



LEE COUNTY
S O U T H W E S T F L O R I D A

**FISCAL YEAR 2018
WATER AND WASTEWATER
REVENUE SUFFICIENCY STUDY**

June 29, 2018



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants



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Ms. Pamela S. Keyes P.E.
Utilities Director
Lee County Utilities Department
P.O. Box 398
Fort Myers, FL 33902-0398

Subject: **Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study**

Dear Ms. Keyes:

Public Resources Management Group, Inc. ("PRMG") has completed the 2018 Revenue Sufficiency Study Update (the "Study") on behalf of Lee County Utilities ("LCU") of Lee County, Florida (the "County") and has presented the results of our analyses, assumptions, and recommendations in this report for your consideration. The focus of the Study was to update the forecast of utility operations and the corresponding expenditure and funding needs (the "revenue requirements") to evaluate the sufficiency of the water and wastewater utility (the "Utility" or "System") revenues to meet such projected revenue requirements. The Study period evaluated a forecast of operations for the Fiscal Years 2018 through 2028 (the "Forecast Period") to identify the estimated financial effects to Utility rates from changes in operations, timing and level of capital funding requirements. The principle objective of the revenue sufficiency evaluation is to determine the level of rate revenues needed to reasonably recover the cost of providing service, maintain compliance with the Board of County Commissioners (the "BOCC") adopted Administrative Code 10-4 LCU Financial Policy (the "Financial Policies") and rate covenants delineated in Resolution No. 93-06-40, as amended and supplemented from time to time (the "Bond Resolution"), as well as to promote the financial sustainability and creditworthiness of the Utility.

Based on the findings of this evaluation, which should be read in its entirety, no rate revenue adjustments are recommended for the upcoming Fiscal Years 2019 or 2020. The recommendation represents a two-year deferral of previously identified rate adjustments due primarily to better than forecasted receipts of revenues as a result of improved economic conditions and greater than projected System growth and demands. The following table provides a summary of the recommended and identified rate revenues adjustments for the Forecast Period:

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Identified Water and Wastewater Rate Revenue Adjustments [1]

Description	Fiscal Year Ending September 30,										
	2018 (Actual)	2019 (Recommended)	2020 (Projected)	2021 (Projected)	2022 (Projected)	2023 (Projected)	2024 (Projected)	2025 (Projected)	2026 (Projected)	2027 (Projected)	2028 (Projected)
Identified Rate Adjustments:											
Water System	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Wastewater System	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Combined System [2]	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%

[1] Assumes implementation of rate adjustments not to exceed the amounts shown to be implemented at the beginning of each respective Fiscal Year.

[2] Represents the estimated total increase to System rate revenues from the water and wastewater individual system rate adjustments.

As can be seen above, although no rate adjustments are recommended for Fiscal Years 2019 and 2020, additional rate adjustments are identified in subsequent years of the forecast in order to keep pace with inflation, maintain compliance with the BOCC adopted Financial Policies and ensure adequate resources for capital reinvestment. The following provides a listing of the principal rate drivers or increases to expenditures for the Forecast Period:

- Assumed inflation on the cost of operation and maintenance, which results in a reduction of funds available for capital re-investment and accounts for approximately 67% of the identified rate adjustments;
- Net increases in annual debt service payments associated with the issuance of low-interest loans to fund needed capital improvements to the Three Oaks Wastewater Treatment Plant ("WWTP") and the implementation of the automated read water meters ("AMI") program coupled with the decline in debt service due to the final maturity of the Series 2011 Bonds and Series 2013B Bonds, which accounts for approximately 2% of the identified rate adjustments; and
- Projected adjustments in annual fund transfers to the Renewal and Replacement Fund, Capital Improvement Fund and unrestricted cash reserves to provide ongoing and increased pay-as-you-go ("Pay-Go") funding for future capital improvements of the Utility and to minimize the use of future indebtedness to promote long-term rate flexibility and sustainability, which accounts for approximately 31% of the identified rate adjustments.
- Based on our analysis and the assumptions relied upon as delineated in this Study, the projected rate revenues: i) promotes the creditworthiness of the System, which results in an estimated position that is considered to be favorable; ii) complies with the rate covenants as delineated in the Bond Resolution and loan service requirements as contained in the Loan Agreement with the Florida Department of Environmental Protection pursuant to the State Revolving Fund ("SRF") loan program; and iii) results in performance that meets the fiscal objectives of the County's financial policies.

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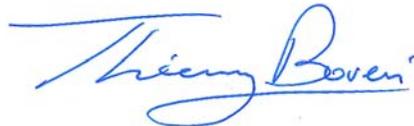
Following this letter is an attached summary report documenting recent trends, principal assumptions, and findings for your consideration. As always, we appreciate the opportunity to be of service to the County and the fine cooperation and valuable assistance given to us by LCU staff in the completion of the study.

Respectively submitted,

Public Resources Management Group, Inc.



Robert J. Ori
President



Thierry A. Boveri, CGFM
Associate



Ryan Smith
Rate Consultant

RJO/dlc
Attachments

LEE COUNTY, FLORIDA
FISCAL YEAR 2018
WATER AND WASTEWATER REVENUE SUFFICIENCY STUDY

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FISCAL YEAR 2018
WATER AND WASTEWATER REVENUE SUFFICIENCY STUDY
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LEE COUNTY, FLORIDA

FISCAL YEAR 2018

WATER AND WASTEWATER REVENUE SUFFICIENCY STUDY

GENERAL

Public Resources Management Group, Inc. ("PRMG") has completed our financial forecast comprising the Fiscal Years 2018 through 2028 (the "Forecast Period") and analysis of the water and wastewater utility system (the "Analysis" or "Study") on behalf of the Lee County Utilities ("LCU") of Lee County, Florida (the "County"), and has presented the results of our analyses, assumptions, and recommendations in this report. The principal goals and objectives of the Study were to:

- Evaluate the sufficiency of the Utility revenues derived from existing rates for the water and wastewater utility system (the "Utility") and to identify rate adjustments, if necessary, to fund the projected expenditures and funding requirements from rates, meet the Board of County Commissioners (the "BOCC") adopted LCU financial policies (the "Financial Policies") and maintain compliance with Resolution No. 93-06-40, as amended and supplemented from time to time (the "Bond Resolution") authorizing the issuance of the outstanding senior lien bonds of such Utility and the various loan agreements entered into with the Florida Department of Environmental Protection ("FDEP") associated with securing State Revolving Fund ("SRF") loans which are considered as subordinated indebtedness of the Utility; and
- Identify a funding plan that would fully support the financing of the LCU capital improvement plan ("CIP") during the Forecast Period that would balance the use of external and internal sources of funding and identify the effects of such plan on utility rates. The funding plan primarily relies on internal sources derived from the use of capital reserves and funds available for ongoing capital investment derived from annual operations and new development (Utility revenues and connection fees) before the issuance of additional indebtedness.

The financial forecast was developed based on information provided by LCU staff including, but not limited to: i) detailed customer statistics to identify service area demands and trends; ii) updated financial information related to the capital improvement program and anticipated funding sources; iii) the Fiscal Year 2018 operating budget as adopted by the BOCC; iv) the preliminary Fiscal Year 2019 operating budget; v) the recently completed financial results for Fiscal Year 2017 and Fiscal-Year-to-Date 2018 financial information; and vi) other financial or statistical information.

FISCAL YEAR 2017 OPERATING RESULTS

LCU annually commissions financial forecasts in order to identify trends in expected revenues and expenditures and funding needs, and to measure or evaluate the estimated financial effects to utility rates. The financial forecast serves as the basis for rate recommendations and supports near-term and long-term capital planning for sustainability. To provide an indication of how LCU has recently performed financially, a comparison of the prior forecast and actual financial operating

results for the Fiscal Year 2017 was evaluated. The following table provides a brief comparison of operating results:

Comparison of FY 2017 Actual and Prior Financial Forecast Operating Results – Net Revenues

Description	Actual Results [1]	Prior Financial Forecast	Variance Positive/ (Negative)
Operating Revenues and Investment Earnings	\$112,649,397	\$110,503,863	\$2,145,534
Operating Expenses [2]	(57,136,285)	(55,321,822)	(1,814,463)
Net Revenues	55,513,112	55,182,041	331,071
Debt Service Payment Accruals [3]	(20,045,740)	(20,045,740)	0
Net Revenues after Debt	35,467,372	35,136,301	331,071
Connection Fees	14,620,681	11,111,447	3,509,234
Net Available for R&R/Expansion Capital	<u>\$50,088,053</u>	<u>\$46,247,748</u>	<u>\$3,840,305</u>

[1] Amounts shown based on audited Fiscal Year 2017 operating results provided by County staff.

[2] Amounts shown exclude increase in net pension liability, increase in other postemployment benefits liability, non-departmental (GC) prior period revenue refunds and depreciation and amortization expenses.

[3] Amounts shown reflect the accrued payments deposited to the debt service sinking fund as opposed to the actual payments made during the Fiscal Year 2017.

LCU outperformed the Prior Forecast estimates primarily due to: i) higher net revenues resulting from greater operating revenues and investment earnings of approximately \$2 million or 2% due to better than expected sales and customer growth adjusted for greater operating expenses of approximately \$2 million or 4% due primarily to higher contracted wastewater treatment expenses by the City of Fort Myers; and ii) Connection Fee receipts approximately \$3.5 million greater than forecasted due to better than expected system growth. Overall, the County outperformed the Prior Forecast generating approximately \$3.8 million in additional resources available to fund capital (it should be noted that connection fee reserves represents one-time fee revenues and can vary significantly from year to year based on permitted development within the LCU service area).

The following table provides a summary of the comparison of actual to estimated capital expenditures by funding source assumed for the Prior Forecast:

Comparison of FY 2017 Actual and Prior Financial Forecast Operating Results – Capital Funding

Funding Source	Actual Results [*]	Prior Financial Forecast	Variance Positive/ (Negative)
Capital Improvement Fund	\$47,416,131	\$54,854,652	(\$7,438,521)
Renewal and Replacement Fund	6,949,706	14,221,486	(7,271,780)
Bond Proceeds	21,975,219	26,707,266	(4,732,047)
Connection Fees	8,406,284	15,760,040	(7,353,756)
Capital Spending – Conservation Fund	5,950	6,250	(300)
Total	<u>\$84,753,290</u>	<u>\$111,549,694</u>	<u>(\$26,796,404)</u>

[*] Amounts shown based on audited Fiscal Year 2017 operating results provided by County staff. Amounts shown reconcile to capital additions as shown in the Fiscal Year 2017 CAFR less capitalized interest.

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Capital spending was less than identified in the prior forecast primarily due to: i) recognition of capital funding on an appropriated basis (i.e., a budgeted claim against available funds) as opposed to a cash basis (i.e., expected timing of expenditures); and ii) other delays from permitting or other requirements prior to initiating construction. It should be noted that such improvements are still expected to be initiated or have been initiated in the current period and that the variance between the actual spending and the planned spending has been declining over the recent period.

Comparison of FY 2017 Actual and Prior Financial Forecast Operating Results – Cash Balances			
<u>Funding Source</u>	<u>Actual Results [1]</u>	<u>Prior Financial Forecast</u>	<u>Variance Positive/ (Negative)</u>
Operating Reserves	\$61,697,028	\$65,188,959	(\$3,491,931)
Capital Funds Balances [2]	101,967,638	56,500,307	45,467,331
Construction Fund (Debt Proceeds)	0	0	0
Connection Fee Funds	49,306,872	36,946,005	12,360,867
Total (Excludes Debt Service/Deposits)	\$212,971,538	\$158,635,271	\$54,336,267

[1] Amounts shown based on audited Fiscal Year 2017 operating results provided by County staff and are exclusive of restricted funds related to debt service payments (i.e., sinking fund), and customer deposits. The amounts on deposit in the restricted funds for Fiscal Year End 2017 was \$16,027,453, which totals with the amounts shown above to be \$228,998,991.

[2] Amounts shown include funds help in the Renewal and Replacement Fund, Water Conservation Surcharge Fund, Capital Improvement Fund, and the Vehicle Replacement Fund.

As can be seen above the overall greater amount of cash reserves relative to prior forecasts is consistent with the lower than expected capital spending and better than expected connection fee receipts. Recognizing that LCU outperformed projections and that capital spending associated with appropriated capital improvements were less than actual capital expenditures in the Fiscal Year 2017, cash balances ended significantly higher than previously forecasted. However, it should be noted that the majority of such funds are committed for appropriated capital improvements and/or minimum cash reserve policy targets. As can be seen on the table below, the majority of funds are restricted or appropriated for capital improvements.

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Fiscal Year 2017 Cash Balances – Restrictions

Line Item Description	September 30, 2017	Calculation Notes
Total Cash Balances	\$228,998,991	Total Cash as of 9/30/17 / Excludes FMV Adjustment
Less Restricted Cash Balances:		
30 Days' Operating Expenses on Deposit	(4,948,053)	30 Days of FY18 Budgeted Expenses / Bond Resolution Restriction
Debt Service Sinking Funds	(13,432,274)	For Payment of Next Debt Payment
R&R Fund Requirement	(5,632,470)	5% of FY17 Gross Revenues / Bond Resolution Restriction
Customer Security Deposit	(2,595,179)	
Less Financial Policy Reserves:		
Operating Reserve [1]	(14,844,160)	Required 120 Days of FY17 Budgeted Expenses Net of 30 Days Required by Bond Resolution
Capital Reserve [1]	(11,422,949)	1.5% of Gross Depreciable Fixed Assets as of 9/30/17 Less R&R Fund Requirement Restricted by Bond Resolution
Less Other Restrictions		
Connection Fee Fund Balances	(49,306,872)	
Net CIP Appropriations	<u>(89,377,489)</u>	FY18 CIP Appropriations Net of Appropriations Funded from Existing Connection Fees Already Recognized as a Restriction to Cash Balances
Total Restrictions	<u>(\$191,559,446)</u>	
Net Available After Restrictions [2]	<u>\$37,439,545</u>	

[1] The gross Financial Policy reserve requirement for the Operating Reserve and Capital Reserve is calculated to be approximately \$19.8 million and \$17.1 million, respectively. Amounts shown are net since the cash restricted Bond Resolution for operating expenses and the Renewal and Replacement Fund Requirement may be applied towards the Financial Policy Reserve requirements.

[2] Net available after restrictions is presented for informational purposes only to demonstrate restrictions and designations to cash balances at the outset of the current fiscal year. It should also be noted that such amounts do not reflect any designations for unfunded Other Post Employee Benefit liabilities, which is reported at \$26,392,000 as of September 30, 2017.

As can be seen above, the County reports approximately \$229 million in cash balances; however, the majority of such funds are restricted or designated due to Bond Resolution, Financial Policy, and current period capital appropriations. While net cash available has grown in recent years, it should be noted that due to the level of identified capital funding requirements in the near-term any excess cash balances are expected to be appropriated / expended by the Fiscal Year 2021 as discussed in greater detail in subsequent sections of this report.

FORECAST OF REVENUES

The revenues for the Utility are principally generated from the rates for water and wastewater service. Such revenues account for approximately 92% of gross revenues over the Forecast Period and include charges for service to both retail and wholesale customers of the System. Growth-related fees (i.e., connection fees, tap fees, etc.) presently account for the majority of the remaining revenues at approximately 5% of gross revenues and income, while the balance of revenues or 3% of gross revenues are generated from miscellaneous service charges, rental income and interest income on investments. Since the majority of the Utility revenues are generated from

monthly rates for water and wastewater, the forecast of revenues is primarily predicated on assumptions of the estimated number of customers receiving service and their demands assumed for the Forecast Period.

Customer and Demand Forecast

The forecast of water service revenues relied upon a review of recent historical trends in water customer account growth and use statistics. The following table provides a summary of the recent historical and projected trends in water customer billing statistics:

Water System [1]							
Fiscal Year [2]	Retail Customers			Wholesale Water Sales (000s Gallons)	Total Billed Water Sales (000s Gallons)	Finished/Treated Water	
	Average Annual No. of Accounts	Retail Sales (000s Gallons)	Monthly Use per Account (Gallons)			(000s Gallons)	ADF-MGD [5]
Historical							
2010	75,588	7,052,466	7,775	712,203	7,764,669	8,424,254	23.08
2011	76,189	7,279,995	7,963	715,428	7,995,423	8,591,946	23.54
2012	77,396	7,116,776	7,663	724,001	7,840,777	8,750,233	23.97
2013	78,452	7,082,552	7,523	705,247	7,787,799	8,422,904	23.08
2014 [2]	79,562	7,207,660	7,549	723,867	7,931,527	8,532,693	23.38
2015 [2]	80,710	7,236,506	7,472	714,624	7,951,130	8,512,833	23.32
2016 [2]	82,042	7,223,519	7,337	735,111	7,958,630	8,710,483	23.86
2017 [2]	83,216	7,540,485	7,551	742,297	8,282,782	9,039,850	24.77
Annual Growth	1.2%	0.8%	(0.4%)	0.5%	0.8%	0.9%	0.9%
Projected							
2018	84,543	7,542,127	7,434	743,526	8,285,653	9,006,145	24.67
2019 [3]	87,687	7,602,131	7,225	744,761	8,346,892	9,072,709	24.86
2020	88,723	7,675,579	7,209	746,002	8,421,581	9,153,892	25.08
2021	89,688	7,744,096	7,195	747,250	8,491,346	9,229,724	25.29
2022	90,580	7,807,099	7,183	748,504	8,555,603	9,299,568	25.48
2023	91,438	7,867,477	7,170	749,764	8,617,241	9,366,566	25.66
2024	92,304	7,928,342	7,158	751,030	8,679,372	9,434,100	25.85
2025	93,134	7,986,637	7,146	752,303	8,738,940	9,498,848	26.02
2026	93,928	8,042,497	7,135	753,582	8,796,079	9,560,955	26.19
2027	94,685	8,095,896	7,125	754,868	8,850,764	9,620,396	26.36
2028	95,358	8,142,964	7,116	756,160	8,899,124	9,672,961	26.50
Annual Growth [4]	1.2%	0.7%	(0.5%)	0.2%	0.7%	0.6%	0.6%

[1] Amounts shown derived from Table 2 and include all customer classes.

[2] Represents customer reports provided by new billing system.

[3] Commencing in Fiscal Year 2019 the Utility will implement a continuous billing policy expected to result in an increase in average bills rendered and no change to billed water sales. It is estimated that the number of monthly bills rendered will increase by approximately 2.53%.

[4] Reflects average annual compound growth rate from Fiscal Year 2017 through Fiscal Year 2028. It should be noted that the Fiscal Year 2019 to 2028 annual growth for average annual number of accounts and monthly use per account is approximately 0.9% and (0.2%) respectively.

[5] Average Daily Flow ("ADF") in Millions of Gallons per Day ("MGD").

As can be seen above, the County has observed an increase in the amount of water sales since the Fiscal Year 2010, however average water sales per account have generally declined. The exception to this trend is noted for the Fiscal Year 2017, which was considered a dry year with higher irrigation demands. The rebound in water sales is also attributable to the economic recovery, which has resulted in customer account growth and as previously discussed greater connection fee revenues. Based on discussions with LCU staff it is assumed for the Forecast Period that the

County may continue to experience average annual growth in customer accounts of approximately 1.0% per year.

It should be noted that beginning with the Fiscal Year 2019 the Utility intends to implement a continuous billing policy. Currently, the Utility allows customers who are not utilizing water or wastewater service to place their accounts on hold (seasonal or temporary disconnect), such customers when service is discontinued are not required to pay the monthly Administrative Fee and Base Service Charge. Under the new policy such customers would be required to continue to pay the minimum monthly charges. The policy change is based on the concept of constant *readiness-to-serve*, which identifies that irrespective of whether a customer temporarily stops service the utility still incurs costs to continuously provide and maintain service availability. Due to the change in this policy the projected average annual accounts billed reflects a one-time 2.5% increase during the Fiscal Year 2019. Since there is no change in the assumed amount of water sales a corresponding decline in the projected average billed flows per customer is also recognized.

With respect to the wastewater system, the historical and projected customer account and billed flow statistics has reflected similar trends as discussed for the water system. The following table provides a summary of the historical and projected wastewater system customer billing statistics:

Wastewater System [1]							
Fiscal Year	Retail Customers			Wholesale Billed Flows (000s Gallons)	Total Billed Flows (000s Gallons)	Total Treated Wastewater	
	Average Annual No. of Accounts	Billed Flows (000s Gallons)	Billed Flows per Account (Gallons)			Thousands of Gallons	Daily Flow (ADF –MGD)
Historical							
2010	54,162	4,954,609	7,623	214,507	5,169,116	5,602,042	15.35
2011	54,763	5,014,164	7,630	254,450	5,268,614	6,067,368	16.62
2012	55,922	4,577,441	6,821	276,247	4,853,688	5,663,066	15.52
2013 [2]	56,134	5,358,311	7,955	275,787	5,634,098	5,580,066	15.29
2014 [2]	57,347	5,403,752	7,852	277,082	5,680,834	5,475,070	15.00
2015 [2]	58,316	5,222,523	7,463	203,018	5,425,541	5,883,559	16.12
2016 [2]	59,325	5,322,918	7,477	214,637	5,537,555	5,479,641	15.01
2017 [2]	60,263	5,446,375	7,531	231,480	5,677,855	5,938,595	16.27
Annual Growth	<u>1.5%</u>	<u>1.4%</u>	<u>(0.2%)</u>	<u>1.1%</u>	<u>1.4%</u>	<u>0.8%</u>	<u>0.8%</u>
Projected							
2018	61,189	5,464,931	7,443	231,480	5,696,411	5,933,761	16.26
2019 [3]	63,373	5,597,557	7,361	232,586	5,830,143	6,073,066	16.64
2020	64,096	5,646,557	7,341	233,698	5,880,255	6,125,266	16.78
2021	64,769	5,692,210	7,324	234,815	5,927,025	6,173,984	16.92
2022	65,390	5,733,881	7,307	235,938	5,969,819	6,218,561	17.04
2023	65,988	5,774,074	7,292	237,066	6,011,140	6,261,604	17.16
2024	66,592	5,814,571	7,276	238,201	6,052,772	6,304,971	17.27
2025	67,172	5,853,549	7,262	239,340	6,092,889	6,346,759	17.39
2026	67,727	5,890,939	7,248	240,486	6,131,425	6,386,901	17.50
2027	68,255	5,926,456	7,236	241,637	6,168,093	6,425,097	17.60
2028	68,725	5,958,039	7,224	242,794	6,200,833	6,459,201	17.70
Annual Growth [4]	<u>1.2%</u>	<u>0.8%</u>	<u>(0.4%)</u>	<u>0.4%</u>	<u>0.8%</u>	<u>0.8%</u>	<u>0.8%</u>

[1] Amounts shown derived from Table 3 and recognize all customer classes.

[2] Represents customer reports provided by new billing system.

[3] Commencing in Fiscal Year 2019 the Utility will implement a continuous billing policy expected to result in an increase in average bills rendered and no change to billed water sales. It is estimated that the number of monthly bills rendered will increase by approximately 2.53%.

[4] Reflects average annual compound growth rate from Fiscal Year 2017 through Fiscal Year 2028.

Trends in wastewater account growth and billed flows have been and are anticipated to continue to be generally consistent with the growth characteristics recently experienced by the water system. However, billed wastewater flows tracked more closely with account growth for the wastewater system than for the water system. This is primarily because water sales include irrigation (discretionary use) demands, which are subject to weather conditions and can fluctuate materially from year to year. Recognizing that billed sewer flows are determined based on metered water sales, the County employs a sewer billing cap for the residential class that limits the maximum amount of billed wastewater flow to 9,000 gallons per month for this class. It is assumed any metered water use above this usage threshold is most likely for outdoor uses that do not contribute wastewater flow to the system. For the financial forecast, customer account growth and billed wastewater flow is projected to be generally consistent with that assumed for the water system and recognizes the implementation of the continuous billing policy commencing in Fiscal Year 2019.

Projected Revenues

The revenue forecast was based on: i) review of historical trends in revenues; ii) Fiscal Year 2018 operating budget; iii) year-to-date operating results for Fiscal Year 2018; iv) customer and demand forecast as previously discussed; v) assumed implementation of identified rate adjustments to fund the projected revenue requirements; vi) Fiscal Year preliminary 2019 budget figures; vii) the implementation of the continuous billing policy in Fiscal Year 2019 as discussed previously; and viii) discussions with LCU staff. The revenue forecast can be categorized into three (3) primary groups of revenues comprising of revenues derived from monthly service charges to retail and wholesale customers, growth / connection fee revenues, and all other revenues. Rate revenues from monthly service comprise the majority or approximately 92% of the total projected Utility revenues.

Projected Utility Revenues								
Fiscal Year	Rate Adjustment [1]		Water Service	Wastewater/ Reclaimed Service	Wholesale Service	Connection Fee Revenues	Other Revenues [2]	Total Revenues
	Water	Sewer						
2018	0.00%	0.00%	\$48,506,498	\$57,942,485	\$3,480,455	\$11,447,175	\$5,302,534	\$126,679,147
2019	0.00%	0.00%	49,271,647	59,352,789	3,468,187	10,004,640	5,052,451	127,149,714
2020	0.00%	0.00%	49,753,247	59,895,651	3,475,732	8,981,092	4,884,970	126,990,692
2021	4.00%	4.00%	52,127,107	62,715,994	3,616,844	7,914,318	4,487,102	130,861,364
2022	4.00%	4.00%	54,659,074	65,723,389	3,769,749	7,013,783	4,296,749	135,462,744
2023	4.50%	4.50%	57,555,469	69,169,464	3,947,273	5,689,916	4,336,022	140,698,145
2024	4.50%	4.50%	60,618,318	72,815,425	4,134,078	5,762,601	4,407,374	147,737,797
2025	0.00%	0.00%	61,181,573	73,460,208	4,150,777	5,521,194	4,516,212	148,829,963
2026	0.00%	0.00%	61,615,201	73,950,300	4,159,961	5,277,127	4,507,429	149,510,018
2027	0.00%	0.00%	62,029,846	74,415,829	4,169,193	5,024,219	4,456,451	150,095,538
2028	0.00%	0.00%	62,394,627	74,829,758	4,178,469	4,450,163	4,504,298	150,357,315
Growth Rate			2.5%	2.6%	1.8%	-9.0%	(1.6%)	1.7%

[1] Reflects identified rate adjustments applied to charges for water and wastewater retail service only.

[2] Amounts shown include non-operating revenues associated with Gateway Debt Service contributions, investment income, the sale of surplus materials and other miscellaneous non-operating revenues.

FORECAST OF EXPENDITURES

The expenditure forecast can be categorized into three primary groups of expenditures: operation and maintenance (operating) expenses, capital funding, and debt service. Presently, operating expenses account for the majority or 53% of the total requirements to be funded from rate revenues,

while transfers to fund capital re-investment and reserve maintenance accounted for 30% and debt service payments account for the remaining 17%.

Operating Expenses

The forecast of operating expenses was developed based upon: i) a review of the recent trends in historical expenses; ii) the adopted Fiscal Year 2018 and preliminary 2019 budget, including review of certain year-to-date expenditures; iii) assumed growth rates / escalation factors of costs based on industry trends in such costs, projections of inflation by the Congressional Budget Office; and iv) discussions with the County staff.

The Fiscal Year 2018 and preliminary 2019 budget served as the basis for the operating expense forecast. Pursuant to a review of recent historical trends in such expenses, the variance among budgeted and actual expenses has typically been low and within approximately 3%. However, recently for the Fiscal Year 2017 actual operating expenses exceeded budgeted amounts due to a material increase in contracted wastewater treatment disposal costs from the City of Fort Myers ("COFM"). Charges from the COFM were reported at approximately \$11.0 million for the Fiscal Year 2017, in contrast to prior historical averages of approximately \$7.0 million. The significant increase in such costs are attributable to increased capital spending by COFM, which is included as a cost component of wholesale wastewater expenses. Based on discussion with County staff, the forecast recognized an adjustment for the Fiscal Year 2018 budget from \$8.5 million to \$11.0 million, while the preliminary Fiscal Year 2019 budget assumes approximately \$11.1 million in COFM expenses. Such costs were then then escalated at 3.5% annually for the Forecast Period.

Other notable changes in expenses assume the addition of three (3) new full-time employees ("FTEs") for the Fiscal Year 2019 operating budget. It should be noted that while LCU personnel related expenses will increase for the Fiscal Year 2019 budget, a reclassification of five (5) existing LCU FTEs to fiscal services will result in net decline from 278 to 276 FTEs.

The Other Post-Employment Benefits ("OPEB") expense was reported at approximately \$2,338,000 for the recently completed Fiscal Year 2017 with the cumulative liability reported at approximately \$26,392,000. Based on discussions with County staff, LCU intends to begin funding, from annual revenues, the actual expense / benefit paid to retirees on a "pay-go" basis (i.e., based on the actual pay-out of OPEB in lieu of the estimate / accrual being reported). LCU budgeted OPEB beginning in the Fiscal Year 2018 at 50% of the estimated pay-out. The full LCU pay-out for OPEB is approximately \$206,000 annually. Commencing in Fiscal Year 2019 LCU will begin to budget 100% of the pay-out for OPEB.

Finally, based on discussions with County staff and in order to maintain a conservative forecast a contingency adjustment ranging from 0.25% to 1.00% of operating expenses and marginal allowances for bad debt from uncollectable revenues was assumed during the Forecast Period.

The principal operating expenses include personnel, contracted services and materials / supplies accounting for over 78% of total expenses. Budgeted departmental capital outlays were adjusted and reclassified as a capital expenditure included in the capital improvement plan for the purpose of calculating compliance with the Bond Resolution. The forecast of operating expenses relied

upon various escalation factors ranging from approximately 2% to 6% depending on the assumed costs being escalated. The following table presents the forecast of operating expenses:

Description	Projected Operating Expenses (\$000s) [1]											Growth Rate [2]
	Fiscal Year Ending September 30,											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Salaries and Wages	\$15,993	\$16,288	\$16,776	\$17,280	\$17,798	\$18,332	\$18,882	\$19,448	\$20,032	\$20,633	\$21,252	2.9%
Employee Benefits	6,987	7,457	7,706	7,964	8,230	8,505	8,790	9,084	9,388	9,702	10,027	3.7%
OPEB	103	202	208	214	221	228	234	241	249	256	264	9.9%
Contract Services,												
Materials, and Supplies	23,971	24,717	25,578	26,607	27,290	27,910	28,547	29,008	29,589	30,197	30,827	2.5%
Utilities	4,424	4,438	4,589	4,742	4,896	5,053	5,216	5,382	5,550	5,723	5,897	2.9%
Repairs and Maintenance	2,604	2,671	2,751	2,832	2,916	3,003	3,092	3,184	3,279	3,376	3,476	2.9%
Insurance	676	854	873	894	916	938	960	983	1,007	1,031	1,056	4.6%
Other [3]	3,345	3,555	3,667	3,784	3,905	4,029	4,158	4,291	4,427	4,568	4,713	3.5%
Indirect Costs	1,574	1,601	1,638	1,677	1,717	1,758	1,801	1,844	1,888	1,933	1,980	2.3%
Administrative Fees	100	95	97	99	101	104	106	109	112	114	117	1.6%
Contingency	149	215	285	360	438	520	605	693	749	769	789	18.1%
Bad Debt Expense	275	280	283	296	310	327	344	347	349	352	354	2.5%
Total	\$60,201	\$62,373	\$64,451	\$66,750	\$68,739	\$70,706	\$72,735	\$74,614	\$76,617	\$78,653	\$80,750	3.0%

[1] As shown on Table 5 at the end of this Study.

[2] Reflects average annual compound growth rate from Fiscal Year 2018 through Fiscal Year 2028.

[3] Other expenses include Travel, Communication, freight and Postage, Advertising, Rentals and other items budgeted by the County.

As can be seen above operating expenses are projected to increase by an average annual growth rate approximately 3.0% per year. For additional detail concerning the forecast of operating expenses, please reference Tables 4 and 5 at the end of this report.

Capital Expenditures

Capital reinvestment and funding is integral to the continuity and quality of service delivered to customers. These expenditures, coupled with the need to meet increased regulations and the growth requirements of the Utility, contributed to the CIP. The capital costs of the Utility were based on the existing capital improvement plan as identified by LCU Staff, which encompasses the forecast period (Fiscal Year 2018 through Fiscal Year 2028). The table below provides a summary of the capital expenditures by type and corresponding sources of funding:

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Ten-Year Capital Improvement Program (\$000s) [1]												
Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Capital Projects:												
Water System:												
Renewal & Replacement	\$52,764	\$17,856	\$13,165	\$13,515	\$14,005	\$19,975	\$15,116	\$16,498	\$2,498	\$16,020	\$16,856	\$198,267
Expansion	16,096	9,056	17,387	39,586	4,075	3,900	16,017	10,425	0	4,000	2,000	122,542
Misc. Capital / Vehicles	709	709	709	709	709	709	709	709	709	709	709	7,799
Wastewater System:												
Renewal and Replacement	\$50,585	\$11,835	\$42,695	\$8,109	\$20,875	\$16,125	\$2,871	\$2,653	\$2,483	\$15,980	\$18,894	\$193,103
Expansion	3,019	5,840	7,710	45,160	1,045	0	5,997	10,425	51,920	4,000	2,250	137,366
Misc. Capital / Vehicles	888	888	888	888	888	888	888	888	888	888	888	9,772
Total Capital Projects	\$124,062	\$46,185	\$82,554	\$107,967	\$41,597	\$41,597	\$41,597	\$41,597	\$58,497	\$41,597	\$41,597	\$668,849
Funding Sources:												
Connection Fees	\$11,680	\$14,596	\$20,347	\$40,722	\$5,120	\$2,900	\$2,680	\$4,500	\$2,420	\$0	\$2,250	\$107,215
Renewal and Replacement Fund [2]	15,383	15,614	16,979	9,755	17,743	5,348	14,745	15,235	2,905	10,880	4,960	129,546
Capital Improvement Fund [2]	72,397	13,978	43,631	55,343	17,138	31,753	22,575	20,265	51,575	29,120	32,790	390,563
Conservation Fund	0	0	0	550	0	0	0	0	0	0	0	550
Rate Revenue (Operations)	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	17,570
Capital Grants	467	0	0	0	0	0	0	0	0	0	0	467
Developer Contributions	0	400	0	0	0	0	0	0	0	0	0	400
2016 SRF Loan	9,167	0	0	0	0	0	0	0	0	0	0	9,167
2017 SRF Loan	13,371	0	0	0	0	0	0	0	0	0	0	13,371
Total Funding Sources	\$124,062	\$46,185	\$82,554	\$107,967	\$41,597	\$41,597	\$41,597	\$41,597	\$58,497	\$41,597	\$41,597	\$668,849

[1] Derived from Table 6 at the end of this report; Fiscal Year 2018 amounts include projects approved by the BOCC in prior years which are underway or active and considered as a component of construction-work-in-progress (capital project carryforwards). It should be noted that the amounts are presented on an appropriations basis (i.e., a budgeted claim against available funds) as opposed to a cash basis (i.e., expected timing of expenditures), which will differ as compared to actual project completion and spending.

[2] Amounts shown funded from current amounts on deposit and additional annual deposits from operations for the Forecast Period.

As can be seen from the above table and as shown in greater detail in Table 6 at the end of this report, the majority of the capital funding is associated with the renewal, replacement, rehabilitation, upgrade, and betterment (referred to as "renewals and replacements") of the existing infrastructure (66% of total CIP) and is representative of the needs of a mature utility providing service to a large customer base. The overall amount of programmed capital expenditures for the renewals and replacement of existing infrastructure is estimated at approximately \$411 million during the Forecast Period and averages approximately \$37.4 million in annual funding; when compared to the annual depreciation expense of approximately \$44.9 million as reported in the Fiscal Year 2017 Comprehensive Annual Financial Report, this demonstrates an active plan of capital reinvestment.

The majority of the remaining capital expenditures are associated with extension or expansion of infrastructure including, but not limited to: i) South East County Wastewater Treatment Plant Expansion; ii) North Lee County Water Treatment Plant Expansion; and iii) water transmission main extensions and force main extensions along the Ben Hill Griffin Parkway. It should be noted that to the extent possible, connection fee revenues were recognized to fund the expansion related capital needs of the System, however an approximate \$2 million shortfall within the wastewater connection fee fund was recognized during the Fiscal Year 2022. To the extent that the County were to actually incur a shortfall within the connection fee funds it is recommended that the County initiate and or maintain a formal accounting in order to potentially reimburse the use of cash reserves from future connection fee revenues.

With respect to the sources of funding for the identified capital expenditures, the majority or 97% of the overall identified funding requirements are anticipated to be financed from internal sources derived from existing cash reserves, connection fees, and programmed transfers from rate revenues to the Renewal and Replacement and Capital Improvement Funds. It should be noted that the CIP is a planning document, which is presented on an appropriations basis, and the timing and completion of projects are subject to changes or delays. As a result, it is recommended that staff continue to annually re-evaluate the financial forecast and the need for adopted or additionally identified rate adjustments.

As previously discussed, a major driver regarding the need for additional rate adjustments are the required deposits for capital reinvestment from rate revenues. The following table provides a summary of the assumed transfers for capital reinvestment from rate revenues:

Annual Transfers for Capital Related Activities from Operating Revenues (\$000s) [*]												
Description (Fund)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
R&R Fund Transfer (20)	\$10,700	\$11,400	\$11,600	\$11,700	\$12,200	\$12,800	\$13,500	\$14,100	\$14,300	\$14,400	\$14,400	\$141,100
Capital Imp. Fund (30)	22,700	20,427	17,773	19,755	21,913	25,907	30,150	29,000	27,719	28,176	28,492	272,013
Departmental Capital Outlay	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	17,570
Water Conservation (35)	122	144	144	144	144	144	144	144	144	144	144	1,557
Total	\$35,119	\$33,568	\$31,114	\$33,196	\$35,854	\$40,448	\$45,391	\$44,841	\$43,760	\$44,317	\$44,633	\$432,240

[*] Derived from Table 7 at the end of this report.

As can be seen from the above table, the amount of capital reinvestment from rates and other revenues (exclusive of connection fees) is projected to average approximately \$39.3 million annually and is considered a favorable level of capital reinvestment from rate revenues. The assumed transfers aid in maintaining compliance with the minimum capital reinvestment requirements of the County's adopted Financial Policies. The remainder of the capital expenditures is assumed to be funded from debt proceeds. The following section provides further discussion concerning existing and additional debt.

Debt Service

The annual debt service payment associated with CIP financing for the Utility is expected to increase during the Forecast Period due primarily to the additional debt from the recently executed FDEP SRF loans, which will become a liability in the future (once repayment of draws on the loans begins). The County entered into the: i) Clean Water Loan WW360200 to fund oxidation improvements at the Three Oaks Wastewater Treatment Plant; and ii) the Drinking Water Loan DW3602A0 to fund AMI (radio read) water meters. The Clean Water Loan WW360200 is assumed to: i) fund approximately \$28,800,000 in project cost; ii) have an interest rate of 0.95%; iii) initial payment date of June 15, 2019; and iv) a semiannual payment equal to \$819,320 paid over a twenty-year period. Drinking Water Loan DW3602A0 is assumed to: i) fund approximately \$17,637,000 in project cost; ii) have an interest rate of 1.08%; iii) initial payment date of August 15, 2020; and iv) a semiannual payment equal to \$651,358 paid over a fifteen-year period. The forecast does not assume the issuance of any additional debt during the Forecast Period.

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The following table provides a summary of the existing and anticipated debt service payments assumed for the development of the financial forecast by issue:

Summary of Existing and Projected Debt Service Payment Accruals (\$000s) [1]											
Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Outstanding Bonds:											
Series 2011 Bonds	\$7,095	\$7,095	\$7,171	\$7,096	\$7,092	\$7,097	\$7,088	\$7,091	\$7,093	\$0	\$0
Series 2012 A & B Bonds	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	7,714	11,367
Series 2013 A Bonds	3,462	3,461	3,463	3,462	3,463	3,461	3,461	3,463	3,462	3,462	3,459
Series 2013 B Bonds	4,008	4,005	4,011	4,005	4,013	4,008	4,011	4,011	4,013	4,011	0
Outstanding SRF Loans:											
SRF Loan DW3610010	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	501
SRF Loan WW392330	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256
SRF Loan WW360200 [2]	0	1,297	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639
SRF Loan DW3602A0 [3]	0	0	814	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303
Total	\$19,912	\$21,205	\$22,445	\$22,851	\$22,856	\$22,854	\$22,849	\$22,854	\$22,856	\$22,101	\$20,524

[1] Amounts shown reflect the accrued payments deposited to the debt service sinking fund as opposed to the actual payment over the Forecast Period.

[2] The SRF Loan WW392330 was issued to finance oxidation improvements to the Three Oaks Wastewater Treatment Plant.

[3] The SRF Loan DW3602A0 was issued to finance county wide installation of AMI water meters.

As can be seen from the above table and based on the CIP recognized in the financial forecast, it is assumed that the Utility will not need to issue additional debt during the Forecast Period. Increased debt service requirements are anticipated once the previously-approved SRF Loan start to be repaid beginning in Fiscal Year 2019 to finance oxidation improvements to the Three Oaks Wastewater Treatment Plant ("WWTP") and additional debt service payments in Fiscal Year 2020 on an existing SRF Loan to finance county wide installation of AMI (radio read) water meters. It should be noted that in addition to the final repayment of the Series 2011 Bonds and Series 2013B Bonds at the end of the Forecast Period, final repayment for the Series 2012A and 2012B Bonds will occur just beyond the Forecast Period on October 1, 2029. As a result, LCU can be expected to realize a significant increase in free cash flows available for capital reinvestment just beyond the Forecast Period.

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PRINCIPAL FINDINGS

Based on the assumptions of the revenue and expenditure forecast, the following net revenue requirements funded from rates were identified:

Utility System Net Revenue Requirements and Rate Revenue Adjustments (\$000s) [*]											
Description	Fiscal Year Ending September 30,										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating Expenses	\$60,201	\$62,373	\$64,451	\$66,750	\$68,739	\$70,706	\$72,735	\$74,614	\$76,617	\$78,653	\$80,750
Debt Service	19,912	21,205	22,445	22,851	22,856	22,854	22,849	22,854	22,856	22,101	20,524
Transfers (Capital / Reserves)	35,119	33,568	31,114	33,346	36,854	41,448	46,391	45,841	44,760	44,317	44,633
Less Other Income	(\$5,303)	(\$5,052)	(\$4,885)	(\$4,487)	(\$4,297)	(\$4,336)	(\$4,407)	(\$4,516)	(\$4,507)	(\$4,456)	(\$4,504)
Net Revenue Requirements	\$109,929	\$112,093	\$113,125	\$118,460	\$124,152	\$130,672	\$137,568	\$138,793	\$139,725	\$140,615	\$141,403
Revenue from Rates:											
Existing Rate Revenue	\$109,929	\$112,093	\$113,125	\$114,087	\$114,970	\$115,819	\$116,677	\$117,501	\$118,291	\$119,044	\$119,711
Identified Rate Adjustment	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Adjusted Rate Revenue	\$109,929	\$112,093	\$113,125	\$118,460	\$124,152	\$130,672	\$137,568	\$138,793	\$139,725	\$140,615	\$141,403
Surplus/(Deficiency)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

[*] Amounts shown derived from Table 7 at the end of this report.

As can be seen above, the net revenue requirements are anticipated to increase from approximately \$110 million to \$141 million during the Forecast Period, which will require additional rate adjustments beginning in the Fiscal Year 2021. The identified rate adjustments are primarily due to: i) continued inflationary increases to the cost of operation and maintenance; ii) increases in annual debt service payments due to the issuance of two SRF Loans associated with the installation of AMI meters and capital improvements to the Three Oaks WWTP; and iii) projected increases in annual fund transfers to the Renewal and Replacement Fund, Capital Improvement Fund and unrestricted cash reserves for the purpose of internally funding future capital improvements of the Utility.

Recognizing application of the projected identified rate adjustments, it is anticipated that LCU will maintain compliance with the BOCC's adopted Financial Policy requirements, including:

- Maintaining a minimum operating cash reserves equal to or greater than 120 days or approximately 33% of annual budgeted operating expenses;
- Maintenance of minimum unappropriated capital cash reserves equal to or greater than 1.5% of the prior fiscal year's gross depreciable fixed assets;
- Maximum amount of outstanding principal amount of debt as a percentage to the net fixed assets in service being no greater than a ratio of 50%;
- Maintaining a minimum "All-In" debt service coverage equal to or greater than 150%; and
- Minimum deposit from rate revenues to capital-related funds for capital reinvestment equal to or greater than ten (10%) percent of the prior fiscal year's rate revenues.

The following table provides a summary of the projected compliance with the financial policies based on the financial and rate implementation plan as presented in this Study:

Financial Policy Compliance [1]

Description	Fiscal Year Ending September 30,										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating Reserves [2]:											
Calculated	374	361	318	120	122	124	125	127	128	125	122
Minimum	120	120	120	120	120	120	120	120	120	120	120
Target Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Capital Reserves [3]:											
Ending Cash	\$47,459	\$49,837	\$24,345	\$24,596	\$25,973	\$27,723	\$34,197	\$41,940	\$29,623	\$32,343	\$37,628
Minimum	17,055	18,701	19,313	20,408	21,840	22,391	22,943	23,494	24,046	24,822	25,373
Target Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Debt to Net Fixed Assets:											
Calculated [4]	15.7%	17.3%	17.4%	15.7%	14.8%	13.9%	12.9%	11.8%	10.5%	9.3%	8.0%
Maximum	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Target Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
All-In Coverage:											
Calculated	278%	261%	241%	247%	262%	282%	304%	301%	297%	302%	319%
Minimum	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Target Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reinvestment from Rates:											
Deposits as % of Rev	30.5%	28.5%	26.1%	26.7%	27.6%	29.7%	31.8%	31.2%	30.2%	30.4%	30.4%
Minimum	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Target Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[1] Amounts shown derived from information provided on Table 10 at the end of this Report.

[2] Includes the ending cash balances associated with the Revenue Fund (#00).

[3] Includes the ending cash balances associated with the Renewal and Replacement Fund (#20) and the Capital Improvement Fund (#30).

[4] Amount shown calculated assuming appropriated capital spending in the prior period is converted to a fixed asset. Differences in timing associated with when capital improvements are constructed may materially affect the calculation of compliance with the Financial Policy Debt Capacity (i.e., Net Debt to Net Fixed Asset) maximum ratio.

As can be seen from the prior table the Utility is expected to meet or exceed the targets and benchmark ratios identified in the Utility financial policies. In order to provide additional information, the following table presents a summary of the projected cash balances by Utility fund during the Forecast Period:

Summary of Projected Ending Balances by Fund (\$000s) [*]

Description	Actual 2017	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue Fund (#00)	\$61,697	\$61,697	\$61,697	\$56,097	\$21,947	\$22,947	\$23,947	\$24,947	\$25,947	\$26,947	\$26,947	\$26,947
Customer Deposits (#10)	2,595	2,663	2,796	2,864	2,931	2,997	3,063	3,130	3,198	3,265	3,333	3,398
Water Connection Fees (#12)	22,265	19,542	15,706	7,700	1,319	757	1,050	1,919	501	3,459	6,321	8,885
Sewer Connection Fees (#13)	27,042	30,024	29,859	26,998	800	1,282	3,822	6,116	8,662	8,694	11,039	10,906
R&R Fund (#20)	19,041	14,358	10,144	4,765	6,711	1,168	8,621	7,376	6,241	17,636	21,156	30,596
Vehicle Replacement (#03)	250	250	250	250	250	250	250	250	250	250	250	250
Water Conservation (#35)	1,273	1,395	1,538	1,682	1,275	1,419	1,562	1,706	1,849	1,993	2,136	2,280
Debt Service Reserve (#72)	0	0	0	0	0	0	0	0	0	0	0	0
Capital Improvements (#30)	81,403	31,706	38,155	17,898	16,610	23,386	17,540	25,115	33,850	9,995	9,051	4,753
Construction Fund	0	0	0	0	0	0	0	0	0	0	0	0
Debt Sinking Fund	13,432	13,601	14,254	14,689	14,818	15,046	15,293	15,550	15,830	16,121	15,669	15,235
Total Fund Balance	\$228,999	\$175,236	\$174,400	\$132,944	\$66,662	\$69,252	\$75,148	\$86,109	\$96,328	\$88,358	\$95,901	\$103,250

[*] Derived from information provide on Table 8 at the end of this Report.

As can be seen above, it is anticipated that the use of existing cash reserves to finance the capital needs of the Utility will be required. While the cash balances are projected to decline overall during the Forecast Period, it should be noted that: i) cash reserves remain relatively level in the outer years of the Forecast Period; and ii) the ending cash balances meet or exceed the financial policy goals of the Utility as adopted by the BOCC. A graphical summary of the financial results and performance measures are included within Table 1 attached to this report.

For the purposes of this analysis, a comparison of residential water and wastewater charges with other neighboring utilities was prepared to provide an indication of the competitiveness of the existing residential rates charged by LCU. Based on this analysis, which can be seen on Tables 11 through 13 at the end of this Report, the existing rates for service are considered comparable and below average with the other surveyed utilities.

CONCLUSIONS AND RECOMMENDATIONS

Based on the assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. The County's existing rates for service for the water and wastewater systems are anticipated to recover the projected revenue requirements (Utility expenditure and funding needs) for the Fiscal Year 2019. Therefore, as of the date of this Report no increase in rates is recommended for Fiscal Years 2019 and 2020; however, additional rate adjustments are identified in subsequent years to the forecast. It is recommended that LCU staff re-evaluate the need for such rate adjustments next year.
2. It should be noted that the projected results and assumptions as contained in this Study may vary from actual results. As such, LCU staff should continue to perform annual evaluations to evaluate the need for additional indebtedness and identify rate adjustments and compliance with the County's Financial Policies.
3. Based on recognition of the additional identified rate adjustments, which essentially reflect inflationary rate increases, the Utility is expected to maintain compliance with the adopted Utility Financial Policies and rate covenants of the Bond Resolution.

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LEE COUNTY, FLORIDA
FISCAL YEAR 2018
WATER AND WASTEWATER REVENUE SUFFICIENCY STUDY
LIST OF TABLES

<u>Table No.</u>	<u>Description</u>
1	Water and Wastewater System Financial Overview
2	Historical and Projected Water System Customer Statistics
3	Historical and Projected Wastewater System Customer Statistics
4	Projected Operating Expense Escalation Factors
5	Projection of Utility Operating Expenses
6	Ten-Year Estimated Capital Improvement Program Funding Plan
7	Development of Net Revenue Requirements for the Combined System
8	Development of Fund Balances, Transfers and Interest Income
9	Development of Projected System Operating Results and Debt Coverage
10	Projection of Financial Policy Compliance
11	Comparison of Typical Monthly Residential Bills for Water Service
12	Comparison of Typical Monthly Residential Bills for Wastewater Service
13	Comparison of Typical Monthly Residential Bills for Water and Wastewater Service



Table 1

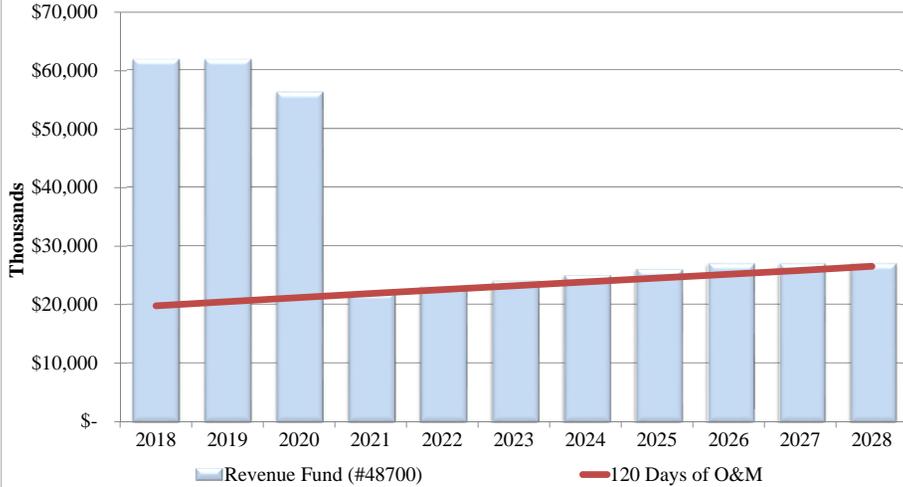
Lee County, Florida

Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

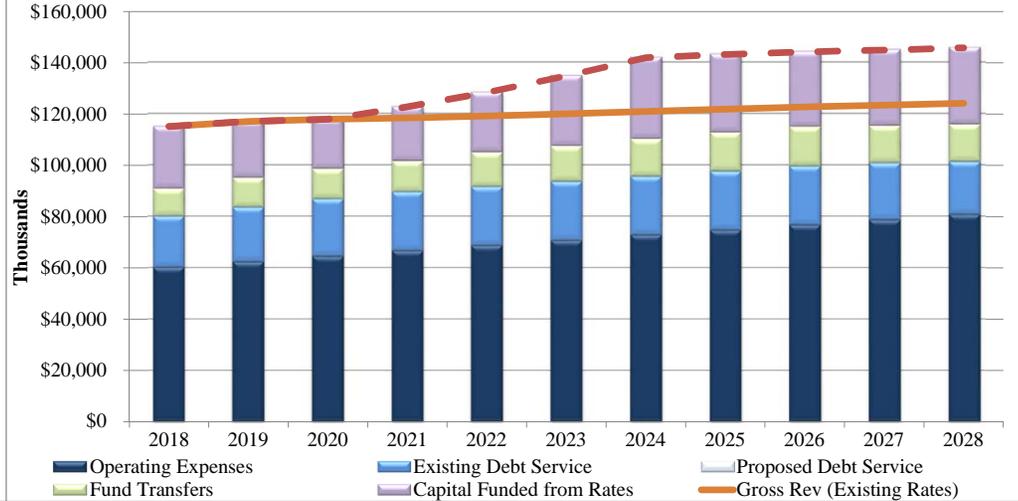
Water and Wastewater System Financial Overview

	Projected Fiscal Year Ending September 30,											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Adopted Rates:												
Water Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Identified Rate Adjustments:	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Effective Month of Increase	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

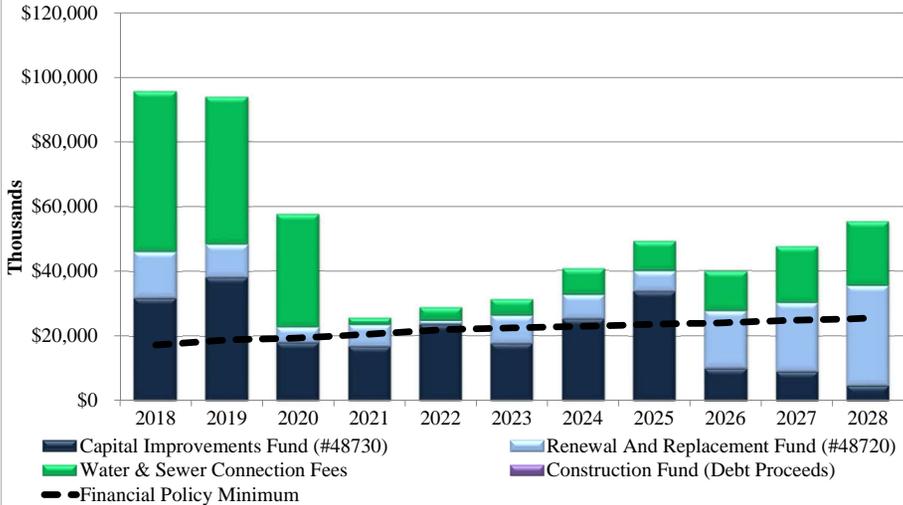
1 - UNRESTRICTED CASH FUND ENDING BALANCES



2 - COMBINED SYSTEM NET REVENUE REQUIREMENTS



3 - CAPITAL RELATED FUND ENDING BALANCES



4 - NET REVENUE MARGIN (NO CONNECTION FEES)

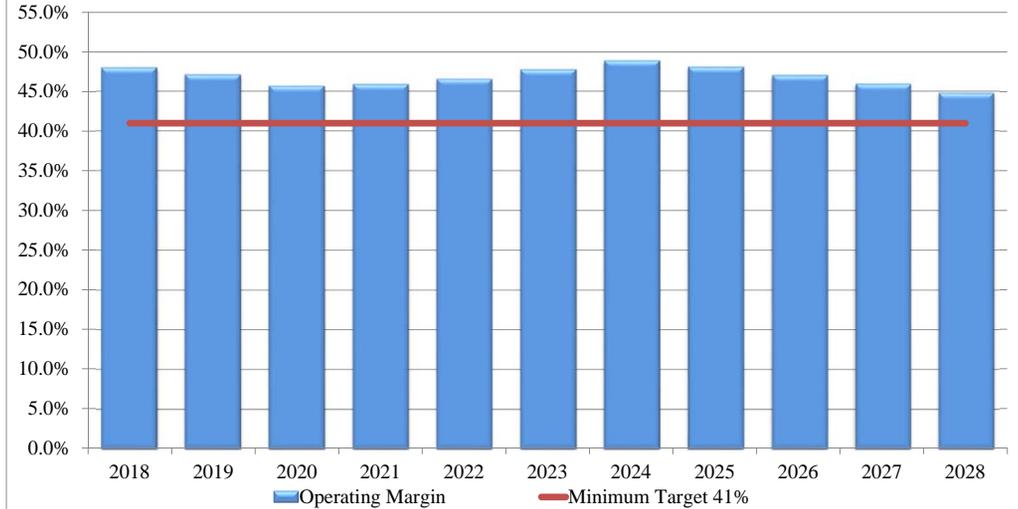




Table 1

Lee County, Florida

Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Water and Wastewater System Financial Overview

	Projected Fiscal Year Ending September 30,										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Adopted Rates:											
Water Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Identified Rate Adjustments:	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Effective Month of Increase	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

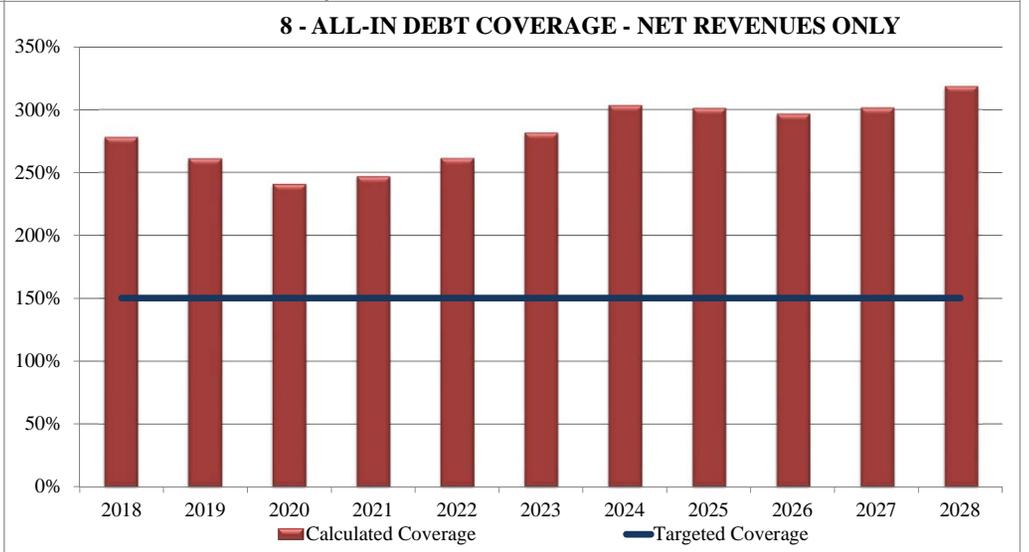
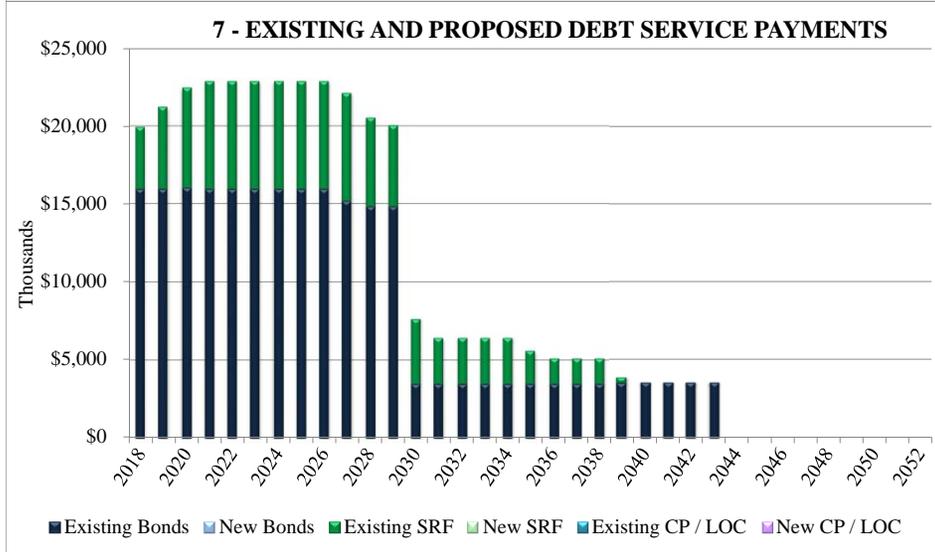
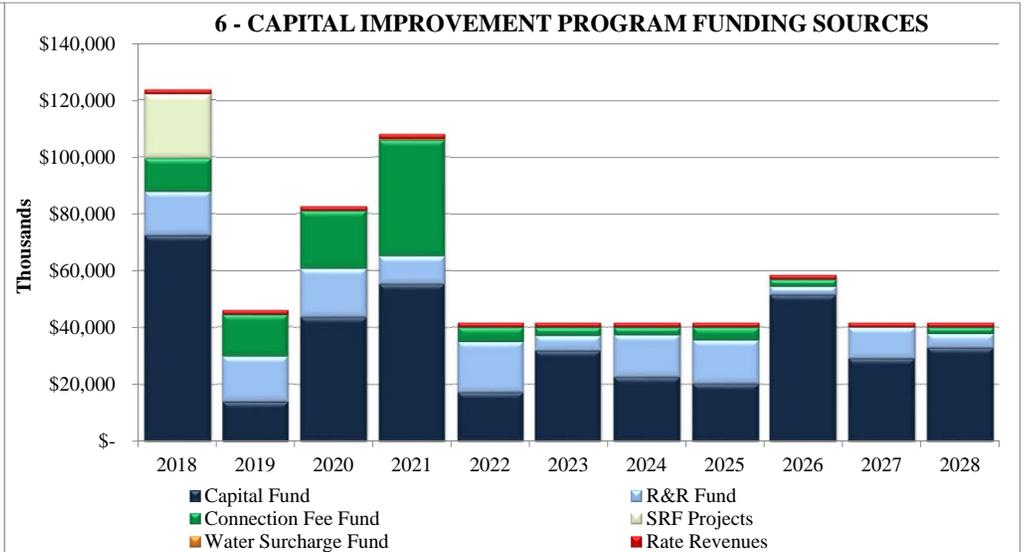
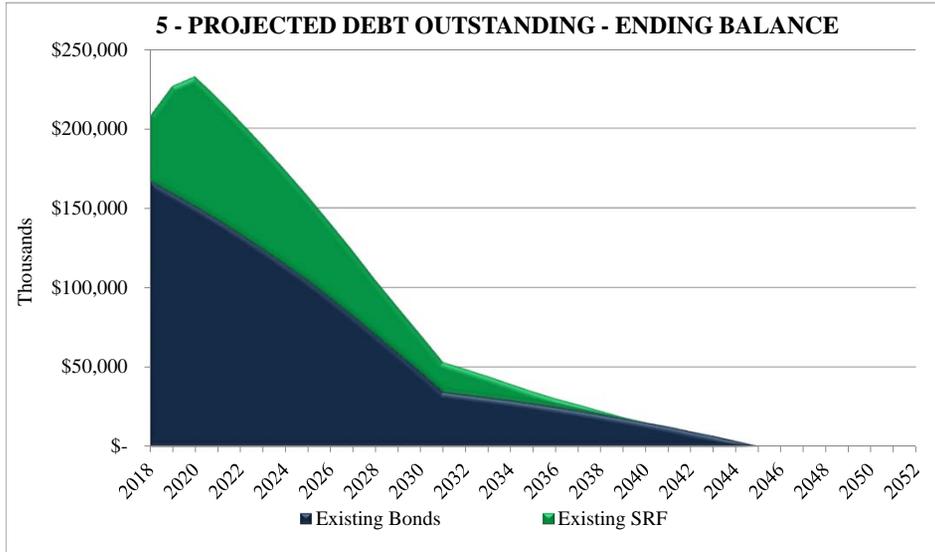




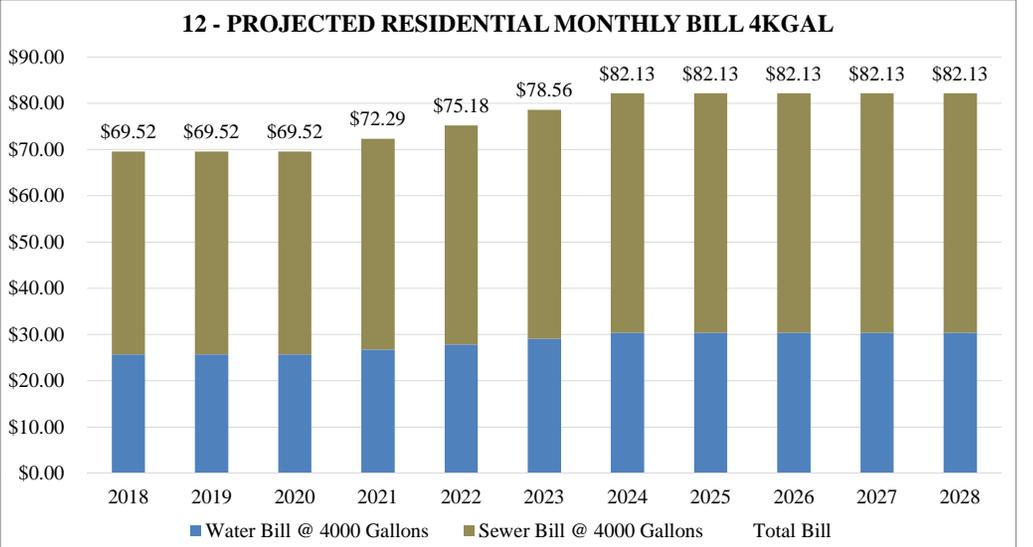
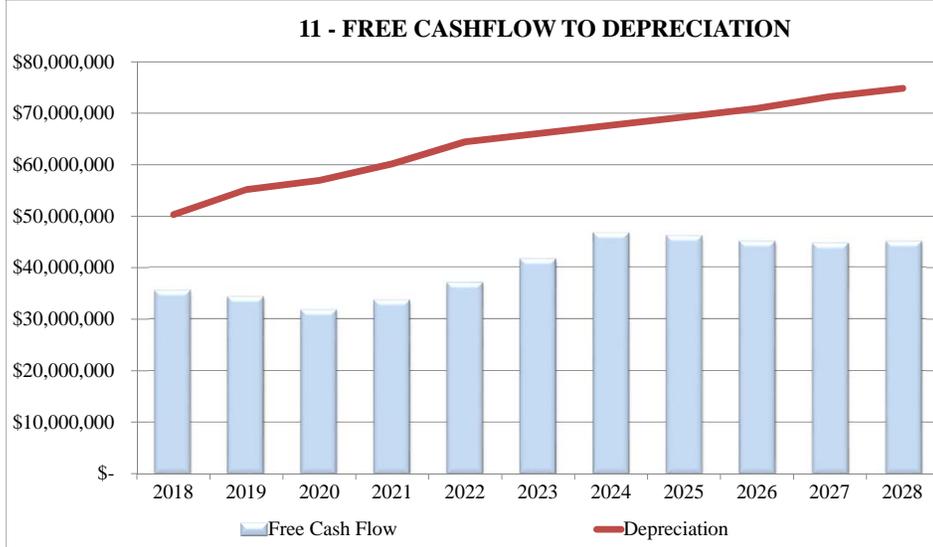
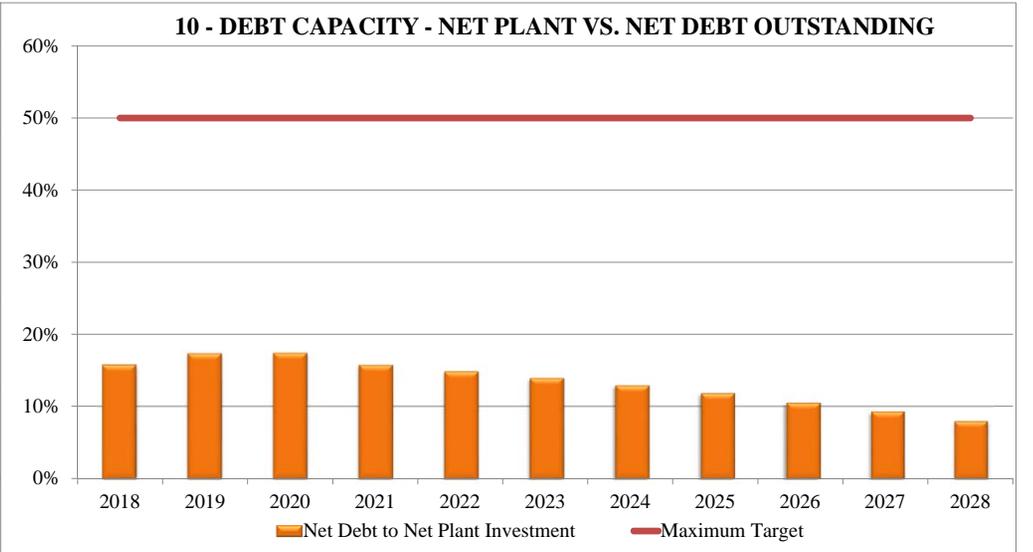
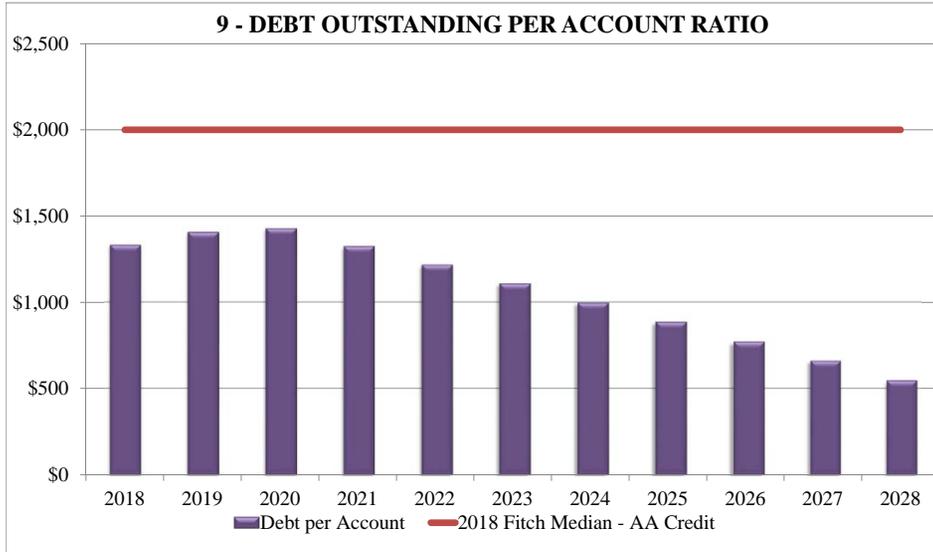
Table 1

Lee County, Florida

Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Water and Wastewater System Financial Overview

	Projected Fiscal Year Ending September 30,										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Adopted Rates:											
Water Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Identified Rate Adjustments:	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Effective Month of Increase	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5



Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Historical and Projected Water System Customer Statistics

Line No.	Description	Historical Fiscal Year Ended September 30,										Projected Fiscal Year Ending September 30,									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Single Family Residential [1]																					
1	Average Annual Accounts	65,726	66,297	66,963	68,270	69,219	70,252	71,437	72,546	73,772	76,819	77,779	78,673	79,499	80,294	81,097	81,867	82,604	83,306	83,931	
2	Average Annual ERUs	65,726	66,297	66,963	68,270	69,219	70,252	71,437	72,546	73,772	76,819	77,779	78,673	79,499	80,294	81,097	81,867	82,604	83,306	83,931	
3	Total Annual Water Sales (000's)	3,689,820	3,844,070	3,720,536	3,635,702	3,692,109	3,656,321	3,624,766	3,836,542	3,806,635	3,834,245	3,882,161	3,926,783	3,968,011	4,007,691	4,047,771	4,086,204	4,122,990	4,158,028	4,189,224	
4	Average Monthly Use per Account	4,678	4,832	4,630	4,438	4,445	4,337	4,228	4,407	4,300	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	
5	Average Monthly Usage (Per ERU)	4,678	4,832	4,630	4,438	4,445	4,337	4,228	4,407	4,300	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	
Multi-Unit Residential																					
6	Average Annual Accounts	2,950	2,947	2,976	3,004	3,081	3,114	3,156	3,156	3,196	3,234	3,264	3,292	3,318	3,343	3,368	3,392	3,415	3,437	3,456	
7	Average Annual Units	58,985	59,264	59,264	59,264	61,667	62,149	63,102	64,602	65,421	66,206	66,827	67,403	67,934	68,444	68,957	69,448	69,917	70,363	70,759	
8	Average Annual ERUs	43,985	44,656	44,656	44,656	47,464	46,939	47,596	48,896	49,516	50,110	50,580	51,016	51,418	51,804	52,192	52,564	52,918	53,256	53,556	
9	Total Annual Water Sales (000's)	1,659,391	1,696,698	1,670,232	1,695,375	1,690,646	1,730,123	1,736,956	1,776,881	1,797,416	1,818,978	1,836,039	1,851,866	1,866,459	1,880,471	1,894,570	1,908,059	1,920,938	1,933,193	1,944,068	
10	Average Monthly Use per Account	46,875	47,978	46,769	47,031	45,728	46,300	45,864	46,918	46,866	0	46,876	46,878	46,877	46,876	46,877	46,876	46,875	46,872	46,877	
11	Average Monthly Usage (Per ERU)	3,144	3,166	3,117	3,164	2,968	3,072	3,041	3,028	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025	
Commercial																					
12	Average Annual Accounts	5,015	5,027	5,467	5,175	5,250	5,333	5,431	5,494	5,555	5,614	5,660	5,703	5,743	5,781	5,819	5,855	5,889	5,922	5,951	
13	Average Annual ERUs	16,878	16,544	16,931	16,474	16,726	16,758	17,299	17,562	17,688	17,811	17,908	18,000	18,082	18,158	18,234	18,306	18,377	18,446	18,503	
14	Total Annual Water Sales (000's)	1,464,904	1,505,540	1,510,450	1,532,243	1,596,316	1,637,336	1,643,078	1,703,492	1,714,506	1,725,338	1,733,809	1,741,877	1,749,059	1,755,745	1,762,431	1,768,804	1,774,999	1,781,105	1,786,102	
15	Average Monthly Use per Account	24,342	24,958	23,024	24,674	25,338	25,585	25,211	25,839	25,720	25,611	25,527	25,453	25,380	25,309	25,240	25,175	25,117	25,063	25,011	
16	Average Monthly Usage (Per ERU)	7,233	7,584	7,434	7,751	7,953	8,142	7,915	8,083	8,078	8,072	8,068	8,064	8,061	8,058	8,055	8,052	8,049	8,046	8,044	
Irrigation Only																					
17	Average Annual Accounts	429	427	419	413	411	410	417	419	419	419	419	419	419	419	419	419	419	419	419	
18	Average Annual ERUs	1,177	1,154	1,133	1,088	1,063	1,048	1,067	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	
19	Total Annual Water Sales (000's)	189,548	178,267	166,365	165,225	171,501	156,408	161,095	168,061	168,061	168,061	168,061	168,061	168,061	168,061	168,061	168,061	168,061	168,061	168,061	
20	Average Monthly Use per Account	36,820	34,791	33,088	33,338	34,773	31,790	32,193	33,425	33,425	33,425	33,425	33,425	33,425	33,425	33,425	33,425	33,425	33,425	33,425	
21	Average Monthly Usage (Per ERU)	13,420	12,873	12,236	12,655	13,445	12,437	12,582	13,004	13,004	13,004	13,004	13,004	13,004	13,004	13,004	13,004	13,004	13,004	13,004	
Non-Irrigation																					
22	Average Annual Accounts	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
23	Average Annual ERUs	78	78	78	78	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	
24	Total Annual Water Sales (000's)	48,803	55,420	49,193	54,007	57,088	56,318	57,624	55,509	55,509	55,509	55,509	55,509	55,509	55,509	55,509	55,509	55,509	55,509	55,509	
25	Average Monthly Use per Account	451,880	513,148	455,491	500,065	528,593	521,463	533,556	513,972	513,972	513,972	513,972	513,972	513,972	513,972	513,972	513,972	513,972	513,972	513,972	
26	Average Monthly Usage (Per ERU)	52,140	59,209	52,557	57,700	58,733	57,940	59,284	57,108	57,108	57,108	57,108	57,108	57,108	57,108	57,108	57,108	57,108	57,108	57,108	
Fire Line																					
27	Average Annual Accounts	1,459	1,482	1,562	1,581	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	
28	Total Retail Water Accounts	75,588	76,189	77,396	78,452	79,562	80,710	82,042	83,216	84,543	87,687	88,723	89,688	90,580	91,438	92,304	93,134	93,928	94,685	95,358	
29	Total Retail Water ERCs	127,844	128,729	129,761	130,566	134,553	135,078	137,480	140,162	142,134	145,898	147,425	148,847	150,157	151,414	152,681	153,895	155,057	156,166	157,148	
30	Total Annual Retail Water Sales (000's)	7,052,466	7,279,995	7,116,776	7,082,552	7,207,660	7,236,506	7,223,519	7,540,485	7,542,127	7,602,131	7,675,579	7,744,096	7,807,099	7,867,477	7,928,342	7,986,637	8,042,497	8,095,896	8,142,964	
Wholesale Water																					
31	Average Annual Accounts	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
32	Water Sales	712,203	715,428	724,001	705,247	723,867	714,624	735,111	742,297	743,526	744,761	746,002	747,250	748,504	749,764	751,030	752,303	753,582	754,868	756,160	
33	Total Estimated Water Sales (000s)	7,764,669	7,995,423	7,840,777	7,787,799	7,931,527	7,951,130	7,958,630	8,282,782	8,285,653	8,346,892	8,421,581	8,491,346	8,555,603	8,617,241	8,679,372	8,738,940	8,796,079	8,850,764	8,899,124	
Purchased / Produced Water (000's)																					
34	Produced Water	8,424,254	8,591,946	8,750,233	8,422,904	8,532,693	8,512,833	8,710,483	9,039,850	9,006,145	9,072,709	9,153,892	9,229,724	9,299,568	9,366,566	9,434,100	9,498,848	9,560,955	9,620,396	9,672,961	
35	Purchased Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
36	Total	8,424,254	8,591,946	8,750,233	8,422,904	8,532,693	8,512,833	8,710,483	9,039,850	9,006,145	9,072,709	9,153,892	9,229,724	9,299,568	9,366,566	9,434,100	9,498,848	9,560,955	9,620,396	9,672,961	
37	Average Daily Flow (MGD)	23.08	23.54	23.97	23.08	23.38	23.32	23.86	24.77	24.67	24.86	25.08	25.29	25.48	25.66	25.85	26.02	26.19	26.36	26.50	
Non-Revenue Water																					
38	Amount (000's)	659,585	596,523	909,456	635,105	601,166	561,703	751,853	757,068	720,492	725,817	732,311	738,378	743,965	749,325	754,728	759,908	764,876	769,632	773,837	
39	Percent	7.83%	6.94%	10.39%	7.54%	7.05%	6.60%	8.63%	8.37%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	

Footnote:
[1] Based on discussions with County staff, Commencing in Fiscal Year 2019 the County will no longer allow residential customers to place accounts on stand-by (currently stand-by accounts are not provided service and not billed) and will instead bill all customers at a minimum the base service charge and administrative fee. This change in billing practices recognizes that the County must maintain service availability to the customer, whether or not such customer is utilizing the such service. County staff has estimated that this change in billing will increase the monthly single family residential bills rendered by approximately 2.53%. While this change increase the projected average annual single family residential accounts, it does not increase the actual number of households connected the the System or increase the amount of billed flow from the residential customer class.

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Historical and Projected Wastewater System Customer Statistics

Line No.	Description	Projected Fiscal Year Ending September 30,																		
		2010	2011	2012	2013	2014	2015	2016	2016	2018	2019 [1]	2020	2021	2022	2023	2024	2025	2026	2027	2028
Lee County																				
Single Family Residential⁽¹⁾																				
1	Average Annual Accounts	44,651	45,298	45,899	46,492	47,623	48,525	49,395	50,269	51,119	53,230	53,895	54,515	55,087	55,638	56,194	56,728	57,239	57,726	58,159
2	Average Annual ERUs	44,651	45,298	45,899	46,492	47,623	48,525	49,395	50,269	51,119	53,230	53,895	54,515	55,087	55,638	56,194	56,728	57,239	57,726	58,159
3	Total Revenue Gallons (000's)	2,077,734	2,141,308	1,868,916	2,415,763	2,323,604	2,130,755	2,153,334	2,227,936	2,239,012	2,331,474	2,360,601	2,387,757	2,412,811	2,436,944	2,461,297	2,484,686	2,507,068	2,528,399	2,547,364
4	Average Monthly Use per Account	3,878	3,939	3,393	4,330	4,066	3,659	3,633	3,693	3,650	0	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
5	Average Monthly Usage (Per ERU)	3,878	3,939	3,393	4,330	4,066	3,659	3,633	3,693	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Multi-Unit Residential																				
6	Average Annual Accounts	2,468	2,467	2,485	2,504	2,535	2,562	2,586	2,590	2,623	2,654	2,679	2,702	2,723	2,743	2,764	2,784	2,803	2,821	2,837
7	Average Annual Units	51,866	52,963	52,963	47,672	49,400	48,446	50,114	54,810	55,504	56,170	56,697	57,186	57,636	58,068	58,503	58,920	59,318	59,696	60,032
8	Average Annual ERUs	39,849	40,653	40,653	35,775	36,884	36,594	37,576	41,119	41,640	42,140	42,535	42,902	43,239	43,563	43,890	44,202	44,501	44,784	45,036
9	Total Revenue Gallons (000's)	1,230,672	1,244,463	1,243,988	1,299,263	1,350,884	1,324,094	1,402,929	1,415,170	1,429,085	1,446,231	1,459,794	1,472,383	1,483,969	1,495,089	1,506,291	1,517,026	1,527,267	1,537,001	1,545,649
10	Average Monthly Use per Account	41,554	42,037	41,717	43,240	44,408	43,068	45,209	45,533	45,402	0	45,409	45,410	45,415	45,421	45,414	45,409	45,406	45,404	45,402
11	Average Monthly Usage (Per ERU)	2,574	2,551	2,550	3,026	3,052	3,015	3,111	2,868	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860
Commercial																				
12	Average Annual Accounts	3,533	3,559	3,596	3,687	3,735	3,804	3,880	3,920	3,963	4,005	4,038	4,068	4,096	4,123	4,150	4,176	4,201	4,224	4,245
13	Average Annual ERUs	13,231	13,000	12,576	12,862	13,033	12,972	13,248	13,399	13,491	13,582	13,652	13,717	13,773	13,828	13,883	13,937	13,990	14,039	14,083
14	Total Revenue Gallons (000's)	1,176,753	1,163,018	1,096,400	1,231,296	1,284,623	1,323,462	1,345,589	1,375,791	1,384,126	1,392,374	1,398,684	1,404,592	1,409,623	1,414,563	1,419,505	1,424,359	1,429,126	1,433,578	1,437,548
15	Average Monthly Use per Account	27,756	27,232	25,408	27,830	28,662	28,993	28,900	29,247	29,105	28,972	28,865	28,773	28,679	28,591	28,504	28,424	28,349	28,282	28,220
16	Average Monthly Usage (Per ERU)	7,412	7,455	7,265	7,978	8,214	8,502	8,464	8,557	8,550	8,543	8,538	8,533	8,529	8,525	8,521	8,517	8,513	8,509	8,506
Town of Ft. Myers Beach																				
Single Family Residential																				
17	Average Annual Accounts	2,348	2,348	2,799	2,377	2,391	2,412	2,416	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432
18	Average Annual ERUs	2,348	2,348	2,799	2,377	2,391	2,412	2,416	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432	2,432
19	Total Revenue Gallons (000's)	106,662	106,662	71,512	99,267	111,304	107,156	106,079	121,922	115,826	121,922	121,922	121,922	121,922	121,922	121,922	121,922	121,922	121,922	121,922
20	Average Monthly Use per Account	3,786	3,786	2,129	3,480	3,879	3,702	3,659	4,178	3,969	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178
21	Average Monthly Usage (Per ERU)	3,786	3,786	2,129	3,480	3,879	3,702	3,659	4,178	3,969	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178
Multi-Unit Residential																				
22	Average Annual Accounts	461	461	500	475	475	474	482	488	488	488	488	488	488	488	488	488	488	488	488
23	Average Annual Units	6,634	6,397	6,514	6,358	6,514	6,514	6,514	6,358	6,358	6,358	6,358	6,358	6,358	6,358	6,358	6,358	6,358	6,358	6,358
24	Average Annual ERUs	5,283	5,095	5,187	5,063	5,187	5,187	5,187	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063	5,063
25	Average Monthly Use per Account	31,948	31,948	27,016	29,258	31,361	32,003	30,746	29,624	28,143	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624
26	Total Revenue Gallons (000's)	176,736	176,736	162,097	166,771	178,759	182,031	177,834	173,479	164,805	173,479	173,479	173,479	173,479	173,479	173,479	173,479	173,479	173,479	173,479
27	Average Monthly Use per Account	31,948	31,948	27,016	29,258	31,361	32,003	30,746	29,624	28,143	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624	29,624
28	Average Monthly Usage (Per ERU)	2,788	2,891	2,604	2,745	2,872	2,924	2,857	2,855	2,713	2,855	2,855	2,855	2,855	2,855	2,855	2,855	2,855	2,855	2,855
Commercial																				
29	Average Annual Accounts	203	203	246	209	209	196	209	210	210	210	210	210	210	210	210	210	210	210	210
30	Average Annual ERUs	713	713	814	744	748	716	752	777	777	777	777	777	777	777	777	777	777	777	777
31	Total Revenue Gallons (000's)	119,305	119,305	111,983	122,799	130,880	134,846	135,514	112,393	112,393	112,393	112,393	112,393	112,393	112,393	112,393	112,393	112,393	112,393	112,393
32	Average Monthly Use per Account	48,976	48,976	37,935	48,963	52,185	57,332	54,033	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600
33	Average Monthly Usage (Per ERU)	13,944	13,944	11,464	13,754	14,581	15,694	15,017	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054
Sewer Only Customers																				
Single Family Residential																				
34	Average Annual Accounts	448	377	367	362	352	320	333	330	330	330	330	330	330	330	330	330	330	330	330
35	Average Annual ERUs	448	377	367	362	352	320	333	330	330	330	330	330	330	330	330	330	330	330	330
36	Total Revenue Gallons (000's)	24,204	20,129	20,522	21,169	22,146	18,675	1,492	17,807	17,807	17,807	17,807	17,807	17,807	17,807	17,807	17,807	17,807	17,807	17,807
37	Average Monthly Use per Account	4,502	4,449	4,660	4,873	5,243	4,863	373	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497
38	Average Monthly Usage (Per ERU)	4,502	4,449	4,660	4,873	5,243	4,863	373	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,497
Multi-Unit Residential																				
39	Average Annual Accounts	14	14	6	6	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4
40	Average Annual Units	78	195	78	52	78	78	10	9	9	9	9	9	9	9	9	9	9	9	9
41	Average Annual ERUs	62	155	62	41	62	62	7	7	7	7	7	7	7	7	7	7	7	7	7
42	Average Monthly Use per Account	54,542	54,542	7,083	6,528	6,233	6,483	646	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083
43	Total Revenue Gallons (000's)	9,163	9,163	510	470	374	389	31	388	388	388	388	388	388	388	388	388	388	388	388
44	Average Monthly Use per Account	54,542	54,542	7,083	6,528	6,233	6,483	646	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083
45	Average Monthly Usage (Per ERU)	12,316	4,926	685	955	503	523	369	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619
Commercial																				
46	Average Annual Accounts	35	35	24	22	22	18	20	20	20	20	20	20	20	20	20	20	20	20	20
47	Average Annual ERUs	93	93	28	24	24	20	21	22	22	22	22	22	22	22	22	22	22	22	22
48	Total Revenue Gallons (000's)	3,932	3,932	1,513	1,513	1,178	1,115	116	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489
49	Average Monthly Use per Account	9,362	9,362	5,253	5,731	4,462	5,162	483	6,204	6,204	6,204	6,204	6,204	6,204	6,204	6,204	6,204	6,204	6,204	6,204
50	Average Monthly Usage (Per ERU)	3,523	3,523	4,503	5,253	4,090	4,646	460												

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Historical and Projected Wastewater System Customer Statistics

Line No.	Description	Historical Data										Projected Fiscal Year Ending September 30,									
		2010	2011	2012	2013	2014	2015	2016	2016	2018	2019 [1]	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Solid Waste Leachate																					
51	Average Annual Accounts	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
52	Total Revenue Gallons (000's)	29,448	29,448	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
53	Total Retail Wastewater Accounts	54,162	54,763	55,922	56,134	57,347	58,316	59,325	60,263	61,189	63,373	64,096	64,769	65,390	65,988	66,592	67,172	67,727	68,255	68,725	
54	Total Retail Wastewater ERCs	106,678	107,732	108,385	103,740	106,304	106,808	108,935	113,418	114,881	117,583	118,713	119,765	120,730	121,660	122,598	123,498	124,361	125,180	125,909	
55	Total Retail Revenue Gallons (000's)	4,954,609	5,014,164	4,577,441	5,358,311	5,403,752	5,222,523	5,322,918	5,446,375	5,464,931	5,597,557	5,646,557	5,692,210	5,733,881	5,774,074	5,814,571	5,853,549	5,890,939	5,926,456	5,958,039	
Wholesale Revenue Gallons																					
56	Average Annual Accounts	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	
57	Total Revenue Gallons (000's)	214,507	254,450	276,247	275,787	277,082	203,018	214,637	231,480	231,480	232,586	233,698	234,815	235,938	237,066	238,201	239,340	240,486	241,637	242,794	
58	Total Billed Wastewater Flows (000's)	5,169,116	5,268,614	4,853,688	5,634,098	5,680,834	5,425,541	5,537,555	5,677,855	5,696,411	5,830,143	5,880,255	5,927,025	5,969,819	6,011,140	6,052,772	6,092,889	6,131,425	6,168,093	6,200,833	
59	Treated Wastewater Flow (000s)	5,602,042	6,067,368	5,663,066	5,580,066	5,475,070	5,883,559	5,479,641	5,938,595	5,933,761	6,073,066	6,125,266	6,173,984	6,218,561	6,261,604	6,304,971	6,346,759	6,386,901	6,425,097	6,459,201	
60	Average Daily Flow (MGD)	15.35	16.62	15.52	15.29	15.00	16.12	15.01	16.27	16.26	16.64	16.78	16.92	17.04	17.16	17.27	17.39	17.50	17.60	17.70	

Footnote:

[1] Based on discussions with County staff, Commencing in Fiscal Year 2019 the County will no longer allow residential customers to place accounts on stand-by (currently stand-by accounts are not provided service and not billed) and will instead bill all customers at a minimum the base service charge and administrative fee. This change in billing practices recognizes that the County must maintain service availability to the customer, whether or not such customer is utilizing the such service. County staff has estimated that this change in billing will increase the monthly single family residential bills rendered by approximately 2.53%. While this change increase the projected average annual single family residential accounts, it does not increase the actual number of households connected the the System or increase the amount of billed flow from the residential customer class.

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projected Operating Expense Escalation Factors [1]

Line No.	Description	Factor Reference	Fiscal Year Ending September 30,								
			2020	2021	2022	2023	2024	2025	2026	2027	2028
1	General Inflation - CBO January 2018 - CPI	Inflation	1.0230	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240
2	Labor	Labor	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
3	Medical Insurance [2]	MedIns	1.0357	1.0357	1.0357	1.0357	1.0357	1.0357	1.0357	1.0357	1.0357
4	Customer Growth - Water	WaterCust	1.0117	1.0108	1.0098	1.0094	1.0094	1.0089	1.0080	1.0080	1.0071
5	Repairs and Maintenance [3]	Repair	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
6	Insurance	Insurance	1.0230	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240	1.0240
7	Flow Growth+Inflation-Water	FlowW	1.0319	1.0323	1.0316	1.0312	1.0312	1.0309	1.0302	1.0302	1.0294
8	Flow Growth+Inflation-Sewer	FlowS	1.0316	1.0320	1.0312	1.0309	1.0309	1.0306	1.0299	1.0299	1.0293
9	Lee County WTP Operating Supplies	WTP_OP	1.0589	1.0583	1.0576	1.0572	1.0572	1.0569	1.0562	1.0562	1.0554
10	Lee County WWTP Operating Supplies	WWTP_OP	1.0586	1.0580	1.0572	1.0569	1.0569	1.0566	1.0559	1.0559	1.0553
11	Ft. Myers Treatment Cost	Treat	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350
12	Sludge	Sludge	1.0436	1.0430	1.0422	1.0419	1.0419	1.0416	1.0409	1.0409	1.0403
13	Electrical Expense	Electric	1.0339	1.0333	1.0326	1.0322	1.0322	1.0319	1.0312	1.0312	1.0304
14	Postage	Postage	1.0591	1.0582	1.0573	1.0569	1.0569	1.0564	1.0555	1.0555	1.0546

Footnote:

- [1] Amounts shown reflect escalation factors applied in development of projected revenues and expenses. Fiscal Year 2018 and 2019 budgets served as basis of the forecast.
[2] BLS Medical Care Index 20-Year Change as of January 2018.
[3] ENR Construction Cost Index 20-Year Change as of January 2018.

Table 5

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Escalation Reference	2019		Fiscal Year Ending September 30,										
		Budget	Adjustments		Adjusted 2018	Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
OPERATING EXPENSES																	
Administration (# 53663)																	
1	Salaries and Wages	\$885,243	\$0	\$885,243	Labor	\$974,233	\$0	\$974,233	\$1,003,460	\$1,033,564	\$1,064,571	\$1,096,508	\$1,129,403	\$1,163,285	\$1,198,184	\$1,234,130	\$1,271,154
2	Health Insurance	140,880	0	140,880	MedIns	190,800	0	190,800	197,612	204,667	211,974	219,541	227,379	235,496	243,903	252,610	261,628
3	Other Benefits	179,612	0	179,612	Labor	202,988	0	202,988	209,078	215,350	221,811	228,465	235,319	242,379	249,650	257,140	264,854
4	Professional Services	50,000	0	50,000	Inflation	395,000	0	395,000	404,085	413,783	423,714	433,883	444,296	454,959	465,878	477,059	488,508
5	Other Contracted Services	91,184	0	91,184	Inflation	101,100	0	101,100	103,425	105,907	108,449	111,052	113,717	116,446	119,241	122,103	125,033
6	Travel and Per Diem	7,500	0	7,500	Inflation	10,132	0	10,132	10,365	10,614	10,869	11,130	11,397	11,671	11,951	12,238	12,532
7	Communication	23,026	0	23,026	Inflation	32,760	0	32,760	33,513	34,317	35,141	35,984	36,848	37,732	38,638	39,565	40,515
8	Freight and Postage	3,500	0	3,500	Inflation	3,500	0	3,500	3,581	3,667	3,755	3,845	3,937	4,031	4,128	4,227	4,328
9	Advertising	650	0	650	Inflation	8,500	0	8,500	8,696	8,905	9,119	9,338	9,562	9,791	10,026	10,267	10,513
10	Trash, Garbage & Sludge Removal	200	0	200	Inflation	250	0	250	256	262	268	274	281	288	295	302	309
11	Equipment Rental	10,927	0	10,927	Inflation	8,500	0	8,500	8,696	8,905	9,119	9,338	9,562	9,791	10,026	10,267	10,513
12	Self-Insurance Assessment	28,337	0	28,337	Insurance	38,062	0	38,062	38,937	39,871	40,828	41,808	42,811	43,838	44,890	45,967	47,070
13	Repair and Maintenance	44,100	0	44,100	Repair	41,000	0	41,000	42,230	43,497	44,802	46,146	47,530	48,956	50,425	51,938	53,496
14	Printing	250	0	250	Inflation	200	0	200	205	210	215	220	225	230	236	242	248
15	Other Administrative Fees	18,660	0	18,660	Inflation	23,260	0	23,260	23,795	24,366	24,951	25,550	26,163	26,791	27,434	28,092	28,766
16	Indirect Costs	68,940	0	68,940	Inflation	70,367	0	70,367	71,985	73,713	75,482	77,294	79,149	81,049	82,994	84,986	87,026
17	General Office Supplies	9,500	0	9,500	Inflation	12,000	0	12,000	12,276	12,571	12,873	13,182	13,498	13,822	14,154	14,494	14,842
18	Operating Supplies	16,250	0	16,250	Inflation	22,200	0	22,200	22,711	23,256	23,814	24,386	24,971	25,570	26,184	26,812	27,455
19	Subscriptions, Memberships and Educational Expenses	26,000	0	26,000	Inflation	28,000	0	28,000	28,644	29,331	30,055	30,756	31,494	32,250	33,024	33,817	34,629
20	Capital Outlay - Furniture and Equipment [3]	6,000	(6,000)	0	Inflation	5,000	(5,000)	0	0	0	0	0	0	0	0	0	0
21	Total	\$1,610,759	(\$6,000)	\$1,604,759		\$2,167,852	(\$5,000)	\$2,162,852	\$2,223,550	\$2,286,756	\$2,351,790	\$2,418,700	\$2,487,542	\$2,558,375	\$2,631,261	\$2,706,256	\$2,783,419
Water Meter Services (# 53609)																	
22	Salaries and Wages	\$937,059	\$0	\$937,059	Labor	\$939,695	\$0	\$939,695	\$967,886	\$996,923	\$1,026,831	\$1,057,636	\$1,089,365	\$1,122,046	\$1,155,707	\$1,190,378	\$1,226,089
23	Health Insurance	321,660	0	321,660	MedIns	356,040	0	356,040	368,751	381,915	395,549	409,670	424,295	439,442	455,130	471,378	488,206
24	Other Benefits	179,360	0	179,360	Labor	185,750	0	185,750	191,323	197,063	202,975	209,064	215,336	221,796	228,450	235,304	242,363
	Legal Services	0	0	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
25	Professional Services	10,000	0	10,000	Inflation	5,000	0	5,000	5,115	5,238	5,364	5,493	5,625	5,760	5,898	6,040	6,185
26	Other Contracted Services	65,577	0	65,577	Inflation	82,100	0	82,100	83,988	86,004	88,068	90,182	92,346	94,562	96,831	99,155	101,535
27	Travel and Per Diem	500	0	500	Inflation	165,447	0	165,447	169,252	173,314	177,474	181,733	186,095	190,561	195,134	199,817	204,613
28	Communication	18,556	0	18,556	Inflation	49,485	0	49,485	50,623	51,838	53,082	54,356	55,661	56,997	58,365	59,766	61,200
29	Freight and Postage	500	0	500	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
30	Equipment Rental	152,397	0	152,397	Inflation	1,700	0	1,700	1,739	1,781	1,824	1,868	1,913	1,959	2,006	2,054	2,103
31	Self-Insurance Assessment	58,486	0	58,486	Inflation	74,430	0	74,430	76,142	77,969	79,840	81,756	83,718	85,727	87,784	89,891	92,048
32	Repair and Maintenance	311,000	0	311,000	Repair	309,500	0	309,500	318,785	328,349	338,199	348,345	358,795	369,559	380,646	392,065	403,827
33	Printing	1,500	0	1,500	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
34	Other Administrative Fees	0	0	0	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
35	Indirect Costs	126,390	0	126,390	Inflation	129,006	0	129,006	131,973	135,140	138,383	141,704	145,105	148,588	152,154	155,806	159,545
36	General Office Supplies	1,200	0	1,200	Inflation	1,200	0	1,200	1,228	1,257	1,287	1,318	1,350	1,382	1,415	1,449	1,484
37	Operating Supplies [3]	264,480	0	264,480	Inflation	170,987	0	170,987	174,920	179,118	183,417	187,819	192,327	196,943	201,670	206,510	211,466
38	Subscriptions, Memberships and Educational Expenses	500	0	500	Inflation	5,000	0	5,000	5,115	5,238	5,364	5,493	5,625	5,760	5,898	6,040	6,185
39	Capital Outlay - Furniture and Equipment [3]	80,000	(80,000)	0	Inflation	80,000	(80,000)	0	0	0	0	0	0	0	0	0	0
40	Capital Outlay - Vehicle and Rolling Stock [3]	70,000	(70,000)	0	Inflation	100,000	(100,000)	0	0	0	0	0	0	0	0	0	0
41	Total	\$2,599,165	(\$150,000)	\$2,449,165		\$2,658,340	(\$180,000)	\$2,478,340	\$2,549,910	\$2,624,291	\$2,700,877	\$2,779,735	\$2,860,933	\$2,944,541	\$3,030,631	\$3,119,281	\$3,210,565
Customer Services, Billings & Collections (# 53610)																	
42	Salaries and Wages [4]	\$1,086,081	\$0	\$1,086,081	Labor	\$1,148,499	\$0	\$1,148,499	\$1,182,954	\$1,218,443	\$1,254,996	\$1,292,646	\$1,331,425	\$1,371,368	\$1,412,509	\$1,454,884	\$1,498,531
43	Health Insurance	362,760	0	362,760	MedIns	376,800	0	376,800	390,252	404,184	418,613	433,557	449,035	465,066	481,669	498,865	516,674
44	Other Benefits	205,074	0	205,074	Labor	221,210	0	221,210	227,846	234,681	241,721	248,973	256,442	264,135	272,059	280,221	288,628
45	Professional Services	375,000	0	375,000	WaterCust	480,000	0	480,000	485,605	490,830	496,664	503,115	505,009	509,510	513,583	517,689	521,343
46	Other Contracted Services [5]	1,312,661	0	1,312,661	Inflation	1,412,200	0	1,412,200	1,444,681	1,479,353	1,514,857	1,551,214	1,588,443	1,626,566	1,665,604	1,705,578	1,746,512
47	Travel and Per Diem	4,500	0	4,500	Inflation	4,000	0	4,000	4,092	4,190	4,291	4,394	4,499	4,607	4,718	4,831	4,947
48	Communication	95,601	0	95,601	Inflation	109,290	0	109,290	111,804	114,487	117,235	120,049	122,930	125,880	128,901	131,995	135,163
49	Freight and Postage	500,000	0	500,000	Postage	475,000	0	475,000	503,086	532,378	562,894	594,905	628,737	664,207	701,074	739,987	780,379
50	Electric	12,000	0	12,000	Electric	10,000	0	10,000	10,339	10,683	11,031	11,386	11,753	12,127	12,505	12,895	13,287
51	Trash, Garbage & Sludge Removal	1,000	0	1,000	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
52	Equipment Rental	3,700	0	3,700	Inflation	5,000	0	5,000	5,115	5,238	5,364	5,493	5,625	5,760	5,898	6,040	6,185
53	Self-Insurance Assessment	47,762	0	47,762	Inflation	65,737	0	65,737	67,249	68,863	70,516	72,208	73,941	75,716	77,533	79,394	81,299
54	Repair and Maintenance	13,000	0	13,000	Inflation	7,000	0	7,000	7,161	7,333	7,509	7,689	7,874	8,063	8,257	8,455	8,658
55	Printing	5,000	0	5,000	Inflation	3,900	0	3,900	3,990	4,086	4,184	4,284	4,387	4,492	4,600	4,710	4,823
56	Other Administrative Fees	10,000	0	10,000	Inflation	7,450	0	7,450	7,621	7,804	7,991	8,183	8,379	8,580	8,786	8,997	9,213
57	Indirect Costs	114,900	0	114,900	Inflation	134,870	0	134,870	137,972	141,283	144,674	148,146	151,702	155,343	159,071	162,889	166,798
58	General Office Supplies	10,000	0	10,000	Inflation	10,500	0	10,500	10,742	11,000	11,264	11,534	11,811	12,094	12,381	12,681	12,985

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Escalation Reference	2019		Fiscal Year Ending September 30,										
		Budget	Adjustments		Adjusted 2018	Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Locates (# 53611)																	
63	Salaries and Wages	\$345,553	\$0	\$345,553	Labor	\$268,823	\$0	\$268,823	\$276,888	\$285,195	\$293,751	\$302,564	\$311,641	\$320,990	\$330,620	\$340,539	\$350,755
64	Health Insurance	79,020	0	79,020	MedIns	67,860	0	67,860	70,283	72,792	75,391	78,082	80,870	83,757	86,747	89,844	93,051
65	Other Benefits	62,354	0	62,354	Labor	54,851	0	54,851	56,497	58,192	59,938	61,736	63,588	65,496	67,461	69,485	71,570
66	Other Contracted Services	48,956	0	48,956	Inflation	41,500	0	41,500	42,455	43,474	44,517	45,585	46,679	47,799	48,946	50,121	51,324
67	Travel and Per Diem	0	0	0	Inflation	16,578	0	16,578	16,959	17,366	17,783	18,210	18,647	19,095	19,553	20,022	20,503
68	Communication	4,414	0	4,414	Inflation	6,257	0	6,257	6,401	6,555	6,712	6,873	7,038	7,207	7,380	7,557	7,738
69	Freight and Postage	250	0	250	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
70	Equipment Rental	15,885	0	15,885	Inflation	600	0	600	614	629	644	659	675	691	708	725	742
71	Self-Insurance Assessment	14,451	0	14,451	Inflation	18,492	0	18,492	18,917	19,371	19,836	20,312	20,799	21,298	21,809	22,332	22,868
72	Repair and Maintenance	25,500	0	25,500	Repair	24,500	0	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132	31,036	31,967
73	Indirect Costs	34,470	0	34,470	Inflation	29,320	0	29,320	29,994	30,714	31,451	32,206	32,979	33,770	34,580	35,410	36,260
74	General Office Supplies	0	0	0	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
75	Operating Supplies	17,450	0	17,450	Inflation	18,112	0	18,112	18,529	18,974	19,429	19,895	20,372	20,861	21,362	21,875	22,400
76	Capital Outlay - Furniture and Equipment [3]	4,000	(4,000)	0	Inflation	4,000	(4,000)	0	0	0	0	0	0	0	0	0	0
77	Capital Outlay - Vehicle and Rolling Stock [3]	0	0	0	Inflation	24,000	(24,000)	0	0	0	0	0	0	0	0	0	0
78	Total	\$652,303	(\$4,000)	\$648,303		\$575,393	(\$28,000)	\$547,393	\$563,284	\$579,778	\$596,761	\$614,247	\$632,253	\$650,795	\$669,889	\$689,551	\$709,798
Utilities Engineering (# 53607)																	
79	Salaries and Wages [4]	\$2,017,402	\$0	\$2,017,402	Labor	\$2,098,107	\$0	\$2,098,107	\$2,161,050	\$2,225,882	\$2,292,658	\$2,361,438	\$2,432,281	\$2,505,249	\$2,580,406	\$2,657,818	\$2,737,553
80	Health Insurance	391,500	0	391,500	MedIns	460,620	0	460,620	477,064	494,095	511,734	530,003	548,924	568,521	588,817	609,838	631,609
81	Other Benefits	364,410	0	364,410	Labor	383,152	0	383,152	394,647	406,486	418,681	431,241	444,178	457,503	471,228	485,365	499,926
82	Professional Services	100,250	0	100,250	Inflation	250,000	0	250,000	255,750	261,888	268,173	274,609	281,200	287,949	294,860	301,937	309,183
83	Other Contracted Services	162,182	0	162,182	Inflation	153,700	0	153,700	157,235	161,009	164,873	168,830	172,882	177,031	181,280	185,631	190,086
84	Travel and Per Diem	4,500	0	4,500	Inflation	60,641	0	60,641	62,036	63,525	65,050	66,611	68,210	69,847	71,523	73,240	74,998
85	Communication	33,221	0	33,221	Inflation	40,449	0	40,449	41,379	42,372	43,389	44,430	45,496	46,588	47,706	48,851	50,023
86	Freight and Postage	100	0	100	Inflation	100	0	100	102	104	106	109	112	115	118	121	124
87	Trash, Garbage & Sludge Removal	50	0	50	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
88	Land, Building, Parking Rental	2,550	0	2,550	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
89	Equipment Rental	51,762	0	51,762	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
90	Self-Insurance Assessment	41,445	0	41,445	Insurance	55,646	0	55,646	56,926	58,292	59,691	61,124	62,591	64,093	65,631	67,206	68,819
91	Repair and Maintenance	4,250	0	4,250	Repair	4,250	0	4,250	4,378	4,509	4,644	4,783	4,926	5,074	5,226	5,383	5,544
92	Printing	500	0	500	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
93	Other Administrative Fees	25,494	0	25,494	Inflation	25,422	0	25,422	26,007	26,631	27,270	27,924	28,594	29,280	29,983	30,703	31,440
94	Indirect Costs	149,370	0	149,370	Inflation	158,326	0	158,326	161,967	165,854	169,834	173,910	178,084	182,358	186,735	191,217	195,806
95	General Office Supplies	1,500	0	1,500	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
96	Operating Supplies	23,552	0	23,552	Inflation	16,866	0	16,866	17,254	17,668	18,092	18,526	18,971	19,426	19,892	20,369	20,858
97	Subscriptions, Memberships and Educational Expenses	13,000	0	13,000	Inflation	17,250	0	17,250	17,647	18,071	18,505	18,949	19,404	19,870	20,347	20,835	21,335
98	Capital Outlay - Furniture and Equipment [3]	5,000	(5,000)	0	Inflation	13,220	(13,220)	0	0	0	0	0	0	0	0	0	0
99	Capital Outlay - Vehicle and Rolling Stock [3]	48,000	(48,000)	0	Inflation	45,000	(45,000)	0	0	0	0	0	0	0	0	0	0
100	Int. Assessts-row & Easements [3]	1,800	(1,800)	0	Inflation	5,000	(5,000)	0	0	0	0	0	0	0	0	0	0
	Aids to Private Organizations (LCRWSA)	0	0	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
101	Total	\$3,441,838	(\$54,800)	\$3,387,038		\$3,794,249	(\$63,220)	\$3,731,029	\$3,840,093	\$3,953,196	\$4,069,674	\$4,189,628	\$4,313,166	\$4,440,392	\$4,571,420	\$4,706,367	\$4,845,345
Utilities Fiscal (#53661)																	
102	Salaries and Wages	\$383,185	\$0	\$383,185	Labor	\$143,450	\$0	\$143,450	\$147,754	\$152,187	\$156,753	\$161,456	\$166,300	\$171,289	\$176,428	\$181,721	\$187,173
103	Health Insurance	87,600	0	87,600	MedIns	36,720	0	36,720	38,031	39,389	40,795	42,251	43,759	45,321	46,939	48,615	50,351
104	Other Benefits	73,929	0	73,929	Labor	30,565	0	30,565	31,482	32,426	33,399	34,401	35,433	36,496	37,591	38,719	39,881
105	Other Contracted Services	32,056	0	32,056	Inflation	16,100	0	16,100	16,470	16,865	17,270	17,684	18,108	18,543	18,988	19,444	19,911
106	Travel and Per Diem	3,500	0	3,500	Inflation	3,500	0	3,500	3,581	3,667	3,755	3,845	3,937	4,031	4,128	4,227	4,328
107	Communication	1,919	0	1,919	Inflation	3,809	0	3,809	3,897	3,991	4,087	4,185	4,285	4,388	4,493	4,601	4,711
108	Equipment Rental	1,400	0	1,400	Inflation	1,400	0	1,400	1,432	1,466	1,501	1,537	1,574	1,612	1,651	1,691	1,732
109	Self-Insurance Assessment	12,460	0	12,460	Inflation	17,148	0	17,148	17,542	17,963	18,394	18,835	19,287	19,750	20,224	20,709	21,206
110	Repair and Maintenance	450	0	450	Repair	9,250	0	9,250	9,528	9,814	10,108	10,411	10,723	11,045	11,376	11,717	12,069
111	Other Administrative Fees	5,445	0	5,445	Inflation	2,102	0	2,102	2,150	2,202	2,255	2,309	2,364	2,421	2,479	2,538	2,599
112	Indirect Costs	34,470	0	34,470	Inflation	11,728	0	11,728	11,998	12,286	12,581	12,883	13,192	13,509	13,833	14,165	14,505
113	General Office Supplies	2,500	0	2,500	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
114	Operating Supplies	2,000	0	2,000	Inflation	1,700	0	1,700	1,739	1,781	1,824	1,868	1,913	1,959	2,006	2,054	2,103
115	Subscriptions, Memberships and Educational Expenses	1,700	0	1,700	Inflation	1,200	0	1,200	1,228	1,257	1,287	1,318	1,350	1,382	1,415	1,449	1,484
116	Total	\$642,614	\$0	\$642,614		\$281,172	\$0	\$281,172	\$289,390	\$297,913	\$306,691	\$315,729	\$325,037	\$334,625	\$344,499	\$354,669	\$365,144

Footnotes on Page 9 of 9.

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Adjusted 2018	Escalation Reference	2019		Fiscal Year Ending September 30,									
		Budget	Adjustments			Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water Production - Corkscrew (# 53618)																	
240	Salaries and Wages	\$498,178	\$0	\$498,178	Labor	\$493,772	\$0	\$493,772	\$508,585	\$523,843	\$539,558	\$555,745	\$572,417	\$589,590	\$607,278	\$625,496	\$644,261
241	Health Insurance	106,560	0	106,560	MedIns	133,320	0	133,320	138,080	143,009	148,114	153,402	158,878	164,550	170,424	176,508	182,809
242	Other Benefits	88,259	0	88,259	Labor	93,760	0	93,760	96,573	99,470	102,454	105,528	108,694	111,955	115,314	118,773	122,336
243	Professional Services	150,000	0	150,000	Inflation	190,000	0	190,000	194,370	199,035	203,812	208,703	213,712	218,841	224,093	229,471	234,978
244	Other Contracted Services	104,035	0	104,035	Inflation	105,000	0	105,000	107,415	109,993	112,633	115,336	118,104	120,938	123,841	126,813	129,857
245	Travel and Per Diem	0	0	0	Inflation	4,407	0	4,407	4,508	4,616	4,727	4,840	4,956	5,075	5,197	5,322	5,450
246	Communication	17,303	0	17,303	Inflation	22,649	0	22,649	23,170	23,726	24,295	24,878	25,475	26,086	26,712	27,353	28,009
247	Freight and Postage	500	0	500	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
248	Electric	600,000	0	600,000	Electric	550,000	0	550,000	568,671	587,599	606,736	626,276	646,448	667,046	687,844	709,290	730,877
249	Trash, Garbage & Sludge Removal	290,000	0	290,000	FlowW	290,000	0	290,000	299,265	308,926	318,678	328,622	338,878	349,337	359,879	370,740	381,652
250	Equipment Rental	10,363	0	10,363	Inflation	6,300	0	6,300	6,445	6,600	6,758	6,920	7,086	7,256	7,430	7,608	7,791
251	Self-Insurance Assessment	20,016	0	20,016	Inflation	26,616	0	26,616	27,228	27,881	28,550	29,235	29,937	30,655	31,391	32,144	32,915
252	Repair and Maintenance	212,500	0	212,500	Repair	211,500	0	211,500	217,845	224,380	231,111	238,044	245,185	252,541	260,117	267,921	275,959
253	Other Administrative Fees	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
254	Indirect Costs	57,450	0	57,450	Inflation	52,775	0	52,775	53,989	55,285	56,612	57,971	59,362	60,787	62,246	63,740	65,270
255	General Office Supplies	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
256	Operating Supplies	1,235,693	0	1,235,693	WTP_OP	1,036,226	0	1,036,226	1,097,310	1,161,266	1,228,117	1,298,371	1,372,651	1,450,704	1,532,202	1,618,279	1,707,987
257	Subscriptions, Memberships and Educational Expenses	1,750	0	1,750	Inflation	1,750	0	1,750	1,790	1,833	1,877	1,922	1,968	2,015	2,063	2,113	2,164
258	Capital Outlay - Furniture and Equipment [3]	30,000	(30,000)	0	Inflation	60,000	(60,000)	0	0	0	0	0	0	0	0	0	0
259	Total	\$3,426,607	(\$30,000)	\$3,396,607		\$3,282,075	(\$60,000)	\$3,222,075	\$3,349,336	\$3,481,652	\$3,618,322	\$3,760,185	\$3,908,249	\$4,061,982	\$4,220,747	\$4,386,401	\$4,557,261
Water Production - Green Meadows (# 53627)																	
260	Salaries and Wages	\$553,093	\$0	\$553,093	Labor	\$574,748	\$0	\$574,748	\$591,990	\$609,750	\$628,043	\$646,884	\$666,291	\$686,280	\$706,868	\$728,074	\$749,916
261	Health Insurance	113,940	0	113,940	MedIns	157,860	0	157,860	163,496	169,333	175,378	181,639	188,124	194,840	201,796	209,000	216,461
262	Other Benefits	95,477	0	95,477	Labor	102,687	0	102,687	105,768	108,941	112,209	115,575	119,042	122,613	126,291	130,080	133,982
263	Professional Services	140,000	0	140,000	Inflation	130,000	0	130,000	136,182	139,450	142,797	146,224	149,733	153,327	157,007	160,775	164,632
264	Other Contracted Services	101,321	0	101,321	Inflation	65,800	0	65,800	67,313	68,929	70,583	72,277	74,012	75,788	77,607	79,470	81,377
265	Travel and Per Diem	0	0	0	Inflation	4,102	0	4,102	4,196	4,297	4,400	4,506	4,614	4,725	4,838	4,954	5,073
266	Communication	31,134	0	31,134	Inflation	41,841	0	41,841	42,803	43,830	44,882	45,959	47,062	48,191	49,348	50,532	51,745
267	Freight and Postage	100	0	100	Inflation	100	0	100	102	104	106	109	112	115	118	121	124
268	Electric	800,000	0	800,000	Electric	800,000	0	800,000	827,158	854,689	882,524	910,945	940,287	970,248	1,000,499	1,031,693	1,063,092
269	Trash, Garbage & Sludge Removal	75,000	0	75,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
270	Equipment Rental	6,782	0	6,782	Inflation	3,000	0	3,000	3,069	3,143	3,218	3,295	3,374	3,455	3,538	3,623	3,710
271	Self-Insurance Assessment	17,938	0	17,938	Inflation	23,758	0	23,758	24,304	24,887	25,484	26,096	26,722	27,363	28,020	28,692	29,381
272	Repair and Maintenance	112,200	0	112,200	Repair	92,000	0	92,000	94,760	97,603	100,531	103,547	106,653	109,853	113,149	116,543	120,039
273	Other Administrative Fees	1,500	0	1,500	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
274	Indirect Costs	51,705	0	51,705	Inflation	58,639	0	58,639	59,988	61,428	62,902	64,412	65,958	67,541	69,162	70,822	72,522
275	General Office Supplies	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
276	Operating Supplies	798,425	0	798,425	WTP_OP	1,028,931	0	1,028,931	1,089,585	1,153,090	1,219,470	1,289,229	1,362,986	1,440,490	1,521,415	1,606,886	1,695,963
277	Subscriptions, Memberships and Educational Expenses	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
278	Capital Outlay - Furniture and Equipment [3]	10,000	(10,000)	0	Inflation	10,000	(10,000)	0	0	0	0	0	0	0	0	0	0
279	Total	\$2,912,615	(\$10,000)	\$2,902,615		\$3,100,966	(\$10,000)	\$3,090,966	\$3,215,195	\$3,344,063	\$3,477,225	\$3,615,507	\$3,759,897	\$3,909,874	\$4,066,822	\$4,226,557	\$4,393,438
Water Production - Pine Woods (# 53619)																	
280	Salaries and Wages	\$343,294	\$0	\$343,294	Labor	\$340,906	\$0	\$340,906	\$351,133	\$361,667	\$372,517	\$383,693	\$395,204	\$407,060	\$419,272	\$431,850	\$444,806
281	Health Insurance	104,160	0	104,160	MedIns	104,580	0	104,580	108,314	112,181	116,186	120,334	124,630	129,079	133,687	138,460	143,403
282	Other Benefits	60,249	0	60,249	Labor	63,409	0	63,409	65,311	67,270	69,288	71,367	73,508	75,713	77,984	80,324	82,734
283	Professional Services	140,000	0	140,000	Inflation	140,000	0	140,000	143,220	146,657	150,177	153,781	157,472	161,251	165,121	169,084	173,142
284	Other Contracted Services	110,007	0	110,007	Inflation	69,600	0	69,600	71,201	72,910	74,660	76,452	78,287	80,166	82,090	84,060	86,077
285	Travel and Per Diem	0	0	0	Inflation	5,344	0	5,344	5,467	5,598	5,732	5,870	6,011	6,155	6,303	6,454	6,609
286	Communication	19,628	0	19,628	Inflation	21,764	0	21,764	22,265	22,799	23,346	23,906	24,480	25,068	25,670	26,286	26,917
287	Freight and Postage	200	0	200	Inflation	200	0	200	205	210	215	220	225	230	236	242	248
288	Electric	400,000	0	400,000	Electric	400,000	0	400,000	413,579	427,345	441,262	455,473	470,144	485,124	500,249	515,846	531,545
289	Trash, Garbage & Sludge Removal	1,400	0	1,400	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
290	Equipment Rental	10,289	0	10,289	Inflation	5,500	0	5,500	5,627	5,762	5,900	6,042	6,187	6,335	6,487	6,643	6,802
291	Self-Insurance Assessment	17,612	0	17,612	Inflation	23,538	0	23,538	24,079	24,657	25,249	25,855	26,476	27,111	27,762	28,428	29,110
292	Repair and Maintenance	115,500	0	115,500	Repair	150,500	0	150,500	155,015	159,665	164,455	169,389	174,471	179,705	185,096	190,649	196,368
293	Other Administrative Fees	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
294	Indirect Costs	40,215	0	40,215	Inflation	41,047	0	41,047	41,991	42,999	44,031	45,088	46,170	47,278	48,413	49,575	50,765
295	General Office Supplies	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
296	Operating Supplies	325,793	0	325,793	WTP_OP	326,117	0	326,117	345,341	365,469	386,508	408,618	431,995	456,560	482,209	509,299	537,532
297	Subscriptions, Memberships and Educational Expenses	1,750	0	1,750	Inflation	1,750	0	1,750	1,790	1,833	1,877	1,922	1,968	2,015	2,063	2,113	2,164
298	Capital Outlay - Furniture and Equipment [3]	20,000	(20,000)	0	Inflation	20,000	(20,000)	0									

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Adjusted 2018	Escalation Reference	2019		Fiscal Year Ending September 30,									
		Budget	Adjustments			Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water Production - North Lee County (# 53631)																	
300	Salaries and Wages	\$477,253	\$0	\$477,253	Labor	\$468,982	\$0	\$468,982	\$483,051	\$497,543	\$512,469	\$527,843	\$543,678	\$559,988	\$576,788	\$594,092	\$611,915
301	Health Insurance	113,340	0	113,340	MedIns	122,940	0	122,940	127,329	131,875	136,583	141,459	146,509	151,739	157,156	162,766	168,577
302	Other Benefits	86,433	0	86,433	Labor	92,941	0	92,941	95,729	98,601	101,559	104,606	107,744	110,976	114,305	117,734	121,266
303	Professional Services	120,000	100,000	220,000	Inflation	120,000	0	120,000	122,760	125,706	128,723	131,812	134,975	138,214	141,531	144,928	148,406
304	Other Contracted Services	81,514	0	81,514	Inflation	106,900	0	106,900	109,359	111,984	114,424	117,424	120,242	123,128	126,083	129,109	132,208
305	Travel and Per Diem	0	0	0	Inflation	10,085	0	10,085	10,317	10,565	10,819	11,079	11,345	11,617	11,896	12,182	12,474
306	Communication	30,997	0	30,997	Inflation	34,905	0	34,905	35,708	36,565	37,443	38,342	39,262	40,204	41,169	42,157	43,169
307	Freight and Postage	300	0	300	Inflation	300	0	300	307	314	322	330	338	346	354	362	371
308	Electric	700,000	0	700,000	Electric	650,000	0	650,000	672,066	694,435	717,051	740,143	763,983	788,326	812,905	838,250	863,762
309	Trash, Garbage & Sludge Removal	1,500	0	1,500	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
310	Equipment Rental	12,048	0	12,048	Inflation	2,750	0	2,750	2,813	2,881	2,950	3,021	3,094	3,168	3,244	3,322	3,402
311	Self-Insurance Assessment	17,938	0	17,938	Inflation	23,758	0	23,758	24,304	24,887	25,484	26,096	26,722	27,363	28,020	28,692	29,381
312	Repair and Maintenance	111,000	0	111,000	Repair	146,000	0	146,000	150,380	154,891	159,538	164,324	169,254	174,332	179,562	184,949	190,497
313	Other Administrative Fees	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
314	Indirect Costs	45,960	0	45,960	Inflation	46,911	0	46,911	47,990	49,142	50,321	51,529	52,766	54,032	55,329	56,657	58,017
315	General Office Supplies	2,500	0	2,500	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
316	Operating Supplies	369,407	100,000	469,407	WTP_OP	409,902	0	409,902	434,065	459,364	485,808	513,598	542,981	573,857	606,095	640,145	675,631
317	Subscriptions, Memberships and Educational Expenses	1,750	0	1,750	Inflation	1,750	0	1,750	1,790	1,833	1,877	1,922	1,968	2,015	2,063	2,113	2,164
318	Capital Outlay - Furniture and Equipment [3]	10,000	(10,000)	0	Inflation	10,000	(10,000)	0	0	0	0	0	0	0	0	0	0
319	Capital Outlay - Vehicle and Rolling Stock [3]	30,000	(30,000)	0	Inflation	35,000	(35,000)	0	0	0	0	0	0	0	0	0	0
320	Total	\$2,213,940	\$160,000	\$2,373,940		\$2,289,124	(\$45,000)	\$2,244,124	\$2,324,107	\$2,406,872	\$2,492,056	\$2,580,119	\$2,671,611	\$2,766,217	\$2,863,578	\$2,964,707	\$3,068,663
Industrial Pretreatment Program (# 53632)																	
321	Other Contracted Services	7,014	0	7,014	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
322	Travel and Per Diem	0	0	0	Inflation	4,152	0	4,152	4,247	4,349	4,453	4,560	4,669	4,781	4,896	5,014	5,134
323	Equipment Rental	3,828	0	3,828	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
324	Total	\$10,842	\$0	\$10,842		\$4,152	\$0	\$4,152	\$4,247	\$4,349	\$4,453	\$4,560	\$4,669	\$4,781	\$4,896	\$5,014	\$5,134
Sewer Operations (# 53606)																	
325	Salaries and Wages	\$157,832	\$0	\$157,832	Labor	\$148,750	\$0	\$148,750	\$153,213	\$157,809	\$162,543	\$167,419	\$172,442	\$177,615	\$182,943	\$188,431	\$194,084
326	Health Insurance	25,740	0	25,740	MedIns	27,540	0	27,540	28,523	29,541	30,596	31,688	32,819	33,991	35,204	36,461	37,763
327	Other Benefits	26,731	0	26,731	Labor	26,996	0	26,996	27,806	28,640	29,499	30,384	31,296	32,235	33,202	34,198	35,224
328	Professional Services	139,500	0	139,500	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
329	Other Contracted Services	8,607	0	8,607	Inflation	5,100	0	5,100	5,217	5,342	5,470	5,601	5,735	5,873	6,014	6,158	6,306
330	Communication	500	0	500	Inflation	4,753	0	4,753	4,862	4,979	5,098	5,220	5,345	5,473	5,604	5,738	5,876
331	Electric	125	0	125	Electric	250	0	250	258	267	276	285	294	303	312	322	332
332	Land, Building, Parking Rental	2,750	0	2,750	Inflation	5,000	0	5,000	5,115	5,238	5,364	5,493	5,625	5,760	5,898	6,040	6,185
333	Self-Insurance Assessment	3,778	0	3,778	Insurance	4,735	0	4,735	4,844	4,960	5,079	5,201	5,326	5,454	5,585	5,719	5,856
334	Other Administrative Fees	75	0	75	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
335	Indirect Costs	8,618	0	8,618	Inflation	8,796	0	8,796	8,998	9,214	9,435	9,661	9,893	10,130	10,373	10,622	10,877
336	Operating Supplies	850	0	850	WWTP_OP	1,000	0	1,000	1,059	1,120	1,184	1,251	1,322	1,397	1,475	1,558	1,644
337	Subscriptions, Memberships and Educational Expenses	350	0	350	Inflation	350	0	350	358	367	376	385	394	403	413	423	433
338	Total	\$375,456	\$0	\$375,456		\$233,270	\$0	\$233,270	\$240,253	\$247,477	\$254,920	\$262,588	\$270,491	\$278,634	\$287,023	\$295,670	\$304,580
Wastewater Collection (# 53604)																	
339	Salaries and Wages	\$1,337,496	\$0	\$1,337,496	Labor	\$1,302,179	\$0	\$1,302,179	\$1,341,244	\$1,381,481	\$1,422,925	\$1,465,613	\$1,509,581	\$1,554,868	\$1,601,514	\$1,649,559	\$1,699,046
340	Health Insurance	364,560	0	364,560	MedIns	401,940	0	401,940	416,289	431,151	446,543	462,485	478,996	496,096	513,807	532,150	551,148
341	Other Benefits	238,527	0	238,527	Labor	243,946	0	243,946	251,264	258,802	266,566	274,563	282,800	291,284	300,023	309,024	318,295
342	Professional Services	125,000	0	125,000	Inflation	200,000	0	200,000	204,600	209,510	214,538	219,687	224,959	230,358	235,887	241,548	247,345
343	Other Contracted Services	167,140	0	167,140	Inflation	133,600	0	133,600	136,673	139,953	143,312	146,751	150,273	153,880	157,573	161,355	165,228
344	Travel and Per Diem	0	0	0	Inflation	269,653	0	269,653	275,855	282,476	289,255	296,197	303,306	310,585	318,039	325,672	333,488
345	Communication	54,649	0	54,649	Inflation	92,772	0	92,772	94,906	97,184	99,516	101,904	104,350	106,854	109,418	112,044	114,733
346	Freight and Postage	500	0	500	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
347	Advertising	0	0	0	Inflation	200	0	200	205	210	215	220	225	230	236	242	248
348	Electric	720,000	0	720,000	Electric	720,000	0	720,000	744,443	769,221	794,272	819,851	846,258	873,222	900,448	928,523	956,782
349	Water and Sewer	10,000	0	10,000	Inflation	10,000	0	10,000	10,230	10,476	10,727	10,984	11,248	11,518	11,794	12,077	12,367
350	Trash, Garbage & Sludge Removal	20,000	0	20,000	Sludge	20,000	0	20,000	20,872	21,769	22,688	23,639	24,630	25,655	26,705	27,798	28,918
351	Equipment Rental	259,118	0	259,118	Inflation	6,500	0	6,500	6,650	6,810	6,973	7,140	7,311	7,486	7,666	7,850	8,038
352	Self-Insurance Assessment	71,090	0	71,090	Insurance	82,206	0	82,206	84,097	86,115	88,182	90,298	92,465	94,684	96,956	99,283	101,666
353	Repair and Maintenance	648,500	0	648,500	Repair	618,500	0	618,500	637,055	656,167	675,852	696,128	717,012	738,522	760,678	783,498	807,003
354	Printing	1,000	0	1,000	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
355	Other Administrative Fees	1,750	0	1,750	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
356	Indirect Costs	140,752	0	140,752	Inflation	149,530	0	149,530	152,969	156,640	160,399	164,249	168,191	172,228	176,361	180,594	184,928
357	General Office Supplies	2,500	0	2,500	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
358	Operating Supplies	1,056,027	0	1,056,027	WWTP_OP	1,057,478	0	1,057,478	1,119,441	1,184,317	1,252,084	1,323,355	1,398,688	1,477,893	1,560,573	1,647,879	1,738,974
359	Subscriptions, Memberships and Educational Expenses	5,750	0	5,750	Inflation	4,000	0	4,000	4,092	4,190	4,291	4,394	4,499	4,607	4,718	4,831	4,947
360	Capital Outlay - Furniture and Equipment [3]	30,000	(30,000)														

Table 5

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Adjusted 2018	Escalation Reference	2019		Fiscal Year Ending September 30,									
		Budget	Adjustments			Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Wastewater Treatment - Beach (# 53605)																	
363	Salaries and Wages	\$530,089	\$0	\$530,089	Labor	\$535,095	\$0	\$535,095	\$551,148	\$567,682	\$584,712	\$602,253	\$620,321	\$638,931	\$658,099	\$677,842	\$698,177
364	Health Insurance	127,905	0	127,905	MedIns	148,485	0	148,485	153,786	159,276	164,962	170,851	176,950	183,267	189,810	196,586	203,604
365	Other Benefits	92,916	0	92,916	Labor	93,878	0	93,878	96,694	99,595	102,583	105,660	108,830	112,095	115,458	118,922	122,490
366	Professional Services	110,000	0	110,000	Inflation	80,000	0	80,000	81,840	83,804	85,815	87,875	89,984	92,144	94,355	96,620	98,939
367	Other Contracted Services	80,521	0	80,521	Inflation	88,500	0	88,500	90,536	92,709	94,934	97,212	99,545	101,934	104,380	106,885	109,450
368	Travel and Per Diem	1,200	0	1,200	Inflation	5,429	0	5,429	5,554	5,687	5,823	5,963	6,106	6,253	6,403	6,557	6,714
369	Communication	15,837	0	15,837	Inflation	22,344	0	22,344	22,858	23,407	23,969	24,544	25,133	25,736	26,354	26,986	27,634
370	Electric	300,000	0	300,000	Electric	310,000	0	310,000	320,524	331,192	341,978	352,991	364,361	375,971	387,693	399,781	411,948
371	Trash, Garbage & Sludge Removal	85,000	0	85,000	Sludge	85,000	0	85,000	88,706	92,516	96,422	100,464	104,676	109,033	113,497	118,144	122,903
372	Equipment Rental	6,999	0	6,999	Inflation	3,100	0	3,100	3,171	3,247	3,325	3,405	3,487	3,571	3,657	3,745	3,835
373	Self-Insurance Assessment	20,730	0	20,730	Insurance	27,828	0	27,828	28,468	29,151	29,851	30,567	31,301	32,052	32,821	33,609	34,416
374	Repair and Maintenance	111,000	0	111,000	Repair	125,000	0	125,000	128,750	132,613	136,591	140,689	144,910	149,257	153,735	158,347	163,097
375	Other Administrative Fees	2,500	0	2,500	Inflation	2,500	0	2,500	2,558	2,619	2,682	2,746	2,812	2,879	2,948	3,019	3,091
376	Indirect Costs	54,577	0	54,577	Inflation	55,707	0	55,707	56,988	58,356	59,757	61,191	62,660	64,164	65,704	67,281	68,896
377	General Office Supplies	1,700	0	1,700	Inflation	1,700	0	1,700	1,739	1,781	1,824	1,868	1,913	1,959	2,006	2,054	2,103
378	Operating Supplies	328,192	0	328,192	WWTP_OP	401,899	0	401,899	425,448	450,104	475,859	502,946	531,577	561,679	593,102	626,283	660,904
379	Subscriptions, Memberships and Educational Expenses	2,650	0	2,650	Inflation	2,650	0	2,650	2,711	2,776	2,843	2,911	2,981	3,053	3,126	3,201	3,278
380	Capital Outlay - Furniture and Equipment [3]	10,000	(10,000)	0	Inflation	10,000	(10,000)	0	0	0	0	0	0	0	0	0	0
381	Total	\$1,881,816	(\$10,000)	\$1,871,816		\$1,999,115	(\$10,000)	\$1,989,115	\$2,061,479	\$2,136,515	\$2,213,930	\$2,294,136	\$2,377,547	\$2,463,978	\$2,553,148	\$2,645,862	\$2,741,479
Wastewater Treatment - Fiesta Village (# 53624)																	
382	Salaries and Wages	\$517,826	\$0	\$517,826	Labor	\$524,843	\$0	\$524,843	\$540,588	\$556,806	\$573,510	\$590,715	\$608,436	\$626,689	\$645,490	\$664,855	\$684,801
383	Health Insurance	137,085	0	137,085	MedIns	140,505	0	140,505	145,521	150,716	156,097	161,670	167,442	173,420	179,611	186,023	192,664
384	Other Benefits	91,175	0	91,175	Labor	95,288	0	95,288	98,147	101,091	104,124	107,248	110,465	113,779	117,192	120,708	124,329
385	Professional Services	115,000	0	115,000	Inflation	80,000	0	80,000	81,840	83,804	85,815	87,875	89,984	92,144	94,355	96,620	98,939
386	Other Contracted Services	35,535	0	35,535	Inflation	193,900	0	193,900	198,360	203,121	207,996	212,988	218,100	223,334	228,694	234,183	239,803
387	Travel and Per Diem	1,200	0	1,200	Inflation	60,299	0	60,299	61,686	63,162	64,724	66,374	68,119	71,119	72,826	74,574	
388	Communication	12,482	0	12,482	Inflation	16,997	0	16,997	17,388	17,805	18,232	18,670	19,118	19,577	20,047	20,528	21,021
389	Freight and Postage	200	0	200	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
390	Advertising	0	0	0	Inflation	250	0	250	256	262	268	274	281	288	295	302	309
391	Electric	250,000	0	250,000	Electric	250,000	0	250,000	258,487	267,091	275,789	284,671	293,840	303,203	312,656	322,404	332,216
392	Trash, Garbage & Sludge Removal	115,000	0	115,000	Sludge	120,000	0	120,000	125,231	130,610	136,124	141,831	147,777	153,929	160,232	166,793	173,511
393	Equipment Rental	69,989	0	69,989	Inflation	15,650	0	15,650	16,010	16,394	16,787	17,190	17,603	18,025	18,458	18,901	19,355
394	Self-Insurance Assessment	27,377	0	27,377	Insurance	32,314	0	32,314	33,057	33,850	34,662	35,494	36,346	37,218	38,111	39,026	39,963
395	Repair and Maintenance	108,700	0	108,700	Repair	108,700	0	108,700	111,961	115,320	118,780	122,343	126,013	129,793	133,687	137,698	141,829
396	Other Administrative Fees	15,000	0	15,000	Inflation	10,000	0	10,000	10,230	10,476	10,727	10,984	11,248	11,518	11,794	12,077	12,367
397	Indirect Costs	54,578	0	54,578	Inflation	55,707	0	55,707	56,988	58,356	59,757	61,191	62,660	64,164	65,704	67,281	68,896
398	General Office Supplies	3,000	0	3,000	Inflation	3,000	0	3,000	3,069	3,143	3,218	3,295	3,374	3,455	3,538	3,623	3,710
399	Operating Supplies	395,838	0	395,838	WWTP_OP	415,202	0	415,202	439,531	465,003	491,611	519,594	549,172	580,270	612,733	647,012	682,779
400	Subscriptions, Memberships and Educational Expenses	2,850	0	2,850	Inflation	2,850	0	2,850	2,916	2,986	3,058	3,131	3,206	3,283	3,362	3,443	3,526
401	Capital Outlay - Furniture and Equipment [3]	12,000	(12,000)	0	Inflation	12,000	(12,000)	0	0	0	0	0	0	0	0	0	0
402	Capital Outlay - Vehicle and Rolling Stock [3]	90,000	(90,000)	0	Inflation	120,000	(120,000)	0	0	0	0	0	0	0	0	0	0
403	Total	\$2,054,835	(\$102,000)	\$1,952,835		\$2,258,005	(\$132,000)	\$2,126,005	\$2,201,778	\$2,280,524	\$2,361,774	\$2,445,948	\$2,533,452	\$2,624,118	\$2,717,669	\$2,814,908	\$2,915,212
Wastewater Treatment - Matlacha / Pine Island (# 53651)																	
404	Salaries and Wages	\$170,843	\$0	\$170,843	Labor	\$185,815	\$0	\$185,815	\$191,389	\$197,131	\$203,045	\$209,136	\$215,410	\$221,872	\$228,528	\$235,384	\$242,446
405	Health Insurance	43,500	0	43,500	MedIns	39,120	0	39,120	40,517	41,963	43,461	45,013	46,620	48,284	50,008	51,793	53,642
406	Other Benefits	29,382	0	29,382	Labor	32,316	0	32,316	33,285	34,284	35,313	36,372	37,463	38,587	39,745	40,937	42,165
407	Professional Services	70,000	0	70,000	Inflation	45,000	0	45,000	46,035	47,140	48,271	49,430	50,616	51,831	53,075	54,349	55,653
408	Other Contracted Services	43,914	0	43,914	Inflation	40,600	0	40,600	41,534	42,531	43,552	44,597	45,667	46,763	47,885	49,034	50,211
409	Travel and Per Diem	0	0	0	Inflation	4,951	0	4,951	5,065	5,187	5,311	5,438	5,569	5,703	5,840	5,980	6,124
410	Communication	10,887	0	10,887	Inflation	14,937	0	14,937	15,281	15,648	16,024	16,409	16,803	17,206	17,619	18,042	18,475
411	Freight and Postage	150	0	150	Inflation	0	0	0	0	0	0	0	0	0	0	0	0
412	Electric	60,000	0	60,000	Electric	60,000	0	60,000	62,037	64,102	66,190	68,322	70,523	72,770	75,039	77,379	79,734
413	Water and Sewer	700	0	700	Inflation	700	0	700	716	733	751	769	787	806	825	845	865
414	Trash, Garbage & Sludge Removal	3,500	0	3,500	Sludge	3,500	0	3,500	3,653	3,810	3,971	4,137	4,310	4,489	4,673	4,864	5,060
415	Equipment Rental	5,565	0	5,565	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
416	Self-Insurance Assessment	7,556	0	7,556	Insurance	9,469	0	9,469	9,687	9,919	10,157	10,401	10,651	10,907	11,169	11,437	11,711
417	Repair and Maintenance	40,500	0	40,500	Repair	45,500	0	45,500	46,865	48,271	49,719	51,211	52,747	54,329	55,959	57,638	59,367
418	Other Administrative Fees	500	0	500	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
419	Indirect Costs	17,235	0	17,235	Inflation	17,592	0	17,592	17,997	18,429	18,871	19,324	19,788	20,263	20,749	21,247	21,757
420	General Office Supplies	700	0	700	Inflation	700	0	700	716	733	751	769	787	806	825	845	865
421	Operating Supplies	35,100	0	35,100	WWTP_OP	45,100	0	45,100	47,743	50,510	53,400	56,440	59,653	63,031	66,557	70,281	74,166
422	Subscriptions, Memberships and Educational Expenses	250	0	250	Inflation	1,500	0	1,500	1,535	1,							

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018		Escalation Reference	2019		Fiscal Year Ending September 30,										
		Budget	Adjustments		Adjusted 2018	Budgeted	Adjustments [2]	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Wastewater Treatment - Gateway (# 53628)																	
425	Salaries and Wages	\$378,810	\$0	\$378,810	Labor	\$374,310	\$0	\$374,310	\$385,539	\$397,105	\$409,018	\$421,289	\$433,928	\$446,946	\$460,354	\$474,165	\$488,390
426	Health Insurance	93,585	0	93,585	MedIns	101,385	0	101,385	105,004	108,753	112,635	116,656	120,821	125,134	129,601	134,228	139,020
427	Other Benefits	68,166	0	68,166	Labor	69,788	0	69,788	71,882	74,038	76,259	78,547	80,903	83,330	85,830	88,405	91,057
428	Professional Services	25,000	0	25,000	Inflation	25,000	0	25,000	25,575	26,189	26,818	27,462	28,121	28,796	29,487	30,195	30,920
429	Other Contracted Services	43,514	0	43,514	Inflation	201,300	0	201,300	205,930	210,872	215,933	221,115	226,422	231,856	237,421	243,119	248,954
430	Travel and Per Diem	0	0	0	Inflation	4,590	0	4,590	4,696	4,809	4,924	5,042	5,163	5,287	5,414	5,544	5,677
431	Communication	11,592	0	11,592	Inflation	19,902	0	19,902	20,360	20,849	21,349	21,861	22,386	22,923	23,473	24,036	24,613
432	Electric	185,000	0	185,000	Electric	225,000	0	225,000	232,638	240,381	248,210	256,203	264,455	272,881	281,389	290,162	298,993
433	Water and Sewer	2,500	0	2,500	Inflation	3,500	0	3,500	3,581	3,667	3,755	3,845	3,937	4,031	4,128	4,227	4,328
434	Trash, Garbage & Sludge Removal	15,000	0	15,000	Sludge	20,000	0	20,000	20,872	21,769	22,688	23,639	24,630	25,655	26,705	27,798	28,918
435	Equipment Rental	5,732	0	5,732	Inflation	1,500	0	1,500	1,535	1,572	1,610	1,649	1,689	1,730	1,772	1,815	1,859
436	Self-Insurance Assessment	14,499	0	14,499	Insurance	19,254	0	19,254	19,697	20,170	20,654	21,150	21,658	22,178	22,710	23,255	23,813
437	Repair and Maintenance	38,000	0	38,000	Repair	38,500	0	38,500	39,655	40,845	42,070	43,332	44,632	45,971	47,350	48,771	50,234
438	Other Administrative Fees	500	0	500	Inflation	500	0	500	512	524	537	550	563	577	591	605	620
439	Indirect Costs	37,343	0	37,343	Inflation	38,115	0	38,115	38,992	39,928	40,886	41,867	42,872	43,901	44,955	46,034	47,139
440	General Office Supplies	1,000	0	1,000	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
441	Operating Supplies	58,315	0	58,315	WWTP_OP	58,423	0	58,423	61,846	65,430	69,174	73,111	77,273	81,649	86,217	91,040	96,073
442	Subscriptions, Memberships and Educational Expenses	1,100	0	1,100	Inflation	1,100	0	1,100	1,125	1,152	1,180	1,208	1,237	1,267	1,297	1,328	1,360
443	Capital Outlay - Furniture and Equipment [3]	5,000	(5,000)	0	Inflation	5,000	(5,000)	0	0	0	0	0	0	0	0	0	0
444	Total	\$984,656	(\$5,000)	\$979,656		\$1,208,167	(\$5,000)	\$1,203,167	\$1,240,462	\$1,279,101	\$1,318,773	\$1,359,625	\$1,401,815	\$1,445,264	\$1,489,874	\$1,535,935	\$1,583,205
Wastewater Treatment - High Point (# 53652)																	
445	Professional Services	\$1,200	\$0	\$1,200	Inflation	\$1,200	\$0	\$1,200	\$1,228	\$1,257	\$1,287	\$1,318	\$1,350	\$1,382	\$1,415	\$1,449	\$1,484
446	Other Contracted Services	7,500	0	7,500	Inflation	7,500	0	7,500	7,673	7,857	8,046	8,239	8,437	8,639	8,846	9,058	9,275
447	Electric	3,000	0	3,000	Electric	3,000	0	3,000	3,102	3,205	3,309	3,416	3,526	3,638	3,751	3,868	3,986
448	Repair and Maintenance	4,000	0	4,000	Repair	3,000	0	3,000	3,090	3,183	3,278	3,376	3,477	3,581	3,688	3,799	3,913
449	Operating Supplies	1,500	0	1,500	WWTP_OP	1,500	0	1,500	1,588	1,680	1,776	1,877	1,984	2,096	2,213	2,337	2,466
450	Total	\$17,200	\$0	\$17,200		\$16,200	\$0	\$16,200	\$16,681	\$17,182	\$17,696	\$18,226	\$18,774	\$19,336	\$19,913	\$20,511	\$21,124
Wastewater Treatment - Three Oaks (# 53629)																	
451	Salaries and Wages	\$513,405	\$0	\$513,405	Labor	\$523,652	\$0	\$523,652	\$539,362	\$555,543	\$572,209	\$589,375	\$607,056	\$625,268	\$644,026	\$663,347	\$683,247
452	Health Insurance	145,065	0	145,065	MedIns	156,465	0	156,465	162,051	167,836	173,828	180,034	186,461	193,118	200,012	207,152	214,547
453	Other Benefits	90,949	0	90,949	Labor	96,420	0	96,420	99,313	102,292	105,361	108,522	111,778	115,131	118,585	122,143	125,807
454	Professional Services	50,000	0	50,000	Inflation	60,000	0	60,000	61,380	62,853	64,361	65,906	67,488	69,108	70,767	72,465	74,204
455	Other Contracted Services	60,271	0	60,271	Inflation	60,850	0	60,850	62,250	63,744	65,274	66,841	68,445	70,088	71,770	73,492	75,256
456	Travel and Per Diem	0	0	0	Inflation	8,777	0	8,777	8,979	9,194	9,415	9,641	9,872	10,109	10,352	10,600	10,854
457	Communication	18,755	0	18,755	Inflation	25,824	0	25,824	26,418	27,052	27,701	28,366	29,047	29,744	30,458	31,189	31,938
458	Freight and Postage	50	0	50	Inflation	50	0	50	51	52	53	54	55	56	57	58	59
459	Electric	250,000	0	250,000	Electric	300,000	0	300,000	310,184	320,508	330,946	341,604	352,607	363,842	375,186	386,884	398,659
460	Trash, Garbage & Sludge Removal	115,000	0	115,000	Sludge	115,000	0	115,000	120,013	125,168	130,453	135,922	141,621	147,516	153,556	159,843	166,281
461	Equipment Rental	13,592	0	13,592	Inflation	5,500	0	5,500	5,627	5,762	5,900	6,042	6,187	6,335	6,487	6,643	6,802
462	Self-Insurance Assessment	21,393	0	21,393	Insurance	28,276	0	28,276	28,926	29,620	30,331	31,059	31,804	32,567	33,349	34,149	34,969
463	Repair and Maintenance	102,000	0	102,000	Repair	105,000	0	105,000	108,150	111,395	114,737	118,179	121,724	125,376	129,137	133,011	137,001
464	Other Administrative Fees	7,500	0	7,500	Inflation	1,000	0	1,000	1,023	1,048	1,073	1,099	1,125	1,152	1,180	1,208	1,237
465	Indirect Costs	54,578	0	54,578	Inflation	55,707	0	55,707	56,988	58,356	59,757	61,191	62,660	64,164	65,704	67,281	68,896
466	General Office Supplies	2,000	0	2,000	Inflation	2,000	0	2,000	2,046	2,095	2,145	2,196	2,249	2,303	2,358	2,415	2,473
467	Operating Supplies	116,497	0	116,497	WWTP_OP	129,182	0	129,182	136,751	144,676	152,954	161,660	170,863	180,539	190,639	201,304	212,432
468	Subscriptions, Memberships and Educational Expenses	4,500	0	4,500	Inflation	4,500	0	4,500	4,604	4,714	4,827	4,943	5,062	5,183	5,307	5,434	5,564
469	Capital Outlay - Furniture and Equipment [3]	25,000	(25,000)	0	Inflation	15,000	(15,000)	0	0	0	0	0	0	0	0	0	0
470	Capital Outlay - Vehicle and Rolling Stock [3]	0	0	0	Inflation	40,000	(40,000)	0	0	0	0	0	0	0	0	0	0
471	Total	\$1,590,555	(\$25,000)	\$1,565,555		\$1,733,203	(\$55,000)	\$1,678,203	\$1,734,116	\$1,791,908	\$1,851,325	\$1,912,634	\$1,976,104	\$2,041,599	\$2,108,930	\$2,178,618	\$2,250,226

Footnotes on Page 9 of 9.

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Utility Operating Expenses [1]

Line No.	Description	2018 Budget	Adjustments	Adjusted 2018	Escalation Reference	2019 Budgeted	Adjustments [2]	Fiscal Year Ending September 30,									
								2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Wastewater Treatment - FGUA Interlocal (# 53653)																	
472	Other Contracted Services [5]	\$1,957,000	(\$88,200)	\$1,868,800	Input	\$1,850,000	\$0	\$1,850,000	\$1,872,539	\$2,025,536	\$2,107,597	\$2,215,682	\$2,317,664	\$2,220,079	\$2,222,299	\$2,224,521	\$2,226,745
473	Total	\$1,957,000	(\$88,200)	\$1,868,800		\$1,850,000	\$0	\$1,850,000	\$1,872,539	\$2,025,536	\$2,107,597	\$2,215,682	\$2,317,664	\$2,220,079	\$2,222,299	\$2,224,521	\$2,226,745
Wastewater Treatment Contract (# 53603)																	
474	Other Contracted Services	\$8,500,000	\$2,500,000	\$11,000,000	Treat	\$11,100,000	\$0	\$11,100,000	\$11,488,500	\$11,890,598	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
475	Total	\$8,500,000	\$2,500,000	\$11,000,000		\$11,100,000	\$0	\$11,100,000	\$11,488,500	\$11,890,598	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Non-Departmental (# 51903)																	
476	Other Post Employment Benefits (OPEB)	\$0	\$103,000	\$103,000	Labor	\$0	\$202,155	\$202,155	\$208,220	\$214,467	\$220,901	\$227,528	\$234,354	\$241,385	\$248,627	\$256,086	\$263,769
477	Fiscal Positions Funded By Utilities	0	0	0	Labor	0	316,221	316,221	325,708	335,479	345,543	355,909	366,586	377,584	388,912	400,579	412,596
478	Bad Debt Expense [6]	0	274,824	274,824	Input	0	280,232	280,232	282,812	296,150	310,380	326,680	343,920	346,982	349,313	351,537	353,507
479	Contingency [7]	0	149,186	149,186	Input	0	214,757	214,757	285,071	360,488	438,253	519,572	605,077	693,074	748,812	768,762	789,307
480	Total	\$0	\$527,010	\$527,010		\$0	\$1,013,365	\$1,013,365	\$1,101,811	\$1,206,584	\$1,315,077	\$1,429,689	\$1,549,937	\$1,659,025	\$1,735,664	\$1,776,964	\$1,819,179
481	Total Operating Expenses	<u>\$58,409,805</u>	<u>\$1,791,510</u>	<u>\$60,201,315</u>		<u>\$62,774,661</u>	<u>(\$402,055)</u>	<u>\$62,372,606</u>	<u>\$64,450,820</u>	<u>\$66,749,846</u>	<u>\$68,738,658</u>	<u>\$70,706,011</u>	<u>\$72,735,452</u>	<u>\$74,614,178</u>	<u>\$76,616,887</u>	<u>\$78,653,137</u>	<u>\$80,749,835</u>

Footnotes:
 [1] Amounts shown based on the adopted Fiscal Year 2018 budget. Projected amounts in subsequent years escalated based on the escalation reference factors listed as listed in Table 4.
 [2] Adjustments recognize the 2019 Budget provided by LCU for Fleet Services, Additional Personnel, and Other Post Employment Benefits.
 [3] Adjustments shown to the Fiscal Year 2018 adopted and reflect the reclassification of budgeted departmental capital outlay as capital costs which are recognized in the ten-year Capital Improvement Program as shown on Table 6.
 [4] Adjustments shown to account for additions in personnel per LCU staff.
 [5] Amounts shown reflect bulk purchases from the Florida Governmental Utility Authority (FGUA) North Fort Myers WWTP. The County has secured 1.5 mgd of capacity. FGUA charges the County for service at the County's wholesale wastewater rate. The forecast of bulk wastewater purchase costs assumes marginal growth in billed flows applied to the projected increase in the County's wholesale wastewater rate for service.
 [6] Bad debt expense calculated assuming 0.25% of projected rate revenues.
 [7] Amounts shown calculated based on a contingency factor ranging from 0.25% and increasing to 1.00% during the Forecast Period as applied to projected operating expenses in each respective Fiscal Year.

Table 6
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study
Ten-Year Estimated Capital Improvement Program (CIP) Funding Plan

Line No.	Project No.	Description	Programmed Funding Source	Recognized Funding Source	Fiscal Year Ending September 30,										Ten-Year Total	
					Adjusted 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		2028
WATER SYSTEM																
Departmental Capital Outlay																
		Capital Outlay - Improvements Other Than Buildings	WREV	WREV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1		Capital Outlay - Furniture and Equipment	WREV	WREV	145,364	145,364	145,364	145,364	145,364	145,364	145,364	145,364	145,364	145,364	145,364	1,599,004
2		Capital Outlay - Vehicle and Rolling Stock	WREV	WREV	562,814	562,814	562,814	562,814	562,814	562,814	562,814	562,814	562,814	562,814	562,814	6,190,954
3		Capital Outlay - Replacement Water Meters	WREV	WREV	\$799	\$799	\$799	\$799	\$799	\$799	\$799	\$799	\$799	\$799	\$799	8,789
4		Total Departmental Capital Outlay			\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$708,977	\$7,798,747	
NEW PROJECTS																
5		N/A Wild Blue need to update business case. Developer to reimburse	30	30	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
6		N/A Wild Blue need to update business case. Developer to reimburse	30	30	0	400,000	0	0	0	0	0	0	0	0	0	400,000
7		N/A Lazy Days WM Replacement	20	20	0	150,000	302,300	344,600	323,500	323,500	323,500	0	0	0	0	1,443,900
		Future48720 ORTIZ AVE. FM FROM PALM BCH TO BALLARD RD.	20	20	0	0	0	0	0	0	0	0	0	0	0	
DOT/FDOT PROJECTS																
8		20761448730 ALICO RD 4L / BEN HILL - AIRPORT HAUL RD WM RELOC	30	30	\$3,851,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,851,271
9		20063448730 HURRICANE BAY BRIDGE SCOUR PROT - UTIL RELOC	30	30	88,000	587,500	0	0	0	0	0	0	0	0	0	675,500
10		20927248720 MARIANA AVE. WATERMAIN REPLACEMENT	20	20	500,000	0	0	0	0	0	0	0	0	0	0	500,000
11		20742648730 WATER / SEWER LINE RELOC. THREE OAKS EXT	30	30	0	50,000	0	0	150,000	0	0	0	0	0	0	200,000
12		20927048712 WINKLER ROAD WATERMAIN IMPROVEMENTS	12	12	2,194,423	0	0	0	0	0	0	0	0	0	0	2,194,423
13		20741648730 DOT PROJECT UTILITY RELOCATIONS	30	30	83,740	150,000	0	0	0	0	0	0	0	0	0	233,740
14		20064348730 Pinewoods NF Wellfield Access Rd Improvements	30	30	0	0	0	103,950	0	396,000	0	0	0	0	0	499,950
REPAIR & REPLACEMENT																
15		20760648720 DEL PRADO WATERMAIN REPLACEMENT	20	20	\$0	\$0	\$351,000	\$2,050,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,401,000
16		20712748720 PAGE PARK WATERLINE IMPROVEMENTS	20	20	1,517,848	0	0	0	0	0	0	0	0	0	0	1,517,848
17		20712748730 PAGE PARK WATERLINE IMPROVEMENTS	30	30	1,200,000	0	0	0	0	0	0	0	0	0	0	1,200,000
18		20716248720 SAN CARLOS BLVD WATER MAIN REPLACEMENT (14" WM north	20	20	0	0	0	0	270,000	1,530,000	0	0	0	0	0	1,800,000
19		20717048730 US 41 WATERMAIN REPL (ALICO - N. AIRPORT RD)	30	30	631,749	1,900,000	0	0	0	0	0	0	0	0	0	2,531,749
20		20762048720 WORK DR INDUSTRIAL PARK WM IMPROVEMENTS	20	20	660,000	1,940,000	0	0	0	0	0	0	0	0	0	2,600,000
21		20714948720 WELL REDEVELOPMENT/UPGRADE & REBUILD	20	20	430,000	330,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,930,000
22		20064048730 Carriage Village WM Replacement	30	30	187,000	0	0	1,230,000	0	0	0	0	0	0	0	1,417,000
23		20064448720 Principia Watermain Replacement	20	20	0	187,200	936,000	0	0	0	0	0	0	0	0	1,123,200
24		20762348720 REMOTE TELEMETRY REPLACEMENTS	20	20	250,000	250,000	250,000	250,000	250,000	0	0	0	0	0	0	1,250,000
GENERAL																
25		20708848730 AMI SYSTEM	30	30	\$6,001,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,001,132
25		20708848730 AMI SYSTEM	30	SRF-AMI	9,166,590	0	0	0	0	0	0	0	0	0	0	9,166,590
26		20745448730 OPERATIONS BUILDING REPLACEMENT	30	30	9,033,851	0	0	0	0	0	0	0	0	0	0	9,033,851
27		20500948730 WILD TURKEY STRAND REGIONAL SITE	30	30	0	0	0	66,955	0	0	0	0	0	0	0	66,955
28		20742948730 ELECTRICAL EQUIP UPGRADES & REPLACEMENT	30	30	275,000	255,000	215,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,585,000
29		20743048730 INSTRUMENTATION UPGRADES & IMPROVEMENTS	30	30	70,000	105,000	75,000	65,000	70,000	60,000	70,000	60,000	70,000	60,000	70,000	775,000
30		20744448730 LCU GENERATOR REPL IMPR	30	30	95,000	192,500	192,500	75,000	75,000	150,000	225,000	75,000	75,000	75,000	75,000	1,207,500
31		20742448730 SCADA UPGRADES & IMPROVEMENTS	30	30	350,000	225,000	100,000	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,525,000
32		New Allowance for Unidentified R&R	30	30	0	0	0	0	3,140,417	10,913,250	0	0	0	13,532,500	14,356,750	41,942,917
33		New Allowance for Unidentified R&R	30	20	0	0	0	0	0	5,667,000	5,925,000	0	4,000,000	2,000,000	17,592,000	
MAJOR MAINTENANCE																
34		4074348720 WATER DISTRIBUTION REHAB AND REPLACEMENTS	20	20	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	3,850,000
35		40761648720 WELL REHABILITATION & REPLACEMENTS	20	20	875,000	875,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	6,250,000
36		40760348720 WATER TREATMENT PLANTS REHAB/REPL	20	20	475,358	612,000	472,000	690,000	980,000	530,000	648,000	730,000	280,000	280,000	280,000	5,977,358
37		40711548730 PLANT DEMOLITIONS (MM)	30	30	0	0	1,000,000	1,500,000	0	0	0	460,000	0	0	0	2,960,000
38		40400748730 ENVIRONMENTAL MITIGATION	30	30	55,612	29,167	29,167	29,167	33,333	0	0	0	0	0	0	176,445
WATER TREATMENT PLANTS																
39		20762248720 CORKSCREWS PRODUCTION WELL PANEL REPL	20	20	\$363,000	\$0	\$2,389,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,752,200
40		20718748720 GREEN MEADOWS WTP EXPANSION	20	20	\$1,547,564	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,547,564
41		20718748730 GREEN MEADOWS WTP EXPANSION	30	30	5,606,080	0	0	0	0	0	0	0	0	0	0	\$5,606,080
42		20718748712 GREEN MEADOWS WTP EXPANSION	12	12	3,584,762	0	0	0	0	0	0	0	0	0	0	\$3,584,762
43		20746148730 GREEN MEADOWS WTP SECOND DIW	30	30	0	0	0	0	0	1,000,000	8,000,000	0	0	0	0	\$9,000,000
44		20063348712 NLC WTP EXPANSION TO 15 MGD	12	12	0	3,236,000	0	5,712,000	0	0	0	0	0	0	0	\$8,948,000
45		20063348730 NLC WTP EXPANSION TO 15 MGD	30	30	0	0	0	27,624,000	0	0	0	0	0	0	0	\$27,624,000
46		20761948712 NLC WTP WELLFIELD EXPANSION TO 15 MGD	12	12	475,000	3,100,000	0	0	0	0	0	0	0	0	0	\$3,575,000
47		20761948730 NLC WTP WELLFIELD EXPANSION TO 15 MGD	30	30	0	0	5,300,000	4,300,000	0	0	0	0	0	0	0	\$9,600,000
48		20761948735 NLC WTP WELLFIELD EXPANSION TO 15 MGD	35	35	0	0	0	550,000	0	0	0	0	0	0	0	\$550,000
49		20761948735 NLC WTP WELLFIELD EXPANSION TO 15 MGD	35	12	0	300,000	0	450,000	0	0	0	0	0	0	0	\$750,000
50		20760248730 NORTH LEE COUNTY RO PLANT WELLFIELD EXPANSION	30	30	80,436	0	0	0	0	0	0	0	0	0	0	\$80,436
51		20760248712 NORTH LEE COUNTY RO PLANT WELLFIELD EXPANSION	12	12	53,283	0	0	0	0	0	0	0	0	0	0	\$53,283
52		20761848730 NORTH LEE COUNTY WTP DEEP INJECTION WELL #2	30	30	8,147,096	0	0	0	0	0	0	0	0	0	0	\$8,147,096
53		20926748720 OLGA WTP MCC REPLACEMENT	20	20	250,000	0	0	0	0	0	0	0	0	0	0	\$250,000
54		20726548730 OLGA WTP RESERVOIR & PLANT IMPROVEMENTS	30	30	333,462	0	0	0	0	0	0	0	0	0	0	\$333,462
55		20062748730 PNEWOODS REDUNDANT ODOR CONTROL SCRUBBER	30	30	0	0	0	200,000	0	0	0	0	0	0	0	\$200,000
56		20760748730 PNEWOODS WELLFIELD ELECTRICAL IMPROVEMENTS	30	30	349,506	0	0	0	0	0	0	0	0	0	0	\$349,506
57		20062348720 PNEWOODS WTP DEGASIFIERS REPLACEMENT	20	20	0	0	759,000	0	0	0	0	0	0	0	0	\$759,000
58		20726848730 WATER TREATMENT PLANT IMPROVEMENTS	30	30	460,775	280,500	363,500	425,500	587,500	187,500	187,500	187,500	187,500	189,000	189,000	\$3,244,275

Table 6
Lee County, Florida
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Ten-Year Estimated Capital Improvement Program (CIP) Funding Plan

Line No.	Project No.	Description	Programmed Funding Source	Recognized Funding Source	Fiscal Year Ending September 30,										Ten-Year Total		
					Adjusted 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		2028	
WATER DISTRIBUTION																	
59	20063248712	BAYSHORE 24" WM - SAMVILLE TO N. TAMIAMI	12	12	\$0	\$0	\$550,000	\$3,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,850,000	
60	20745848720	FIDDLESTICKS WATERMAIN REPLACEMENT	20	20	4,016,211	5,620,000	0	0	0	0	0	0	0	0	0	9,636,211	
61	20063948730	Gibson Circle WM Improvements	30	30	0	100,000	700,000	0	0	0	0	0	0	0	0	800,000	
62	20746248730	HANCOCK BRIDGE PKWY WATERMAIN IMPR	30	30	878,875	0	0	0	0	0	0	0	0	0	0	878,875	
63	20746348712	INTERCONNECT PINEWOODS DISTR. SYSTEM	12	12	0	0	0	0	0	350,000	4,500,000	0	0	0	0	4,850,000	
64	20063548712	N TAMIAMI 24" WM - PONDELLA TO CLEVELAND	12	30	0	0	0	1,250,000	6,240,000	0	0	0	0	0	0	7,490,000	
65	20746448720	NEW POST RD WATERMAIN REPLACEMENT	20	20	1,034,164	2,075,000	0	0	0	0	0	0	0	0	0	3,109,164	
66	20062848730	NORTH-SOUTH 30" WATER MAIN - SR 80 TO AHR	30	30	0	0	0	0	0	4,000,000	12,100,000	13,100,000	0	0	0	29,200,000	
67	20926848712	ORANGE GROVE WM FROM PONDELLA TO HANCOCK	12	12	1,707,635	0	0	0	0	0	0	0	0	0	0	1,707,635	
68	20719348712	RSW TRANSMISSION LINES-BEN HILL/TREELINE	12	12	0	2,420,000	12,087,000	0	0	0	0	0	0	0	0	14,507,000	
69	20718448730	SFM WATER TRANSMISSION LINE IMPR (Crystal Dr. Portion)	30	30	0	390,000	2,800,000	0	0	0	0	0	0	0	0	3,190,000	
70	20719448712	SUMMERLIN ROAD WATER SYSTEM IMPROVEMENTS (FMB Re	12	12	0	0	0	750,000	2,600,000	2,900,000	2,000,000	0	0	0	0	8,250,000	
71	20708648712	WATER TRANSMISSION SYSTEM IMPROVEMENTS	12	12	645,414	0	0	0	0	0	0	0	0	0	0	645,414	
72	20718348712	WWE WATER TRANSMISSION LINE IMPROVE (Pondella between 4	12	12	0	0	0	200,000	1,475,000	0	0	0	0	0	0	1,675,000	
73	20719748730	FGCU WATER	30	30	201,601	0	0	0	0	0	0	0	0	0	0	201,601	
74	20709448730	WATER SYSTEM IMPROVEMENTS	30	30	783,957	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,783,957	
75	Total Capital Improvement Projects - Water System					\$69,569,372	\$27,621,344	\$31,260,644	\$53,810,148	\$18,788,727	\$24,584,227	\$31,841,477	\$27,631,477	\$3,206,477	\$20,728,977	\$19,564,727	\$328,607,596
CAPITAL PROJECTS - WASTEWATER SYSTEM																	
Departmental Capital Outlay																	
76		Capital Outlay - Furniture and Equipment	WWREV	WWREV	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$182,136	\$2,003,496	
77		Capital Outlay - Vehicle and Rolling Stock	WWREV	WWREV	705,186	705,186	705,186	705,186	705,186	705,186	705,186	705,186	705,186	705,186	705,186	7,757,046	
76		Capital Outlay - Vehicle and Rolling Stock (Small Vehicles)	WWREV	WWREV	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	11,011	
78	Total Departmental Capital Outlay					\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$888,323	\$9,771,553	
NEW PROJECTS																	
79	N/A	20inch FM Replacement Summerlin Rd.	30	30	0	1,239,000	6,195,000	0	0	0	0	0	0	0	0	7,434,000	
80	N/A	FMB WWTP Transfer Pump Station (storm related)	20	20	0	250,000	2,700,000	0	0	0	0	0	0	0	0	2,950,000	
81	Future48720	ORTIZ AVE. FM FROM PALM BCH TO BALLARD RD.	20	20	0	400,000	0	2,150,000	0	0	0	0	0	0	0	2,550,000	
DOT/FDOT PROJECTS																	
82	20732648730	ESTERO BLVD FM RELOCATION	30	30	\$11,222,409	\$688,790	\$869,425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	12,780,624	
83	20063448730	HURRICANE BAY BRIDGE SCOUR PROT. - UTIL.RELOC	30	30	88,000	587,500	0	0	0	0	0	0	0	0	0	675,500	
84	20743648730	WATER / SEWER LINE RELOC. THREE OAKS EXT	30	30	0	50,000	0	0	150,000	0	0	0	0	0	0	200,000	
85	20741648730	DOT PROJECT UTILITY RELOCATIONS	30	30	83,740	150,000	0	0	0	0	0	0	0	0	0	233,740	
REPAIR & REPLACEMENT																	
86	20062148720	MCGREGOR / TANGLEWOOD FORCE MAIN REPL	20	20	484,000	200,000	3,658,000	0	0	0	0	0	0	0	0	4,342,000	
87	20926948720	PINE RIDGE FM REPL - FMB WWTP TO GULF REFLECTIONS DR	20	20	220,000	220,000	1,736,300	0	0	0	0	0	0	0	0	2,176,300	
88	20724748720	INFLOW AND INFILTRATION IMPROVEMENTS	20	20	518,026	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,518,026	
89	20762348720	REMOTE TELEMETRY REPLACEMENTS	20	20	250,000	250,000	250,000	250,000	250,000	0	0	0	0	0	0	1,250,000	
GENERAL																	
90	20745448730	OPERATIONS BUILDING REPLACEMENT	30	30	9,033,851	0	0	0	0	0	0	0	0	0	0	9,033,851	
91	20500948730	WILD TURKEY STRAND REGIONAL SITE	30	30	0	0	0	66,955	0	0	0	0	0	0	0	66,955	
92	20742948730	ELECTRICAL EQUIP UPGRADES & REPLACEMENT	30	30	275,000	255,000	215,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,585,000	
93	20743048730	INSTRUMENTATION UPGRADES & IMPROVEMENTS	30	30	70,000	105,000	75,000	65,000	70,000	60,000	70,000	60,000	70,000	60,000	70,000	775,000	
94	20744448730	LCU GENERATOR REPL/IMPR	30	30	95,000	95,000	192,500	75,000	75,000	150,000	225,000	75,000	75,000	75,000	75,000	1,207,500	
95	20742448730	SCADA UPGRADES & IMPROVEMENTS	30	30	350,000	225,000	100,000	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,525,000	
96	New	Allowance for Unidentified R&R	30	30	0	0	0	0	3,140,417	10,913,250	0	0	0	13,532,500	16,356,750	43,942,917	
97	New	Allowance for Unidentified R&R	30	20	0	0	0	0	0	5,667,000	5,925,000	0	4,000,000	0	15,592,000		
MAJOR MAINTENANCE																	
98	40730948720	WASTEWATER COLLECTION SYSTEM REHAB & REPLACEMENT	20	20	\$818,897	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$7,818,897	
99	40731748720	WWTP REHABILITATION & REPLACEMENTS	20	20	823,000	705,000	995,000	1,086,000	765,000	784,000	583,000	475,000	445,000	420,000	500,000	7,581,000	
100	40400748730	ENVIRONMENTAL MITIGATION	30	30	55,612	29,167	29,167	29,167	33,333	0	0	0	0	0	0	176,445	
WASTEWATER TREATMENT PLANTS																	
101	20925048730	FIESTA VILLAGE WWTP CONTROLS SYSTEM UPGRADE	30	30	\$1,498	\$0	\$968,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$969,498	
102	20925148730	FIESTA VILLAGE WWTP DEEP INJECTION WELL	30	30	0	1,980,000	7,590,000	0	0	0	0	0	0	0	0	\$9,570,000	
103	20745048730	FIESTA VILLAGE WWTP FILTER CONTROLS UPGRADE	30	30	1,370,000	0	0	0	0	0	0	0	0	0	0	\$1,370,000	
104	20061648730	FIESTA WWTP RM UPGRADE	30	30	330,000	128,500	5,127,500	0	0	0	0	0	0	0	0	\$5,586,000	
105	20745048730	FIESTA WWTP SLUDGE HANDLING	30	30	2,325,000	0	0	0	0	0	0	0	0	0	0	\$2,325,000	
106	20061748730	FMB DEEP INJECTION WELL #2	30	30	0	1,650,000	6,600,000	0	0	0	0	0	0	0	0	\$8,250,000	
107	20061948720	FMB WWTP EQ TANK REPLACEMENT	20	20	0	0	0	554,000	9,924,000	0	0	0	0	0	0	\$10,478,000	
108	20745148730	FORT MYERS BEACH WWTP CONTROLS SYSTEM REPL	30	30	191,033	0	0	0	0	0	0	0	0	0	0	\$191,033	
109	20062648720	FORT MYERS MAIN SWITCHGEAR REPLACEMENT	20	20	0	0	0	200,000	2,800,000	0	0	0	0	0	0	\$3,000,000	
110	20746048730	GATEWAY WWTP EXPANSION FROM 3 MGD TO 6 MGD	30	30	0	0	0	0	0	0	4,500,000	49,500,000	0	0	0	\$54,000,000	
111	20062048730	GATEWAY WWTP SLUDGE DEWATERING SYSTEM ROOF	30	30	150,000	0	0	0	0	0	0	0	0	0	0	\$150,000	
112	20746548730	PINE ISLAND WWTP DEEP BED SAND FILTER	30	30	0	0	0	0	100,000	650,000	0	0	0	0	0	\$750,000	
113	20728448730	RECLAIM WATER ASR (FMB/FIESTA)	30	30	6,524,723	0	0	0	0	0	0	0	0	0	0	\$6,524,723	
114	22728448730	RECLAIM WATER ASR (FMB/FIESTA) ASR Grant Expense	30	Grants	200,000	0	0	0	0	0	0	0	0	0	0	\$200,000	
115	20745548730	REUSE SYSTEM AND SITE IMPROVEMENTS	30	30	0	0	2,006,283	1,375,000	1,375,000	1,375,000	0	0	0	0	0	\$6,131,283	

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Line No.	Project No.	Description	Programmed Funding Source	Recognized Funding Source	Fiscal Year Ending September 30,										Ten-Year Total		
					Adjusted 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		2028	
114	20732548730	THREE OAKS OXIDATION IMPROVEMENTS	30	SRF-3Oaks	13,370,921	0	0	0	0	0	0	0	0	0	0	0	\$13,370,921
116	20732548730	THREE OAKS OXIDATION IMPROVEMENTS	30	Grants	267,000	0	0	0	0	0	0	0	0	0	0	0	\$267,000
117	20746748713	WWTP CAPACITY INCREASE FOR SE COUNTY	13	13	0	3,950,000	0	29,860,000	0	0	0	0	0	0	0	0	\$33,810,000
118	20746748730	WWTP CAPACITY INCREASE FOR SE COUNTY	30	13	0	0	0	450,000	0	0	0	0	0	0	0	0	\$450,000
119	20746748730	WWTP CAPACITY INCREASE FOR SE COUNTY	30	30	0	300,000	0	14,850,000	0	0	0	0	0	0	0	0	\$15,150,000
120	20727448730	WWTP Odor Control System Improvements	30	30	0	195,000	1,300,000	0	0	0	0	0	0	0	0	0	\$1,495,000
121	20745648730	SECONDARY CONTAINMENTS FOR CHEMICAL TANKS	30	30	150,000	0	150,000	0	0	0	0	0	0	0	0	0	\$300,000
121	20713848730	WASTEWATER TREATMENT PLANT IMPROVEMENTS	30	30	797,112	407,500	387,500	452,500	437,500	437,500	237,500	287,500	137,500	137,500	137,500	137,500	\$3,857,112
WASTEWATER COLLECTION SYSTEM																	
122	20733448713	BEN HILL GRIFFIN FM IMPROVEMENTS SOUTH	13	13	\$275,000	\$1,490,000	\$7,445,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,210,000
123	20730648713	BEN HILL GRIFFIN PARALLEL FORCEMAIN	13	13	0	0	0	0	0	0	330,000	0	2,420,000	0	0	0	2,750,000
124	20730748713	DANIELS PKWY FORCE MAIN EXT TO GATEWAY	13	13	0	0	0	0	0	0	0	0	0	0	0	2,250,000	2,250,000
125	20729348713	FIESTA VILLAGE SEWER COLL SYS IMPROV (Winkler Master Pump)	13	13	0	100,000	265,000	0	1,045,000	0	0	0	0	0	0	0	1,410,000
126	20733548713	MASTER LS 7716 IMPROVEMENTS	13	13	2,370,906	0	0	0	0	0	0	0	0	0	0	0	2,370,906
127	20063848730	Master Pump Station 6600 Upgrades	30	30	70,000	475,000	0	0	0	0	0	0	0	0	0	0	545,000
128	20730448713	FGCU SEWER	13	13	373,198	0	0	0	0	0	0	0	0	0	0	0	373,198
129	20722948730	WASTEWATER SYSTEM IMPROVEMENTS	30	30	450,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	3,950,000
130	Total Capital Improvement Projects - Wastewater System					\$54,492,249	\$18,563,780	\$51,292,998	\$54,156,944	\$22,808,573	\$17,013,073	\$9,755,823	\$13,965,823	\$55,290,823	\$20,868,323	\$22,032,573	\$340,240,981
131	TOTAL CAPITAL IMPROVEMENT PROGRAM					\$124,061,621	\$46,185,123	\$82,553,641	\$107,967,092	\$41,597,300	\$41,597,300	\$41,597,300	\$41,597,300	\$58,497,300	\$41,597,300	\$41,597,300	\$668,848,577
WATER CAPITAL PROJECT SUMMARY BY TYPE																	
132	EXPANSION					\$16,096,198	\$9,056,000	\$17,387,000	\$39,586,000	\$4,075,000	\$3,900,000	\$10,350,000	\$4,500,000	\$0	\$0	\$0	\$104,950,198
133	IMPROVEMENT RENEWAL OR REPLACEMENT					52,764,197	17,856,367	13,164,667	13,515,171	14,004,750	19,975,250	20,782,500	22,422,500	2,497,500	20,020,000	18,855,750	215,858,651
134	CAPITAL OUTLAY					708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	7,798,747
135	TOTAL					\$69,569,372	\$27,621,344	\$31,260,644	\$53,810,148	\$18,788,727	\$24,584,227	\$31,841,477	\$27,631,477	\$3,206,477	\$20,728,977	\$19,564,727	\$328,607,596
WASTEWATER CAPITAL PROJECT SUMMARY BY TYPE																	
136	EXPANSION					\$3,019,104	\$5,840,000	\$7,710,000	\$45,160,000	\$1,045,000	\$0	\$330,000	\$4,500,000	\$51,920,000	\$0	\$2,250,000	\$121,774,104
137	IMPROVEMENT RENEWAL OR REPLACEMENT					50,584,822	11,835,457	42,694,675	8,108,621	20,875,250	16,124,750	8,537,500	8,577,500	2,482,500	19,980,000	18,894,250	208,695,324
138	CAPITAL OUTLAY					888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	9,771,553
139	TOTAL					\$54,492,249	\$18,563,780	\$51,292,998	\$54,156,944	\$22,808,573	\$17,013,073	\$9,755,823	\$13,965,823	\$55,290,823	\$20,868,323	\$22,032,573	\$340,240,981
WATER AND WASTEWATER CAPITAL PROJECT SUMMARY BY TYPE																	
140	EXPANSION					\$19,115,301	\$14,896,000	\$25,097,000	\$84,746,000	\$5,120,000	\$3,900,000	\$10,680,000	\$9,000,000	\$51,920,000	\$0	\$2,250,000	\$226,724,301
141	IMPROVEMENT RENEWAL OR REPLACEMENT					103,349,020	29,691,823	55,859,341	21,623,792	34,880,000	36,100,000	29,320,000	31,000,000	4,980,000	40,000,000	37,750,000	424,553,976
142	CAPITAL OUTLAY					1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	17,570,300
143	TOTAL					\$124,061,621	\$46,185,123	\$82,553,641	\$107,967,092	\$41,597,300	\$41,597,300	\$41,597,300	\$41,597,300	\$58,497,300	\$41,597,300	\$41,597,300	\$668,848,577
CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES - WATER ALLOCATION																	
144	Water Connection Fees				12	\$8,660,517	\$9,056,000	\$12,637,000	\$10,412,000	\$4,075,000	\$2,900,000	\$2,350,000	\$4,500,000	\$0	\$0	\$0	\$54,590,517
145	Water and Sewer Renewal & Replacement				20	12,269,145	12,389,200	6,439,500	4,314,600	2,803,500	3,363,500	7,295,000	7,635,000	1,260,000	5,260,000	3,260,000	66,289,445
146	Capital Improvements				30	38,764,143	5,467,167	11,475,167	37,824,571	11,201,250	17,611,750	21,487,500	14,787,500	1,237,500	14,760,000	15,595,750	190,212,297
147	Water Surcharge Fund				35	0	0	0	550,000	0	0	0	0	0	0	0	550,000
148	Water Rate Revenue				WREV	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	7,798,747
149	Construction Loan - DW3602AO AMI Systems				SRF-AMI	9,166,590	0	0	0	0	0	0	0	0	0	0	9,166,590
150	Total Allocated Water Funding Sources					\$69,569,372	\$27,621,344	\$31,260,644	\$53,810,148	\$18,788,727	\$24,584,227	\$31,841,477	\$27,631,477	\$3,206,477	\$20,728,977	\$19,564,727	\$328,607,596
CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES - WASTEWATER ALLOCATION																	
151	Sewer Connection Fees				13	\$3,019,104	\$5,540,000	\$7,710,000	\$30,310,000	\$1,045,000	\$0	\$330,000	\$0	\$2,420,000	\$0	\$2,250,000	\$52,624,104
152	Water and Sewer Renewal & Replacement				20	3,113,923	3,225,000	10,539,300	5,440,000	14,939,000	1,984,000	7,450,000	7,600,000	1,645,000	5,620,000	1,700,000	63,256,223
153	Capital Improvements				30	33,632,978	8,910,457	32,155,375	17,518,621	5,936,250	14,140,750	1,087,500	5,477,500	50,337,500	14,360,000	17,194,250	200,751,180
154	Wastewater Rate Revenue				WWREV	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	9,771,553
155	Capital Grants				Grants	467,000	0	0	0	0	0	0	0	0	0	0	467,000
156	Construction Loan - WW360200 Three Oaks				SRF-3Oaks	13,370,921	0	0	0	0	0	0	0	0	0	0	13,370,921
157	Total Allocated Wastewater Funding Sources					\$54,492,249	\$18,563,780	\$51,292,998	\$54,156,944	\$22,808,573	\$17,013,073	\$9,755,823	\$13,965,823	\$55,290,823	\$20,868,323	\$22,032,573	\$340,240,981
TOTAL CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES																	
158	Water Connection Fees				12	\$8,660,517	\$9,056,000	\$12,637,000	\$10,412,000	\$4,075,000	\$2,900,000	\$2,350,000	\$4,500,000	\$0	\$0	\$0	\$54,590,517
159	Sewer Connection Fees				13	3,019,104	5,540,000	7,710,000	30,310,000	1,045,000	0	330,000	0	2,420,000	0	2,250,000	52,624,104
160	Water and Sewer Renewal & Replacement				20	15,383,068	15,614,200	16,978,800	9,754,600	17,742,500	5,347,500	14,745,000	15,235,000	2,905,000	10,880,000	4,960,000	129,545,668
161	Capital Improvements				30	72,397,121	14,377,623	43,630,541	55,343,192	17,137,500	31,752,500	22,575,000	20,265,000	51,575,000	29,120,000	32,790,000	390,963,477
162	Water Surcharge Fund				35	0	0	0	550,000	0	0	0	0	0	0	0	550,000
163	Water Rate Revenue				WREV	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	708,977	7,798,747	
164	Wastewater Rate Revenue				WWREV	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	888,323	9,771,553	
165	Capital Grants				Grants	467,000	0	0	0	0	0	0	0	0	0	467,000	
166	Construction Loan - DW3602AO AMI Systems				SRF-AMI	9,166,590	0	0	0	0	0	0	0	0	0	0	9,166,590
167	Construction Loan - WW360200 Three Oaks				SRF-3Oaks	13,370,921	0	0	0	0	0	0	0	0	0	0	13,370,921
168	Total Allocated Funding Sources					\$124,061,621	\$46,185,123	\$82,553,641	\$107,967,092	\$41,597,300	\$41,597,300	\$41,597,300	\$41,597,300	\$58,497,300	\$41,597,300	\$41,597,300	\$668,848,577

Table 7

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Development of Net Revenue Requirements for the Combined System

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1	Total Operating Expenses [1]	\$60,201,315	\$62,372,607	\$64,450,819	\$66,749,846	\$68,738,658	\$70,706,012	\$72,735,451	\$74,614,178	\$76,616,887	\$78,653,137	\$80,749,834
	Debt Service											
2	Existing Bonds	\$15,939,077	\$15,934,402	\$16,018,552	\$15,936,614	\$15,941,664	\$15,939,832	\$15,934,594	\$15,939,232	\$15,941,407	\$15,186,794	\$14,825,794
3	Proposed Bonds	0	0	0	0	0	0	0	0	0	0	0
4	Existing SRF	3,972,984	5,270,367	6,425,982	6,914,500	6,914,502	6,914,501	6,914,502	6,914,502	6,914,502	6,914,501	5,698,402
5	Proposed SRF	0	0	0	0	0	0	0	0	0	0	0
6	Total Debt Service	\$19,912,061	\$21,204,769	\$22,444,534	\$22,851,114	\$22,856,166	\$22,854,333	\$22,849,096	\$22,853,734	\$22,855,909	\$22,101,295	\$20,524,196
	Other Miscellaneous Revenue Requirements											
7	Renewal & Replacement Transfer	\$10,700,000	\$11,400,000	\$11,600,000	\$11,700,000	\$12,200,000	\$12,800,000	\$13,500,000	\$14,100,000	\$14,300,000	\$14,400,000	\$14,400,000
8	Capital Improvement Fund	22,699,797	20,426,899	17,773,447	19,755,287	21,913,337	25,907,084	30,149,849	29,000,057	27,719,295	28,176,087	28,492,322
9	Capital Funded From Rate Revenues [2]	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300	1,597,300
10	Deposits to Water Surcharge Fund [3]	121,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500
11	Total Other Revenue Requirements	\$35,118,597	\$33,567,699	\$31,114,247	\$33,346,087	\$36,854,137	\$41,447,884	\$46,390,649	\$45,840,857	\$44,760,095	\$44,316,887	\$44,633,122
12	Gross Revenue Requirements	\$115,231,973	\$117,145,075	\$118,009,600	\$122,947,047	\$128,448,961	\$135,008,229	\$141,975,196	\$143,308,769	\$144,232,891	\$145,071,319	\$145,907,152
	Less Income and Funds From Other Sources											
13	Other Operating Revenues [4]	\$3,454,079	\$3,323,579	\$3,328,759	\$3,333,563	\$3,337,994	\$3,342,257	\$3,346,560	\$3,350,685	\$3,354,419	\$3,358,183	\$3,361,532
14	Interest Income [5]	1,500,520	1,556,537	1,383,876	981,204	786,420	821,430	888,479	993,192	980,675	925,933	970,431
15	Other Non-Operating Revenues [6]	347,935	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335
16	Total Net Revenue Requirements	\$109,929,439	\$112,092,624	\$113,124,630	\$118,459,945	\$124,152,212	\$130,672,207	\$137,567,822	\$138,792,557	\$139,725,462	\$140,614,868	\$141,402,854
	Revenue from Rates											
16	Identified Rate Adjustments	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%
17	Effective Months of Rate Adjustment [7]	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
17	System Revenue from Existing Rates	\$109,929,439	\$112,092,624	\$113,124,630	\$114,086,624	\$114,969,946	\$115,819,101	\$116,677,410	\$117,501,318	\$118,291,112	\$119,044,081	\$119,711,187
18	Revenue From Current Period Rate Adjustments	0	0	0	4,373,321	4,583,468	5,402,267	5,687,346	0	0	0	0
19	Revenue From Prior Period Rate Adjustments	0	0	0	0	4,598,798	9,450,839	15,203,066	21,291,239	21,434,350	21,570,787	21,691,667
20	Total Applicable Rate Revenue	\$109,929,439	\$112,092,624	\$113,124,630	\$118,459,945	\$124,152,212	\$130,672,207	\$137,567,822	\$138,792,557	\$139,725,462	\$140,614,868	\$141,402,854
	Revenue Surplus/ (Deficiency)											
21	Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Percent of Retail Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Footnotes:

[1] Amounts shown derived from Table 5.

[2] Amounts shown derived from Table 6.

[3] Amounts shown reflect deposits to the water conservation surcharge fund based on estimated receipts of associated revenues charged to all customers whose monthly consumption exceeds the first water conservation block per monthly billing period. The revenues are internally restricted for capital improvements associated with water supply.

[4] Amounts shown primarily related to miscellaneous service charges, reuse water sales, water tapping fees, water tower antenna rental, water conservation surcharge and other miscellaneous operating revenues.

[5] Amounts shown derived from Table 8.

[6] Amounts shown reflect non-operating revenues and includes debt service contributions of \$172,335 annually from the Gateway Services Community Development District (Gateway) related to the purchase of capacity by Gateway in the County's facilities. The annual debt service contribution from Gateway will terminate in 2033.

[7] Rate increases are assumed to be effective with service rendered on and after October 1st of the respective fiscal year shown resulting in the effective number of months the adjusted rates are applicable to 11.5 months in the current period.

Table 8

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Development of Fund Balances, Transfers, and Interest Income

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
ENDING FUND BALANCE												
1	REVENUE FUND (#48700)	\$ 61,697,028	\$ 61,697,028	\$ 56,097,028	\$ 21,947,028	\$ 22,947,028	\$ 23,947,028	\$ 24,947,028	\$ 25,947,028	\$ 26,947,028	\$ 26,947,028	\$ 26,947,028
2	CUSTOMER DEPOSITS (#48710)	2,662,722	2,795,647	2,863,829	2,930,970	2,996,940	3,062,966	3,130,443	3,197,898	3,265,306	3,332,603	3,398,096
3	RENEWAL AND REPLACEMENT FUND (#48720)	14,358,403	10,144,203	4,765,403	6,710,803	1,168,303	8,620,803	7,375,803	6,240,803	17,635,803	21,155,803	30,595,803
4	VEHICLE REPLACEMENT FUND (#48703)	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
5	WATER CONSERVATION SURCHARGE (#48735)	1,394,544	1,538,044	1,681,544	1,275,044	1,418,544	1,562,044	1,705,544	1,849,044	1,992,544	2,136,044	2,279,544
6	DEBT SERVICE RESERVE (#48772)	0	0	0	0	0	0	0	0	0	0	0
7	CAPITAL IMPROVEMENTS FUND (#48730)	31,705,799	38,155,075	17,897,981	16,610,076	23,385,913	17,540,497	25,115,346	33,850,403	9,994,698	9,050,785	4,753,107
8	CONSTRUCTION FUND (Debt Proceeds)	0	0	0	0	0	0	0	0	0	0	0
9	WATER CONNECTION FEES (#48712)	19,542,065	15,706,360	7,700,006	1,319,246	757,440	1,049,920	1,919,135	501,019	3,458,542	6,321,214	8,885,104
10	SEWER CONNECTION FEES (#48713)	30,024,268	29,859,495	26,998,478	800,238	1,281,657	3,822,019	6,115,570	8,661,696	8,693,690	11,038,542	10,905,563
11	SINKING FUND (#66,69,73,74,75,76,77,78)	13,601,350	14,254,496	14,689,410	14,818,440	15,045,966	15,292,551	15,549,933	15,829,753	16,120,842	15,668,536	15,235,361
12	TOTAL ENDING CASH BALANCE	\$ 175,236,178	\$ 174,400,348	\$ 132,943,678	\$ 66,661,845	\$ 69,251,791	\$ 75,147,828	\$ 86,108,802	\$ 96,327,644	\$ 88,358,453	\$ 95,900,555	\$ 103,249,606
FINANCIAL POLICY TARGETS												
OPERATING RESERVE FINANCIAL POLICY TEST: Minimum Required Reserve = 120 Days O&M												
13	Days of O&M	374	361	318	120	122	124	125	127	128	125	122
14	Days of O&M Target Met (Y / N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
CAPITAL RESERVE FINANCIAL POLICY TEST: Minimum Reserve = 1.5% of Prior Year's Gross Assets												
15	1.5% of Prior Years Gross Assets	17,055,419	18,700,618	19,313,085	20,407,841	21,839,608	22,391,236	22,942,864	23,494,492	24,046,120	24,821,861	25,373,489
16	Total Capital Cash	47,458,746	49,837,322	24,344,928	24,595,923	25,972,760	27,723,344	34,196,693	41,940,250	29,623,045	32,342,632	37,628,454
17	Amount Above Reserve Target	30,403,327	31,136,704	5,031,843	4,188,082	4,133,152	5,332,108	11,253,829	18,445,758	5,576,925	7,520,771	12,254,965
18	Target Met (Y / N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
REVENUE FUND (#48700)												
19	Beginning Balance	\$61,697,028	\$61,697,028	\$61,697,028	\$56,097,028	\$21,947,028	\$22,947,028	\$23,947,028	\$24,947,028	\$25,947,028	\$26,947,028	\$26,947,028
20	Transfers In - System Operations	0	0	0	150,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0
21	Transfers In - End of Year Surplus	0	0	0	0	0	0	0	0	0	0	0
22	Transfers In - Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0
23	Total Funds Available	61,697,028	61,697,028	61,697,028	56,247,028	22,947,028	23,947,028	24,947,028	25,947,028	26,947,028	26,947,028	26,947,028
24	Transfers Out - System Operations	0	0	0	0	0	0	0	0	0	0	0
25	Transfers Out - End of Year Deficiency	0	0	0	0	0	0	0	0	0	0	0
26	Transfers Out - Capital Improvement Fund	0	0	5,600,000	34,300,000	0	0	0	0	0	0	0
27	Transfers Out - R&R Fund	0	0	0	0	0	0	0	0	0	0	0
28	Transfers Out - Vehicle Replacement Fund	0	0	0	0	0	0	0	0	0	0	0
29	Transfers Out - Gateway Service District Settlement	0	0	0	0	0	0	0	0	0	0	0
30	Transfers Out - Sewer Connection Fee Fund	0	0	0	0	0	0	0	0	0	0	0
31	Total Transfer Out	0	0	5,600,000	34,300,000	0	0	0	0	0	0	0
32	Interest Rate	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
33	Interest Income	616,970	771,213	736,213	487,775	280,588	293,088	305,588	318,088	330,588	336,838	336,838
34	Interest Income to Fund Revenue Requirements	616,970	771,213	736,213	487,775	280,588	293,088	305,588	318,088	330,588	336,838	336,838
35	Ending Balance	\$61,697,028	\$61,697,028	\$56,097,028	\$21,947,028	\$22,947,028	\$23,947,028	\$24,947,028	\$25,947,028	\$26,947,028	\$26,947,028	\$26,947,028

Table 8
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Development of Fund Balances, Transfers, and Interest Income

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
74	Ending Balance	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
75	Percent Allocable to Water System	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
76	Amount Allocable to Water System	1,250	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563
77	Amount Allocable to Wastewater System	1,250	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563
WATER CONSERVATION SURCHARGE (#48735)												
78	Beginning Balance	\$1,273,044	\$1,394,544	\$1,538,044	\$1,681,544	\$1,275,044	\$1,418,544	\$1,562,044	\$1,705,544	\$1,849,044	\$1,992,544	\$2,136,044
79	Transfers In	121,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500
80	Total Funds Available	1,394,544	1,538,044	1,681,544	1,825,044	1,418,544	1,562,044	1,705,544	1,849,044	1,992,544	2,136,044	2,279,544
81	Transfers Out	0	0	0	550,000	0	0	0	0	0	0	0
82	Total Transfer Out	0	0	0	550,000	0	0	0	0	0	0	0
83	Interest Rate	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
84	Interest Income	13,338	18,329	20,122	18,479	16,835	18,629	20,422	22,216	24,010	25,804	27,597
85	Interest Income to Fund Revenue Requirements	13,338	18,329	20,122	18,479	16,835	18,629	20,422	22,216	24,010	25,804	27,597
86	Ending Balance	\$1,394,544	\$1,538,044	\$1,681,544	\$1,275,044	\$1,418,544	\$1,562,044	\$1,705,544	\$1,849,044	\$1,992,544	\$2,136,044	\$2,279,544
87	Percent Allocable to Water System	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
88	Amount Allocable to Water System	13,338	18,329	20,122	18,479	16,835	18,629	20,422	22,216	24,010	25,804	27,597
89	Amount Allocable to Wastewater System	0	0	0	0	0	0	0	0	0	0	0
SINKING FUND (#66,69,73,74,75,76,77,78)												
90	Beginning Balance	\$13,432,274	\$13,601,350	\$14,254,496	\$14,689,410	\$14,818,440	\$15,045,966	\$15,292,551	\$15,549,933	\$15,829,753	\$16,120,842	\$15,668,536
91	Transfer In - Principal Payments (Bonds)	8,130,000	8,485,000	8,945,000	9,285,000	9,735,000	10,230,000	10,750,000	11,305,000	11,885,000	11,735,000	11,945,000
92	Transfer In - Interest Payments (Bonds)	7,809,077	7,449,402	7,073,552	6,651,614	6,206,664	5,709,832	5,184,594	4,634,232	4,056,407	3,451,794	2,880,794
93	Transfer In - Principal Payments (Subordinate)	2,944,959	4,099,480	5,168,083	5,689,672	5,800,363	5,913,625	6,029,524	6,148,129	6,269,508	6,393,733	5,300,070
94	Transfer In - Interest Payments (Subordinate)	1,028,025	1,170,887	1,257,899	1,224,828	1,114,139	1,000,876	884,978	766,373	644,994	520,768	398,332
95	Total Funds Available	33,344,335	34,806,119	36,699,030	37,540,524	37,674,606	37,900,299	38,141,647	38,403,667	38,685,662	38,222,137	36,192,732
96	Transfer Out - Principal Payments (Bonds)	7,790,000	8,130,000	8,485,000	8,945,000	9,285,000	9,735,000	10,230,000	10,750,000	11,305,000	11,885,000	11,735,000
97	Transfer Out - Interest Payments (Bonds)	7,980,001	7,629,239	7,261,476	6,862,583	6,429,139	5,958,248	5,447,213	4,909,413	4,345,319	3,754,100	3,166,294
98	Transfer Out - Principal Payments (Subordinate)	2,918,035	3,674,340	4,996,601	5,655,165	5,765,007	5,877,398	5,992,402	6,110,089	6,230,525	6,353,783	5,621,511
99	Transfer Out - Interest Payments (Subordinate)	1,054,949	1,118,045	1,266,542	1,259,337	1,149,494	1,037,104	922,099	804,413	683,976	560,718	434,566
100	Total Transfer Out	19,742,985	20,551,623	22,009,620	22,722,084	22,628,640	22,607,749	22,591,714	22,573,914	22,564,820	22,553,601	20,957,371
101	Interest Rate	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
102	Interest Income	135,168	174,099	180,899	184,424	186,653	189,616	192,766	196,123	199,691	198,684	193,149
103	Interest Income to Fund Revenue Requirements	135,168	174,099	180,899	184,424	186,653	189,616	192,766	196,123	199,691	198,684	193,149
104	Ending Balance	\$13,601,350	\$14,254,496	\$14,689,410	\$14,818,440	\$15,045,966	\$15,292,551	\$15,549,933	\$15,829,753	\$16,120,842	\$15,668,536	\$15,235,361
105	Percent Allocable to Water System	30.38%	28.52%	27.06%	26.47%	26.47%	26.47%	26.47%	26.47%	26.47%	26.34%	26.02%
106	Amount Allocable to Water System	41,062	49,652	48,948	48,813	49,405	50,188	51,020	51,910	52,856	52,324	50,266
107	Amount Allocable to Wastewater System	94,106	124,447	131,951	135,611	137,248	139,428	141,746	144,213	146,835	146,360	142,883

Table 8

Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Development of Fund Balances, Transfers, and Interest Income

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
WATER CONNECTION FEES (#48712)												
149	Beginning Balance	\$22,265,259	\$19,542,065	\$15,706,360	\$7,700,006	\$1,319,246	\$757,440	\$1,049,920	\$1,919,135	\$501,019	\$3,458,542	\$6,321,214
150	Transfers In - Connection Fees	5,729,326	5,001,361	4,485,264	3,975,220	3,500,296	3,181,254	3,200,774	3,066,852	2,932,930	2,801,927	2,469,441
151	Total Funds Available	27,994,585	24,543,426	20,191,625	11,675,226	4,819,541	3,938,694	4,250,694	4,985,987	3,433,948	6,260,470	8,790,655
152	Transfers Out - CIP	8,660,517	9,056,000	12,637,000	10,412,000	4,075,000	2,900,000	2,350,000	4,500,000	0	0	0
153	Total Transfer Out	8,660,517	9,056,000	12,637,000	10,412,000	4,075,000	2,900,000	2,350,000	4,500,000	0	0	0
154	Interest Rate	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
155	Interest Income	207,997	218,934	145,381	56,020	12,899	11,226	18,441	15,032	24,594	60,744	94,449
156	Interest Income to Fund Revenue Requirements	0	0	0	0	0	0	0	0	0	0	0
157	Ending Balance	\$19,542,065	\$15,706,360	\$7,700,006	\$1,319,246	\$757,440	\$1,049,920	\$1,919,135	\$501,019	\$3,458,542	\$6,321,214	\$8,885,104
SEWER CONNECTION FEES (#48713)												
161	Beginning Balance	\$27,041,613	\$30,024,268	\$29,859,495	\$26,998,478	\$800,238	\$1,281,657	\$3,822,019	\$6,115,570	\$8,661,696	\$8,693,690	\$11,038,542
162	Transfers In - Connection Fees	5,717,849	5,003,278	4,495,828	3,939,097	3,513,487	2,508,662	2,561,827	2,454,342	2,344,197	2,222,292	1,980,722
163	Transfers In - Operating Reserves	0	0	0	0	0	0	0	0	0	0	0
164	Total Funds Available	32,759,461	35,027,546	34,355,323	30,937,575	4,313,726	3,790,319	6,383,846	8,569,912	11,005,893	10,915,982	13,019,264
165	Transfers Out - CIP	3,019,104	5,540,000	7,710,000	30,310,000	1,045,000	0	330,000	0	2,420,000	0	2,250,000
166	Transfers Out - Reimbursement for Expansion Related Projects In Capital Improvement Fund	0	0	0	0	2,000,000	0	0	0	0	0	0
167	Total Transfer Out	3,019,104	5,540,000	7,710,000	30,310,000	3,045,000	0	330,000	0	2,420,000	0	2,250,000
168	Interest Rate	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
169	Interest Income	283,910	371,949	353,155	172,663	12,931	31,700	61,724	91,784	107,797	122,560	136,299
170	Interest Income to Fund Revenue Requirements	0	0	0	0	0	0	0	0	0	0	0
171	Ending Balance	\$30,024,268	\$29,859,495	\$26,998,478	\$800,238	\$1,281,657	\$3,822,019	\$6,115,570	\$8,661,696	\$8,693,690	\$11,038,542	\$10,905,563
INTEREST INCOME												
Unrestricted Interest Income												
175	Water System	694,641	709,145	624,987	431,999	341,457	358,022	389,009	441,001	431,603	401,015	420,617
176	Wastewater System	805,879	847,392	758,889	549,205	444,963	463,408	499,470	552,191	549,072	524,918	549,814
177	Total Unrestricted Interest Income	1,500,520	1,556,537	1,383,876	981,204	786,420	821,430	888,479	993,192	980,675	925,933	970,431
Restricted Interest Income												
178	Water System	223,169	238,597	165,769	76,895	34,254	33,056	40,752	37,829	47,877	84,512	118,696
179	Wastewater System	292,397	383,064	364,794	184,656	25,270	44,384	74,756	105,168	121,533	136,648	150,733
180	Total Restricted Interest Income	515,566	621,661	530,563	261,551	59,524	77,440	115,508	142,997	169,410	221,160	269,429
Total Interest Income												
181	Water System	917,810	947,742	790,755	508,894	375,710	391,079	429,761	478,830	479,480	485,527	539,313
182	Wastewater System	1,098,276	1,230,456	1,123,684	733,861	470,234	507,791	574,226	657,359	670,605	661,566	700,547
183	Total Interest Income	\$ 2,016,086	\$ 2,178,198	\$ 1,914,439	\$ 1,242,755	\$ 845,944	\$ 898,870	\$ 1,003,987	\$ 1,136,189	\$ 1,150,085	\$ 1,147,093	\$ 1,239,860

Table 9
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study
Development of Projected System Operating Results and Debt Coverage [1]

Line No.	Description	Fiscal Year Ended September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Gross Revenues [2]:												
1	Water User Fees	\$51,483,138	\$52,275,029	\$52,761,395	\$53,215,611	\$53,634,258	\$54,035,911	\$54,440,557	\$54,828,460	\$55,200,479	\$55,556,455	\$55,870,239
2	Wastewater User Fees	58,567,800	59,961,094	60,506,735	61,014,513	61,479,188	61,926,690	62,380,353	62,816,358	63,234,133	63,631,126	63,984,449
3	Additional Revenue from Rate Adjustments [3]	0	0	0	4,373,321	9,182,266	14,853,106	20,890,412	21,291,239	21,434,350	21,570,787	21,691,667
4	Rentals and Franchise Fees	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
5	Miscellaneous Revenues [4]	3,142,579	2,990,079	2,995,260	3,000,063	3,004,494	3,008,757	3,013,060	3,017,186	3,020,920	3,024,684	3,028,033
6	Investment Earnings [5]	2,018,586	2,181,323	1,917,564	1,245,880	849,069	901,995	1,007,112	1,139,314	1,153,210	1,150,218	1,242,985
7	Gateway Debt Service Contribution [6]	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335	172,335
8	Total	\$115,574,439	\$117,769,861	\$118,543,289	\$123,211,723	\$128,511,610	\$135,088,794	\$142,093,829	\$143,454,892	\$144,405,427	\$145,295,605	\$146,179,707
Operating Expenses [7]:												
9	Salaries and Wages	\$15,993,123	\$16,287,787	\$16,776,421	\$17,279,717	\$17,798,106	\$18,332,049	\$18,882,010	\$19,448,470	\$20,031,925	\$20,632,883	\$21,251,871
10	Employee benefits	6,986,719	7,456,888	7,706,075	7,963,640	8,229,878	8,505,077	8,789,542	9,083,588	9,387,539	9,701,734	10,026,514
11	Contractual services, materials and supplies	23,970,804	24,716,811	25,578,193	26,607,024	27,289,760	27,909,659	28,547,285	29,007,885	29,588,937	30,196,845	30,826,737
12	Utilities	4,424,325	4,438,450	4,588,966	4,741,566	4,895,853	5,053,392	5,216,029	5,382,097	5,549,780	5,722,689	5,896,742
13	Repairs and maintenance	2,604,400	2,671,400	2,750,592	2,832,276	2,916,387	3,003,003	3,092,194	3,184,042	3,278,624	3,376,022	3,476,315
14	Insurance	675,696	853,671	873,303	894,259	915,722	937,699	960,203	983,245	1,006,843	1,031,005	1,055,749
15	Other	3,345,334	3,555,024	3,666,740	3,784,205	3,904,740	4,029,028	4,157,817	4,290,619	4,426,829	4,567,920	4,712,524
16	Indirect Cost	1,574,130	1,600,847	1,637,665	1,676,970	1,717,216	1,758,429	1,800,633	1,843,849	1,888,101	1,933,419	1,979,822
17	Administrative Fees	99,774	94,584	96,762	99,084	101,462	103,895	106,388	108,942	111,557	114,235	116,978
18	Contingency [8]	149,186	214,757	285,071	360,488	438,253	519,572	605,077	693,074	748,812	768,762	789,307
19	Bad Debt Expense [9]	274,824	280,232	282,812	296,150	310,380	326,680	343,920	346,982	349,313	351,537	353,507
20	Other Post Employee Benefits	103,000	202,155	208,220	214,467	220,901	227,528	234,354	241,385	248,627	256,086	263,769
21	Total	\$60,201,315	\$62,372,606	\$64,450,820	\$66,749,846	\$68,738,658	\$70,706,011	\$72,735,452	\$74,614,178	\$76,616,887	\$78,653,137	\$80,749,835
Pledged Funds [10]:												
22	Net Revenues	\$55,373,124	\$55,397,255	\$54,092,469	\$56,461,877	\$59,772,952	\$64,382,783	\$69,358,377	\$68,840,714	\$67,788,540	\$66,642,468	\$65,429,872
23	Connection Fees [11] [12]	11,447,175	10,004,640	8,981,092	7,914,318	7,013,783	5,689,916	5,762,601	5,521,194	5,277,127	5,024,219	4,450,163
24	Total	\$66,820,298	\$65,401,894	\$63,073,561	\$64,376,194	\$66,786,735	\$70,072,699	\$75,120,978	\$74,361,908	\$73,065,667	\$71,666,687	\$69,880,035
Annual Debt Service for Outstanding Bonds [13]:												
25	Series 2011 Water & Sewer Refunding Revenue Bonds	\$7,095,283	\$7,094,608	\$7,171,008	\$7,095,820	\$7,091,870	\$7,096,538	\$7,088,050	\$7,090,688	\$7,092,613	\$0	\$0
26	Series 2012A Water & Sewer Refunding Revenue Bonds [14]	999,500	999,500	999,500	999,500	999,500	999,500	999,500	999,500	999,500	7,339,500	10,992,500
27	Series 2012B Water & Sewer Refunding Revenue Bonds [14]	374,500	374,500	374,500	374,500	374,500	374,500	374,500	374,500	374,500	374,500	374,500
28	Series 2013A Water & Sewer Revenue Bonds [15]	3,461,794	3,460,794	3,462,544	3,461,544	3,462,794	3,461,044	3,461,294	3,463,294	3,461,794	3,461,794	3,458,794
29	Series 2013B Water & Sewer Revenue Refunding Bonds [15]	4,008,000	4,005,000	4,011,000	4,005,250	4,013,000	4,008,250	4,011,250	4,011,250	4,013,000	4,011,000	-
30	Total Outstanding and Projected Annual Senior Lien Debt Service	\$15,939,077	\$15,934,402	\$16,018,552	\$15,936,614	\$15,941,664	\$15,939,832	\$15,934,594	\$15,939,232	\$15,941,407	\$15,186,794	\$14,825,794
Rate Covenant Compliance [16]:												
31	Net Revenues and Special Assessments Proceeds	\$55,373,124	\$55,397,255	\$54,092,469	\$56,461,877	\$59,772,952	\$64,382,783	\$69,358,377	\$68,840,714	\$67,788,540	\$66,642,468	\$65,429,872
32	Annual Senior Lien Debt Service	15,939,077	15,934,402	16,018,552	15,936,614	15,941,664	15,939,832	15,934,594	15,939,232	15,941,407	15,186,794	14,825,794
33	Calculated Coverage	347.4%	347.7%	337.7%	354.3%	374.9%	403.9%	435.3%	431.9%	425.2%	438.8%	441.3%
34	Required Coverage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Footnotes Begin on Page 2 of 3.

Table 9
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study
Development of Projected System Operating Results and Debt Coverage [1]

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rate Covenant Compliance [16]: (continued)												
	Net Revenues, Special Assessments Proceeds and Connection Fees	\$66,820,298	\$65,401,894	\$63,073,561	\$64,376,194	\$66,786,735	\$70,072,699	\$75,120,978	\$74,361,908	\$73,065,667	\$71,666,687	\$69,880,035
35	Annual Senior Lien Debt Service	15,939,077	15,934,402	16,018,552	15,936,614	15,941,664	15,939,832	15,934,594	15,939,232	15,941,407	15,186,794	14,825,794
36	Calculated Coverage	419.2%	410.4%	393.8%	404.0%	418.9%	439.6%	471.4%	466.5%	458.3%	471.9%	471.3%
37	Required Coverage	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%
38	Net Revenues and Special Assessments Proceeds after payment of Annual Senior Lien Debt Service	\$39,434,047	\$39,462,853	\$38,073,917	\$40,525,263	\$43,831,288	\$48,442,951	\$53,423,783	\$52,901,482	\$51,847,133	\$51,455,674	\$50,604,078
State Revolving Fund (SRF) Loan Compliance [17]:												
Pledged Revenues:												
40	Gross Revenues	\$115,574,439	\$117,769,861	\$118,543,289	\$123,211,723	\$128,511,610	\$135,088,794	\$142,093,829	\$143,454,892	\$144,405,427	\$145,295,605	\$146,179,707
41	Less Operating Expenses	(60,201,315)	(62,372,606)	(64,450,820)	(66,749,846)	(68,738,658)	(70,706,011)	(72,735,452)	(74,614,178)	(76,616,887)	(78,653,137)	(80,749,835)
42	Less Senior Revenue Obligations - Annual Debt Service	(15,939,077)	(15,934,402)	(16,018,552)	(15,936,614)	(15,941,664)	(15,939,832)	(15,934,594)	(15,939,232)	(15,941,407)	(15,186,794)	(14,825,794)
43	Net Amount Available for SRF Debt Coverage	\$39,434,047	\$39,462,853	\$38,073,917	\$40,525,263	\$43,831,288	\$48,442,951	\$53,423,783	\$52,901,482	\$51,847,133	\$51,455,674	\$50,604,078
Outstanding and Proposed SRF Loan Debt Service Payments [18]												
44	SRF Loan DW3610010	\$1,716,847	\$1,716,847	\$1,716,847	\$1,716,847	\$1,716,847	\$1,716,847	\$1,716,847	\$1,716,848	\$1,716,847	\$1,716,847	\$500,747
45	SRF Loan WW392330	2,256,137	2,256,136	2,256,136	2,256,136	2,256,137	2,256,136	2,256,137	2,256,137	2,256,137	2,256,136	2,256,137
46	SRF Loan WW360200	0	1,297,384	1,638,802	1,638,801	1,638,802	1,638,802	1,638,802	1,638,801	1,638,802	1,638,802	1,638,802
47	SRF Loan DW3602A0	0	0	814,197	1,302,716	1,302,716	1,302,716	1,302,716	1,302,716	1,302,716	1,302,716	1,302,716
Proposed SRF Loan Debt Service Payments												
48	Available Debt Issue 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Available Debt Issue 2	0	0	0	0	0	0	0	0	0	0	0
50	Total	\$3,972,984	\$5,270,367	\$6,425,982	\$6,914,500	\$6,914,502	\$6,914,501	\$6,914,502	\$6,914,502	\$6,914,502	\$6,914,501	\$5,698,402
51	Calculated Coverage	992.6%	748.8%	592.5%	586.1%	633.9%	700.6%	772.6%	765.1%	749.8%	744.2%	888.0%
52	Required Coverage	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%
Required Transfers:												
53	Reserve Account [19]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	Renewal and Replacement Fund [20]	5,493,550	5,770,105	5,879,876	5,918,548	6,151,969	6,416,964	6,745,823	7,096,075	7,164,128	7,211,655	7,256,164
55	Water and Sewer Connection Fees Funds [21]	0	0	0	0	0	0	0	0	0	0	0
56	Subordinated Indebtedness Debt Service Payments [22]	3,972,984	5,270,367	6,425,982	6,914,500	6,914,502	6,914,501	6,914,502	6,914,502	6,914,502	6,914,501	5,698,402
57	Amounts Available for Other System Purposes	\$29,967,513	\$28,422,380	\$25,768,058	\$27,692,215	\$30,764,817	\$35,111,486	\$39,763,458	\$38,890,905	\$37,768,503	\$37,329,518	\$37,649,513

Footnotes:

[1] This table provides a review of projected compliance with the covenants of the Bond Resolution related to the Outstanding Bonds and compliance with the covenants of the outstanding Florida Department of Environmental Protection (the "FDEP") State Revolving Fund (the "SRF") loan agreements.

[2] Pursuant to the Bond Resolution Gross Revenues shall mean all income and moneys received by the County from rates, fees, rentals, charges and other income for water and wastewater services calculated in accordance with generally accepted accounting principles (the "GAAP") without limiting the generality of the foregoing, Investment Earnings.

[3] Amounts shown reflect additional revenues from adopted rate adjustments as shown below:

Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Identified Water and Wastewater Rate Revenue Increases	0.00%	0.00%	0.00%	4.00%	4.00%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%

[4] Amounts shown include charges for permit, tapping, delinquent, turn-on / turn-off, etc. and other miscellaneous charges.

Table 9
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Development of Projected System Operating Results and Debt Coverage [1]

- [5] Pursuant to the Bond Resolution, Investment Earnings pledged and available for calculating compliance with the rate covenant (Section 5.04 of the Bond Resolution) shall include all income and earnings on all funds and accounts as established through the Bond Resolution with exception to and excluding the Construction Fund and Rebate Fund.
- [6] Amounts shown reflect annual transfers from the Gateway Services Community Development District for reservation of wastewater treatment capacity and for the purposes of evaluating compliance were considered operating revenues.
- [7] Amounts shown are exclusive of depreciation and amortization.
- [8] Amounts shown reflect application of a contingency factor added to total Operating Expenses for unknown or unanticipated operating expenses. Below is a summary of the contingency factor assumed during each fiscal year of the Forecast Period:

Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Contingency Factor Assumed	0.25%	0.35%	0.45%	0.55%	0.65%	0.75%	0.85%	0.95%	1.00%	1.00%	1.00%
- [9] Amounts shown reflect application of a 0.25% rate revenues uncollectability factor applied to total user fee / rate revenues to recognize rate revenues may not be collectable.
- [10] Amounts shown reflect the Pledged Funds pursuant to the Bond Resolution and include Net Revenues (Gross Revenues less Operating Expenses), Special Assessment Revenues and Connection Fees for use in evaluating compliance with the rate covenant of the Bond Resolution.
- [11] Amounts shown reflect estimated collected Connection Fees for the respective fiscal years shown and do not include any Investment Earnings. Any Investment Earnings related to the Connection Fees Fund have been included as a component of Gross Revenues (recognized through Investment Earnings).
- [12] Generally, under Florida law, Connection Fees (also referred to as "Impact fees") may be validly imposed for construction of improvements and the expansion of the System to new customer growth or development that drive the need for such improvements (i.e., "Growth Pays for Growth"). Connection Fees may also be used to pay the debt service for the expansion related capital improvements funded from the proceeds of any respective outstanding indebtedness of the System. For purposes of this analysis, no determination of the expansion related capital improvements related to the Outstanding Bonds or Subordinated Indebtedness was evaluated and therefore not all of the identified Connection Fees may be legally available for payment of
- [13] Amounts shown are derived from the actual loan repayment schedules for the Outstanding Bonds.
- [14] The Series 2012 Bonds were issued in order to refinance the outstanding Series 1999A Bonds and the Series 2003B Bonds.
- [15] The Series 2013A Bonds were issued in order to refinance the outstanding Series 2003A Bonds. The Series 2013B Bonds were issued in order to finance certain capital improvements of the System related to the Green Meadows project.
- [16] Pursuant to the Bond Resolution Section 5.04 (the "Rate Covenant"), the County must maintain sufficient rates, fees, charges and other Pledged Funds in each Fiscal Year which provide:
 - A) Net Revenues and Special Assessment Proceeds adequate at all times to pay at least 100% of i) the Annual Debt Service on all Outstanding Bonds coming due, ii) any required deposits to the Reserve Account for compliance with the Reserve Account Requirement and iii) amounts required by Sections 4.06(a) and 4.07(a) of the Bond Resolution to be repaid to the Water Connection Fees Fund and the Sewer Connection Fees Fund (the "Connection Fees Funds"); and
 - B) Net Revenues, Special Assessment Proceeds and Connection Fees adequate at all times to pay at least 120% of the Annual Debt Service on all Outstanding Bonds coming due.
- [17] The County has secured several loans from the FDEP SRF loan program. Pursuant to Section 5.01 of the SRF loan agreement, the County must maintain sufficient rates and charges for services furnished by the System to provide Pledged Revenues, as defined in the loan agreement, equal to or greater than 115% of the Semiannual Loan Payments for all outstanding SRF loans due in such Fiscal Year. Pledged Revenues are defined in the loan agreement to mean Gross Revenues after payment of the Operation and Maintenance Expense (or as defined in the Bond Resolution, the Operating Expenses) and Senior Revenue Obligations (or as defined in the Bond Resolution, the Annual Debt Service).
- [18] Amounts shown are derived from the anticipated loan repayment schedules for the outstanding SRF loans; amounts based on funding the monthly Semiannual Loan Payments (as defined in the loan agreement) representing an accrual basis and not presented on an "as paid" basis.
- [19] Pursuant to the Bond Resolution, the Reserve Account Requirement shall mean maintaining a minimum cash balance within the Reserve Account equivalent to the lesser of: i) the Maximum Annual Debt Service for all Outstanding Bonds; or ii) 125% of the Annual Debt Service coming due in such Fiscal Year. No required transfers from Pledged Funds were recognized during the projected period shown since the Reserve Account Requirement is secured through a Reserve Account Insurance Policy for the Outstanding Bonds or from the proceeds of issuance of such Outstanding Bonds and anticipated Bonds.
- [20] Pursuant to the Bond Resolution, the Renewal and Replacement Fund Requirement shall mean maintaining a minimum cash balance within the Renewal and Replacement Fund equivalent to either i) 5% of the Gross Revenues received by the issuer in the immediately preceding Fiscal Year; or ii) an amount as determined by the Consulting Engineer. Furthermore, pursuant to Section 4.05(b)(v) of the Bond Resolution, should the County not meet the Renewal and Replacement Fund Requirement the County is required to annually transfer 1/12th of 5% of prior year's Gross Revenues until the County maintains sufficient cash balances to meet the Renewal and Replacement Fund Requirement. For purposes of this analysis amounts shown reflect 5% of the prior
- [21] Pursuant to Sections 4.06(a) and 4.07(a) of the Bond Resolution, the County must repay any amounts used from the Connection Fees Funds as a result of a deficiency arising in the Principal Account or Interest Account. No deficiencies are anticipated during the Forecast Period that required the use of Connection Fees or balance transfers from the Connection Fees Funds.
- [22] Although not a specific requirement for compliance with the Bond Resolution rate covenant calculation (Section 5.04), payment of debt service on Subordinated Indebtedness was included as a requirement for purposes of this analysis and based on the required disposition of revenues as identified in Section 4.05 of the Bond Resolution.

Table 10
Lee County, Florida
Fiscal Year 2018 Water and Wastewater Revenue Sufficiency Study

Projection of Financial Policy Compliance

Line No.	Description	Projected Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Financial Policy 1.1 - Operating Reserve Target												
1	Revenue Fund	\$61,697,028	\$61,697,028	\$56,097,028	\$21,947,028	\$22,947,028	\$23,947,028	\$24,947,028	\$25,947,028	\$26,947,028	\$26,947,028	\$26,947,028
2	Operating Reserve (Days of O&M)	374	361	318	120	122	124	125	127	128	125	122
3	Operating and Maintenance Expenses	\$60,201,315	\$62,372,607	\$64,450,819	\$66,749,846	\$68,738,658	\$70,706,012	\$72,735,451	\$74,614,178	\$76,616,887	\$78,653,137	\$80,749,834
4	Operating Reserve Target (Amount)	\$19,792,213	\$20,506,063	\$21,189,310	\$21,945,155	\$22,599,011	\$23,245,812	\$23,913,025	\$24,530,689	\$25,189,114	\$25,858,566	\$26,547,891
5	Operating Reserve Target (Days of O&M)	120	120	120	120	120	120	120	120	120	120	120
6	Available Above Reserves	\$41,904,815	\$41,190,965	\$34,907,717	\$1,873	\$348,017	\$701,216	\$1,034,003	\$1,416,339	\$1,757,914	\$1,088,462	\$399,137
7	Test Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Policy 1.2 - Capital Reserve Target												
8	Renewal and Replacement Fund	\$14,358,403	\$10,144,203	\$4,765,403	\$6,710,803	\$1,168,303	\$8,620,803	\$7,375,803	\$6,240,803	\$17,635,803	\$21,155,803	\$30,595,803
9	Water Conservation Surcharge Fund	1,394,544	1,538,044	1,681,544	1,275,044	1,418,544	1,562,044	1,705,544	1,849,044	1,992,544	2,136,044	2,279,544
10	Capital Improvement Fund	31,705,799	38,155,075	17,897,981	16,610,076	23,385,913	17,540,497	25,115,346	33,850,403	9,994,698	9,050,785	4,753,107
11	Ending Balance	\$47,458,746	\$49,837,322	\$24,344,928	\$24,595,923	\$25,972,760	\$27,723,344	\$34,196,693	\$41,940,250	\$29,623,045	\$32,342,632	\$37,628,454
12	Gross Depreciable Fixed Assets [1]	\$1,137,027,909	\$1,246,707,850	\$1,287,539,024	\$1,360,522,743	\$1,455,973,892	\$1,492,749,080	\$1,529,524,267	\$1,566,299,455	\$1,603,074,643	\$1,654,790,721	\$1,691,565,908
13	Capital Reserve Target (Percent)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
14	Capital Reserve Target (Amount)	\$17,055,419	\$18,700,618	\$19,313,085	\$20,407,841	\$21,839,608	\$22,391,236	\$22,942,864	\$23,494,492	\$24,046,120	\$24,821,861	\$25,373,489
15	Available Above Reserves	\$30,403,327	\$31,136,704	\$5,031,843	\$4,188,082	\$4,133,152	\$5,332,108	\$11,253,829	\$18,445,758	\$5,576,925	\$7,520,771	\$12,254,965
16	Test Met (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Policy 2.1 - Debt Capacity												
Net Debt Outstanding - End of Year												
17	Existing Debt Outstanding Balance	\$207,329,424	\$226,413,589	\$232,604,587	\$219,122,986	\$204,522,821	\$189,472,814	\$173,860,417	\$157,638,014	\$140,777,926	\$123,242,400	\$105,003,617
18	New Debt Outstanding Balance	0	0	0	0	0	0	0	0	0	0	0
19	Total Debt Outstanding Balance	\$207,329,424	\$226,413,589	\$232,604,587	\$219,122,986	\$204,522,821	\$189,472,814	\$173,860,417	\$157,638,014	\$140,777,926	\$123,242,400	\$105,003,617
20	Less: Debt Service Reserve Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Less: Estimated Principal on Deposit in Sinking Fund	(\$9,330,532)	(\$10,110,050)	(\$10,741,262)	(\$11,116,193)	(\$11,601,984)	(\$12,133,656)	(\$12,691,234)	(\$13,284,741)	(\$13,904,201)	(\$13,794,640)	(\$13,683,592)
22	Prior Year's Net Debt Outstanding	\$197,998,892	\$216,303,539	\$221,863,324	\$208,006,793	\$192,920,837	\$177,339,158	\$161,169,183	\$144,353,274	\$126,873,724	\$109,447,761	\$91,320,025
Net Fixed Assets - End of Year												
23	Prior Year CWIP Converted to Fixed Assets	\$138,799,000	\$124,061,621	\$46,185,123	\$82,553,641	\$107,967,092	\$41,597,300	\$41,597,300	\$41,597,300	\$41,597,300	\$58,497,300	\$41,597,300
24	% of CWIP Retiring Existing Assets at Original Cost	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	(11.6%)	
25	Less Estimated Retirements	(\$16,090,091)	(\$14,381,680)	(\$5,353,950)	(\$9,569,922)	(\$12,515,943)	(\$4,822,112)	(\$4,822,112)	(\$4,822,112)	(\$4,822,112)	(\$6,781,222)	(\$4,822,112)
26	Depreciable Assets	\$1,137,027,909	\$1,246,707,850	\$1,287,539,024	\$1,360,522,743	\$1,455,973,892	\$1,492,749,080	\$1,529,524,267	\$1,566,299,455	\$1,603,074,643	\$1,654,790,721	\$1,691,565,908
27	Non Depreciable - Land / Intangibles	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000	31,862,000
28	Non-depreciable - Current Period CWIP	124,061,621	46,185,123	82,553,641	107,967,092	41,597,300	41,597,300	41,597,300	41,597,300	58,497,300	41,597,300	41,597,300
29	Gross Fixed Assets [1]	\$1,292,951,530	\$1,324,754,973	\$1,401,954,665	\$1,500,351,835	\$1,529,433,192	\$1,566,208,380	\$1,602,983,567	\$1,639,758,755	\$1,693,433,943	\$1,728,250,021	\$1,765,025,208
30	Depreciation	(\$50,309,431.80)	(\$55,162,378)	(\$56,969,012)	(\$60,198,281)	(\$64,421,655)	(\$66,048,826)	(\$67,675,997)	(\$69,303,167)	(\$70,930,338)	(\$73,218,591)	(\$74,845,762)
31	Less Retirements	16,090,091	14,381,680	5,353,950	9,569,922	12,515,943	4,822,112	4,822,112	4,822,112	4,822,112	6,781,222	4,822,112
32	Accumulated Depreciation	(\$34,784,879)	(\$75,565,577)	(\$127,180,640)	(\$177,808,999)	(\$229,714,711)	(\$290,941,424)	(\$353,795,309)	(\$418,276,364)	(\$484,384,590)	(\$550,821,958)	(\$620,845,608)
33	Net Fixed Assets	\$1,258,166,651	\$1,249,189,396	\$1,274,774,025	\$1,322,542,835	\$1,299,718,481	\$1,275,266,955	\$1,249,188,259	\$1,221,482,391	\$1,209,049,353	\$1,177,428,062	\$1,144,179,601
34	Net Debt to Net Fixed Assets	15.74%	17.32%	17.40%	15.73%	14.84%	13.91%	12.90%	11.82%	10.49%	9.30%	7.98%
35	Test Met - maximum of 50.0% (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Policy 2.2 - Debt Coverage												
Determination of Net Plant End of Year Debt Outstanding												
36	Net Revenues	\$55,373,124	\$55,397,255	\$54,092,469	\$56,461,877	\$59,772,952	\$64,382,783	\$69,358,377	\$68,840,714	\$67,788,540	\$66,642,468	\$65,429,872
37	All-In Debt Service	19,912,061	21,204,769	22,444,534	22,851,114	22,856,166	22,854,333	22,849,096	22,853,734	22,855,909	22,101,295	20,524,196
38	Calculated All-IN Debt Service Coverage Ratio	278%	261%	241%	247%	262%	282%	304%	301%	297%	302%	319%
39	Test Met - Minimum of 150.0% (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Policy 3.2 - Capital Re-investment												
40	Rate Revenues [1]	\$109,929,439	\$112,092,624	\$113,124,630	\$118,459,945	\$124,152,212	\$130,672,207	\$137,567,822	\$138,792,557	\$139,725,462	\$140,614,868	\$141,402,854
Capital Deposits												
41	Renewal & Replacement Fund	\$10,700,000	\$11,400,000	\$11,600,000	\$11,700,000	\$12,200,000	\$12,800,000	\$13,500,000	\$14,100,000	\$14,300,000	\$14,400,000	\$14,400,000
42	Capital Improvement Fund	22,699,797	20,426,899	17,773,447	19,755,287	21,913,337	25,907,084	30,149,849	29,000,057	27,719,295	28,176,087	28,492,322
43	Water Surcharge Fund	121,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500
44	Total Capital Deposits	\$33,521,297	\$31,970,399	\$29,516,947	\$31,598,787	\$34,256,837	\$38,850,584	\$43,793,349	\$43,243,557	\$42,162,795	\$42,719,587	\$43,035,822
45	Calculated Capital Re-Investment Ratio	30.5%	28.5%	26.1%	26.7%	27.6%	29.7%	31.8%	31.2%	30.2%	30.4%	30.4%
46	Test Met - Minimum of 10.0% (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Footnotes:

[1] For the purposes of this analysis, compliance has been evaluated under the respective current fiscal year of operation shown.

Table 11
Lee County, Florida
Fiscal Year 2017 Water and Wastewater Revenue Sufficiency Study

Comparison of Typical Monthly Residential Bills For Water Service [1]

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter								
		0 Gallons	3,000 Gallons	4,000 Gallons [4]	5,000 Gallons [4]	6,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	25,000 Gallons
Lee County										
1	Existing Rates - Fiscal Year 2018	\$12.59	\$22.40	\$25.67	\$28.94	\$32.21	\$48.57	\$71.48	\$99.29	\$131.99
Other Florida Utilities:										
2	Bonita Springs Utilities, Inc.	\$12.17	\$23.15	\$26.81	\$30.47	\$34.13	\$51.89	\$76.43	\$104.09	\$134.09
3	City of Bradenton	14.46	21.27	24.91	28.55	32.19	46.75	64.95	83.15	101.35
4	City of Cape Coral	17.32	29.02	32.92	36.82	41.37	59.57	93.87	145.12	201.72
5	Charlotte County [2]	22.18	36.52	41.30	46.08	50.86	72.82	105.99	144.39	183.74
6	Collier County [2]	21.80	30.77	33.76	36.75	41.26	59.30	89.25	119.20	156.60
7	DeSoto County	22.46	42.35	48.98	55.61	63.91	97.11	146.81	213.06	279.31
8	Englewood Water District [2]	16.89	22.92	24.93	26.94	28.95	45.01	82.44	137.01	206.61
9	FGUA - Lehigh Acres System (Lee County) [2]	15.26	32.03	37.62	43.21	48.80	73.71	107.55	146.07	187.92
10	North Fort Myers Service Area [2] [3]	12.59	22.40	25.67	28.94	32.21	48.57	71.48	99.29	131.99
11	FGUA - Lake Fairway / Pine Lakes Service Area (Lee County) [2]	17.62	40.39	47.98	55.57	63.16	93.52	131.47	169.42	207.37
12	City of Fort Myers [2]	8.89	23.26	28.05	32.84	42.42	80.74	147.79	214.84	308.69
13	Hillsborough County [2]	12.66	23.55	27.18	30.81	35.69	55.21	79.61	110.56	141.51
14	Manatee County [2]	9.45	16.29	18.57	20.85	23.13	34.53	48.78	82.98	134.33
15	City of Marco Island [2]	35.96	49.43	53.92	58.41	62.90	80.86	103.31	125.76	157.21
16	City of Naples [2]	8.09	12.29	13.69	15.09	16.49	24.72	36.97	54.42	73.59
17	City of North Port	18.77	30.77	34.77	40.77	46.77	75.63	126.21	195.17	295.47
18	Okeechobee Utility Authority [2]	19.44	31.74	37.90	44.06	50.22	74.86	105.66	136.46	167.26
19	Pinellas County	6.68	21.80	26.84	31.88	36.92	57.08	82.28	107.48	132.68
20	City of Punta Gorda	15.96	25.86	29.16	32.46	36.27	51.51	75.06	98.61	127.46
21	Sarasota County	16.07	23.39	25.83	28.91	31.99	48.81	85.93	137.03	198.63
22	Other Florida Utilities' Average	\$16.24	\$27.96	\$32.04	\$36.25	\$40.98	\$61.61	\$93.09	\$131.21	\$176.38

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect June 2018 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or plans to implement a rate revision or price index/pass through adjustment within the next twelve months.
- [3] Reflects utility service area receiving wastewater service by the FGUA and potable water service by Lee County
- [4] During the Fiscal Year 2017 the average monthly use for all single family LCU customers was approximately 4,400 gallons.

Table 12
Lee County, Florida
Fiscal Year 2017 Water and Wastewater Revenue Sufficiency Study

Comparison of Typical Monthly Residential Bills For Wastewater Service [1]

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter								
		0 Gallons	3,000 Gallons	4,000 Gallons [4]	5,000 Gallons [4]	6,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	25,000 Gallons
Lee County										
1	Existing Rates - Fiscal Year 2018	\$20.45	\$38.00	\$43.85	\$49.70	\$55.55	\$73.10	\$73.10	\$73.10	\$73.10
Other Florida Utilities:										
2	Bonita Springs Utilities, Inc. [2]	\$28.48	\$39.58	\$43.28	\$46.98	\$50.68	\$65.48	\$83.98	\$87.68	\$87.68
3	City of Bradenton	21.37	27.19	31.50	35.81	40.12	57.36	78.91	100.46	122.01
4	City of Cape Coral [2]	21.07	48.19	57.23	66.27	75.31	111.47	156.67	201.87	247.07
5	Charlotte County [2]	32.99	46.79	51.39	55.99	60.59	78.99	78.99	78.99	78.99
6	Collier County	33.31	47.38	52.07	56.76	61.45	80.21	103.66	103.66	103.66
7	DeSoto County	28.08	52.08	60.08	68.08	78.02	117.78	167.48	217.18	266.88
8	Englewood Water District [2]	24.58	33.94	37.06	40.18	43.30	55.78	71.38	86.98	102.58
9	FGUA - Lehigh Acres System (Lee County) [2]	25.63	52.09	60.91	69.73	78.55	78.55	78.55	78.55	78.55
10	North Fort Myers Service Area [2] [3]	25.72	48.70	56.36	64.02	71.68	102.32	102.32	102.32	102.32
11	FGUA - Lake Fairway / Pine Lakes Service Area (Lee County) [2]	18.25	43.60	52.05	60.50	68.95	68.95	68.95	68.95	68.95
12	City of Fort Myers [2]	15.35	56.30	69.95	83.60	97.25	151.85	220.10	288.35	356.60
13	Hillsborough County [2]	13.82	27.17	31.62	36.07	40.52	49.42	49.42	49.42	49.42
14	Manatee County [2]	22.54	37.63	42.66	47.69	52.72	72.84	72.84	72.84	72.84
15	City of Marco Island [2]	29.32	46.69	52.48	58.27	64.06	64.06	64.06	64.06	64.06
16	City of Naples [2]	20.26	32.05	35.98	39.91	43.84	59.56	59.56	59.56	59.56
17	City of North Port	28.92	47.79	54.08	60.37	66.66	91.82	104.40	104.40	104.40
18	Okeechobee Utility Authority [2]	21.71	41.99	48.75	55.51	62.27	89.31	123.11	156.91	190.71
19	Pinellas County	13.52	28.34	33.28	38.22	43.16	62.92	62.92	62.92	62.92
20	City of Punta Gorda	28.39	33.34	34.99	36.64	38.29	44.89	44.89	44.89	44.89
21	Sarasota County [2]	14.89	37.51	45.05	52.59	60.13	90.29	90.29	90.29	90.29
22	Other Florida Utilities' Average	\$23.41	\$41.42	\$47.54	\$53.66	\$59.88	\$79.69	\$94.12	\$106.01	\$117.72

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect June 2018 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or plans to implement a rate revision or price index/pass through adjustment within the next twelve months.
- [3] Reflects utility service area receiving wastewater service by the FGUA and potable water service by Lee County
- [4] During the Fiscal Year 2017 the average monthly use for all single family LCU customers was approximately 4,400 gallons.

Table 13
Lee County, Florida
Fiscal Year 2017 Water and Wastewater Revenue Sufficiency Study

Comparison of Typical Monthly Residential Bills For Water and Wastewater Service [1]

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter								
		0 Gallons	3,000 Gallons	4,000 Gallons [4]	5,000 Gallons [4]	6,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	25,000 Gallons
Lee County										
1	Existing Rates - Fiscal Year 2018	\$33.04	\$60.40	\$69.52	\$78.64	\$87.76	\$121.67	\$144.58	\$172.39	\$205.09
Other Florida Utilities:										
2	Bonita Springs Utilities, Inc. [2]	\$40.65	\$62.73	\$70.09	\$77.45	\$84.81	\$117.37	\$160.41	\$191.77	\$221.77
3	City of Bradenton	35.83	48.46	56.41	64.36	72.31	104.11	143.86	183.61	223.36
4	City of Cape Coral [2]	38.39	77.21	90.15	103.09	116.68	171.04	250.54	346.99	448.79
5	Charlotte County [2]	55.17	83.31	92.69	102.07	111.45	151.81	184.98	223.38	262.73
6	Collier County	55.11	78.15	85.83	93.51	102.71	139.51	192.91	222.86	260.26
7	DeSoto County	50.54	94.43	109.06	123.69	141.93	214.89	314.29	430.24	546.19
8	Englewood Water District [2]	41.47	56.86	61.99	67.12	72.25	100.79	153.82	223.99	309.19
9	FGUA - Lehigh Acres System (Lee County) [2]	40.89	84.12	98.53	112.94	127.35	152.26	186.10	224.62	266.47
10	North Fort Myers Service Area [2] [3]	38.31	71.10	82.03	92.96	103.89	150.89	173.80	201.61	234.31
11	FGUA - Lake Fairway / Pine Lakes Service Area (Lee County) [2]	35.87	83.99	100.03	116.07	132.11	162.47	200.42	238.37	276.32
12	City of Fort Myers [2]	24.24	79.56	98.00	116.44	139.67	232.59	367.89	503.19	665.29
13	Hillsborough County [2]	26.48	50.72	58.80	66.88	76.21	104.63	129.03	159.98	190.93
14	Manatee County [2]	31.99	53.92	61.23	68.54	75.85	107.37	121.62	155.82	207.17
15	City of Marco Island [2]	65.28	96.12	106.40	116.68	126.96	144.92	167.37	189.82	221.27
16	City of Naples [2]	28.35	44.34	49.67	55.00	60.33	84.28	96.53	113.98	133.15
17	City of North Port	47.69	78.56	88.85	101.14	113.43	167.45	230.61	299.57	399.87
18	Okeechobee Utility Authority [2]	41.15	73.73	86.65	99.57	112.49	164.17	228.77	293.37	357.97
19	Pinellas County	20.20	50.14	60.12	70.10	80.08	120.00	145.20	170.40	195.60
20	City of Punta Gorda	44.35	59.20	64.15	69.10	74.56	96.40	119.95	143.50	172.35
21	Sarasota County [2]	30.96	60.90	70.88	81.50	92.12	139.10	176.22	227.32	288.92
22	Other Florida Utilities' Average	\$39.65	\$69.38	\$79.58	\$89.91	\$100.86	\$141.30	\$187.22	\$237.22	\$294.10

Footnotes:

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- [4] During the Fiscal Year 2017 the average monthly use for all single family LCU customers was approximately 4,400 gallons.