	30,000	50%	Constant	30,000	30,000	30,000	30,000	30,000
365.000	Scrap Metal	0	5,000	0	5,000	50%	Constant	5,000	5,000	5,000	5,000	5,000
365.100	Hay Proceeds	0	0	0	0	50%	Constant	0	0	0	0	0
369.000	Non Payment Fees	51,875	50,000	0	50,000	50%	Constant	50,000	50,000	50,000	50,000	50,000
369.200	Miscellaneous	0	0	0	0	50%	Constant	0	0	0	0	0
343.314	Water Meter Fee	831,400	400,000	0	400,000	100%	Input	225,000	225,000	175,000	175,000	175,000
343.310	NSF Check Fee	1,875	1,500	0	1,500	50%	Constant	1,500	1,500	1,500	1,500	1,500
343.306	Late Fees	78,125	60,000	0	60,000	50%	Constant	60,000	60,000	60,000	60,000	60,000
343.312	Turn Off Fee	32,410	20,000	0	20,000	50%	Constant	20,000	20,000	20,000	20,000	20,000
343.317	Service Work Orders	85	1,000	0	1,000	50%	Constant	1,000	1,000	1,000	1,000	1,000
343.311	Write Off Accounts Collect	539	3,000	0	3,000	50%	Constant	3,000	3,000	3,000	3,000	3,000
361.000	Interest - Bank	248,173	250,000	(250,000)	0	50%	Constant	0	0	0	0	0
384.100	Enterprise Reserve	0	0	0	0	50%	Constant	0	0	0	0	0
384.200	Water Impact Fee	0	0	0	0	50%	Constant	0	0	0	0	0
384.300	Wastewater Impact Fees	0	0	0	0	50%	Constant	0	0	0	0	0
384.400	Grants	0	0	0	0	50%	Constant	0	0	0	0	0
384.500	Debt Proceeds	483,295	0	0	0	50%	Constant	0	0	0	0	0
384.600	ARPA	1,380,150	0	0	0	50%	Constant	0	0	0	0	0
TOTAL OTHER REVENUES		\$3,272,298	\$840,500	(\$250,000)	\$590,500			\$463,000	\$463,000	\$398,000	\$398,000	\$398,000

City of Lake Alfred
2025 Rate Study
Exhibit 7: Capital Improvement Plan Projects and Funding Sources

Description	Escalation Factor	Funding Source	Fiscal Year						Total
			2025	2026	2027	2028	2029	2030	
Vehicle Replacement/New	CPI	Reserves	\$0	\$51,200	\$0	\$53,500	\$0	\$0	\$104,700
Rapid Infil Basins	CPI	WW Connection Fees	0	0	0	2,141,200	0	0	2,141,200
Skid Steer/Dump Truck/Bypass	CPI	Reserves	60,000	61,400	62,800	0	0	0	184,200
Crane Truck	CPI	Reserves	0	0	157,000	0	0	0	157,000
Water/Sewer Master Plan	CPI	WW Connection Fees	0	204,600	0	0	0	0	204,600
Connection Fee/Rate Study	CPI	Reserves	60,000	61,400	62,800	0	65,700	0	249,900
CR 557: Water Main Relocate	CPI	W Connection Fees	0	0	785,400	0	0	0	785,400
CR 557: Water Main Relocate	CPI	Reserves	0	0	261,100	0	0	0	261,100
New Water Plant	CPI	2025 W SRF Loan	17,000,000	0	0	0	0	0	17,000,000
Sewer Plant Expansion	CPI	2028 S SRF Loan	0	0	0	32,118,000	0	0	32,118,000
Sewer Plant Expansion Design	CPI	2025 S SRF Loan	1,700,000	0	0	0	0	0	1,700,000
Remove Water Tower	CPI	Reserves	0	0	0	0	0	560,200	560,200
Receiving Station	CPI	Grants	0	7,161,000	0	0	0	0	7,161,000
Receiving Station - Heartland Grant	CPI	Grants	500,000	0	0	0	0	0	500,000
Water Main Loop	CPI	Reserves	500,000	0	0	0	0	0	500,000
Vac Truck	CPI	Reserves	0	0	0	0	0	560,200	560,200
Total			\$19,820,000	\$7,539,600	\$1,329,100	\$34,312,700	\$65,700	\$1,120,400	\$64,187,500
Annual Project Funding Analysis			2025	2026	2027	2028	2029	2030	Total
Operating Reserves		Reserves	\$620,000	\$174,000	\$543,700	\$53,500	\$65,700	\$1,120,400	\$2,577,300
Water Connection Fees		W Connection Fees	0	0	785,400	0	0	0	785,400
Wastewater Connection Fees		WW Connection Fees	0	204,600	0	2,141,200	0	0	2,345,800
Proposed 2025 W SRF Loan		2025 W SRF Loan	17,000,000	0	0	0	0	0	17,000,000
Proposed 2025 S SRF Loan		2025 S SRF Loan	1,700,000	0	0	0	0	0	1,700,000
Proposed 2028 S SRF Loan		2028 S SRF Loan	0	0	0	32,118,000	0	0	32,118,000
Grants		Grants	500,000	7,161,000	0	0	0	0	7,661,000
Total Funding Sources			\$19,820,000	\$7,539,600	\$1,329,100	\$34,312,700	\$65,700	\$1,120,400	\$64,187,500

City of Lake Alfred
2025 Rate Study
Exhibit 8: Projected Water Revenue Requirements

Description	Estimated FY	Projected Fiscal Year Ending September 30,				
	2025	2026	2027	2028	2029	2030
Operating Expenses	\$1,637,300	\$2,172,600	\$2,668,500	\$4,807,100	\$5,285,500	\$5,478,400
Debt Service						
Subordinate Debt						
SRF Loan DW530510	\$31,720	\$31,681	\$31,681	\$31,681	\$31,681	\$31,681
Proposed 2025 W SRF Loan	0	0	417,300	417,300	417,300	417,300
Total Subordinate Debt	\$31,720	\$31,681	\$448,981	\$448,981	\$448,981	\$448,981
Total Debt Service	\$31,720	\$31,681	\$448,981	\$448,981	\$448,981	\$448,981
Other Operating Expenses						
Minor Operating Capital	\$26,400	\$0	\$0	\$0	\$0	\$0
Transfers to General Fund	127,424	127,424	127,424	127,424	127,424	127,424
Total Other Revenue Requirements	\$153,824	\$127,424	\$127,424	\$127,424	\$127,424	\$127,424
Total Gross Revenue Requirements	\$1,822,844	\$2,331,705	\$3,244,905	\$5,383,505	\$5,861,905	\$6,054,805
Less Revenues from Other Sources						
Miscellaneous Revenues (Initiation of Service)	\$610,250	\$310,250	\$310,250	\$260,250	\$260,250	\$260,250
Interest Income	0	32,200	43,600	55,600	73,200	89,800
Capital Recovery Charges for PRWC Debt Service	0	200,200	246,400	1,044,800	1,259,200	1,232,100
Total Revenues from Other Sources	\$610,250	\$542,650	\$600,250	\$1,360,650	\$1,592,650	\$1,582,150
Net Revenue Requirements	\$1,212,594	\$1,789,055	\$2,644,655	\$4,022,855	\$4,269,255	\$4,472,655
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$2,150,200	\$2,394,900	\$2,638,500	\$2,827,500	\$3,017,000	\$3,206,600
Total Revenue from Prior Increase		0	395,800	911,900	1,471,700	1,731,200
Total Revenue Before Current Year Adjustment	\$2,150,200	\$2,394,900	\$3,034,300	\$3,739,400	\$4,488,700	\$4,937,800
Current Year Rate Adjustments						
Current Year Rate Adjustment		15.00%	15.00%	12.50%	3.50%	3.50%
Effective Month		Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments		\$359,200	\$455,100	\$467,400	\$157,100	\$172,800
Annual Water Rate Revenue	\$2,150,200	\$2,754,100	\$3,489,400	\$4,206,800	\$4,645,800	\$5,110,600
Net Revenue Surplus/Deficiency	\$937,606	\$965,045	\$844,745	\$183,945	\$376,545	\$637,945

City of Lake Alfred
2025 Rate Study
Exhibit 9: Projected Wastewater Revenue Requirements

Description	Projected Fiscal Year Ending September 30,					
	Estimated FY 2025	2026	2027	2028	2029	2030
Operating Expenses	\$2,407,600	\$2,358,300	\$2,493,850	\$2,625,300	\$2,764,200	\$2,911,100
Subordinate Debt						
SRF Loan WW719090	\$315,646	\$315,646	\$315,646	\$0	\$0	\$0
Proposed 2025 S SRF Loan	0	38,000	38,000	38,000	38,000	38,000
Proposed 2028 S SRF Loan	0	0	0	0	0	1,029,000
Total Subordinate Debt	\$315,646	\$353,646	\$353,646	\$38,000	\$38,000	\$1,067,000
Total Debt Service	\$315,646	\$353,646	\$353,646	\$38,000	\$38,000	\$1,067,000
Other Operating Expenses						
Transfers to General Fund	\$162,576	\$162,576	\$162,576	\$162,576	\$162,576	\$162,576
Total Other Revenue Requirements	\$162,576	\$162,576	\$162,576	\$162,576	\$162,576	\$162,576
Total Gross Revenue Requirements	\$2,885,822	\$2,874,522	\$3,010,072	\$2,825,876	\$2,964,776	\$4,140,676
Less Revenues from Other Sources						
Miscellaneous Revenues (Initiation of Service)	\$230,250	\$152,750	\$152,750	\$137,750	\$137,750	\$137,750
Capital Recovery Charges for Debt Service	0	0	0	0	0	1,067,000
Total Revenues from Other Sources	\$230,250	\$152,750	\$152,750	\$137,750	\$137,750	\$1,204,750
Net Revenue Requirements	\$2,655,572	\$2,721,772	\$2,857,322	\$2,688,126	\$2,827,026	\$2,935,926
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$2,442,500	\$2,707,900	\$2,973,700	\$3,180,100	\$3,386,500	\$3,593,000
Total Revenue from Prior Increase		0	133,800	234,500	377,000	539,700
Total Revenue Before Current Year Adjustment	\$2,442,500	\$2,707,900	\$3,107,500	\$3,414,600	\$3,763,500	\$4,132,700
Current Year Rate Adjustments						
Current Year Rate Adjustment		4.50%	2.75%	3.50%	3.50%	3.50%
Effective Month		Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments		\$121,900	\$85,500	\$119,500	\$131,700	\$144,600
Annual Sewer Rate Revenue	\$2,442,500	\$2,829,800	\$3,193,000	\$3,534,100	\$3,895,200	\$4,277,300
Net Revenue Surplus/Deficiency	(\$213,072)	\$108,028	\$335,678	\$845,974	\$1,068,174	\$1,341,374

City of Lake Alfred
2025 Rate Study
Exhibit 10: Projected Debt Service Coverage

Description	Estimated FY	Projected Fiscal Year Ending September 30,				
	2025	2026	2027	2028	2029	2030
System Revenues						
Total Water Revenue	\$2,150,200	\$2,754,100	\$3,489,400	\$4,206,800	\$4,645,800	\$5,110,600
Total Sewer Revenue	2,442,500	2,829,800	3,193,000	3,534,100	3,895,200	4,277,300
Total Rate Revenues	\$4,592,700	\$5,583,900	\$6,682,400	\$7,740,900	\$8,541,000	\$9,387,900
Other Operating Revenues	840,500	463,000	463,000	398,000	398,000	398,000
Interest Income	0	32,200	43,600	55,600	73,200	89,800
Capital Recovery Charges for Debt Service	0	200,200	246,400	1,044,800	1,259,200	2,299,100
Total System Revenues	\$5,433,200	\$6,279,300	\$7,435,400	\$9,239,300	\$10,271,400	\$12,174,800
Operating Expenses						
Water Operating Expenses	\$1,637,300	\$2,172,600	\$2,668,500	\$4,807,100	\$5,285,500	\$5,478,400
Sewer Operating Expenses	2,407,600	2,358,300	2,493,850	2,625,300	2,764,200	2,911,100
Total Operating Expenses	\$4,044,900	\$4,530,900	\$5,162,350	\$7,432,400	\$8,049,700	\$8,389,500
Operating Revenues	\$1,388,300	\$1,748,400	\$2,273,050	\$1,806,900	\$2,221,700	\$3,785,300
Debt Service						
Subordinate Debt						
SRF Loan WW719090	\$315,646	\$315,646	\$315,646	\$0	\$0	\$0
SRF Loan DW530510	31,720	31,681	31,681	31,681	31,681	31,681
Proposed 2025 W SRF Loan	0	0	417,300	417,300	417,300	417,300
Proposed 2025 S SRF Loan	0	38,000	38,000	38,000	38,000	38,000
Proposed 2028 S SRF Loan	0	0	0	0	0	1,029,000
Total Subordinate Debt	\$347,366	\$385,327	\$802,627	\$486,981	\$486,981	\$1,515,981
Total Debt Service	\$347,366	\$385,327	\$802,627	\$486,981	\$486,981	\$1,515,981
Debt Service Coverage						
Net Revenue (excluding Connection Fees)	\$1,388,300	\$1,548,200	\$2,026,650	\$762,100	\$962,500	\$1,486,200
Plus Annual Connection Fees	3,973,900	5,109,300	5,109,300	3,973,900	3,973,900	3,973,900
Net Revenue	\$5,362,200	\$6,657,500	\$7,135,950	\$4,736,000	\$4,936,400	\$5,460,100
Senior Debt Coverage						
Coverage Ratio Calculated	N/A	N/A	N/A	N/A	N/A	N/A
Coverage Ratio Required	1.20	1.20	1.20	1.20	1.20	1.20
Subordinate Debt Coverage						
Coverage Ratio Calculated	15.44	17.28	8.89	9.73	10.14	3.60
Coverage Ratio Required	1.15	1.15	1.15	1.15	1.15	1.15
Net Revenues Less Debt Service	\$1,040,934	\$1,363,073	\$1,470,423	\$1,319,919	\$1,734,719	\$2,269,319
Other Transfers:						
Minor Operating Capital	\$26,400	\$0	\$0	\$0	\$0	\$0
Transfers to General Fund	290,000	290,000	290,000	290,000	290,000	290,000
Total Other Transfers	\$316,400	\$290,000	\$290,000	\$290,000	\$290,000	\$290,000
Net Operating Surplus/(Deficit)	\$724,534	\$1,073,073	\$1,180,423	\$1,029,919	\$1,444,719	\$1,979,319

**City of Lake Alfred
2025 Rate Study
Exhibit 11: Projected Fund Balances**

Description	Estimated FY		Projected Fiscal Year Ending September 30,			
	2025	2026	2027	2028	2029	2030
Unrestricted Operating Fund (Water and Sewer)						
Beginning Balance	\$1,608,000	\$1,712,534	\$2,611,607	\$3,248,329	\$4,224,748	\$5,603,766
Operating Surplus/(Deficit)	724,534	1,073,073	1,180,423	1,029,919	1,444,719	1,979,319
CIP Expenditures	(620,000)	(174,000)	(543,700)	(53,500)	(65,700)	(1,120,400)
Transfer to R&R Fund	0	0	0	0	0	0
Ending Balance	\$1,712,534	\$2,611,607	\$3,248,329	\$4,224,748	\$5,603,766	\$6,462,685
Min Target Balance (180 days)	\$1,994,700	\$2,234,400	\$2,545,800	\$3,665,300	\$3,969,700	\$4,137,300
Water Capital Recovery Charges						
Beginning Balance	\$6,778,300	\$8,994,850	\$11,644,500	\$13,462,550	\$14,634,300	\$15,591,650
New Water Customers	2,216,550	2,849,850	2,849,850	2,216,550	2,216,550	2,216,550
Transfer out to Water Debt Service	0	(200,200)	(246,400)	(1,044,800)	(1,259,200)	(1,232,100)
CIP Expenditures	0	0	(785,400)	0	0	0
Ending Balance	\$8,994,850	\$11,644,500	\$13,462,550	\$14,634,300	\$15,591,650	\$16,576,100
Wastewater Capital Recovery Charges						
Beginning Balance	\$4,777,800	\$6,233,380	\$7,985,860	\$9,942,700	\$9,257,310	\$10,712,520
New Sewer Customers	1,757,350	2,259,450	2,259,450	1,757,350	1,757,350	1,757,350
Transfer out to Sewer Debt Service	0	0	0	0	0	(1,067,000)
Repayment of ARPA Loan	(301,770)	(302,370)	(302,610)	(301,540)	(302,140)	(302,370)
CIP Expenditures	0	(204,600)	0	(2,141,200)	0	0
Ending Balance	\$6,233,380	\$7,985,860	\$9,942,700	\$9,257,310	\$10,712,520	\$11,100,500

City of Lake Alfred
2025 Rate Study
Exhibit 12: Projected Water and Wastewater Rates

Description	Oct 1, 2025 FY 2026	Jan 1, 2026 FY 2026	Oct 1, 2026 FY 2027	Oct 1, 2027 FY 2028	Oct 1, 2028 FY 2029	Oct 1, 2029 FY 2030
WATER						
Residential						
Inside City						
Base Charge	\$10.18	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
Block 1 (0-5,000)	\$1.26	\$1.37	\$1.48	\$1.58	\$1.63	\$1.68
Block 2 (5,001-10,000)	\$2.36	\$2.78	\$3.32	\$3.85	\$3.98	\$4.11
Block 3 (Above 10,000)	\$3.40	\$3.98	\$4.70	\$5.40	\$5.58	\$5.77
Outside City						
Base Charge	\$12.72	\$14.35	\$16.33	\$18.18	\$18.81	\$19.46
Block 1 (0-5,000)	\$1.57	\$1.71	\$1.85	\$1.97	\$2.03	\$2.10
Block 2 (5,001-10,000)	\$2.95	\$3.47	\$4.15	\$4.81	\$4.97	\$5.13
Block 3 (Above 10,000)	\$4.25	\$4.97	\$5.87	\$6.75	\$6.97	\$7.21
Commercial						
Inside City						
Base Charge						
5/8-inch	\$10.18	\$11.48	\$13.07	\$14.55	\$15.05	\$15.57
1-inch	\$25.45	\$28.70	\$32.68	\$36.38	\$37.63	\$38.93
1.5-inch	\$50.90	\$57.40	\$65.35	\$72.75	\$75.25	\$77.85
2-inch & Above	\$81.44	\$91.84	\$104.56	\$116.40	\$120.40	\$124.56
Consumption	\$2.48	\$2.92	\$3.49	\$4.04	\$4.18	\$4.32
Outside City						
Base Charge						
5/8-inch	\$12.72	\$14.35	\$16.33	\$18.18	\$18.81	\$19.46
1-inch	\$31.81	\$35.87	\$40.85	\$45.47	\$47.03	\$48.66
1.5-inch	\$63.62	\$71.75	\$81.68	\$90.93	\$94.06	\$97.31
2-inch and above	\$101.80	\$114.80	\$130.70	\$145.50	\$150.50	\$155.70
Consumption	\$3.10	\$3.65	\$4.36	\$5.05	\$5.22	\$5.40
SEWER						
Residential:						
Inside City						
Base Charge	\$38.45	\$38.45	\$39.51	\$40.89	\$42.32	\$43.80
Consumption (10,000 Cap)	\$3.04	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46
Outside City						
Base Charge	\$48.06	\$48.06	\$49.38	\$51.11	\$52.90	\$54.75
Consumption (10,000 Cap)	\$3.80	\$3.80	\$3.90	\$4.03	\$4.17	\$4.32
Commercial:						
Inside City						
Base Charge						
5/8-inch	\$49.98	\$49.98	\$51.35	\$53.15	\$55.01	\$56.94
1-inch	\$96.11	\$96.11	\$98.75	\$102.21	\$105.79	\$109.49
1.5-inch	\$192.21	\$192.21	\$197.50	\$204.41	\$211.56	\$218.96
2-inch and above	\$307.52	\$307.52	\$315.98	\$327.04	\$338.49	\$350.34
Consumption	\$3.04	\$3.04	\$3.12	\$3.23	\$3.34	\$3.46
Outside City						
Base Charge						
5/8-inch	\$62.47	\$62.47	\$64.18	\$66.43	\$68.76	\$71.17
1-inch	\$120.13	\$120.13	\$123.43	\$127.76	\$132.23	\$136.86
1.5-inch	\$240.26	\$240.26	\$246.87	\$255.51	\$264.45	\$273.70
2-inch and above	\$384.40	\$384.40	\$394.97	\$408.80	\$423.11	\$437.92
Consumption	\$3.80	\$3.80	\$3.90	\$4.03	\$4.17	\$4.32

**CITY OF LAKE ALFRED
EXHIBIT "B"
ORDINANCE 1567-25**

CITY OF LAKE ALFRED

**EXHIBIT "B"
ORDINANCE 1567-25**

Provisions being deleted are shown as ~~strikethrough~~ and
provisions being added are shown as underlined

CHAPTER 58 - UTILITIES
ARTICLE II. – WATER SERVICE

DIVISION 2. – RATES AND CHARGES

Sec. 58-57. Rates inside and outside city; automatic escalator.

- (a) The following rates are established for water supplied and metered by the city to the users designated in section 58-56 (block rates are charged per thousand gallons and are billed on a monthly basis):

WATER						
Description	4/1/2023 <u>10/1/2025</u>	10/1/2023 <u>1/1/2026</u>	10/1/2024 <u>10/1/2026</u>	10/1/2025 <u>10/1/2027</u>	10/1/2026 <u>10/1/2028</u>	10/1/2027 <u>10/1/2029</u>
Residential (Inside City)						
Base Charge (All Meters)	\$9.88 <u>\$10.18</u>	\$9.98 <u>\$11.48</u>	\$10.08 <u>\$13.07</u>	\$10.18 <u>\$14.55</u>	\$10.28 <u>\$15.05</u>	\$10.38 <u>\$15.57</u>
Usage Charges						
Block 1 (0— 5,000)	\$1.17 <u>\$1.26</u>	\$1.20 <u>\$1.37</u>	\$1.23 <u>\$1.48</u>	\$1.26 <u>\$1.58</u>	\$1.29 <u>\$1.63</u>	\$1.32 <u>\$1.68</u>
Block 2 (5,001— 10,000)	\$1.74 <u>\$2.36</u>	\$1.92 <u>\$2.78</u>	\$2.14 <u>\$3.32</u>	\$2.36 <u>\$3.85</u>	\$2.60 <u>\$3.98</u>	\$2.84 <u>\$4.11</u>
Block 3 (Above 10,000)	\$2.19 <u>\$3.40</u>	\$2.54 <u>\$3.98</u>	\$2.97 <u>\$4.70</u>	\$3.40 <u>\$5.40</u>	\$3.84 <u>\$5.58</u>	\$4.29 <u>\$5.77</u>
Residential (Outside City)						
Base Charge (All Meters)	\$12.35 <u>\$12.72</u>	\$12.47 <u>\$14.35</u>	\$12.60 <u>\$16.33</u>	\$12.72 <u>\$18.18</u>	\$12.85 <u>\$18.81</u>	\$12.97 <u>\$19.46</u>
Usage Charges						
Block 1 (0— 5,000)	\$1.46 <u>\$1.57</u>	\$1.50 <u>\$1.71</u>	\$1.53 <u>\$1.85</u>	\$1.57 <u>\$1.97</u>	\$1.61 <u>\$2.03</u>	\$1.65 <u>\$2.10</u>
Block 2 (5,001— 10,000)	\$2.17 <u>\$2.95</u>	\$2.40 <u>\$3.47</u>	\$2.67 <u>\$4.15</u>	\$2.95 <u>\$4.81</u>	\$3.25 <u>\$4.97</u>	\$3.55 <u>\$5.13</u>
Block 3 (Above 10,000)	\$2.73 <u>\$4.25</u>	\$3.17 <u>\$4.97</u>	\$3.71 <u>\$5.87</u>	\$4.25 <u>\$6.75</u>	\$4.80 <u>\$6.97</u>	\$5.36 <u>\$7.21</u>
Commercial (Inside City)						
Base Charge						

5/8-inch	\$9.88 <u>\$10.18</u>	\$9.98 <u>\$11.48</u>	\$10.08 <u>\$13.07</u>	\$10.18 <u>\$14.55</u>	\$10.28 <u>\$15.05</u>	\$10.38 <u>\$15.57</u>
1-inch	\$24.70 <u>\$25.45</u>	\$24.95 <u>\$28.70</u>	\$25.20 <u>\$32.68</u>	\$25.45 <u>\$36.38</u>	\$25.70 <u>\$37.63</u>	\$25.95 <u>\$38.93</u>
1.5-inch	\$49.40 <u>\$50.90</u>	\$49.90 <u>\$57.40</u>	\$50.40 <u>\$65.35</u>	\$50.90 <u>\$72.75</u>	\$51.40 <u>\$75.25</u>	\$51.90 <u>\$77.85</u>
2-inch and above	\$79.04 <u>\$81.44</u>	\$79.84 <u>\$91.84</u>	\$80.64 <u>\$104.56</u>	\$81.44 <u>\$116.40</u>	\$82.24 <u>\$120.40</u>	\$83.04 <u>\$124.56</u>
Usage Charges (All Consumption)	\$1.83 <u>\$2.48</u>	\$2.02 <u>\$2.92</u>	\$2.25 <u>\$3.49</u>	\$2.48 <u>\$4.04</u>	\$2.73 <u>\$4.18</u>	\$2.98 <u>\$4.32</u>
Commercial (Outside City)						
Base Charge						
5/8-inch	\$12.35 <u>\$12.72</u>	\$12.47 <u>\$14.35</u>	\$12.60 <u>\$16.33</u>	\$12.72 <u>\$18.18</u>	\$12.85 <u>\$18.81</u>	\$12.97 <u>\$19.46</u>
1-inch	\$30.87 <u>\$31.81</u>	\$31.18 <u>\$35.87</u>	\$31.50 <u>\$40.85</u>	\$31.81 <u>\$45.47</u>	\$32.12 <u>\$47.03</u>	\$32.43 <u>\$48.66</u>
1.5-inch	\$61.75 <u>\$63.62</u>	\$62.37 <u>\$71.75</u>	\$63.00 <u>\$81.68</u>	\$63.62 <u>\$90.93</u>	\$64.25 <u>\$94.06</u>	\$64.87 <u>\$97.31</u>
2-inch and above	\$98.80 <u>\$101.80</u>	\$99.80 <u>\$114.80</u>	\$100.80 <u>\$130.70</u>	\$101.80 <u>\$145.50</u>	\$102.80 <u>\$150.50</u>	\$103.80 <u>\$155.70</u>
Usage Charges (All Consumption)	\$2.28 <u>\$3.10</u>	\$2.52 <u>\$3.65</u>	\$2.81 <u>\$4.36</u>	\$3.10 <u>\$5.05</u>	\$3.41 <u>\$5.22</u>	\$3.72 <u>\$5.40</u>

Note: Usage rates charged per thousand gallons and are billed on a monthly basis.

- (b) Water users with separately metered irrigation systems shall pay a separate base service and usage charges for irrigation.
- (c) Pursuant to F.S. ch. 180 and applicable Florida municipal rates laws, water users outside the city limits shall be charged an additional 25 percent surcharge for all rate components as set forth within subsection (a) above.
- (d) All rate components set forth within subsection (a) above shall automatically increase as set forth within subsection (a) above. Beginning on October 1, 2030 ~~28~~, all rate components set forth within subsection (a) above shall automatically increase by 1.5 percent. In addition, on October 1st of every calendar year thereafter all rate components set forth within subsection (a) above shall automatically increase by 1.5 percent. A current schedule of all rates, fees and charges shall also be on file in the city clerk's office.
- (e) All base charges and usage charges/rates set forth above shall be in force and effect until different base charges and/or usage charges/rates are approved from time to time by the City Commission by either Resolution or Ordinance. A current schedule of base charges and usage charges/rates shall be on file in the office of the City Clerk.

Sec. 58-61. Meter installation fees.

The following charges shall be made for all water meter installation connections, which meters shall be furnished by the city; and such meters shall remain the property of the city:

Size of Meter (in inches)	Meter Installation Fee
¾	\$ 500.00 \$630.00
1	575.00 \$910.00
1½	820.00 \$1,970.00
2	875.00 \$2,320.00
3	*
4	*
6	*

* To be determined by the city manager or his designee.

All water meter installation fees as set forth above shall be in force and effect until different water meter installation fees are approved from time to time by the City Commission by either Resolution or Ordinance. A current schedule of water meter installation fees shall be on file in the office of the City Clerk.

CHAPTER 58 - UTILITIES
ARTICLE III. – SEWER SERVICE

Sec. 58-123. Rates inside and outside city limits; automatic escalator.

(a) The following rates are established for sewer service furnished by the city to all of the users of such service as defined in section 58-122 and are billed on a monthly basis:

SEWER						
Description	4/1/2023 <u>10/1/2025</u>	10/1/2023 <u>1/1/2026</u>	10/1/2024 <u>10/1/2026</u>	10/1/2025 <u>10/1/2027</u>	10/1/2026 <u>10/1/2028</u>	10/1/2027 <u>10/1/2029</u>
Residential (Inside City)						
Base Charge (All Meters)	\$33.69 <u>\$38.45</u>	\$35.21 <u>\$38.45</u>	\$36.79 <u>\$39.51</u>	\$38.45 <u>\$40.89</u>	\$40.18 <u>\$42.32</u>	\$41.99 <u>\$43.80</u>
Usage Charges (All Consumption: 10,000 Cap)	\$2.66 <u>\$3.04</u>	\$2.78 <u>\$3.04</u>	\$2.91 <u>\$3.12</u>	\$3.04 <u>\$3.23</u>	\$3.18 <u>\$3.34</u>	\$3.32 <u>\$3.46</u>
Residential (Outside City)						

Base Charge (All Meters)	\$42.11 <u>\$48.06</u>	\$44.01 <u>\$48.06</u>	\$45.98 <u>\$49.38</u>	\$48.06 <u>\$51.11</u>	\$50.22 <u>\$52.90</u>	\$52.48 <u>\$54.75</u>
Usage Charges (All Consumption: 10,000 Cap)	\$3.32 <u>\$3.80</u>	\$3.47 <u>\$3.80</u>	\$3.63 <u>\$3.90</u>	\$3.80 <u>\$4.03</u>	\$3.97 <u>\$4.17</u>	\$4.15 <u>\$4.32</u>
Commercial (Inside City)						
Base Charge:						
5/8-inch	\$43.80 <u>\$49.98</u>	\$45.77 <u>\$49.98</u>	\$47.83 <u>\$51.35</u>	\$49.98 <u>\$53.15</u>	\$52.23 <u>\$55.01</u>	\$54.58 <u>\$56.94</u>
1-inch	\$84.22 <u>\$96.11</u>	\$88.01 <u>\$96.11</u>	\$91.97 <u>\$98.75</u>	\$96.11 <u>\$102.21</u>	\$100.43 <u>\$105.79</u>	\$104.95 <u>\$109.49</u>
1.5-inch	\$168.43 <u>\$192.21</u>	\$176.01 <u>\$192.21</u>	\$183.93 <u>\$197.50</u>	\$192.21 <u>\$204.41</u>	\$200.86 <u>\$211.56</u>	\$209.90 <u>\$218.96</u>
2-inch and above	\$269.48 <u>\$307.52</u>	\$281.61 <u>\$307.52</u>	\$294.28 <u>\$315.98</u>	\$307.52 <u>\$327.04</u>	\$321.36 <u>\$338.49</u>	\$335.82 <u>\$350.34</u>
Usage Charges (All Consumption)	\$2.66 <u>\$3.04</u>	\$2.78 <u>\$3.04</u>	\$2.91 <u>\$3.12</u>	\$3.04 <u>\$3.23</u>	\$3.18 <u>\$3.34</u>	\$3.32 <u>\$3.46</u>
Commercial (Outside City)						
Base Charge:						
5/8-inch	\$54.74 <u>\$62.47</u>	\$57.21 <u>\$62.47</u>	\$59.78 <u>\$64.18</u>	\$62.47 <u>\$66.43</u>	\$65.28 <u>\$68.76</u>	\$68.22 <u>\$71.17</u>
1-inch	\$105.27 <u>\$120.13</u>	\$110.01 <u>\$120.13</u>	\$114.96 <u>\$123.43</u>	\$120.13 <u>\$127.76</u>	\$125.53 <u>\$132.23</u>	\$131.18 <u>\$136.86</u>
1.5-inch	\$210.53 <u>\$240.26</u>	\$220.01 <u>\$240.26</u>	\$229.91 <u>\$246.87</u>	\$240.26 <u>\$255.51</u>	\$251.07 <u>\$264.45</u>	\$262.37 <u>\$273.70</u>
2-inch and above	\$336.85 <u>\$384.40</u>	\$352.01 <u>\$384.40</u>	\$367.85 <u>\$394.97</u>	\$384.40 <u>\$408.80</u>	\$401.70 <u>\$423.11</u>	\$419.77 <u>\$437.92</u>
Usage Charges (All Consumption)	\$3.32 <u>\$3.80</u>	\$3.47 <u>\$3.80</u>	\$3.63 <u>\$3.90</u>	\$3.80 <u>\$4.03</u>	\$3.97 <u>\$4.17</u>	\$4.15 <u>\$4.32</u>

Note: Usage rates charged per thousand gallons and are billed on a monthly basis.

- (b) Sewer usage charges are calculated by using the metered water use for each user. Separately metered irrigation systems shall not incur sewer base service or usage charges.
- (c) Pursuant to F.S. ch. 180 and applicable Florida municipal rates laws, sewer users outside the city limits shall be charged an additional 25 percent surcharge for all rate components as set forth within subsection (a) above.
- (d) All rate components set forth within subsection (a) above shall automatically increase as set forth within subsection (a) above. Beginning on October 1, 2030 ~~28~~, all rate components set

forth within subsection (a) above shall automatically increase by 1.5 percent. In addition, on October 1st of every calendar year thereafter all rate components set forth within subsection (a) above shall automatically increase by 1.5 percent. A current schedule of all rates, fees and charges shall also be on file in the city clerk's office.

(e) All base charges and usage charges/rates set forth above shall be in force and effect until different base charges and/or usage charges/rates are approved from time to time by the City Commission by either Resolution or Ordinance. A current schedule of base charges and usage charges/rates shall be on file in the office of the City Clerk.

City of Lake Alfred Business Impact Estimate

On October 1, 2023, Senate Bill 170 (“SB 170”), *Chapter 2023-309, Laws of Florida*, was enacted amending Section 166.041, Florida Statutes, requiring a local government to prepare a *business impact estimate* before the enactment of an ordinance.

On October 1, 2024, Senate Bill 1628 (“SB 1628”), as codified under *Chapter 2024-145, Laws of Florida*, becomes effective and further amends Section 166.041, Fla. Stat. (2023).

This *City of Lake Alfred Business Impact Estimate* (“BIE”) is provided in accordance with Section 166.041(4), Florida Statutes (2024); and Section 166.041(a) of the Florida Statutes states, in pertinent part, as follows:

Before the enactment of a proposed ordinance, the governing body of a municipality shall prepare or cause to be prepared a *business impact estimate* in accordance with this subsection. The *business impact estimate* **must be** posted on the municipality’s website *no later than the date the notice of proposed enactment is published pursuant to paragraph (3)(a)*¹ and must include all of the following:

1. A summary of the Ordinance, including a statement of the *public purpose* to be served by the Ordinance, such as serving the public health, safety, morals, and welfare of the *City of Lake Alfred, Florida*. *The proposed ordinance adopts a five-year schedule for both water and wastewater fees. This will replace the current 5-year schedule that was adopted in 2022. Similar to the previous schedule, rate increases are slated towards conservation by minimizing the increases to the base and first block of water usage (up to 5,000 gallons) with greater increases to Block 2 (5k to 10k gallons) and Block 3 (10k+ gallons). This minimizes the impact to “primary potable water consumption”* while encouraging conservation on irrigation and other water usage.*
2. An *estimate of the direct economic impact* of the Ordinance on *private, for-profit businesses in the City of Lake Alfred, Florida*, including the following, if any: *Exempt*
 - a. An estimate of *direct compliance costs* that businesses may reasonably incur if the Ordinance is enacted; *Exempt*
 - b. Identification of any *new charge or fee on businesses* subject to the Ordinance, or for which businesses will be financially responsible; and *Exempt*
 - c. An *estimate of the municipality’s regulatory costs*, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs. *Exempt*
3. A *good faith estimate* of the number of businesses likely to be impacted by the Ordinance.

¹ Ordinances that change the actual list of permitted, conditional, or prohibited uses within a zoning category, or ordinances initiated by the municipality that change the actual zoning map designation of a parcel or parcels of land shall be enacted pursuant to §166.041(3)(c), Fla. Stat. (2024).

City of Lake Alfred
Ordinance No. 1567-25

4. Any additional information the *City Commission of the City of Lake Alfred* determines may be useful. *Exempt*

If one (1) or more boxes are checked below, this means the City of Lake Alfred is of the view that a business impact estimate is not required pursuant to applicable Florida law; however, the City of Lake Alfred is, nevertheless, providing this BIE to avoid any procedural issue(s) that may impact the enactment of *City of Lake Alfred Ordinance No. 1567-25* (hereafter the “Ordinance”).

This BIE may be revised following its initial posting.

- The Ordinance is required for compliance with Federal or State law or regulation;
- The Ordinance relates to the issuance or refinancing of debt;
- The Ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- The Ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the *City of Lake Alfred, Florida*;
- The Ordinance is an emergency ordinance;
- The Ordinance relates to procurement; or
- The Ordinance is enacted to implement the following:
 - a. *Development orders and development permits*, as those terms are defined in §163.3164, *Florida Statutes (2024)*, and *development agreements*, as authorized by the Florida Local Government Development Agreement Act under §§ 163.3220 – 163.3243, *Florida Statutes (2024)*;
 - b. Comprehensive plan amendments and land development regulation amendments *initiated by an application by a private party other than the municipality*;
 - b. §§ 190.005 and 190.046, *Florida Statutes (2024)*;
 - c. §553.73, *Florida Statutes (2024)*, relating to the Florida Building Code; or
 - d. §633.202, *Florida Statutes (2024)*, relating to the Florida Fire Prevention Code.

Notwithstanding the identified and noted exemption(s) above, if applicable, pursuant to the provisions of §166.041(4), *Florida Statutes (2024)*, and applicable Florida law, the *City of Lake Alfred* hereby publishes the following information:

1. Summary of the Ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare): The City has attempted to push as much of the growth-related capital costs onto water and wastewater connection charges so that growth pays its fair share (thereby lessening the impact to overall rates). However, rate increases are unavoidable due to the increased operations, maintenance, and inflation costs that are associated with these improvements and general operations. Rate studies must also be consistently performed in order

City of Lake Alfred
Ordinance No. 1567-25

to account for volatility and updated changes to capital cost projections and growth projections. For example, the 2022 rate study and associated rate schedule was based in part upon our alternate water supply (AWS) costs through the Polk Regional Water Cooperative (PRWC) ramping up to \$928,000 annually in 2028. With the 2025 cost estimate updates to the PRWC our 2028 expense has risen to \$2.4 million. From 2026 to 2033 our AWS cost projections increased by an aggregate of \$7.5 million over that time period. This must be accounted for and made up for somewhere.

2. An estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the *City of Lake Alfred*, if any:

(a) An estimate of direct compliance costs that businesses may reasonably incur; **Exempt**

(b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; **Exempt**

and

(c) An estimate of the *City of Lake Alfred's* regulatory costs, including estimated revenues from any new charges or fees to cover such costs. **Exempt**

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

Exempt

4. Additional information the *City Commission of the City of Lake Alfred* deems useful (if any):

None.



City of Lake Alfred

155 E POMELO ST
LAKE ALFRED FL 33850

FOR BILLING INFORMATION
CALL: (863)291-5270

Account #	Bill Date	TOTAL DUE
423	10/10/25	\$ 0.00
Type	Due Date	
CYCLE 1	10/30/25	**DO NOT PAY**
PayID	Bill No	
BRB	84	


 CAR-RT SORT ** C003
 CITY, LAKE ALFRED
 155 E POMELO ST
 LAKE ALFRED FL 33850-2136

DETACH AND RETURN STUB WITH REMITTANCE

CITY, LAKE ALFRED CYCLE 1 **DO NOT PAY** BRB RAM500OFFI

Account #	Service Address	Billing Period	Bill Date	Due Date	TOTAL DUE	
423	WASTE WATER OFFICE / 500 N Ramona Ave	09/01/25 to 09/30/25	10/10/2025	10/30/2025	\$ 0.00	
Service Code & Description	Previous Date Reading	Current Date Reading	Mult	Usage	Year Ago	Charge
To avoid disconnection, past due must be paid by the 15th at 4:30 p.m.						

PUBLIC HEARING NOTICE
LAKE ALFRED
CITY COMMISSION
MONDAY, NOVEMBER 17, 2025

Pursuant to Section 166.041(3)(a) notice is hereby given that the City of Lake Alfred City Commission will hold a public hearing to consider the following item(s): Ordinance 1567-25: Water and Sewer Increases, and Ordinance 1568-25: FY 24.25 Final Budget Amendment on the second and final reading on Monday, November 17, 2025 at 7:00 PM in the Lake Alfred City Commission Chambers at 120 E. Pomelo St., Lake Alfred, Florida 33850:

Documents about the referenced items may be reviewed at City Hall, Monday-Friday, 8:00 a.m. to 4:30 p.m. weekdays. All persons interested in the above-described hearing are invited to attend this meeting. If any person decides to appeal any recommendation made concerning any matter considered at such hearing, they will need a report of the proceedings; for such purpose, they may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which appeal is based (F.S. 286.0105).

Individuals with disabilities needing special accommodations to participate should contact the City Clerk no later than five (5) days prior to the proceedings (863) 291-5270. If you are vision or hearing impaired, please call Florida Relay Service at 711.

Pursuant to Florida Statute 166.0413(d), the City Commission may continue the public hearing to other dates and times as it deems necessary. Any interested party shall be advised that the date, time, and place of any continuation of these or continued public hearings may be announced during the hearing and that no further notices regarding this matter may be published.

ORDINANCE NO. 1567-25

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, AMENDING CHAPTER 58, ARTICLE II - WATER SERVICE AND ARTICLE III - SEWER SERVICE, OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED, FLORIDA, REGARDING RATES AND CHARGES; PROVIDING FOR THE INCORPORATION OF RECITALS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR CODIFICATION; PROVIDING FOR BUSINESS IMPACT ESTIMATE; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

ORDINANCE NO. 1568-25

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA, AMENDING THE ADOPTED BUDGET OF THE CITY OF LAKE ALFRED, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025; AMENDING APPROPRIATIONS, ALLOCATION OF REVENUE(S), AND THE ALLOCATION OF EXPENDITURES FOR THE FISCAL YEAR 2024-2025; PROVIDING FOR THE INCORPORATION OF RECITALS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR A BUSINESS IMPACT ESTIMATE; AND PROVIDING FOR AN EFFECTIVE DATE.

City of Lake Alfred, FL
Linda Bourgeois
City Clerk
11/5/25 196890