

BREVARD COUNTY

Water and Wastewater Connection Fee Study 2025

FINAL REPORT / October 22, 2025

August 27, 2025

Mr. Edward Fontanin, P.E.
Utility Director
Brevard County Utilities
2725 Judge Fran Jamieson Way, Bldg. A-213
Viera, FL 32940-6602

Subject: **Water and Wastewater Connection Fee Study 2025**

Dear Mr. Fontanin:

Raftelis Financial Consultants, Inc. ("Raftelis") has completed the Water and Wastewater Connection Fee Study ("Study") on behalf of Brevard County, Florida ("County") and has presented the results of our analyses, assumptions, and recommendations in this report to the Board of County Commissioners ("BOCC") 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 review the System's current water and wastewater connection fees charged to new development requesting capacity. The Study period evaluated a forecast of capital improvements for the Fiscal Years 2025 through 2029 (the "Forecast Period") with respect to the water and wastewater system, as well as the existing fixed assets of the system.

With respect to the water and wastewater connection fees charged to new development which supports the funding of the expansion-related capital improvement program for the Utility, the fees were last adjusted on September 1, 1993, with the adoption of Resolution No. 93-288 by the BOCC and such fees have been in effect for approximately 32 years. Based on the projected expenditure and funding needs of the System and the assumed financing plan for the capital program, it is projected that the current rates and connection fees will not be sufficient to meet such needs and that the rates for monthly utility service and the corresponding connection fees will need to be increased.

It is recommended that the existing Connection Fees be adjusted to reflect current and anticipated capital costs identified to serve new growth. It should be noted that the cost to construct water and wastewater infrastructure has significantly increased since 1993 and has a direct impact on the level of connection fees to be charged to new development requesting capacity. These increases are starting to be incurred by other public utilities as they construct new infrastructure to meet the increased capacity demands due to growth which we believe will subsequently result in increases in the connection fees for such utilities.

(Remainder of page intentionally left blank)

Honorable Chairman and Members of the
Board of County Commissioners
August 27, 2025
Page 2

The following is a summary of the existing and recommended connection fees for the System:

**Recommended Connection Fees –
\$ / Equivalent Residential Unit**

	Water	Wastewater	Combined
Existing Fees	\$1,903	\$2,257	\$4,160
Recommended Fees	<u>8,500</u>	<u>4,500</u>	<u>13,000</u>
Difference	<u>\$6,597</u>	<u>\$2,243</u>	<u>\$8,840</u>

Following this letter, we have provided an executive summary that briefly summarizes the results of our Study and outlines our recommendations and conclusions. The accompanying report will provide additional details regarding the rate and financial analyses conducted on behalf of the County. We appreciate the opportunity to be of service to the County and would like to thank the County Utility and Administrative staff for their assistance and cooperation during the preparation of this Study.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Thierry A. Boveri
Executive Vice President



Mark A. Tuma
Manager



Matthew N. Ori
Senior Consultant

Contents

Executive Summary ES-1

 General.....ES-1

 Observations and Recommendations Summary.....ES-1

Section 1 – Introduction..... 1-1

 General..... 1-1

 Scope of Services 1-2

Section 2 – Water and Wastewater Connection Fees 2-1

 Introduction 2-1

 Purpose of Water and Wastewater Connection Fees..... 2-1

 Existing Water and Wastewater Connection Fees 2-2

 Development of Connection Fees..... 2-3

 Level of Service Requirements 2-5

 Capital Investment 2-5

 Existing Plant-in-service.....2-6

 Additional Capital Investment2-9

 Recognized in Connection Fees Determination.....2-10

 Recognized in Connection Fees Determination.....2-11

 Design of Connection Fees 2-11

 Connection Fee Comparisons 2-14

Conclusions and Recommendations 3-1

Figures

Figure 1: Capital Improvement Plan for FY 2025 – FY 2029	ES-2
Figure 2: Connection Fee Determination Methodology.....	2-4
Figure 3: Comparison of Connection Fees for Water and Wastewater Service.....	2-15
Figure 4: Comparison of Connection Fees of Utilities Recently Adopted	2-16

Tables

Table 1: Level of Service Allocated per ERU – GPD	ES-3
Table 2: Recommended Connection Fees – \$ / Equivalent Residential Unit.....	ES-3
Table 3: County System.....	1-1
Table 4: Summary of Existing Connection Fees	2-3
Table 5: Functional Plant Categories	2-6
Table 6: Summary of Water and Wastewater Utility System Existing Assets	2-7
Table 7: Summary of Water System Capital Improvement Program	2-10
Table 8: Summary of Wastewater System Capital Improvement Program	2-11
Table 9: Summary of Calculated and Proposed Connection Fees	2-14
Table 10: Summary of Proposed Water and Wastewater Connection Fees.....	2-14
Table 11: Recommended Connection Fees – \$ / Equivalent Residential Unit.....	3-1
Table 12: Alternative Connection Fee Phasing Options	3-1

Appendices

Appendix A: Calculation of Water Connection Fee	[*]
Appendix B: Calculation of Wastewater Connection Fee.....	[*]
Appendix C: Comparison of Connection Fees for Water and Wastewater Service	[*]

(Remainder of page intentionally left blank)

EXECUTIVE SUMMARY



Executive Summary

General

The County's water and wastewater utility system (the "System" or "Utility") is recognized for financial reporting purposes as a utility enterprise fund (the "Utility Fund"). As such, the Utility Fund should have revenues equal to the costs of the services provided by the System and the County should establish rates sufficient to cover the cost of operating, maintaining, repairing, and financing the System. According to the Governmental Accounting Standards Board:

"Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges."

Observations and Recommendations Summary

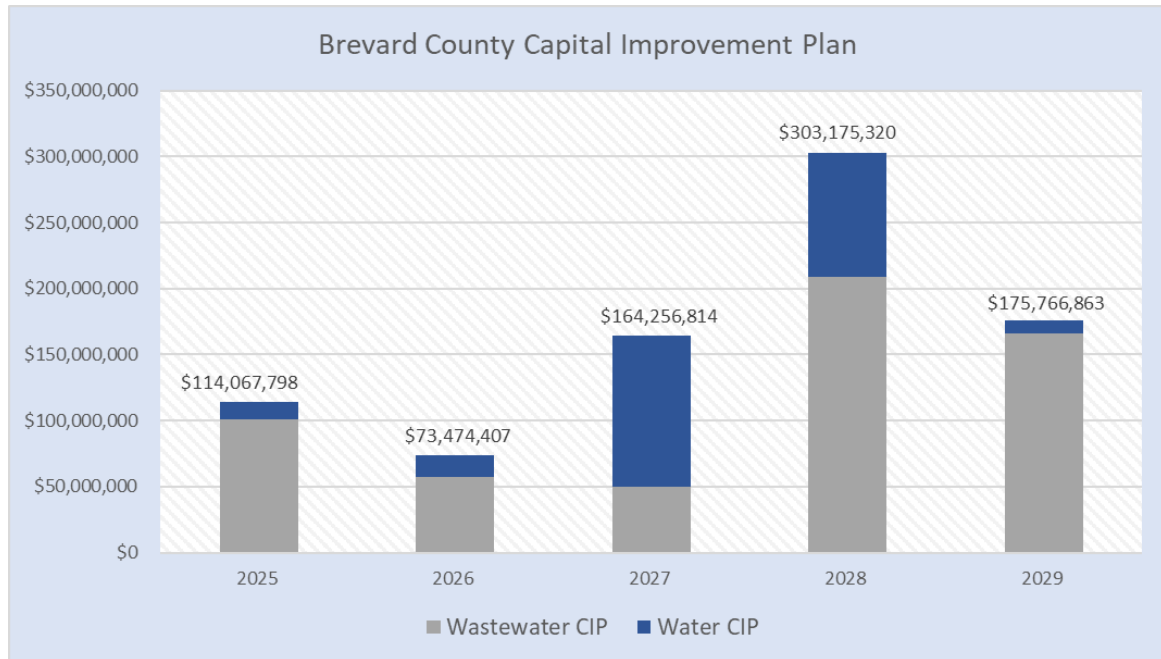
The connection fees were first implemented in 1993, and the County is currently undergoing multiple treatment plant expansions and upgrades in both the water and wastewater systems. Since it has been a number of years since any update to the fee, the County requested that a review and update of the Utility connection fees be performed.

Based on our review of the connection fees, as more fully discussed in the attached report, we offer the following observations and recommendations.

1. Approximately 85% of the accounts served by the System are classified by the County as single-family residential for both the water and wastewater systems.
2. The primary reasons for the increase in fees are due to the following:
 - a. The cost of constructing new infrastructure has increased significantly. This is further compounded by the significant amount of new development being experienced in the County which is resulting in the need for new Utility plant expansions and facility upgrades. The capital plan for the Forecast Period, which incorporates Fiscal Years 2025 through 2029 and is part of the budgeted plan for the County, is estimated to approximately \$830.1 million, which is anticipated to be funded from various internal sources (system rate revenue, Renewal and Replacement Fund, etc.), the issuance additional bonds, connection fees received from new growth or development, and through grants and other contributed capital which would be excluded from the fee calculation as contributed assets. It should be noted that within the analysis, each year of the capital plan was inflated to better reflect the future cost since the budgeted capital plan is in today's dollars. Since 2019 the construction price index has increased by nearly 40% which has contributed to an increase in capital costs for the system. Below you can see the five (5) year capital improvement plan for the County, however it should be noted that this capital plan chart includes approximately \$60 million in plant upgrades associated with the Barefoot Bay System that have been removed from the calculation of connection fees Barefoot Bay, although County owned and operated, is has its

own connection fees and user rates and is therefore removed from the calculation of connection fees in terms of both the fixed assets of the system as well as the capital plan of the system. Additionally, approximately \$56 million has been removed from allocable capital projects as they were grant or developer contributed projects and are not includable in the calculation of water and wastewater connection fees. The capital plan presented below shows the full capital plan of the system before the removal of projects not includable in the fee calculation.

Figure 1: Capital Improvement Plan for FY 2025 – FY 2029



3. The Utility has charged water and wastewater connection fees to new development for many years to finance the cost of major utility infrastructure allocated to such growth. The application of connection or impact fees is common in the state and nationally and provides financial resources which limits the impacts on existing customers to carry or finance the cost of expansion-related infrastructure. The connection fees for the Utility have not been adjusted since 1993 or over 32 years.
4. In the evaluation of the capital facility needs for providing water and wastewater utility services, level of service (“LOS”) standards must be established. Pursuant to Section 163.3164 of the Florida Statutes, the level of service means an indicator of the extent or degree of service provided by, or proposed to be provided by, a facility based on and related to the operational characteristics of the facility. Level of service shall indicate the capacity demand per unit for each public facility. The level of service standards is established in order to ensure that adequate facility capacity will be provided for future development and for purposes of issuing development orders or permits, pursuant to F.S. Section 163.3202(2)(g). As further stated in the statutes, each local government shall establish a LOS standard for each public facility located within the boundary for which such local government has authority to issue development orders or permits.

For water and wastewater service, the level of service that is commonly used in the industry is the amount of capacity (service) allocable to an equivalent residential connection (“ERC”) or equivalent residential unit (“ERU”) expressed as the amount of capacity (gallons) allocated on an average daily basis. The level of service generally represents the amount of capacity allocable to an ERC, whether or not such capacity is actually used (commonly referred to as the “readiness-to-serve”). An ERC is representative of the average capacity required to service a typical individually metered single-family residential connection. This class of users represents the largest number of customers served by the System and generally the lowest level of usage requirements for a specifically metered account. Below is the current LOS for the County:

Table 1: Level of Service Allocated per ERU – GPD

	Water	Wastewater
Current LOS	250	200

- Based on the cost of infrastructure as constructed and planned for the five- (5) year planning cycle by the Utility, current capacity utilization of the constructed utility plant, and other factors, the existing Connection Fees do not recover the estimated pro rata cost of capacity allocated to ERUs connecting to the System from new development. It is recommended that the existing water and wastewater Connection Fees be adjusted as follows:

Table 2: Recommended Connection Fees – \$ / Equivalent Residential Unit

	Water	Wastewater	Combined
Existing Fees	\$1,903	\$2,257	\$4,160
Recommended Fees	8,500	4,500	13,000
Difference	\$6,597	\$2,243	\$8,840

It should be noted that the cost to construct water and wastewater infrastructure has significantly increased since 1993 and has a direct impact on the level of connection fees to be charged to new development requesting capacity. Based on our understanding of the industry, these are starting to be incurred by other public utilities as they construct new infrastructure to meet the increased capacity demands due to growth which we believe will subsequently result in significant increases in the connection fees charged by such utilities in the future.

SECTION 1:

Introduction



Section 1 – Introduction

General

Brevard County Utilities Services Department (the “Department”) currently owns and operates two (2) water and wastewater utility systems that are separate and distinct in terms of financial reporting, rates, and the pledge of revenues for the payment of indebtedness issued on behalf of such respective systems for capital funding. The primary utility system, referred to in this report as the “County System”, currently provides utility service to approximately 3,582 water and 56,300 wastewater accounts which include single family, multi-family, commercial, and industrial units, which are located throughout five (5) service areas as summarized below:

Table 3: County System

Service Area	Type of Service
North Brevard	Water and Wastewater
Port St. John	Wastewater-only
South Central	Wastewater-only
Merritt Island	Wastewater-only
South Beaches	Wastewater-only

These accounts are as of July 2025 and represent the total county system for water and wastewater customers.

With the exception of the South Beaches utilities service area, the County System is located in and primarily serves a portion of unincorporated areas of the County. The South Beaches utilities service area includes service to Satellite Beach, Indiatlantic, Harbor Beach, and Melbourne Beach.

The Department also owns and operates the water and wastewater utility system in the Barefoot Bay Water and Sewer District (the “District System”), a dependent special district created by the County when the County purchased the assets during the Fiscal Year 2000. The District System is located in south Brevard County and currently provides service to approximately 5,632 water and 5,468 wastewater accounts. The District System has its own set of connection fees separate and distinct from the County System.

The County System and the District water and wastewater utility systems (collectively, the “Systems”) have been established by the County as utility enterprise funds (the “Utility Funds”). According to the Governmental Accounting Standards Board, “Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.” As such, the Utility Funds should have revenues equal to the costs of the services provided by the Systems and the County should establish rates sufficient to cover the cost of operating, maintaining, repairing and financing the Systems.

Scope of Services

Because of the level of and changes in the cost of capital infrastructure expenditures anticipated to meet the expanding growth demands within the County and to replace / improve existing utility plant investment, the Department wants to review and update of the System connection fees to ensure that the nexus between the fees charged and the costs incurred are maintained.

The scope of services included the following components:

1. Evaluate the current water and wastewater connection fees to determine if any adjustments are required, to the amount of capital cost recovery that should be recovered from new development within the utility service area to promote the policy that “growth should pay for growth.”
2. Prepare a report documenting our analyses, assumptions, and conclusions for consideration by the BOCC.

(Remainder of page intentionally left blank)

SECTION 2:

Water and Wastewater Connection Fees



Section 2 – Water and Wastewater Connection Fees

Introduction

The Department is moving forward to construct utility infrastructure to accommodate the future developments identified for the County that are expected to be served by the System. The Department is in the process of planning and designing several treatment plants due to: i) existing treatment plants are beyond their useful life; ii) comply with federal laws associated with PFAS removal at the water treatment plants; iii) comply with State laws associated with wastewater treatment plants functioning as Advanced Wastewater Treatment (AWT); and iv) to address the need for added water and wastewater capacity due to anticipated growth throughout Brevard County utility service boundaries. Historically, the Department has utilized water and wastewater connection fees to fund a portion of constructing the infrastructure requirements associated with new growth or increased development. The connection fees do not include meter drops, installation of service lines, tap fees, or other related charges associated with the physical connection by an applicant or account to the County System.

Purpose of Water and Wastewater Connection Fees

The purpose of connection fees is to recover the pro-rata share of allocated capital costs considered as growth-related from new customers connecting to the System or from existing customers that are requesting an increase in the reserved water and/or wastewater capacity associated with increased development on their property. To the extent that new population growth and associated development impose identifiable added capital costs to municipal services, capital funding practices to include the assignment of such costs to those residents or system users responsible for those costs rather than to the existing population base is reasonable and provides for the proper match of initial capital investment to the capacity being reserved. This practice has been labeled as “growth paying its own way” without existing user cost burdens. The application of connection fees to finance capital infrastructure allocated to such new capacity requests is very common in Florida and the country and has been used as a source of contributed capital by the County for many years.

Based on certain conditions as stated in Section 163.31801 of the Florida Statutes regarding impact fees and existing Florida case law, certain conditions are required to develop a valid impact fee. It is our understanding that these conditions involve the following issues:

1. The impact fee must meet the “dual rational nexus” test. First, impact fees are valid when a reasonable impact or rationale exists between the anticipated need for the capital facilities and the growth in population. Second, impact fees are valid when a reasonable association, or rational nexus, exists between the expenditure of the impact fee proceeds and the benefits accruing to the development from the use of the proceeds.
2. The system of fees and charges should be set up so that there is not an intentional windfall to existing users.
3. The impact fee should only cover the capital cost of construction and related costs thereto (engineering, legal, financing, administrative, etc.) for capital expansions or other system-related capital requirements that have been or are anticipated to be constructed which are required or available to serve growth.

Therefore, expenses due to rehabilitation or upgrade of a facility that has been constructed (e.g., replacement of a capital asset) or an increase in the level of service / new asset additions should be borne by all users of the facility (i.e., existing and future users) on a pro rata basis to the extent that there is capacity in such facilities is available to serve the needs of new development.

4. The County should adopt an impact fee resolution or ordinance that clearly outlines the allowable uses of collected impact fees. Accordingly, these revenues are best maintained in a separate account, with distinct accounting records to help ensure they are applied only toward the lawful purposes such as growth related projects as described above.
5. Section 163.31801 subsection (12) states “This section does not apply to water and sewer connection fees.”

The rational nexus concept requires that there be a reasonable relationship between the need for capital facilities and the benefits to be received by new development for which the fee will be expended or applied. The Department’s existing infrastructure and the corresponding financing and management of such infrastructure is on a County System basis. And as such, the proposed connection fees were determined on a County System basis. The second nexus condition recognizes that the property must receive a benefit from the public services for which the fee is being applied. With respect to the water and wastewater charge, these facilities are used by and are constructed on behalf of all the property within the Department’s service area and benefit both residential and commercial customers. As such, all new growth requesting capacity from the County System (either water and/or wastewater) are subject to the application of the connection fees.

Credit or fee offsets recognize that if an agency has received property in the form of cost-free capital or there is specific revenue (taxes) that will be used for the capital expenditures for which the connection fee was designed to recover necessitated by new growth; a credit should be applied to the fee. Examples of cost-free capital include grants, property contributions by developers (that are associated with infrastructure identified in the Department’s utility master plans that are not subsequently reimbursed by the Department from future connection fee collections), infrastructure funded from external sources (assessments), and other sources that provide funds toward the capital expenditures for which the connection fee was designed to recover. These credits allow for the recovery of costs to serve new development through connection fees, net of such cost-free capital. The evaluation of the water and wastewater connection fees proposed to be charged by the Department as identified in this study to new development requiring water and/or wastewater County System capacity recognized the above-referenced credits where applicable.

Existing Water and Wastewater Connection Fees

Resolution No. 93-288, which was adopted by the BOCC on August 3, 1993 (“1993 Rate Resolution”), codified the County’s current water and wastewater connection fees. The connection fees have been in effect for approximately 32 years. As referenced in the 1993 Rate Resolution, the current connection fees are applied based on the size of the water meter serving the customers or account premise. This fee application is applied uniformly to all customers classes and is also consistent in application methodology for the application of the monthly base charge for service as discussed earlier in this report (promotes consistency in “fixed / capacity” cost recovery). The following table provides a summary of the existing water and wastewater connection fees and the corresponding fee application basis by customer classification:

Table 4: Summary of Existing Connection Fees

Description	Assumed Gallons Per Day	Water Fee
Single Family Residential	200	\$1,903.00
Condominium (Each)		1,589.00
Apartment (Each)		1,589.00
Mobile Home		1,589.00
Travel Trailer Park (Per Space)		476.00
Motel / Hotel (Per Room)		952.00
Restaurants (Per Seat)		190.00
Cocktail Lounge (Per Seat)		76.00
Laundry Facilities (Per Washing Machine)		638.00
Other Based on Daily Flows (200gpd)		1,903.00

Description	Assumed Gallons Per Day	Wastewater Fee
Single Family, Condominium, Apartment and Mobile Home:		
1 to 3 Bedrooms	200	\$2,257.00
4 Bedrooms		2,610.00
5 Bedrooms		2,962.00
Commercial:		
Travel Trailer Park (Per Space)		374.00
Motel / Hotel (Per Room)		474.00
Restaurants (Per Seat)		148.00
Cocktail Lounge (Per Seat)		58.00
Laundry Facilities (Per Washing Machine)		747.00
Other Based on Daily Flows (200gpd)		2,257.00

Development of Connection Fees

There are three significant components addressed in the design of connection fees. These three components include: i) the total capital investment recognized as a cost component that may be recovered from a new applicant requesting capacity; ii) the total estimated dependable capacity associated with the capital investment; and iii) the level of service to be apportioned to the applicants that request System capacity. The recognition of these components provides the general basis to recover the allocated capital costs from a new applicant requesting service and is depicted in Figure 2-1:

Figure 2: Connection Fee Determination Methodology

With respect to the development of the capital costs to be recognized in the fee determination, there are three methods generally used, which include: i) the Standards Method; ii) the System Buy-in Method; and iii) the Improvements Method.

The Standards Method would base the capital cost on a theoretical cost of the improvements for incremental development (e.g., the standard cost for the construction of a water treatment plant expressed on a dollar per gallon basis). This method generally would not recognize the existing installed infrastructure that has capacity to serve new development and may also not recognize the current capital plan identified to provide service or complete the capital program as may be identified in the master planning process for the system facilities.

The System Buy-in (or historical) Method recognizes the installed original cost of the utility infrastructure in the determination of the allocated capital costs to provide service on an equivalent unit basis. This method is applicable to mature or developed utility systems that have constructed the majority of its infrastructure. This method generally would only reflect the constructed capacity and may not recognize any anticipated changes or additions identified by a utility in service area infrastructure.

The Improvements Method would be based on future capital costs and new capacity determined over a projected period of time; it may not account for unused constructed capacity that may be available to serve new development. This fee is similar to the standards method in that it is based on a future cost (however, it is specific to the utility as opposed to a theoretical construction cost standard). This method may also result in a disparity in the amount of growth to be served by the new facilities.

In the determination of the connection fees for the System, a blending of the Buy-in Method and Improvements Method was recognized for the following reasons:

1. The Florida Impact Fee Act provides that the connection or impact fee be based on localized costs (as shown in Section 163.31801 4(a) of the Florida Statutes) which more fully supports the buy-in method for fee determination. Basing the fee on the original installed costs of the assets that are currently in service that have available capacity to serve new development would strongly promote this requirement since the costs are known, measurable, and are installed solely within the County utility service area boundaries.
2. The County has identified expansion-related and System upgrade projects for the next 5-year planning term, which will immediately increase the availability of capacity to serve new development and the

overall installed infrastructure cost to provide service. Since the System is managed, financed, operated, and constructed as a single system and growth and significant infrastructure development over the next several years is projected by the County to occur, near-term capital improvements were considered in the fee to recognize the estimated installed cost of capacity coincident with the time frame that the fee is to be charged to new development.

3. The System Buy-in Method and Improvements Method were consolidated in our analysis to identify the blended average cost of the remaining installed capacity to serve immediate near-term development during the planning period, which places more emphasis on the System Buy-in Method and will promote the “system concept” as it relates to service availability for new development since it does not only consider the future capital improvement expenditures, which in many instances is higher than the original cost of the utility infrastructure that has been constructed and placed into service.

Level of Service Requirements

In the evaluation of the capital facility needs for providing water and wastewater utility services, it is important that a level of service (“LOS”) standard be developed. Pursuant to Section 163.3164, Florida Statutes, the “level of service” means an indicator of the extent or degree of service provided by, or proposed to be provided by, a facility based on and related to the operational characteristics of the facility and shall indicate the capacity per unit of demand for each public facility or service. The level of service standards is established to ensure that adequate capacity will be provided for future development and for purposes of issuing development orders or permits, pursuant to Section 163.3202(2)(g) of the Florida Statutes. As further stated in the Statutes, each local government shall establish a LOS standard for each public facility located within the boundary for which such local government has authority to issue development orders or permits. Such LOS standards are set for each individual facility or facility type or class and not on a system-wide basis. With respect to the determination of the water and wastewater connection fees the LOS standards were determined on a system-wide basis since all the water production and wastewater treatment facilities are managed, operated, financed, and accounted for on a total system basis and serve as a single water and wastewater system. This is also consistent with past practices of the County and the fee application of other local governments throughout the State of Florida.

For water and wastewater service, the level of service that is commonly used in the industry is the amount of capacity (service) allocable to an equivalent residential unit (“ERU”) expressed as the amount of usage (gallons) allocated on an average daily basis. This allocation of capacity would generally represent the amount of daily dependable capacity allocable to an ERU, whether or not such capacity is actually used (commonly referred to as “readiness to serve”). An ERU is representative of the average capacity required to service a typical individually metered or single-family residential account served by a 5/8-inch × 3/4-inch meter. This class of users represents the largest number of customers served by the County and generally represents the lowest (and most common) level of usage requirements for a specific individually metered account.

Capital Investment

In the evaluation of the water and wastewater connection fees, the development of the estimated facility or infrastructure costs associated with the identified facility capacity is a primary component in the fee development. As previously mentioned, the determination of the facility or infrastructure costs in this study was based on a blend of the System Buy-in Method and the Improvements Method to identify the estimated localized cost of the infrastructure necessary to meet the near-term future capacity needs associated with new development within the County on a system-wide basis during the planning period. The planning period

included a five- (5) year forecast period consistent with the County’s capital improvement planning process. The following is a discussion of the existing utility plant and new capital facility evaluation considered in the development of the connection fees for the water and wastewater utility systems.

Existing Plant-in-service

In the determination of the connection fee associated with the servicing of future customers, any constructed capacity in the existing treatment and transmission utility system that is available to serve such growth was considered. Since this capacity was constructed and is available to serve the near-term incremental growth in the utility system, it is appropriate to recognize the capacity availability of such facilities. To evaluate the availability of the existing utility plant-in-service to meet or provide for near-term future capacity needs, it was necessary to functionalize the existing constructed utility plant by specific function or purpose (treatment, conveyance, etc.). The “functionalization” of the existing utility plant is necessary to: i) identify those assets that should be considered or included in the determination of the connection fees; and ii) match existing plant type to the capital improvements to meet future service needs.

It was necessary to functionalize the utility plant into certain asset categories such that the estimated County System infrastructure components (County System-related expenditures that benefit all customers) can be identified such that the fee could be developed. The functional cost categories are based on the purpose of the assets and the service level that such assets provide or support. The following is a summary of the functional cost categories for the utility plant-in-service identified in this report.

Table 5: Functional Plant Categories

Water Service	Wastewater Service	Other Plant (Not Included in Fee)
Supply	Treatment	General Plant (Equipment, Vehicles, etc.)
Treatment	Effluent / Irrigation Quality Water	
Transmission (Includes Storage Not a Treatment Plant Site and Booster Pump Stations)	Transmission (Includes Master Pumping Stations)	
Distribution (Includes Fire Hydrants, Meters, Services, and Related Plant)	Collection (Includes Local Lift Stations, Manholes, and Laterals, and Related Plant)	

“System” infrastructure costs relate to the expenditures incurred to provide capacity needed to serve existing and new growth and development where all customers benefit. Such costs do not include specific on-site improvements and facilities that are planned and designed to provide service to a customer’s premise or a particular development project which are for the use and convenience of the occupants or users of the project. Therefore, the expenditures for on-site facilities which serve a specific development or customer are not considered as a “System” cost, which are proportionately allocable to all users. These utility plant facilities include on-site (fronting the premise) water distribution and wastewater collection lines, meters and services, local lift stations, and fire hydrants which are usually: i) donated by a developer as part of the Department’s utility extension program (a contribution of the plant); ii) recovered from the individual properties through an assessment program based on those properties which receive special benefit from such facilities or from the application of a main line extension fee to recover the specific cost of such facilities; or iii) funded from the customer directly (e.g., by a “front-foot” charge where the on-site lines were initially financed by the utility and then paid by the customer or an installation charge to recover the cost of a new service line and/or the potable

water meter). Such utility plant was not a capital cost component included in the connection fee calculation. Additionally, assets or utility plants that have short service lives which are replaced on a recurring or frequent basis should also not be included since these assets are considered attributable to serving existing customers of the System. An example of this utility plant would be assets commonly referred to as “general plant” and would include vehicles, equipment, machinery, furniture, and other related assets.

The County provided Raftelis with reported utility plant asset information through September 30, 2024 (the most recently completed fiscal year at the time of this analysis) that served as the basis of the functionalization of the existing utility plant-in-service. The assets represent “installed costs” and have not been restated to account for any fair market value adjustments which would reflect current costs (would essentially assume that assets were replaced with identical materials). If an asset had been upgraded, improved, or replaced by the County as of September 30, 2024 and was considered as being in service, such assets were recognized in the analysis since they are physically in-service and represent the immediate basis for the capital cost incurred by the County to provide service to future development. This also recognized that the asset that was replaced is retired, is no longer in service, and was assumed to not be included in the fixed asset register provided to Raftelis.

A summary of the functionalization of the existing utility plant-in-service is shown as follows:

**Table 6: Summary of Water and Wastewater Utility System Existing Assets
(Gross Utility Plant – Estimated as of September 30, 2024)**

Function	Water System		Wastewater System		Totals	
	Amount	Percent	Amount	Percent	Amount	Percent
Supply / Treatment	\$12,464,523	51.5%	\$---	--%	\$12,464,253	2.5%
Treatment / Disposal	---	---%	149,806,847	34.2%	149,806,847	29.6%
Transmission / Storage / Master Pumping	2,191,259	9.0%	81,626,402	18.7%	83,817,661	16.5%
Distribution / Collection	9,560,974	39.5%	165,954,992	37.9%	175,515,966	34.7%
Reuse Water	--	--%	40,178,193	9.2%	40,178,193	7.9%
General / Other [1]	--	--%	--	--%	44,537,516	8.8%
Construction Work-in-progress [2]	---	---%	---	---%	--	--%
Total Gross Utility Plant-in-service	\$24,216,755	100.0%	\$437,566,434	100.0%	\$506,320,706	100.0%

[1] General Plant represents equipment, vehicles, and other assets with short service lives, and was allocated to the water and wastewater systems in proportion to all other functionalized utility plants.

[2] Construction work-in-progress was not recognized as an existing asset for the determination of the connection fees since the projects have not yet been completed and placed into service by the County and in many instances there potentially could be a corresponding adjustment to the installed value of existing gross utility plant for assets that would be retired or removed from the fixed asset register.

As can be seen above, the Department has over \$506 million in gross utility assets in-service as of September 30, 2024, which is significant. As shown above, approximately 62% of the installed water system assets and 62% of the installed wastewater system assets is considered as being water supply and treatment, wastewater treatment and disposal, or water and wastewater transmission-related plant and have been considered as a recognized capital cost for the development of the proposed water and wastewater connection fees.

To determine the amount of constructed water supply / treatment and wastewater treatment / disposal plant, it is necessary to identify the estimated amount of available capacity in such facilities. Appendices D and E at

the end of this section provides an estimate of the available capacity and the allocated water supply and treatment utility fixed asset (plant) costs that was recognized as being available to serve future needs. One thing to note is that the County is currently planning multiple plant expansions in both water and wastewater treatment. However, some of this planned new capacity will go towards serving the Barefoot Bay Service District.

In the identification of the capital costs associated with constructed infrastructure to be considered in the development of the connection fees, certain assets were not considered, which included the following asset categories:

- Water distribution assets that were identified as project improvements were assumed to be specific to providing service directly to the customer premises (referred to as an “on-site” capital improvement), and which would generally i) be contributed to the Department by a developer; or ii) recovered in a separate fee such as a meter drop-in or meter service installation charge were not reflected as a system improvement. With respect to the determination of the water conveyance system assets that were considered as a Project Improvement (non-recognized asset) and based on discussions with the Department, it was assumed that all water distribution pipe with a diameter size of eight (8) inches or less would be identified as a Project Improvement and not be identified as a System Improvement that is allocable to providing service generally to all customers. In addition to the water distribution (pipe) facilities, utility plants that would also fall into this functional asset category as a Project Improvement would include meters, hydrants, and services to the customer property. It was further assumed that all water distribution (transmission) mains with a pipe diameter size of 10 inches or greater, primary booster pumping stations and water storage facilities would be considered as the primary conveyance system assets and would be included in the connection fee determination as a County System Improvement that would have a functional purpose that would generally benefit all users of the County System.
- Wastewater collection assets were assumed to be specific to providing service directly to the customer premises (referred to as an “on-site” capital improvement), and which would generally i) be contributed to the Department by a developer; or ii) recovered in a separate fee such as a sewer tap charge were not reflected as a County System Improvement. With respect to the determination of the wastewater collection system that were considered as a Project Improvement (non-recognized asset) and based on discussions with the Department, it was assumed that all wastewater force mains, low pressure sewers, vacuum sewers with a diameter size of six (6) inches or less and gravity mains with a diameter of eight (8) inches or less would be identified as a Project Improvement and not be reflected as a County System Improvement that is allocable to providing service generally to all customers. In addition to the wastewater collection (pipe) facilities, utility plant that would fall into this functional asset category would include local lift stations, manholes, and laterals to the individual customer properties. It was further assumed that all sewer interceptors which is a component of the sewer network that directs flow to the wastewater treatment plants and force mains with a pipe diameter size of eight (8) inches or greater, gravity sewers with a pipe diameter size of 10 inches or greater, and primary or master pumping stations would be considered as primary conveyance assets and would be recognized as a system-wide cost and would be included in the connection fee determination as a County System Improvement that would have a functional purpose that would generally benefit all users of the County System.

- The Department has also recognized a significant investment in what is referred to as general plant, which consists of equipment, vehicles, furniture, and other assets that have generally short service lives, which are replaced frequently. Because of the nature of this capital investment and the frequency of asset turnover, these expenditures were assumed to benefit only the existing customers being served and were not included in the connection fee analysis.

Additional Capital Investment

The County System is continually in the process of updating and expanding the water and wastewater plant facilities to serve increasing demands, meeting new regulatory requirements, and improving and upgrading existing infrastructure, which will provide the ability to serve both existing and new development. To develop connection fees that link to the installed cost to provide service during the planning period, the expenditures associated with the County System's Capital Improvement Program ("CIP") as currently planned by the Department to meet the near-term future needs of the System have been recognized in the development of the proposed fees. The Department prepares a five- (5) year CIP annually, which outlines the capital improvements for both the water and wastewater systems. The budgeted CIP, as provided by the Department, starts with the Fiscal Year starting October 1, 2024 and ends September 30, 2029 (Fiscal Year 2029) and excludes any revisions that have taken place with the budgeted Fiscal Year 2026 CIP, from which some project costs have increased within the range of \$50 million. As noted previously, the budgeted capital plan has been inflated from the original costs to reflect what the projects may cost in future dollars. These capital improvements are for: i) improvements to and new facility expansions to meet anticipated service area demands; ii) upgrades and improvements to existing assets that may provide a benefit to both current and future users of the System (e.g., a transmission line replacement and upsizing, upgrade facilities to assets that have capacity to serve growth); and iii) replacement and improvements to assets or conducting capital programs that would generally benefit the current users of the County System.

With respect to the total water and wastewater utility systems, the Department has identified, and Raftelis subsequently applied inflationary factors to, approximately \$830.1 million in expenditures included as a component of its capital improvement program to be constructed or initiated through Fiscal Year 2029 (the capital planning cycle recognized in the fee determination).. As can be seen below, approximately \$212.7 million in water system capital improvements / expenditures have been identified of which approximately \$190.0 million of the new capital costs were considered as County System Improvements that have been recognized in the determination of the fees or for which a portion of the cost is considered as being available to be funded from connection fees (does exclude grant-funded improvements). The amount of water system capital needs identified as an expenditure to determine the estimated installed or constructed cost of water utility infrastructure to determine the unit cost of capacity to be recovered from future growth is summarized below:

(Remainder of page intentionally left blank)

**Table 7: Summary of Water System Capital Improvement Program
Recognized in Connection Fees Determination**

Description	Amount
Total Water Capital Improvement Program (CIP) Expenditures	\$217,942,905
Less Expenditures Funded from Grants / Contributed Capital [1]	(5,226,889)
Capital Program – Net of Excluded Expenditures	\$212,716,016
Less Capital Not Considered as System Improvements [2]	(16,771,758)
Net Identified Capital Expenditures [3]	\$195,944,258
Allowance for Asset Retirements of System Improvement-related Utility Plant [4]	(6,117,009)
Net Amount of Capital Expenditures Recognized	\$189,827,248
Percent of Total Water CIP Recognized in Fee Development	76.6%
[1] Capital projects funded from grants and contributed capital represent expenditures that are not included in the determination of the connection fees since they are not a direct funding requirement of the System (cost-free capital). [2] Represents capital expenditures of utility plant not considered as a System improvement that benefits all users; examples would include new construction or replacement of distribution lines abutting retail customer properties (local area improvements), meter installations, hydrants, services, and other similar expenditures. [3] Amounts shown represent estimated capital expenditures for assets that are "System Improvement" costs recognized in the determination of the estimated installed cost of facilities to be included in the determination of the connection fee. [4] Amounts shown represent adjustment for asset upgrades and improvements that were recognized to result in an existing asset being retired from service to recognize only the marginal increase in asset value considered to be in service during the evaluation period to meet future capacity demands associated with new development.	

As can be seen above, approximately 77% of the total water-related CIP was recognized in the development of the connection fees for the water system.

A similar analysis was performed for the wastewater system to determine the near-term capital expenditures to be recognized in the fee determination. As can be seen below, approximately \$502.1 million in wastewater system capital improvements / expenditures have been identified of which approximately \$271.2 million of the new capital costs were considered as System Improvements that have been recognized in the determination of the fees or for which a portion of the cost is considered as being available to be funded from connection fees. The amount of wastewater system capital needs identified as an expenditure to determine the estimated installed or constructed cost of wastewater utility infrastructure to determine the unit cost of capacity to be recovered from future growth is summarized below:

(Remainder of page intentionally left blank)

**Table 8: Summary of Wastewater System Capital Improvement Program
Recognized in Connection Fees Determination**

Description	Amount
Total Wastewater Capital Improvement Program (CIP) Expenditures	\$553,063,307
Less Expenditures Funded from Grants / Contributed Capital [1]	(50,958,947)
Capital Program – Net of Excluded Expenditures	\$502,104,360
Less Capital Not Considered as System Improvements [2]	(200,099,587)
Net Identified Capital Expenditures [3]	\$302,004,774
Allowance for Asset Retirements of System Improvement-related Utility Plant [4]	(30,828,005)
Net Amount of Capital Expenditures Recognized	\$271,176,768
Percent of Total Wastewater CIP Recognized in Fee Development	46.5%
[1] Capital projects funded from grants and contributed capital represent expenditures that are not included in the determination of the connection fees since they are not a direct funding requirement of the System (cost-free capital). Amount also excludes plant decommissioning costs since cost is not considered as plant in service (no asset exists to provide capacity to new development). [2] Represents capital expenditures of utility plant not considered as a System improvement that benefits all users; examples would include new construction or replacement of collection lines abutting retail customer properties (local area improvements), manholes, laterals, local lift stations, and other similar expenditures. [3] Amounts shown represent estimated capital expenditures for assets that are “System Improvement” costs recognized in the determination of the estimated installed cost of facilities to be included in the determination of the connection fee. [4] Amounts shown represent adjustment for asset upgrades and improvements that were recognized to result in an existing asset being retired from service to recognize only the marginal increase in asset value considered to be in service during the evaluation period to meet future capacity demands associated with new development.	

As can be seen above, approximately 46.5% of the total wastewater CIP was recognized in the development of the connection fees for the wastewater system.

Design of Connection Fees

Appendices D and E at the end of this section provide the basis for the determination of the proposed connection fees for the water and wastewater systems, respectively. The derivation of the connection fees was based on the estimated installed or anticipated County System Improvement costs, facility capacity, and utility level of service standards recognized for the individually metered residential ERU components as presented earlier in this section. In the development of the proposed connection fees, several assumptions were utilized or incorporated. The major assumptions utilized in the design of the calculated connection fees included:

1. In the development of the proposed fees, the “System Buy-in” approach was recognized using the original cost method, adjusted for the estimated marginal cost increase in new capital additions associated with the recognition of the near-term System Improvements and capacity expansions, if any, to match the estimated installed cost of infrastructure to the same future fee recovery period. This method allocates the estimated proportionate share of the System Improvements at the original cost (value) of the existing assets – the applicant requesting capacity contributes funds to the Department for its share of the infrastructure constructed to serve County System growth. It should be noted that this method does not impart or transfer ownership to the customer but is generally considered to

provide access to capacity in the amount purchased at a status equal to that of the existing customers of the System. The proposed connection fees reflect the estimated proportionate share of the existing utility plant and anticipated near-term plant improvements and additions that are considered as a primary or “System Improvement” expenditure that would be allocated to all users and is available to serve new development to reflect the estimated “buy-in” infrastructure value for the respective water and wastewater systems.

The approach was based on the identification and allocation of the installed cost of the gross plant investment (expressed on an original cost basis—that is when the asset was originally placed into service and not the estimated replacement cost of such assets) that is available (in-service) to serve new growth. Under this approach, the applicant paying the connection fee is essentially reimbursing the System only for the applicant’s estimated proportionate share of the constructed facilities that are currently in-service as of September 30, 2024, plus the estimated capital improvements to be constructed in the next five (5) years (the capital planning period) that are available to meet the requests for System capacity from new development. This method also recognizes that as capital improvements are made to the utility system, the available net cost of capacity to meet the future demands of the new development would increase based on the net incremental change in asset value (i.e., an incremental cost addition which recognizes the cost of the plant additions less any plant retirements) identified based on the implementation of the capital plan. The recognition of the Capital Improvement Program provides a match of the estimated constructed gross plant investment that is anticipated to be in service to meet the near-term growth demands of the County System and the connection fee proposed to be charged during the projected period of the capital plan (i.e., the next five [5] fiscal years). This promotes the “localized-cost” parameter in fee development and is considered as being reasonable for the determination of the connection fees.

2. The “System Buy-in” method recognizes the System Improvements considered in the fee development based on the allocation of the installed cost of the gross plant investment that is considered available (in-service) to serve new growth. Under this approach, the applicant paying the connection fee is reimbursing the System for the applicant’s proportionate share of the facilities available to serve the new development. This method also recognizes that as improvements are made to the County System, the available capacity to meet the future demands of the new development is being maintained and therefore the installed cost of the gross plant investment is reasonable. To the extent utility plant assets are upgraded, renewed or replaced and there is capacity in the utility plant to serve new customers, such new customers should be responsible for the pro rata share of the incremental and marginal cost increases for such improvements and such costs have been recognized in the fee calculations; any capital costs that would be allocated to existing customers were not recognized in the connection fee development or should be recovered from new growth.
3. The level of service for a water individually metered equivalent residential units (“ERU”) was assumed to be 250 gallons per day (“gpd”) expressed on an average daily flow basis (maximum month basis used to recognize fluctuations and seasonality effects on water use) of finished water delivered to the water system since this links to the capacity costs constructed to provide service; it does not represent the potable water use as metered at the customer premises.

For the wastewater system, the level of service for a wastewater individually metered ERU was recognized to be 200 gpd expressed on an average daily flow basis (maximum month basis used to

recognize fluctuations and seasonality effects on wastewater flows) provided by the wastewater treatment facilities

4. To serve new development and requests for increased capacity, the Department must build the necessary infrastructure in advance of the capacity request (growth); the construction of the infrastructure is significant when one reviews the amount of capital costs included in the fee determination. Based on a review of Department financial documents and master planning studies and County System reports, a major portion of the County System improvements were debt financed; thus, there is an interest carry cost that is being incurred by the Department associated with the financing of the infrastructure. We have conservatively not reflected any cost of carry in the fee since: i) it is not a capital cost and in many instances a separate fee may be charged to recover or reimburse a utility for prior period interest expenses; and ii) the cost of carry can change frequently due to changes in debt structure for the capital financing (e.g., new debt issues and debt repayment and maturities, application of connection fees towards debt repayment, etc.).
5. In the development of the proposed connection fees, no credit for the payment of future debt service was recognized because: i) the utility system is operated as an enterprise fund; ii) all financial resources received by the Department stay within the fund for the benefit of such system; iii) the costs reflected in the fee are at original cost and not adjusted for any fair market value to reflect current cost conditions; iv) there is no interest-expense carry in the connection fee associated with the financing of the capital investment to serve new development; v) the Department has historically used monies received from the application of the connection fees towards the payment of expansion-related projects to avoid long-term financing charges; and vi) there are no other revenues received by the County System from new development for the capital costs / utility plant reflected in the connection fee (e.g., ad valorem taxes on the property) or from the General Fund for new primary system construction. All realized connection fee funds remain in the County System and the long-term capital financing costs for infrastructure constructed and available to serve new growth are mitigated by using the connection fees for ongoing expansion-related capital project financing or for the direct payment of the annual expansion-related debt service payments. As previously mentioned, the Department historically has applied connection fees received by the County System towards the payment of expansion-related capital expenditures to reduce the future debt obligations for the long-term benefit of the existing ratepayers.

(Remainder of page intentionally left blank)

Based on the analysis of the primary County System assets and the corresponding estimated capacity of such County System, the following connection fees were calculated and are being proposed.

Table 9: Summary of Calculated and Proposed Connection Fees [1]

Description	Amount
Water System [2]	
Water Supply/Treatment	\$8,195.63
Water Transmission	324.50
Total Calculated Water System Fee	\$8,520.13
Proposed Water System Fee	<u>\$8,500.00</u>
Wastewater System [3]	
Wastewater Treatment/Disposal	\$3,470.08
Wastewater Transmission	1,044.64
Total Calculated Wastewater System Fee	\$4,514.72
Proposed Wastewater System Fee	<u>\$4,500.00</u>
[1] ERU representative of the allocated daily flow for an individually metered residential dwelling unit served by a 5/8" × 3/4" meter.	
[2] Amounts shown derived from Appendix A at the end of this section.	
[3] Amounts shown derived from Appendix B at the end of this section.	

The following table provides a summary of the proposed water and wastewater connection fees and the corresponding fee application basis by customer classification:

Table 10: Summary of Proposed Water and Wastewater Connection Fees

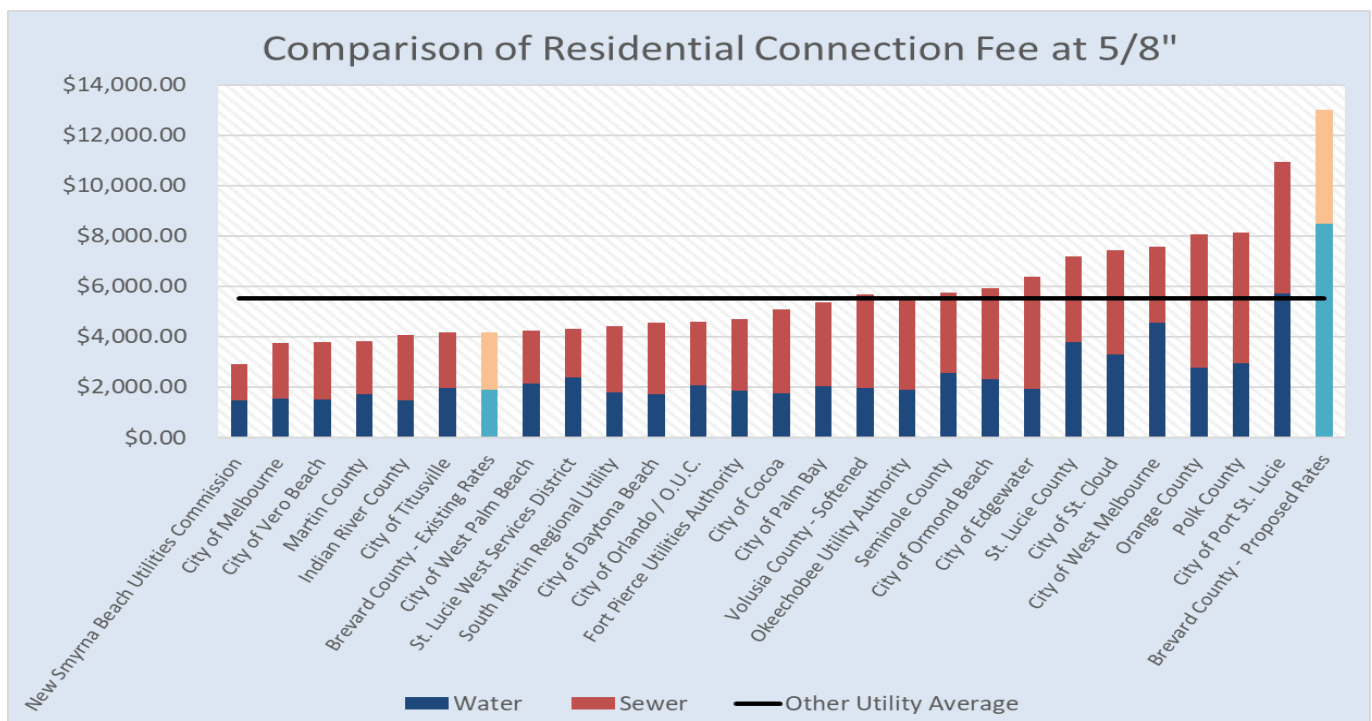
Description	Assumed Gallons Per Day	Connection Fee
Single Family Residential (1 to 2 Bedrooms) - Water [1]	250	\$8,500
Single Family Residential (1 to 2 Bedrooms) - Wastewater [2]	200	\$4,500
Total Fee		\$13,000
[1] Water fee for other establishments as defined in FAC62-6.008 will be calculated by multiplying the water fee per connection by the equivalent residential connections as determined from FAC62-6.008 or by the Department.		
[2] Wastewater fee for other establishments as defined in FAC62-6.008 will be calculated by multiplying the wastewater fee per connection by the equivalent residential connections as determined from FAC62-6.008 or by the Department.		

Connection Fee Comparisons

To provide additional information to the Department regarding the existing and calculated connection fees, a comparison of the existing and calculated fees for the County System with other Florida jurisdictions was prepared. This comparison is summarized on Appendix C at the end of this section and provides a comparison of the existing and proposed Department connection fees for single-family residential units or connections (i.e., one [1] ERU) relative to the connection / impact fees currently imposed by other municipal / governmental water and wastewater systems located primarily in the central-west Florida region. It is important to note that one must view the comparison with caution as no in-depth analysis has been performed to

determine the methods used in the development of the water and wastewater connection or impact fees imposed by others, nor has any analysis been made to determine whether 100% of the cost of new facilities is recovered from system capacity-related charges, or some percentage less than 100% with the balance recovered through the user charges. Additionally, no analysis was conducted as to the type of capital facilities currently in service or planned for the utility. For example, the costs of wastewater effluent disposal for systems that do not discharge directly to surface waters generally have a higher capital cost per unit of capacity than those that do. Finally, the timing of the construction needs is extremely important in the fee development since the cost of new construction has increased significantly since Fiscal Year 1993. For those utilities that are now expanding its capacity infrastructure, the cost of the capacity expansion can easily be double the price (expressed on a \$ per gallon basis) when compared to per-unit construction costs that were incurred prior to Fiscal Year 1993 which has a direct impact on the connection fees to be charged (is one of the reasons for the Department's increase in impact fees being recommended in this report). The following is a summary of the survey results regarding the water and wastewater system connection fee comparison expressed on a per ERU basis (generally, the fee is charged to a single-family residence) of the County's fees with those of the surveyed utilities:

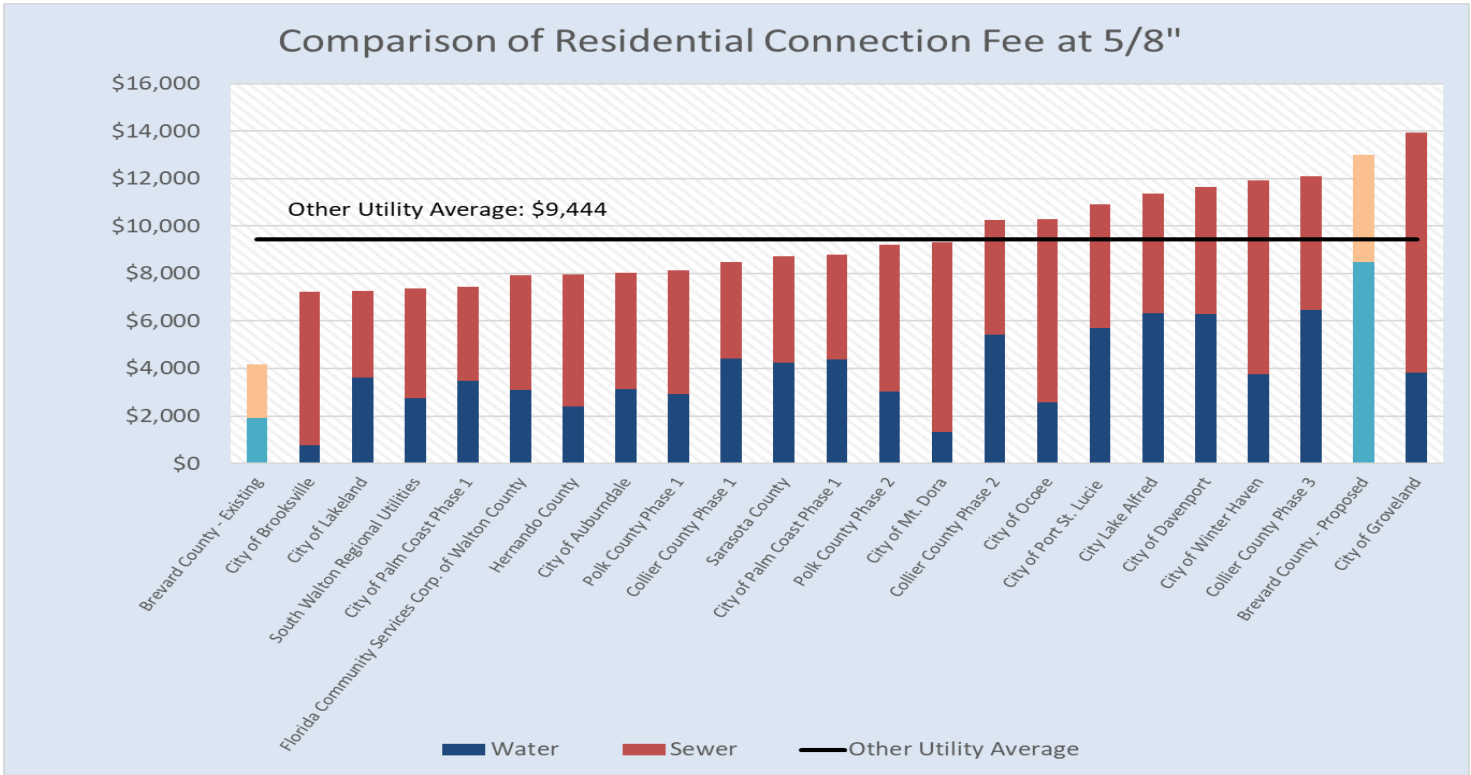
Figure 3: Comparison of Connection Fees for Water and Wastewater Service



As can be seen on the graph above and on Appendix C, the proposed Department connection fees are higher than the other surveyed utilities. We consider this as a timing difference associated when public utilities are reviewing their current connection or impact fees. As existing capacity gets absorbed through new developments connecting to their respective water and wastewater systems, the need to construct new capacity is warranted. The cost to construct new capacity today is significantly more expensive (expressed on a \$ / gallon of constructed capacity basis) when compared to the embedded cost of the existing constructed capacity. We are aware of utilities that are in the connection fee adjustment process that are identifying fees comparable to or higher than the Department's proposed fees. In summary, although the fees are currently higher, we believe that the fees are reasonable, reflect the cost to reserve capacity in the existing and future utility facilities, are based on localized costs, and will become more comparable over time as other utilities begin to adjust their fees to reflect current construction cost trends.

As can be seen on the graph below, listed are utilities that have undergone large connection fee increases within the last year. These surveyed utilities have all undergone expansion of the capacities of their systems to account for ongoing growth of their systems resulting in substantial increases in their connection fees.

Figure 4: Comparison of Connection Fees of Utilities Recently Adopted



(Remainder of page intentionally left blank)

Conclusions and Recommendations

Based upon the principal considerations and assumptions and the results of our analysis as summarized in this report, which should be read in its entirety, and in conjunction with the following, we are of the opinion that:

1. The BOCC should adopt the updated connection fees for both the water and wastewater systems based on current system assets and the Department's capital improvement program.

**Table 11: Recommended Connection Fees –
\$ / Equivalent Residential Unit**

	Water	Wastewater	Combined
Existing Fees	\$1,903	\$2,257	\$4,160
Recommended Fees	8,500	4,500	13,000
Difference	\$6,597	\$2,243	\$8,840

2. The proposed water and sewer are competitive and are considered as being affordable on average based on industry standards used to evaluate rate levels by credit rating agencies and others.
3. Below are several alternative options for consideration if the BOCC prefers to phase in the connection fee increases rather than implement the full increase in FY 2026. It should be noted that fully implementing these fees will help limit the impact on existing customers to carry or finance the cost of expansion-related infrastructure.

Table 12: Alternative Connection Fee Phasing Options

	Existing	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2-Year Phasing						
Water	\$1,903	\$5,202	\$8,500	N/A	N/A	N/A
Wastewater	\$2,257	\$3,379	\$4,500	N/A	N/A	N/A
3-Year Phasing						
Water	\$1,903	\$4,202	\$6,301	\$8,500	N/A	N/A
Wastewater	\$2,257	\$3,005	\$3,752	\$4,500	N/A	N/A
5-Year Phasing						
Water	\$1,903	\$3,222	\$4,542	\$5,861	\$7,181	\$8,500
Wastewater	\$2,257	\$2,706	\$3,154	\$3,603	\$4,051	\$4,500

Note: Proposed fees shown above are total fee adjustment, not cumulative.

Appendix A

Brevard County, Florida
Water and Wastewater Connection Fee Study

Calculation of Water Connection Fee

Line No	Description	Water Treatment Plants
1	Treatment Expansion CIP	\$188,506,225
2	Treatment Retirements	(\$4,275,626)
3	Treatment - Fixed Assets	\$12,464,523
4	Total Treatment CIP and Assets	<u>\$196,695,122</u>
5	Existing Capacity ADF-MGD	2.400
6	Future Capacity ADF-MGD	3.600
7	Total Capacity	<u>6.000</u>
8	Average Capacity Basis of Fee Design	<u>\$32.78</u>
9	Transmission Expansion CIP	\$7,438,032
10	Transmission Retirements	(\$1,841,383)
11	Transmission - Fixed Assets	\$2,191,259
12	Total Transmission CIP and Assets	<u>\$7,787,908</u>
13	Existing Capacity ADF-MGD	2.400
14	Future Capacity ADF-MGD	3.600
15	Total Capacity	<u>6.000</u>
16	Average Capacity Basis of Fee Design	<u>\$1.30</u>
17	<u>Combined Cost per Gallon / ADF</u>	<u>\$34.08</u>
18	Assumed LOS per ERC - Gallons per Day	<u>250.00</u>
19	Calculated Fee	<u>\$8,520.13</u>
20	Rounding / Recommended	<u>\$8,500.00</u>
21	Existing Fee	\$1,903.00
	Proposed Change in Fee	
22	Amount	\$6,597.00
23	Percent	346.66%

Brevard County, FL
Water and Wastewater Connection Fee Study

Comparison of Residential Connection Fees

Line No.	Description	Water	Sewer	Combined
Brevard County, FL				
1	Brevard County Existing Rates	\$1,903.00	\$2,257.00	\$4,160.00
2	Brevard County Proposed Rates	8,500.00	4,500.00	13,000.00
<u>Other Florida Utilities:</u>				
3	City of Cocoa	\$1,750.00	\$3,325.00	\$5,075.00
4	City of Daytona Beach	1,736.00	2,814.00	4,550.00
5	City of Edgewater	1,920.00	4,460.00	6,380.00
6	City of Melbourne	1,540.00	2,210.00	3,750.00
7	City of Orlando / O.U.C.	2,070.00	2,537.50	4,607.50
8	City of Ormond Beach	2,333.00	3,577.00	5,910.00
9	City of Palm Bay	2,049.00	3,300.00	5,349.00
10	City of Port St. Lucie	5,705.00	5,222.00	10,927.00
11	City of St. Cloud	3,293.00	4,151.00	7,444.00
12	City of Titusville	1,970.00	2,190.00	4,160.00
13	City of Vero Beach	1,499.00	2,290.00	3,789.00
14	City of West Melbourne	4,576.00	3,000.00	7,576.00
15	City of West Palm Beach	2,150.00	2,100.00	4,250.00
16	Fort Pierce Utilities Authority	1,850.00	2,850.00	4,700.00
17	Indian River County	1,463.00	2,624.00	4,087.00
18	Martin County	1,710.00	2,100.00	3,810.00
19	New Smyrna Beach Utilities Commission	1,485.00	1,445.00	2,930.00
20	Okeechobee Utility Authority	1,911.00	3,714.00	5,625.00
21	Orange County	2,790.00	5,270.00	8,060.00
22	Polk County	2,940.00	5,182.00	8,122.00
23	Seminole County	2,574.00	3,175.00	5,749.00
24	South Martin Regional Utility	1,800.00	2,610.00	4,410.00
25	St. Lucie County	3,773.00	3,425.00	7,198.00
26	St. Lucie West Services District	2,390.00	1,930.00	4,320.00
27	Volusia County - Softened	1,955.02	3,714.52	5,669.54
28	Other Florida Utilities' Average	\$2,369.28	\$3,168.64	\$5,537.92

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect rates in effect May 2025 for a standard (1) Equivalent Residential Connection (single family residence) 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.