



FLORIDA RURAL WATER ASSOCIATION

2970 Wellington Circle • Tallahassee, FL 32309-6885
Telephone: 850-668-2746 ~ Fax: 850-893-4581

Rate Review Summary

System:	TOWN OF WHITE SPRINGS		
PWS:	2241264	Facility ID:	FLA116220
From:	Andrew Greene, USDA-RD Circuit Rider Florida Rural Water Association		
Date:	August 5, 2022		

Florida Rural Water Association is pleased to provide this rate study and recommendations to the Town of White Springs as a free membership benefit and through USDA Rural Development support. FRWA is dedicated to assisting water and wastewater systems to provide Floridians with an ample affordable supply of high-quality water.

You should be congratulated for your utility system operations staff. With unfunded mandates continuing to roll down from state and federal governments along with the aging of pipes, pumps and plants, you have risen to the challenge and continue to operate the system providing safe drinking water. To make a very difficult job, more difficult, revenues have lagged behind expenses. Utility operators have done more with less each year, as measured in real dollars. They have shouldered the responsibility of running the system in a responsible manner and in compliance with state rules and regulations.

A RevPlan was used to complete the rate review. RevPlan is designed to enhance the asset and financial management for small Florida water utilities. The idea behind RevPlan is to provide an online tool for small water utilities to achieve financial resiliency and to maintain their utility assets for long-term sustainability. RevPlan will assist users in identifying the various utility funding requirements over a 5 to 20-year planning window. These funding requirements include capital funding, operating costs, and debt repayment. RevPlan allows the user to identify any rate adjustments necessary to meet the utility funding requirements and the impact rate increases may have on ratepayers.

Depreciation was not included in the rate study as this is a number created by the auditors and may not reflect actual conditions.

The water utility is a very valuable public asset. Every effort should be taken to protect, maintain and improve that asset. It is very important to provide adequate operation and maintenance monies to not overly depreciate the assets for current and future generations. Further it is important to have an Asset Management Plan and renewal, replacement or rehabilitation program for current asset beyond a Capital Improvement Plan which may be new assets, new service, expansion and growth related in a population increasing Florida. If we don't invest and keep up or core assets—water supply, storage, initial mains, etc. and they fail we can't serve the existing or new customers. Some of these core assets could be 100 years old or more and lived out their useful life.

Recommendation – include annual cost-of-living adjustments for the utility to keep pace with incremental costs into your rate ordinance – make this adjustment automatic based on a verifiable index. Use U.S. Bureau of Labor Statistics Price Index.¹

1. **Recommendation** – revisit the revenue/expense predictions, current financial position and, other indicators during the annual budget approval process, adjusting the rates as needed.
2. **Recommendation** – the utility should continue to update its financial plan annually in order to assess the actual level of future rate adjustments necessary.
3. **Recommendation** – Utilize REV Plan & Diamond Maps for an Asset Management Plan to project future rate & revenue projections.
4. **Cost Savings.** Rate consultants charge anywhere from \$15,000 to \$50,000 for this type of report, and by using FRWA you have been prudent with ratepayer money. Consultant reports are much thicker in part to justify the fees, explain the results, and build a case for additional services, which means more consulting fees.

Accuracy of Revenue Predictions. We have relied upon such information to be accurate. Projected revenue precision is limited by the accuracy of the financial information provided – good information “in” equals good information “out”, and *vice versa*. Should you find that these recommended rates are not in-line with your needs, we suggest that you go back carefully review and update your financial records. We are always happy to return, revisit your rates, and adjust the analyses as necessary, please call me anytime.


Rate Study Objectives. Ideally utility rate setting should meet several goals and objectives. *The single most important goal of the study is to develop proposed utility rates that meet the projected expenditure requirements of the utility system in order to maintain sound financial operations and to fund the anticipated capital needs of the system.* The other goals and objectives considered in the study include the following:

- ✓ Proposed rates should be equitable among customer classes.
- ✓ Proposed rates should minimize “rate shock” to customers if possible.
- ✓ Proposed rates should promote the conservation of utility resources; and
- ✓ Proposed rates should maintain adequate reserves for emergencies and unforeseen capital.

The original mission for creation and ownership public water and wastewater utilities include many compelling objectives: (1) health and safety of citizens; (2) protect most vulnerable residents (aged, young, poor health, economically disadvantaged, etc.); (3) ability to return the profit ordinarily collected by a private entity to the customer in the form of lower rates; (4) provide fire protection; (5) tool to expand the tax base; (6) ability to shape, facilitate or control growth; and (7) promotes home rule and self-determination.

Rate Study Standards. FRWA uses contemporary industry standards for recommending and establishing utility rates, these include American Water Works Association (AWWA) Manuals of Practice, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB), and Florida Public Service Commission guidelines.

¹ <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm>




Results of Rate Study. EPA recommends that water and wastewater systems set rates to ensure that there are enough revenues in place to support the costs of doing business. The full-cost pricing for rates shall include the costs for operating, maintaining, repairing, rehabilitating and replacing infrastructure. FRWA recommends an adjusted rate structure that is both fair and equitable and increases classifications to better fit your system's needs. We recommend that the rates classification be expanded into two categories: 1) Residential, 2) Commercial.

We also recommend the new rate schedule be evaluated annually to ensure it supports the current year budget and annual rate adjustments also include the Engineering News Record (ENR) Construction Consumer Index or the U.S. Bureau of Labor Statistics Price Index.

Adopting Rate Study Recommendations: Your legal counsel will confirm the requirements for your public notice and hearing(s).

Scheduling Presentation of Rate Study Findings and Recommendations. We are happy to come to the Town of White Springs to explain our analysis and report. We anticipate that you will have questions to discuss and options to consider. My presentation is between 20 to 30 minutes in length, which would be followed by discussion. This activity typically takes about 60 to 90 minutes and can be held during a special workshop meeting. This is an informative meeting and decisions about rates are usually taken at subsequent meetings. It is important that all board members be in attendance since the adoption of rate increases can produce public comment.



Adjusting your own Rates in the Future. It is our goal to provide enough documentation and rate study tools (software) so you can review your budget for water and wastewater and adjust the rates for yourself in the future.

We have enjoyed serving you and wish your water system the best. Please feel free to contact me if you have any further questions.

Sincerely,

Andrew Greene
FRWA-USDA Circuit Rider

Town of White Springs Rate Review



Florida Rural Water Association
2970 Wellington Circle
Tallahassee, FL 32309
850-668-2764
Prepared By: Andrew Greene
August 5, 2022

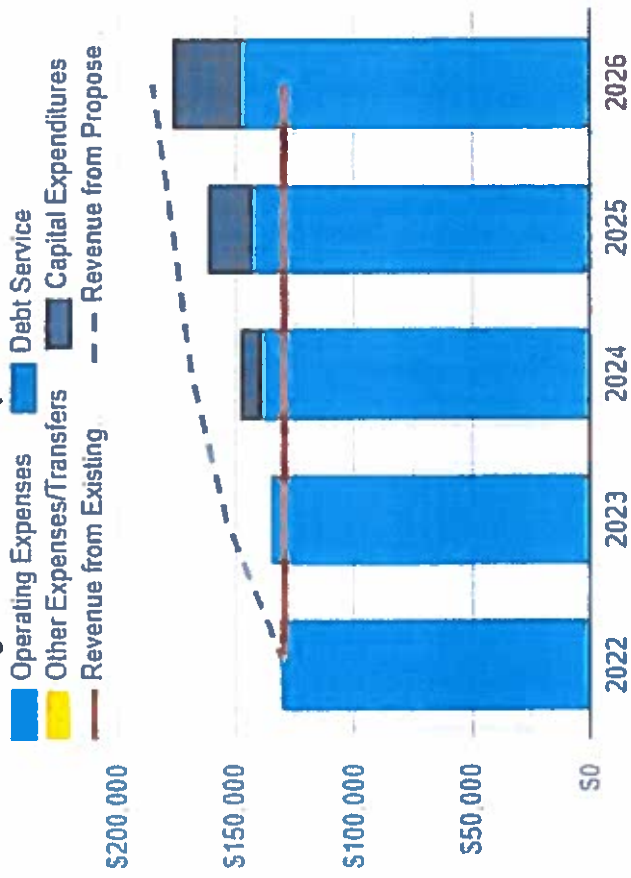
Needed adjustments to achieve expense requirements and build depleted reserves.

Adjustments ?

Apply Residential adjustments to all customer classes

	Fiscal Year				
	2022	2023	2024	2025	2026
Residential					
Base Charge Adjustments					
Drinking Water	0 %	20 %	10 %	5 %	5 %
Wastewater	0 %	20 %	15 %	10 %	10 %
Usage Charge Adjustments					
Drinking Water	0 %	20 %	10 %	5 %	5 %
Wastewater	0 %	20 %	15 %	10 %	10 %

Drinking Water Revenue Requirements

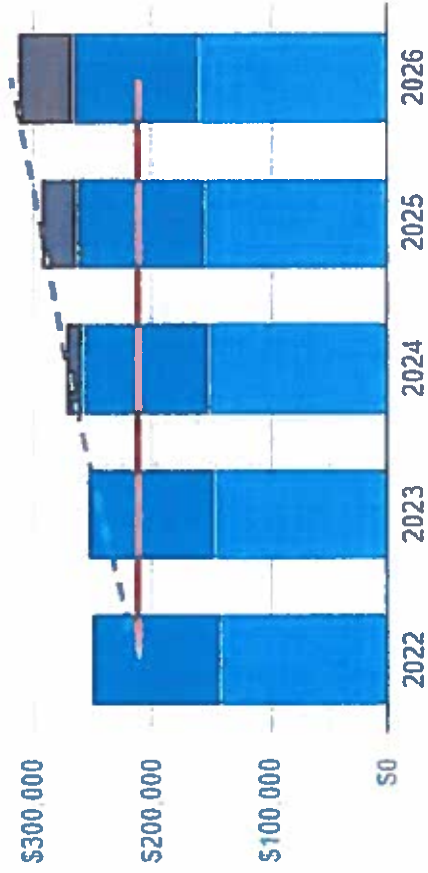


White Springs
 FY2022 5yr
 Fiscal Year: 2022
 Water Revenue Requirements

	2022	2023	2024	2025	2026
Revenue Requirements:					
Operating Expenses	\$130,100	\$134,000	\$138,000	\$142,100	\$146,400
Debt Service	\$0	\$0	\$0	\$0	\$0
Other Expenses/Transfers	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$10,000	\$20,000	\$30,000
Gross Revenue Requirements	\$130,100	\$134,000	\$148,000	\$162,100	\$176,400
Less: Other Revenue	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100
Net Revenue Requirements	\$123,000	\$126,900	\$140,900	\$155,000	\$169,300
Existing Rate Sufficiency:					
Revenue from Existing Rates	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000
Revenue Surplus/(Deficiency)	-\$900	-\$4,800	-\$18,800	-\$33,000	-\$47,200
Proposed Rate Sufficiency:					
Revenue from Proposed Rates	\$122,000	\$146,400	\$161,100	\$169,100	\$177,600
Increase in Revenue Cumulative %	\$0	\$24,400	\$39,100	\$47,100	\$55,500
All Customer Classes					
Base Charges	0.00%	20.00%	32.00%	38.60%	45.53%
Usage Charges	0.00%	20.00%	32.00%	38.60%	45.53%
Current Year %					
All Customer Classes					
Base Charges	0.00%	20.00%	10.00%	5.00%	5.00%
Usage Charges	0.00%	20.00%	10.00%	5.00%	5.00%
Revenue Surplus/(Deficiency)	-\$900	\$19,600	\$20,200	\$14,100	\$8,300

Wastewater Revenue Requirements

- Operating Expenses
- Other Expenses/Transfers
- Revenue from Existing
- Debt Service
- Capital Expenditures
- Revenue from Propose



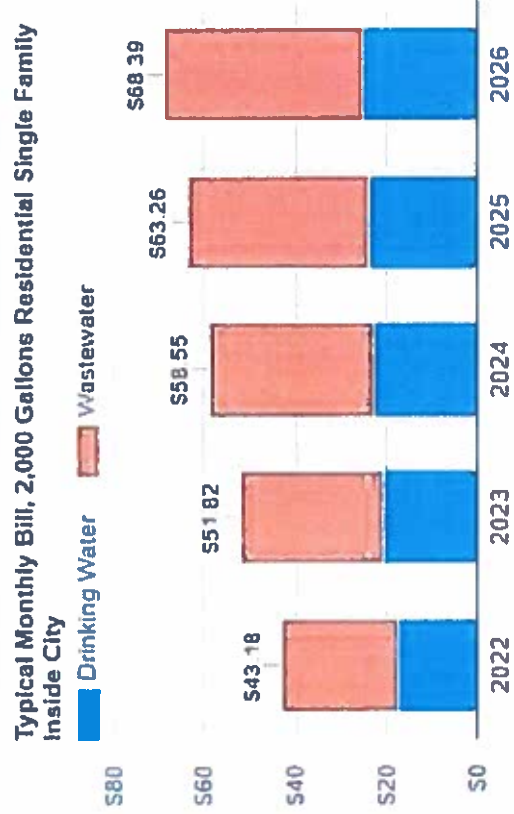
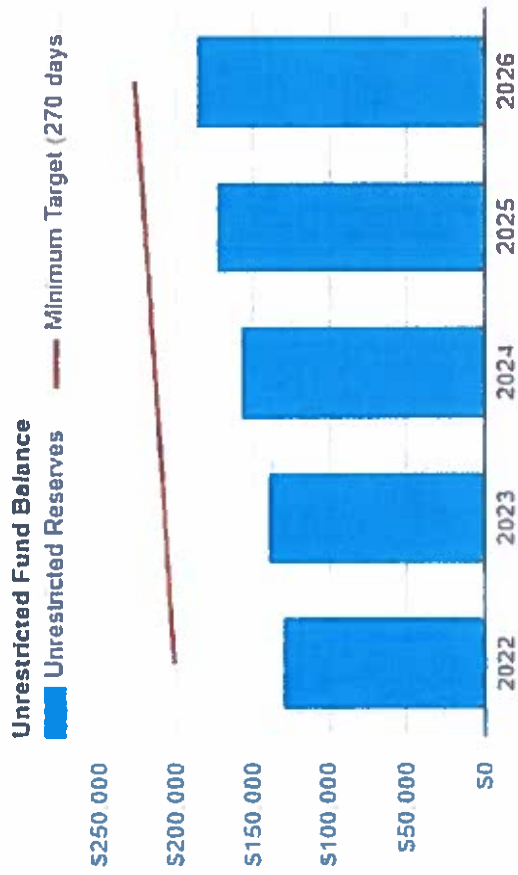
White Springs

FY2022 5yr

Fiscal Year: 2022

Wastewater Revenue Requirements

	2022	2023	2024	2025	2026
Revenue Requirements:					
Operating Expenses	\$142,000	\$146,300	\$150,700	\$155,200	\$159,900
Debt Service	\$107,600	\$107,600	\$107,600	\$107,600	\$107,600
Other Expenses/Transfers	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$15,000	\$30,000	\$45,000
Gross Revenue Requirements	\$249,600	\$253,900	\$273,300	\$292,800	\$312,500
Less: Other Revenue	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200
Net Revenue Requirements	\$197,400	\$201,600	\$221,000	\$240,500	\$260,200
Existing Rate Sufficiency:					
Revenue from Existing Rates	\$159,100	\$159,100	\$159,100	\$159,100	\$159,100
Revenue Surplus/(Deficiency)	-\$38,300	-\$42,600	-\$62,000	-\$81,500	-\$101,100
Proposed Rate Sufficiency:					
Revenue from Proposed Rates	\$159,100	\$190,900	\$219,500	\$241,400	\$265,600
Increase in Revenue	\$0	\$31,800	\$60,400	\$82,400	\$106,500
Cumulative %					
All Customer Classes					
Base Charges	0.00%	20.00%	38.00%	51.80%	66.98%
Usage Charges	0.00%	20.00%	38.00%	51.80%	66.98%
Current Year %					
All Customer Classes					
Base Charges	0.00%	20.00%	15.00%	10.00%	10.00%
Usage Charges	0.00%	20.00%	15.00%	10.00%	10.00%
Revenue Surplus/(Deficiency)	-\$38,300	-\$10,800	-\$1,500	\$900	\$5,400



White Springs
 FY2022 5yr
 Fiscal Year: 2022
 Rate Schedule

	2022	2023	2024	2025	2026
Drinking Water					
Residential					
Base Charges Inside City					
5/8-inch	\$17.31	\$20.77	\$22.85	\$23.99	\$25.19
Base Charges Outside City					
5/8-inch	\$21.63	\$25.96	\$28.55	\$29.98	\$31.48
Usage Charges Inside City					
2,001 gallons or more	\$2.04	\$2.45	\$2.69	\$2.83	\$2.97
Usage Charges Outside City					
2,001 gallons or more	\$2.55	\$3.06	\$3.37	\$3.53	\$3.71
Laundromats					
Base Charges Inside City					
5/8-inch	\$55.12	\$66.14	\$72.76	\$76.40	\$80.22
Usage Charges Inside City					
2,001 gallons or more	\$2.50	\$3.00	\$3.30	\$3.47	\$3.64
Commercial					
Base Charges Inside City					
5/8-inch	\$31.10	\$37.32	\$41.05	\$43.10	\$45.26
Usage Charges Inside City					
2,001 gallons or more	\$2.50	\$3.00	\$3.30	\$3.47	\$3.64

Wastewater

Residential/Commercial

Base Charges Inside City

5/8-Inch \$17.31 \$20.77 \$23.89 \$26.28 \$28.90

Usage Charges Inside City

1,001 gallons or more \$8.56 \$10.27 \$11.81 \$12.99 \$14.29



TOWN OF WHITE SPRINGS

"On the Bank of the Suwannee River"

WELCOME TO WHITE SPRINGS TOWN COUNCIL

Citizen Comment Request Form

Date July 12, 2020
Name Barbara Envelope Phone 904 200 8937
Address 16588 River St City White Springs Zip 32096

Topic of Discussion: Comprehensive Plan Code
Policy IV:3.1 Objective IV.4

Citizens' Comments will be limited to 5 minutes. Please return the form to the Town Clerk prior to the meeting. The Mayor/Vice-Mayor (presiding officer) will ask for those wishing to address the Council to do so at the appropriate time. Please approach the speaker's stand, state your name, and your address for the record, then discuss the topic of interest.

Please direct your comments solely to the Town Council.

We appreciate your interest in the community and hope you will visit again!

Vanessa George, Town Manager

Audre' J. Ruise, Town Clerk

10363 Bridge Street, White Springs, FL 32096

Ph. 386.397.2310 | Fax 386.397.1542 | www.whitesprings.org | manager@whitespringsfl.us

* Barbara Keyfield.

Town Manager

White Springs Florida

July 12
~~June 16~~, 2022

Dear Town Manager

This is follow up on my request to bring notice to the town of White Springs certain LDR's pertaining to the requirements for septic tank for current, and previous building development. As you aware, I appeared before the Town Council at a recent meeting. At the town meeting I submitted information regarding relevancy to the issue of the hotel located at 165 Spring Street. Acreage .84 by Primary owner Agam N. LLC where adding septic for multiple rental units is **not** in compliance with the Town of White

Springs Comprehensive Plan Land Code.:

Policy IV.3.1. Objective IV.4.

The Towns land development regulations shall permit residential densities in excess of 2 dwellings units per acre, but less than 3 dwelling units per acre only within areas served by potable water systems: residential densities in excess of 3 dwellings per acre only within areas served by centralized potable water and sanitary systems.

The Town shall require that by **1997 no sanitary sewer facility may have discharge into designated prime groundwater recharge areas.**

Although the owners of the hotel were either unaware or dismissed knowledge of the town regulations, they made a choice to have septic put in without permission or request. Although they were granted permit by the state of Florida, it is local law that is a

Town Manager

requirement and can not be violated. For an exception to the law it is required a **variance is approved from the town of White Springs to allow conditions otherwise stated and not in compliance with the LDR's.**

Brought up at the meeting was the idea older buildings are "grandfathered in" and apply to some existing situations. LDR's apply to all property as of November 2019 as adopted. Although an old rule may continue to apply to some **limited** situations LDR's apply to all current, and future cases. (Including the Hotel in question). The allowance for Septic installation for this hotel maybe a condition acceptable to White Springs officials at this time through a petition or variance however, it is my concern the Town of White Springs has allowed projects to go on without oversight. It is the Town's manager to be responsible and aware of new, and old development in the Town and respond to compliance laws.

I believe this situation where septic is installed, has been installed, or may potentially be installed without permission also brings up the opportunity to re-think how to respond to future issues in regard to septic & water compensation now, and for future income from water use. It maybe permissible for the Town of White Springs to:

1.) Consider a compromise for the current hotel such as acceptance of septic for ten years.

2.) A fine for not properly applying for permission to put in Septic.

3.) Granting use of septic now, then allow connection to city municipalities in future. It also might be advisable for all home owners on septic to be mandated to connect to city utilities in the future?

Town Manager

To be clear, I am in support of new business in White Springs, and encourage improvements that are beneficial for the Town. It is my interest that all citizens are given the same legal rights for Land Development and Zoning. As the town relies on Eco tourism, it is also vital to the community to keep all groundwater safe. The issue of "not following the law" per the Land Development code may seem of little concern for this one hotel as stated by the council during the last meeting, however it is the future of the Town of White Springs I wish to protect. As the population of the city expands and new business arrive they may also attempt to cut corners, and cut expense by adding septic instead of city water connections. Perhaps others will also act as "exempted", "pre approved", "preauthorized" or "excused"? By not recognizing the provisions of the Land development code and enforcing the Towns Land Development Regulations is against the law. Allowing rouge development without consequences could be devastating to the Town of white Springs. Damage from sewage overflow, flood, and drainage issues could also be irreversible to property.

I hope this additional information will be helpful to the town. The rulings you make today will effect the future on all development and property interest.

Sincerely,

Barbara Holmes-Fryefield

Signed

Emailed
08/30/22



TOWN OF WHITE SPRINGS

“On the Bank of the Suwannee River”

MINUTES

Thursday, July 14, 2022

Second Public Hearing Notice – CDBG Grant 2021-22

Mayor Rivers called the meeting to order at 6:00pm.

Roll Call: Council Members present: Mayor Rivers, Vice-Mayor J. Williams, and Council member Mary Berry. Absent: Council members Nicole Williams, and LaRita McCallum. Town Manager, Vanessa George was present, Town Clerk, Audre' Ruise was absent, and Administrative Assistant, Cynethia Williams present.

Mayor Rivers called Kathy Baker to the floor to present the CDBG Grant information. Mrs. Baker gave an overview of the qualifications of the grant. They were: income low to moderate; house code guidelines are set by the government (HUD); you must own your property and complete the application.

Mrs. Baker explained the 3 important categories: Rehabilitation, Demolition of Replacement home, and Temporary Relocation. She also mentioned that Jordan and Associates would apply on the town's behalf to the state on July 21, 2022.

Question from the floor, a citizen asked “when will the applications be available?”

Mrs. Baker stated that the process was long and would include:

- Application to the state submission will be sent electronically on July 21, 2022
- Top review is 30 days
- Second level will offer opportunities for site visits (electronic if applicable)
- State will request documents from the town and rank applications
- Town will have 21 days to submit documents back to the State
- If the town is awarded, there will be six weeks of work to review and prepare for a contract to be reviewed and approved by the town council
- There will be an environmental review that is critical for each home selected
- If the town is awarded there will be a Application Workshop noticed in the paper for applicants.
-

Mayor Rivers asked for a motion to move forward in the application process. Vice-Mayor J. Williams made the motion and Council member Mary Berry seconded. Motion was passed by a vote of 3-0.

Adjourned 6:12pm

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE TOWN COUNCIL, WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING, THAT PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE THAT PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA) PERSONS NEEDING SPECIAL ACCOMMODATIONS TO PARTICIPATE IN THE COUNCIL PROCEEDINGS SHOULD CONTACT THE TOWN CLERK'S OFFICE NOT LATER THAN THREE DAYS PRIOR TO THE MEETING.

Audre' J. Ruise – Town Clerk
Town Manager, Town Clerk, or Designee



Vanessa George, Town Manager – Audre' J. Ruise, Town Clerk

10363 Bridge Street – White Springs, FL 32096

