



FY2024

ANNUAL OPERATING BUDGET WATER & SEWER ADOPTED

GOVERNING BOARD OF SUPERVISORS

VINCENT MORETTI, PRESIDENT

GRACE SOLOMON, SECRETARY

ANTHONY AVELLO, ASSISTANT SECRETARY

PREPARED BY

ROD COLON, DISTRICT MANAGER

MARYAM OMIDI, CHIEF FINANCIAL OFFICER



EXECUTIVE MEMORANDUM

To: Governing Board of Supervisors
From: Rod Colon, District Manager
Date: September 6th, 2023
Re: North Springs Improvement District Adopted Operating Budget for FY 2024

Dear Governing Board of Supervisors:

In accordance with Chapter 2005-341, Laws of Florida, as amended, the North Springs Improvement District Adopted Operating Budget for Fiscal Year (FY) 2024 is provided for your review. The North Springs Improvement District provides high - quality drinking water, safeguarding public health and the environment while planning for future growth, implementing water conservation measures, and providing process improvements and cost efficiencies. Therefore, the adopted budget is an integral part of the District's operations, as it identifies and establishes an operational and expense plan to fund operations and projects throughout the District.

Furthermore, the adopted budget is based on current financial information and staff recommendations, which will effectively allocate resources to support and ensure that the daily operational needs of the fiscal year are met and that our exceptional service of providing safe drinking water continues while adhering to financial best practices and planning for long-term needs throughout the District.

On behalf of myself and the District staff, we are pleased to provide the adopted Fiscal Year (FY) 2024 budget.



NORTH SPRINGS IMPROVEMENT DISTRICT
ANNUAL OPERATING BUDGET
WATER & SEWER FUND
ADOPTED

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NORTH SPRINGS IMPROVEMENT DISTRICT
WATER & SEWER FUND
ADOPTED BUDGET FY 2024

REVENUE

| Account Description | Adopted Budget FY 2023 | Actuals as of 06/30/2023 | Projected July- Sept 2023 | Total Projected 9/30/23 | Adopted Budget FY 2024 |
|--|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| Revenue | | | | | |
| Water Revenue | 9,000,000 | 6,522,010 | 2,600,000 | 9,122,010 | 9,200,000 |
| Standby Fees | 150,000 | 140,296 | 46,765 | 187,061 | 100,000 |
| Sewer Revenue | 8,800,000 | 6,690,343 | 2,500,000 | 9,190,343 | 9,200,000 |
| Water Revenue-Irrigation | 600,000 | 382,613 | 150,000 | 532,613 | 530,000 |
| Nsf Check Fees | 3,000 | 3,570 | 1,190 | 4,760 | 3,000 |
| Processing Fee | 40,000 | 21,840 | 7,280 | 29,120 | 30,000 |
| Lien Information Fee | 30,000 | 17,125 | 5,708 | 22,833 | 22,000 |
| Delinquent Fee | 400,000 | 316,225 | 105,408 | 421,633 | 400,000 |
| Turn On Fees | 20,000 | 21,940 | 7,313 | 29,253 | 25,000 |
| Meter Fees | 10,000 | 48,866 | - | 48,866 | 10,000 |
| Connection Fees-W/S | 870,000 | 99,160 | - | 99,160 | 20,000 |
| Interest-Investments | 1,000 | 355,180 | - | 355,180 | 100,000 |
| Unrealized Gain (Loss) | - | 16,671,009 | - | 16,671,009 | - |
| Miscellaneous Revenues | 16,000 | 6,698 | - | 6,698 | 1,000 |
| Vending Services | - | 14,750 | 1,500 | 16,250 | 15,000 |
| Contract Service-Field Mgt..Frm 003 | 15,000 | 11,250 | 3,750 | 15,000 | 15,000 |
| Carry Over Fund Balance From Previous Yr | - | - | - | - | 12,000,000 |
| Total Revenue | 19,955,000 | 31,322,875 | 5,428,915 | 36,751,790 | 31,671,000 |



NORTH SPRINGS IMPROVEMENT DISTRICT
WATER & SEWER FUND
ADOPTED BUDGET FY 2024

EXPENSES – PERSONNEL & ADMINISTRATION

| Account Description | Adopted Budget FY 2023 | Actuals as of 06/30/2023 | Projected July- Sept 2023 | Total Projected 9/30/23 | Adopted Budget FY 2024 |
|---|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| Expenses | | | | | |
| Personnel & Administration | | | | | |
| Payroll-Board Of Supervisors | 5,760 | 640 | 5,120 | 5,760 | 5,760 |
| Payroll-Salaried | 1,794,240 | 1,241,517 | 550,000 | 1,791,517 | 2,000,000 |
| Payroll- Vehicle Benefit | 3,000 | 2,076 | 692 | 2,768 | 3,000 |
| Payroll-Special Pay | 18,000 | - | 18,000 | 18,000 | 20,000 |
| Fica Expense | 140,000 | 89,119 | 50,000 | 139,119 | 150,000 |
| Pension Expense | 345,000 | 267,521 | 89,174 | 356,695 | 460,000 |
| Health & Life Insurance | 630,000 | 380,277 | 245,000 | 625,277 | 695,000 |
| Workers Comp Insurance | 38,000 | 7,434 | 20,000 | 27,434 | 45,000 |
| Unemployment Compensation | 5,000 | - | 5,000 | 5,000 | 5,000 |
| Other Post Employment Benefits (OPEB) | 50,000 | - | 50,000 | 50,000 | 30,000 |
| Prof Serv-Engineering | 100,000 | 15,416 | 5,139 | 20,554 | 50,000 |
| Prof Serv-Arbitrage Rebate | 1,000 | 700 | 233 | 933 | 1,000 |
| Prof Serv-Dissemination Agent | 1,000 | - | 1,000 | 1,000 | 1,000 |
| Prof Serv-Trustee | 15,000 | 8,203 | 2,734 | 10,938 | 15,000 |
| Prof Serv-Legal Services | 150,000 | 59,922 | 19,974 | 79,896 | 80,000 |
| Prof Serv-Legislative Expense | 37,500 | 21,875 | 7,292 | 29,167 | 30,000 |
| Actuarial Computation Fee-Opeb | 5,000 | 1,500 | 500 | 2,000 | 3,000 |
| Prof Serv-Mgt Consulting Serv | 14,580 | 10,935 | 3,645 | 14,580 | 14,580 |
| Prof Serv-Info Technology | 300,000 | 235,268 | 20,000 | 255,268 | 250,000 |
| Prof Serv-Web Site Develop | 3,000 | 4,799 | 800 | 5,599 | 5,000 |
| Prof Serv-Human Resources | 10,000 | 5,643 | 1,881 | 7,523 | 10,000 |
| Annual Audit | 25,000 | 14,810 | 4,937 | 19,747 | 20,000 |
| Communication-Telephone | 25,000 | 14,918 | 4,973 | 19,891 | 20,000 |
| Postage And Freight | 40,000 | 22,211 | 7,404 | 29,615 | 35,000 |
| Printing And Binding | 25,000 | 13,211 | 4,404 | 17,614 | 20,000 |
| Rentals-General..Record Storage | 500 | 440 | 147 | 586 | 600 |
| Rental/Lease-Vehicle/Equip | 10,000 | 6,814 | 2,271 | 9,085 | 10,000 |
| Insurance-General Liability | 35,000 | 27,549 | - | 27,549 | 30,000 |
| Legal Advertising | 5,000 | - | 2,000 | 2,000 | 2,000 |
| Office Supplies | 45,000 | 20,433 | 6,811 | 27,245 | 35,000 |
| Vending Services | 40,000 | 27,328 | 9,109 | 36,438 | 40,000 |
| Janitorail Services/Supplies | 60,000 | 43,886 | 14,629 | 58,514 | 75,000 |
| Misc-Licenses & Permits | 45,000 | 34,826 | 10,000 | 44,826 | 45,000 |
| Misc-Merchant Fees | 180,000 | 129,498 | 43,166 | 172,664 | 180,000 |
| Misc-Services | 5,000 | 2,609 | 870 | 3,479 | 5,000 |
| Misc-Contingency | 20,000 | 4,792 | 1,597 | 6,389 | 15,000 |
| Capital Outlay-Admin | 20,000 | 7,088 | 2,363 | 9,450 | 200,000 |
| Total Personnel & Administration Expenses: | 4,246,580 | 2,723,257 | 1,210,863 | 3,934,119 | 4,605,940 |



NORTH SPRINGS IMPROVEMENT DISTRICT
WATER & SEWER FUND
ADOPTED BUDGET FY 2024

EXPENSES – OPERATION & MAINTENANCE (PLANT)

| Account Description | Adopted Budget FY 2023 | Actuals as of 06/30/2023 | Projected July- Sept 2023 | Total Projected 9/30/23 | Adopted Budget FY 2024 |
|---|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| Operation & Maintenance Expenses Plant | | | | | |
| Payroll-Salaried | 1,200,000 | 821,077 | 375,000 | 1,196,077 | 1,380,000 |
| Payroll-Special Pay | 12,000 | - | 12,000 | 12,000 | 13,000 |
| Employment Ads | 15,000 | 6,138 | 2,046 | 8,184 | 15,000 |
| Fica Expense | 95,000 | 60,954 | 30,000 | 90,954 | 110,000 |
| Pension Expense | 130,000 | 98,006 | 32,669 | 130,675 | 190,000 |
| Health & Life Insurance | 432,000 | 270,669 | 150,000 | 420,669 | 510,000 |
| Worker'S Comp. Insurance | 72,000 | 14,132 | 50,000 | 64,132 | 85,000 |
| Unemployment Taxes | 6,000 | - | 6,000 | 6,000 | 6,000 |
| Other Post Employment Benefits (OPEB) | 50,000 | - | 50,000 | 50,000 | 50,000 |
| Water Quality Testing | 35,000 | 25,446 | 8,482 | 33,928 | 35,000 |
| Contracts-Landscape | 80,000 | 55,253 | 18,418 | 73,670 | 75,000 |
| Contracts-Generator Maint | 20,000 | 7,390 | 2,463 | 9,853 | 15,000 |
| Communication-Telephone | 120,000 | 64,360 | 21,453 | 85,813 | 100,000 |
| Electric | 700,000 | 550,494 | 183,498 | 733,992 | 750,000 |
| Utility-Wastewater Treatment | 3,500,000 | 3,466,966 | 990,000 | 4,456,966 | 4,000,000 |
| Rental/Lease-Vehicle/Equip | 10,000 | 2,050 | 683 | 2,733 | 10,000 |
| Insurance-General Liability | 100,000 | 86,697 | - | 86,697 | 100,000 |
| R&M-General | 250,000 | 108,949 | 36,316 | 145,265 | 235,000 |
| R&M-Electrical | 30,000 | 2,078 | 693 | 2,770 | 20,000 |
| R&M-Air Conditioning | 10,000 | 4,506 | 1,502 | 6,009 | 10,000 |
| R&M-Vehicles | 10,000 | 12,335 | 4,112 | 16,446 | 15,000 |
| R&M-Well Maintenance | 60,000 | 55,782 | 5,000 | 60,782 | 60,000 |
| R&M-Painting | 10,000 | 2,021 | 674 | 2,695 | 5,000 |
| Reuse | - | 693 | 231 | 924 | 1,000 |
| Office Supplies | 15,000 | 3,068 | 1,023 | 4,090 | 10,000 |
| Op Supplies-General | 100,000 | 103,948 | 34,649 | 138,597 | 150,000 |
| Security | 70,000 | 104,208 | 34,736 | 138,944 | 70,000 |
| Op Supplies-Chemicals | 450,000 | 316,042 | 130,000 | 446,042 | 450,000 |
| Op Supplies-Lab Chemicals | 40,000 | 18,456 | 15,000 | 33,456 | 40,000 |
| Op Supplies-Lab Equipment | 5,000 | 3,614 | 1,205 | 4,818 | 5,000 |
| Op Supplies-Uniforms | 20,000 | 10,373 | 6,000 | 16,373 | 20,000 |
| Op Supplies-Fuel, Oil | 40,000 | 18,333 | 12,000 | 30,333 | 40,000 |
| Misc-Licenses & Permits | 50,000 | 13,592 | 4,531 | 18,123 | 45,000 |
| Misc-Contingency | 20,000 | 2,533 | 6,000 | 8,533 | 10,000 |
| Capital Outlay-Plant | 230,000 | 239,915 | 400,000 | 639,915 | 1,100,000 |
| Total Plant Expenses | 7,987,000 | 6,550,077 | 2,626,383 | 9,176,460 | 9,730,000 |



NORTH SPRINGS IMPROVEMENT DISTRICT
WATER & SEWER FUND
ADOPTED BUDGET FY 2024

EXPENSES – OPERATION & MAINTENANCE (FIELD)

| Account Description | Adopted Budget FY 2023 | Actuals as of 06/30/2023 | Projected July- Sept 2023 | Total Projected 9/30/23 | Adopted Budget FY 2024 |
|---|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| Operation & Maintenance Expenses | | | | | |
| Field | | | | | |
| Payroll-Salaried | 750,000 | 517,000 | 220,000 | 737,000 | 900,000 |
| Payroll-Special Pay | 8,000 | - | 8,000 | 8,000 | 10,000 |
| Employment Ads | 10,000 | 7,608 | 2,200 | 9,808 | 10,000 |
| Fica Expense | 60,000 | 38,379 | 20,000 | 58,379 | 70,000 |
| Pension Expense | 82,000 | 56,897 | 25,000 | 81,897 | 125,000 |
| Health & Life Insurance | 285,000 | 185,830 | 90,000 | 275,830 | 365,000 |
| Worker'S Comp. Insurance | 45,000 | 8,758 | 35,000 | 43,758 | 55,000 |
| Unemployment Taxes | 4,500 | - | 4,500 | 4,500 | 4,500 |
| Other Post Employment Benefits (OPEB) | 30,000 | - | 30,000 | 30,000 | 30,000 |
| Water Quality Testing | 6,000 | 987 | 329 | 1,316 | 6,000 |
| Contracts-Generator Maint | 8,000 | 4,726 | 1,575 | 6,301 | 8,000 |
| Communication-Telephone | 15,000 | 6,146 | 2,049 | 8,195 | 12,000 |
| Electric | 80,000 | 60,008 | 20,003 | 80,011 | 82,000 |
| Rental/Lease - Vehicle/Equip | 5,000 | 6,005 | 1,000 | 7,005 | 5,000 |
| Insurance-General Liability | 50,000 | 39,430 | - | 39,430 | 50,000 |
| R&M-General | 100,000 | 31,114 | 50,000 | 81,114 | 100,000 |
| R&M-Vehicle Repairs | 32,000 | 34,025 | 11,342 | 45,367 | 45,000 |
| R&M-Roads & Alleyways | 15,000 | 33,676 | - | 33,676 | 35,000 |
| R&M-Lift Stations | 140,000 | 55,284 | 18,428 | 73,713 | 140,000 |
| R&M-Painting | 5,000 | 1,009 | 336 | 1,345 | 5,000 |
| Utility Backflow Preventors | 5,000 | 168 | 56 | 224 | 5,000 |
| Office Supplies | 5,000 | 1,932 | 644 | 2,576 | 5,000 |
| Op Supplies-General | 20,000 | 18,956 | 6,319 | 25,274 | 25,000 |
| Op Supplies-Uniforms | 10,000 | 7,735 | 2,578 | 10,314 | 12,000 |
| Op Supplies-Fuel, Oil | 40,000 | 18,638 | 10,000 | 28,638 | 40,000 |
| Op Supplies-Hand Tools | 1,000 | 723 | 241 | 964 | 1,000 |
| Op Supplies-Meter Supplies | 25,000 | 16,585 | 5,528 | 22,114 | 25,000 |
| Misc-Licenses & Permits | 5,000 | 984 | 328 | 1,312 | 5,000 |
| Misc-Contingency | 2,000 | 7,515 | - | 7,515 | 5,000 |
| Heron Bay Golf Course | 95,000 | 29,999 | - | 29,999 | - |
| Capital Outlay-Field | 85,000 | 683,281 | 500,000 | 1,183,281 | 1,100,000 |
| Total Field Expenses | 2,023,500 | 1,873,399 | 1,065,456 | 2,938,855 | 3,280,500 |
| Inter-Fund Group Transfers Out | - | 2,515,440 | - | 2,515,440 | 10,000,000 |
| Total Operating Expenses | 14,257,080 | 13,662,172 | 4,902,702 | 18,564,873 | 27,616,440 |
| Net Income (Loss) Before Debt Services | 5,697,920 | 17,660,703 | 526,213 | 18,186,917 | 4,054,560 |



NORTH SPRINGS IMPROVEMENT DISTRICT
WATER & SEWER FUND
ADOPTED BUDGET FY 2024

DEBT SERVICES

| Account Description | Adopted Budget FY 2023 | Actuals as of 06/30/2023 | Projected July- Sept 2023 | Total Projected 9/30/23 | Adopted Budget FY 2024 |
|---------------------------------------|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| Debt Services | | | | | |
| Debt Service Series 2011 | 2,700,000 | 2,025,000 | 675,000 | 2,700,000 | 2,790,000 |
| Debt Service Series 2021 | 935,000 | - | - | - | - |
| Interest Expense Series 2011 | 948,750 | 711,562 | 237,188 | 948,750 | 858,568 |
| Interest Expense Series 2021 | 172,615 | 48,039 | - | 48,039 | - |
| Total Debt Service | 4,756,365 | 2,784,601 | 912,188 | 3,696,789 | 3,648,568 |
| Projected Manual Income (Loss) | 941,555 | | | 14,490,128 | 405,992 |
| Coverage Calculation | 1.20 | | | 4.92 | 1.11 |
| Renewal and Replacement | 100,000 | - | 100,000 | 100,000 | 100,000 |
| Rate Stabilization | 50,000 | - | 50,000 | 50,000 | 50,000 |
| Total Reserves | \$ 150,000 | \$ - | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| Projected Surplus (Deficit) | 791,555 | | | 14,340,128 | 255,992 |

WATER & SEWER NARRATIVES

REVENUE

Water - Sewer Revenue

The projected revenue is based upon the current approved rate structure for water and sewer, utilizing consumption projections for the upcoming year. The rate structure provides for a base rate and per thousand-gallon rate. Different rate structures for residential and commercial are derived from the last rate study and approved by the Board of Supervisors.

| Water Minimum Charge | Rate FY 24 |
|---|-------------------|
| Water Availability Minimum | \$39.52 |
| Minimum Water Residential, Multi-Family, Ranches/ Magic | \$24.34 |
| Water Commercial 1" Minimum | \$60.84 |
| Water Commercial 1.5" Minimum | \$121.68 |
| Water Commercial 2" Minimum | \$194.69 |
| Water Commercial 3" Minimum | \$365.05 |
| Water Commercial 4" Minimum | \$608.41 |
| Water Commercial 6 & 8" Minimum | \$1,216.83 |

| Sewer Minimum Charge | Rate FY 24 |
|---|-------------------|
| Minimum Sewer Residential, Multi-Family, Ranches/ Magic | \$23.81 |
| Sewer Commercial 1" Minimum | \$46.60 |
| Sewer Commercial 1.5" Minimum | \$84.56 |
| Sewer Commercial 2" Minimum | \$130.13 |
| Sewer Commercial 3" Minimum | \$236.45 |
| Sewer Commercial 4" Minimum | \$388.33 |
| Sewer Commercial 6 & 8" Minimum | \$768.04 |

| Irrigation Minimum Charge | Rate FY 24 |
|------------------------------------|-------------------|
| Residential Irrigation Minimum | \$24.34 |
| Commercial 1.5" Irrigation Minimum | \$121.68 |
| Residential 2" Irrigation Minimum | \$194.69 |

| Water Volume Charge | Rate FY 24 |
|---|-------------------|
| Water Residential, Commercial 1", 1.5", 2", 3", 4", 6", & 8", Ranches/ Magic | |
| 0-12,600 Gals | \$2.35 |
| 12,601-25,200 Gals | \$4.71 |
| 25,201 Gals and Over | \$7.06 |
| Water Med/High-Density Consumption | |
| 0-7,600 Gals | \$2.35 |
| 7,601-15,200 Gals | \$4.71 |
| 15,201 Gals and Over | \$7.06 |

| Sewer Volume Charge | Rate FY 24 |
|---|-------------------|
| Sewer Residential, Commercial 1", 1.5", 2", 3", 4", 6", & 8", Ranches/ Magic | |
| 0 Gals and Over | \$3.16 |
| Sewer Med/High-Density Consumption | |
| 0 Gals and Over | \$3.16 |

| Irrigation Volume Charge | Rate FY 24 |
|---|-------------------|
| Irrigation Residential, Commercial 1.5" & 2" Consumption | |
| 0-12,600 Gals | \$2.35 |
| 12,601-25,200 Gals | \$4.71 |
| 25,201 Gals and Over | \$7.06 |

Standby Fees

Platted and unplatted residential & commercial parcels and tracts are charged a fee per parcel or tract.

Irrigation

The projected revenue is based upon the current approved rate structure for irrigation water charges utilizing consumption projections for the upcoming year. The rate structure provides a per thousand-gallon rate for irrigation water only and, in the future, will include the Districts re-use projects.

NSF Check Fees

Fees charged to customers related to non-sufficient funds.

Processing Fee Revenue

A processing fee is charged for new accounts.

Lien Information Fee

A fee is charged for an estoppel letter.

Delinquent Fee Revenue

The Board of Supervisors, at a public meeting held in 2014, adopted a \$25 late fee to customers who receive a delinquent notice on their account and /or a termination date is hand-delivered.

Turn On Fees

Fees are charged to customers who have had their service shutoff for lack of payment, and service is restored after payment.

Interest - Investments

The District earns Interest Income on accounts with Truist, SBA, various CDs, and debt service trust accounts with US Bank.

Meter Fees

Represents the amount collected for meter Fees based on the size of the meter:

| <u>Meter Size</u> | <u>Amount</u> |
|--------------------------|--|
| 5/8" Meter | \$400.00 |
| 1" Meter | \$600.00 |
| 1 1/2" Meter | \$900.00 |
| ERT | \$150 |
| 2" Meter | (\$150 per unit (ERC) plus cost of meter |
| 3" Meter | (\$150 per unit (ERC) plus cost of meter |

The amount budget is based on the prior year's meters.

Connection Fees - W/S

Represents the amount collected for new connections based on the following:

| <u>User Class</u> | <u>Wastewater</u> | <u>Water</u> |
|--------------------------|--------------------------|---------------------|
| Single-Family | \$11,391 | \$558 |
| Medium Density | \$9,113 | \$446 |
| Commercial | \$12,872 | \$631 |
| Irrigation | | \$166 |

The revenue is based on the prior year's fees.

Contract Field Management Revenue

The District receives a reimbursement of \$15,000 from the Parkland Isles fund. This reimbursement is for field management services performed by District staff, including acting liaison between the homeowner associations (HOA), oversight of contractors, and compliance.

Miscellaneous Revenues

Represents miscellaneous fees charged for repairs and other services provided to the customer by the District.

Vending Services

The District provides employees with access to purchase subsidized meals onsite to save time and improve productivity.

EXPENSES - PERSONNEL & ADMINISTRATION

Payroll - Salaried

This includes payroll, workers comp, FUTA/SUTA taxes, and payroll charges for the admin. personnel based upon the current rate plus an increase. Each employee will be evaluated in September to determine their actual increase.

FICA Taxes

Payroll taxes for the Administrative personnel.

Pension Benefits

The District's pension plan was established whereby the employer contributes to each employee's annual salary into a Florida Retirement System.

Life and Health Insurance

The District offers the employees' health, life, dental, and disability insurance as part of their benefits plan while employed by the District.

Worker's Compensation

Payments are required by law to be made to an employee for a work-related injury or disability.

Professional Services - Arbitrage Rebate

The District contracts with an Independent Certified Public Accountant to calculate its arbitrage rebate liability annually on its revenue bonds. The amount is based on the standard fees charged for this service.

Professional Services - Dissemination Agent

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b) (5), which relates to additional reporting requirements for unrelated bond issues. The District has contracted for this service based on the contracted amount.

Professional Services - Engineering

To provide engineering services to the District. Also, the district contracts with other engineering firms for electrical engineering, consulting, and surveying services.

Professional Services - Legal Services

The District has legal counsel. This expense includes preparation for monthly board meetings, contract reviews, etc.

Professional Services - Trustee

This expenditure relates to fees charged by the Trustee for the District's Water and Sewer Bonds. The Trustee has a fiduciary duty to act on the behalf of the issuer. The Trustee fees are based on standard fees plus any out-of-pocket expenses incurred.

Professional Service Website Development

The District has contracted Watt Media Corp. to maintain its website, www.nsidfl.gov. The Federal Government has granted the District permission to use the .gov domain, which is consistent with government agencies.

Professional Services – Payroll / HR

The District has contracted with ADP to handle payroll and other HR-related matters.

Auditing Services

The District is required by Florida Statutes to arrange for an Independent Audit of its financial records annually. This expense is based on the existing engagement letter plus the anticipated increase for this year's engagement letter.

Financial and Accounting Services

The District has contracted GMS (Government Management Services) to perform financial consulting services and coordinate with our in-house accountants.

Communication - Telephone

Telephone and fax machine expenditure estimates are based on prior years cost.

Postage and Freight

Mailing agenda packages, overnight deliveries, correspondence, utility bills, etc.

Insurance - General Liability

The District retains an Insurance Agent, who on an annual basis, arranges the placement of the District insurance coverage requirements.

Printing and Binding

Printing of computerized checks, stationary, envelopes, photocopies, etc.

Legal Advertising

Advertising of monthly board meetings, public hearings, requests for bids, and any other legal advertising that may be required.

Office Supplies

Any supplies that may need to be purchased during the fiscal year, i.e., paper, minute books, file folders, labels, paper clips, etc.

Vending Services

The District provides employees with access to purchase subsidized meals on-site to save time and improve productivity.

Miscellaneous Services /Licenses & Permits

Any miscellaneous services that are necessary for the operations and maintenance of the software.

Misc. Contingency

This represents any unexpected expenses that may arise in the District.

Capital Outlay

Periodic purchase of new or replacement equipment as needed.

EXPENSES – OPERATION & MAINTENANCE (PLANT)

Payroll - Salaried

This includes Payroll, Workers Comp, FUTA/SUTA Taxes, and payroll charges for the Field personnel based upon the current rate plus an increase. Each employee is evaluated in September to determine their actual increase.

FICA Taxes

Payroll taxes for the Plant Operations personnel.

Pension Benefits

The District's pension plan was established whereby the District contributes to each employee's annual salary into a Florida Retirement System.

Life and Health Insurance

The District offers the employee's Health, Life, Dental, and Disability Insurance.

Worker's Compensation

Payments are required by law to be made to an employee who is injured or disabled in connection with work.

Contracts - Meter Expense

This expenditure is for the meter calibration every two (2) years.

Contracts - Water Quality

Water Quality Testing is done for Monthly Test (BCHD), Standard Plate Count, UCMR2 EPA testing, Quarterly Water Samples, and Annual Water Analysis.

Contracts - Landscape

Monthly landscape service performed at the water plant and several offsite locations, such as wells and District right of ways for plant operations.

Contracts - Generator Maintenance

Repair and maintain the District's multiple generators, including clean fuel testing and tank cleaning.

Communication - Telephone - Plant

The District provides telephones for all Plant Operations employees.

Electricity - General

The electric requirements for the water plant and wells are based on operating history.

Utility - Wastewater Treatment

The District transmits all its wastewater for treatment and disposal to Broward County through its Large User Agreement to the County's 2A regional facility.

Rentals - General

Rental of miscellaneous equipment that is needed for the District. Examples include, but are not limited to, heavy equipment; jackhammers; cranes, etc.

Insurance - General Liability

The District uses an Insurance Agent who, on an annual basis, arranges the placement of the District's insurance coverage requirements.

R & M - General

Repairs and maintenance of the District's equipment to maintain optimal operational condition, including trash pickup services.

R & M - Air Conditioning

Repairs and maintenance to the air conditioning system.

R & M - Electrical

Electrical maintenance and supplies.

R & M - Vehicles

Repair and maintenance of District's vehicles.

R & M - Well Maintenance

Repair and maintenance on the District's wells.

R & M - Painting

Painting the facility and storage tanks in the District.

Licenses & Permits

Represents the cost of facility license renewals, subscriptions, employee licenses, books, and schooling required to maintain their operating license.

Contingency

Any unforeseen expenses that may occur for the Plant Operations during the year.

Office Supplies

Office supplies necessary to be purchased during the fiscal year, i.e., paper, proceeding books, file folders, labels, paper clips, etc.

Operating Supplies - General

General operating supplies such as janitorial, lab supplies, etc., to operate the Districts water treatment plant.

Operating Supplies - Uniforms

Uniform rental plus an annual shoe allowance.

Operating Supplies - Fuel/Oil

Diesel fuel and gasoline purchased by the District.

Operating Supplies - Chemicals

Chemicals for Plant treatment.

Operating Supplies - Lab Chemicals

Lab chemicals purchased by the District.

Operating Supplies - Lab Equipment

This expenditure is for the purchase of lab equipment for the water plant in connection to compliance testing required by regulatory agencies.

Capital Outlay - Equipment

Allocated for the purchase of miscellaneous tools and equipment for the District.

Capital Outlay - Vehicles

Allocated for the purchase of new or replacement of vehicles.

EXPENSES – OPERATION & MAINTENANCE (FIELD)

Payroll - Salaried

Payroll, Workers Comp, FUTA/SUTA Taxes, and payroll charges for the Field personnel based upon the current rate plus an increase. Each employee is evaluated in September to determine their actual increase.

FICA Taxes

Payroll taxes for the Field personnel.

Pension Benefits

The District's pension plan was established whereby the employer contributes to each employee's annual salary into the Florida Retirement System (FRS).

Life and Health Insurance

The District offers the employees' Health, Life, Dental, and Disability Insurance.

Workers Compensation

Payments are required by law to be made to an employee who is injured or disabled in connection with work.

Contracts - Generator Maintenance

This is for the quarterly and annual maintenance of generators.

Communication - Telephone - Field

The District provides cellular telephones for all field employees. This also includes service from Sunshine State One Call.

Electricity - General

The District has utility accounts with Florida Power & Light for the field lift stations.

Utility - Meter Replacement Program

This expense represents the replacement of customer utility billing meters, which have a limited operational life and must be replaced approximately every ten years.

Utility Backflow Preventers

Installing or replacing backflow preventers at our customer's utility meters as required by Florida law. This prevents cross-connections and unsafe backflow hazards into our potable water distribution system.

Insurance - General Liability

The District retains an Insurance Agent who, on an annual basis, arranges the placement of the District insurance coverage requirements.

R & M - General

Repairs and maintenance on the District's equipment, which is necessary to maintain the District in an operational condition.

R & M - Lift Station

Repairs and maintenance of pumps and cleaning of the lift stations.

R & M - Road & Alleyways

Repair and maintenance to the various roads and driveway paving as required.

R & M - Vehicles

Monthly maintenance of the District's vehicles plus any repairs.

R & M - Painting

Painting miscellaneous items, such as lift stations, fire hydrants, etc.

Licenses & Permits

Costs for permits, employee license renewals, subscriptions, licensing, books, and schooling required to maintain compliance with employee licensing requirements.

Misc. Contingency

Unforeseen expenses that may occur in the Field during the year.

Office Supplies

Office supplies that may need to be purchased during the Fiscal Year, i.e., paper, proceeding books, file folders, labels, paper clips, etc.

Operating Supplies - General

Miscellaneous contingencies that may arise in the District.

Operating Supplies - Uniforms

Uniform rental plus an annual shoe allowance.

Operating Supplies - Fuel / Oil

Diesel fuel and gasoline purchased by the District.

Operating Supplies - Meter Supplies

Meter installation supplies.

Operating Supplies - Hand Tools

Hand and power tools that may be necessary for operations.

Capital Outlay - Equipment

Funds for the purchase of new equipment for the District as necessary for District operations.

Capital Outlay - Vehicles

Purchase of new vehicles

Reserve - Renewal & Replacement

Reserves for the renewal & replacement.

DEBT SERVICES

Debt Retirement

The District has refinanced all its water and sewer tax-exempt bonds into a new series 2011, Water & Sewer Revenue Refunding / Revenue Bond. These bonds have a principal and interest payment due October 1 each year and are based on amortization schedules.

Interest Expense

The District has refinanced all its water and sewer tax-exempt bonds into a new 2011 series Water & Sewer Revenue Refunding / Revenue Bond. These bonds have a principal and interest payment due April 1st & October 1st, each year and are based on amortization schedules.

Projected Annual Income (Loss)

Total income received or total income loss after all expenses have been paid by the District to include operational expenses and debt service.

Coverage Calculation

The District is required to maintain 110% debt coverage as required by the series 2011 bond documents. This means that the District's operating income needs to equal or exceed its annual debt service payments by 110%.

Budgeted Reserves

- **Renewal & Replacement:** The District has developed a reserve program for replacing operational equipment after it has exceeded its life expectancy or is no longer operational.
- **Rate Stabilization:** This expense is to stabilize the Water & Sewer bond rates in the 2011 series.

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