APOPKA CITY COUNCIL AGENDA
September 9, 2025 6:30 PM
Apopka City Hall Council Chambers

APOPKA CITY COUNCIL MEETING WILL BE LIVE-STREAMED ON YOUTUBE. TO WATCH, PLEASE VISIT:
https://www.youtube.com/CityofApopkaFL

CALL TO ORDER

INVOCATION

PLEDGE

PRESENTATIONS

1. **Presentation of the City of Apopka's Water, Wastewater, Reclaimed Water, and Sanitation Utility Rate Study Results**
   Presented by: Blanche Sherman, Finance Director, Henry Thomas and Shawn Ocasio with Raftelis

PUBLIC COMMENT PERIOD

The Public Comment Period is for City-related issues that may or may not be on today's Agenda. If you are here for a matter that requires a public hearing, please wait for that item to come up on the agenda. If you wish to address the Council, you must fill out an Intent to Speak form and provide it to the City Clerk prior to the start of the meeting. If you wish to speak during the Public Comment Period, please fill out a green-colored Intent-to-Speak form. If you wish to speak on a matter that requires a public hearing, please fill out a white-colored Intent-to-Speak form. Speaker forms may be completed up to 48 hours in advance of the Council meeting. Each speaker will have four minutes to give remarks, regardless of the number of items addressed. Please refer to Resolution No. 2025-19 for further information regarding our Public Participation Policy & Procedures for addressing the City Council.

ADJOURNMENT

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk at least two (2) working days in advance of the meeting date and time at (407) 703-1704. F.S. 286.0105 If a person decides to appeal any decision or recommendation made by Council with respect to any matter considered at this meeting, he will need record of the proceedings, and that for such purposes he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Any opening invocation that is offered before the official start of the Council meeting shall be the voluntary offering of a private person, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council or the city staff, and the City is not allowed by law to endorse the religious or non-religious beliefs or views of such speaker. Persons in attendance at the City Council meeting are invited to stand during the opening ceremony. However, such invitation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any opening invocation that is offered or to participate in the Pledge of Allegiance. You may remain seated within the City Council Chambers or exit the City Council Chambers and return upon completion of the opening invocation and/or Pledge of Allegiance if you do not wish to participate in or witness the opening invocation and/or the recitation of the Pledge of Allegiance.

City of Apopka
CITY COUNCIL STAFF REPORT

Section: PRESENTATIONS
Item #: 1.
Meeting Date: September 9, 2025
Department: Finance Department

SUBJECT:
Presentation of the City of Apopka's Water, Wastewater, Reclaimed Water, and Sanitation Utility Rate Study Results

ACTION ITEM INFORMATION:

REQUEST:
Presentation of the results of the Water, Wastewater, Reclaimed Water, and Sanitation Utility Rate studies, including the recommended annual rate increases for Council consideration.

SUMMARY:
Mr. Henry Thomas and Shawn Ocasio with Raftelis will present the results of the Water, Wastewater, Reclaimed Water, and Sanitation Utility Rate studies, including the recommended annual rate increases for Council consideration, the two (2) additional scenarios requested by Council on September 3, 2025. The two (2) additional scenarios are as follows:

Commissioner Smith - FY2026 - 15.5%; FY2027 - 9%; FY2028 - 6%; FY2029 - 6%.
Commissioner Nesta - FY2026 - 9%; FY2027 - 9%; FY2028- 9%; FY2029 - 9%.

The Finance Director will be requesting a consensus on the study results, to be factored in the FY2026 Final Proposed Budget.

FUNDING SOURCE:
N/A

RECOMMENDED MOTION:
N/A

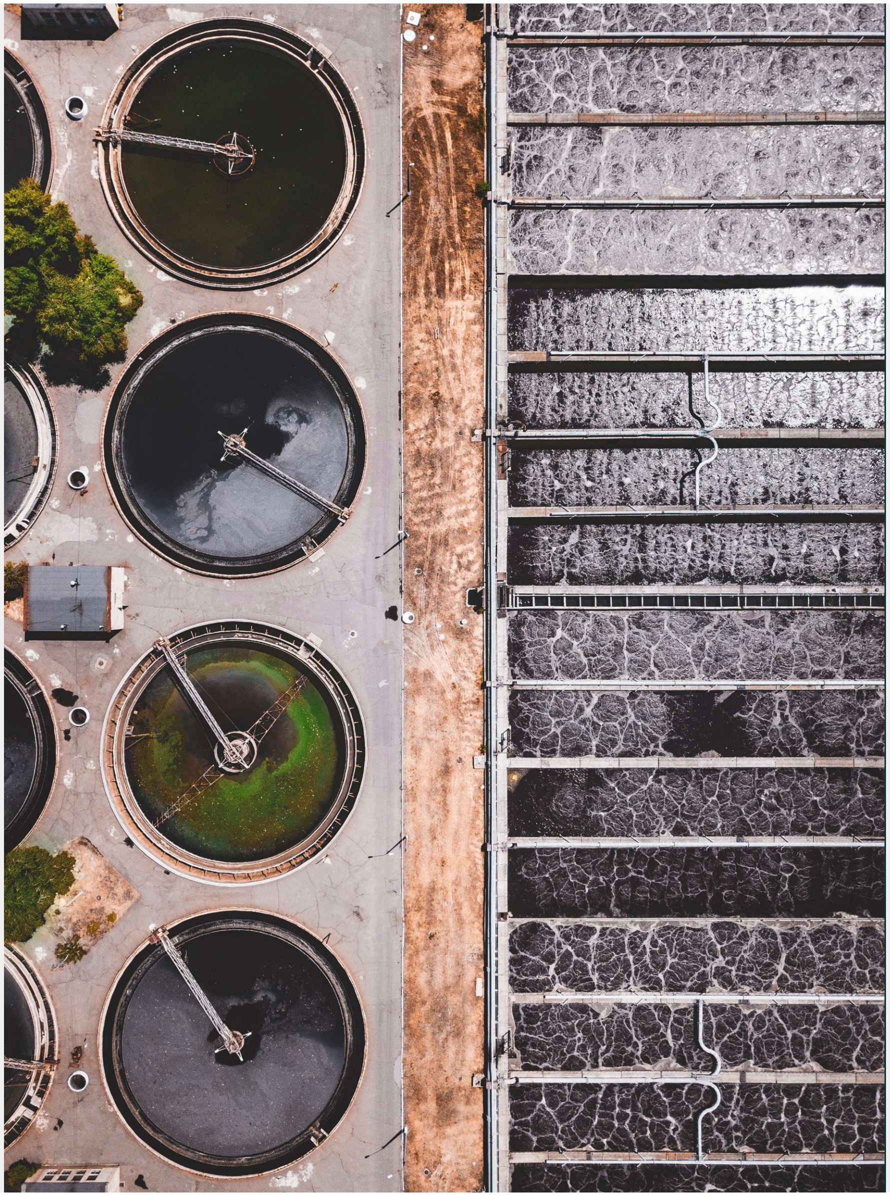
ATTACHMENTS:
1. Rate Study Presentation 9-9-2025 CITY Additions

City of Apopka

Water, Wastewater, and Reclaimed Water Utility Rate Study

Presented: Sept. 9th, 2025

RAFTELIS



Agenda

1. Recap Prior Presentation from 9-3-2025
2. Review Alternative Scenario Analysis
3. Summary Findings and Revised Rate Adjustment Recommendations

Recap of Prior Presentation

- Review of tasks and major considerations such as cashflow, liquidity / cash balances, and debt service coverage (loan covenant requirements)
- Review of major assumptions such as customer growth, operating expenses, debt service payments, Capital Improvement Program (CIP) and related funding plan
- Major issues impacting rates:
  - Significant capital improvement program to upgrade and expand system
  - Future increase in annual debt service payments due to additional borrowing to fund major capital projects in the capital improvement plan
  - Inflationary increases in operating expenses and additional personnel needs
- Discussion on table showing significant rate increases affecting many other communities across the state

Recap of Prior Presentation (cont.)

- Prior Rate Increase Proposal

	2026	2027	2028	2029
Water System	15.5%	15.5%	3.5%	3.5%
Wastewater System	15.5%	15.5%	3.5%	3.5%
Reclaimed System	15.5%	15.5%	3.5%	3.5%
Effective Date	Oct. 1, 2025	Oct. 1, 2026	Oct. 1, 2027	Oct. 1, 2028

- City Council requested review of two additional scenarios to slow rate/ bill impacts to customers
  - Alternative #1: Aim for less than 10% per year in FY2 2026 - 2029
    - Assumed 9.75% per year
  - Alternative #2: Aim for 15.5% / 9.0% / 6.0% / 6.0% in FYs 2026 – 2029
- Direction to adjust the CIP to set up these alternatives

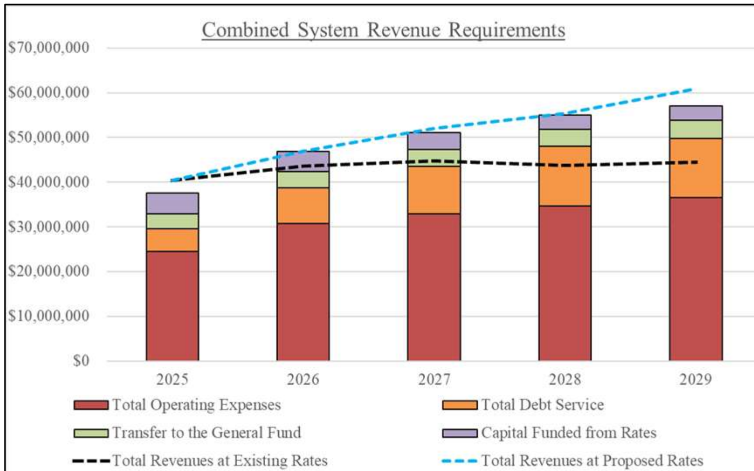
Alternative Scenario Analysis

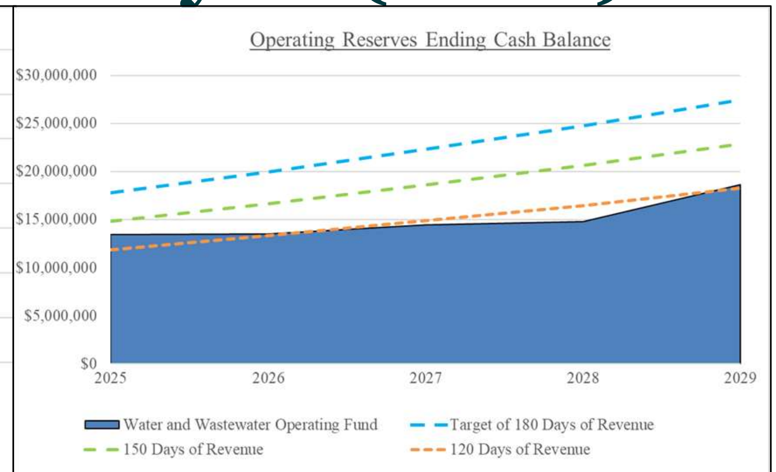
- Assumption Changes for Both Scenarios:
  - Update forecast model for new FY 2026 proposed utility system operating budget information
    - Increased operating expenses compared to prior presentation by approximately $2.5 million per year in FYs 2026 – 2029
  - Additional $2.5 million in grant funding for CIP projects
  - Reduced CIP by $8.7 million from pay-as-you-go / rate funded projects
    - Annual water pipe replacement program
    - Wastewater Collection System pipe R&R program
  - Water plant expansion project for $25 million pushed back to 2028 from 2027
    - Separate borrowing for this project
    - Provides for some initial relief on annual debt service payment increases

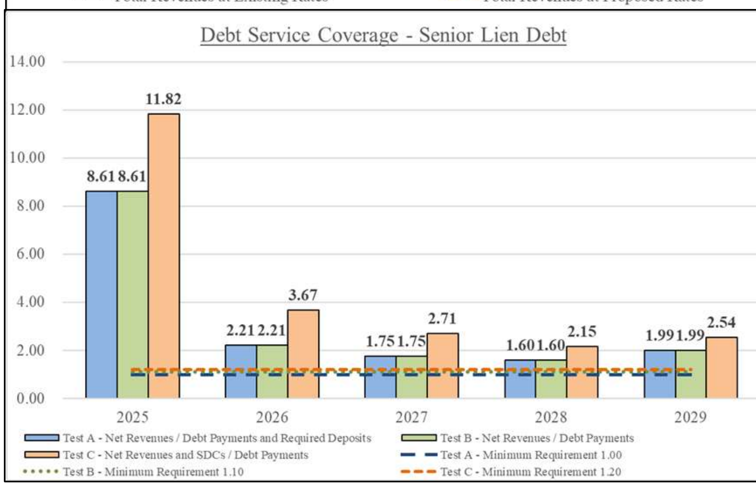
Alternative Scenario Analysis (cont.)

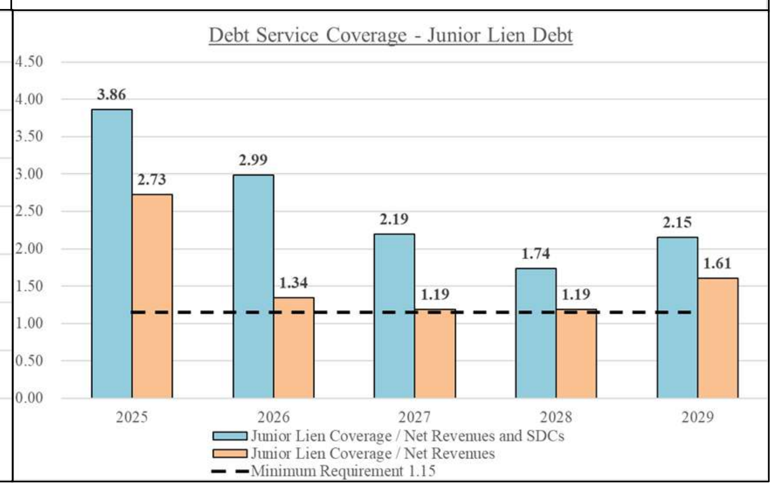
- Alternative #1:
  - Rate adjustment path of 9.75% per year in FYs 2026 – 2029
    - Cumulative increase of 45.1% by 2029 (Higher endpoint than original scenario)
  - Rates barely sufficient margins to meet coverage requirements as new debt comes on later in forecast
    - Higher potential risk of Technical Default if operations don't occur as planned
  - Rates do not generate sufficient cashflow to achieve targeted cash balance level of 150+ Days by 2029

Alternative Scenario Analysis (cont.)









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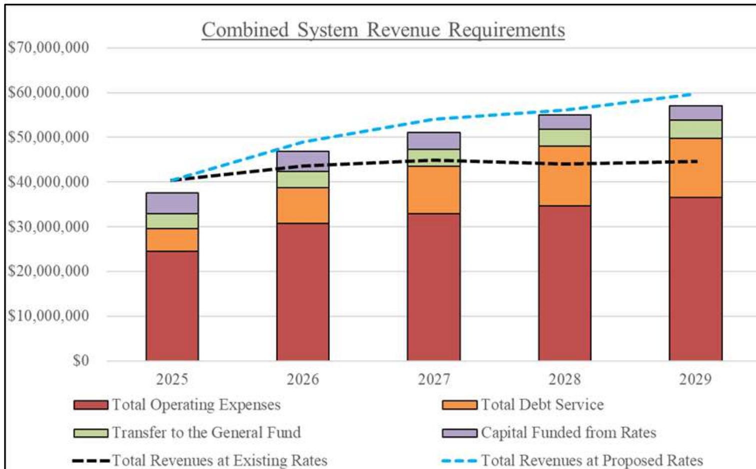
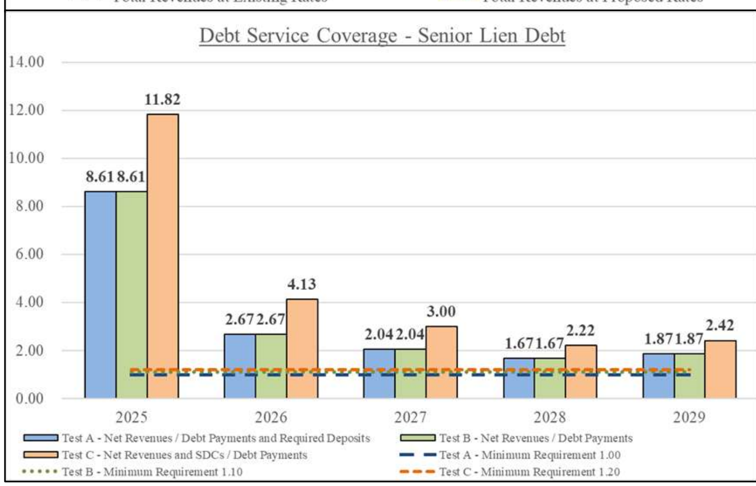
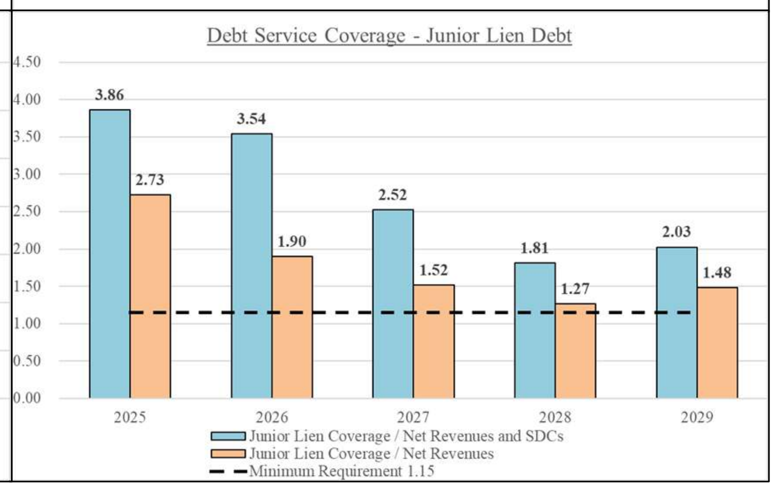
Alternative Scenario Analysis (cont.)

- Alternative #2:
  - Rate adjustment path of 15.5% / 9.0% / 6.0% / 6.0% in FYs 2026 – 2029
    - Cumulative increase of 41.5% by 2029 (Slightly lower than original scenario)
  - Rates do generate sufficient margins to meet coverage requirements as new debt comes on later in forecast
  - Rates do generate sufficient cashflow to achieve cash balances at minimum targeted level of 150+ Days by 2029

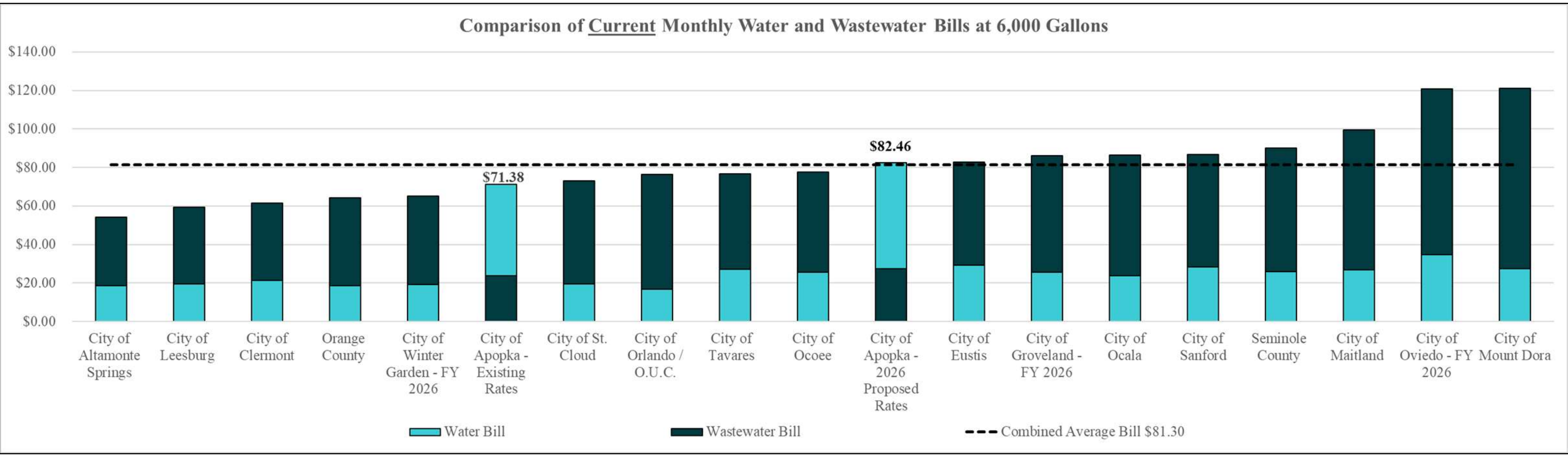
Alternative Scenario Analysis (cont.)







Residential Rate Comparison



Observations and Recommendations

- Existing rates are projected to be insufficient through Fiscal Year 2029
- Due to increasing operating expenses, capital costs related to system renewals and replacements, system upgrades and expansions, and additional debt service costs rate adjustments are proposed for Fiscal Years 2026 through 2029
- Revised rate adjustment proposal based on Scenario #2

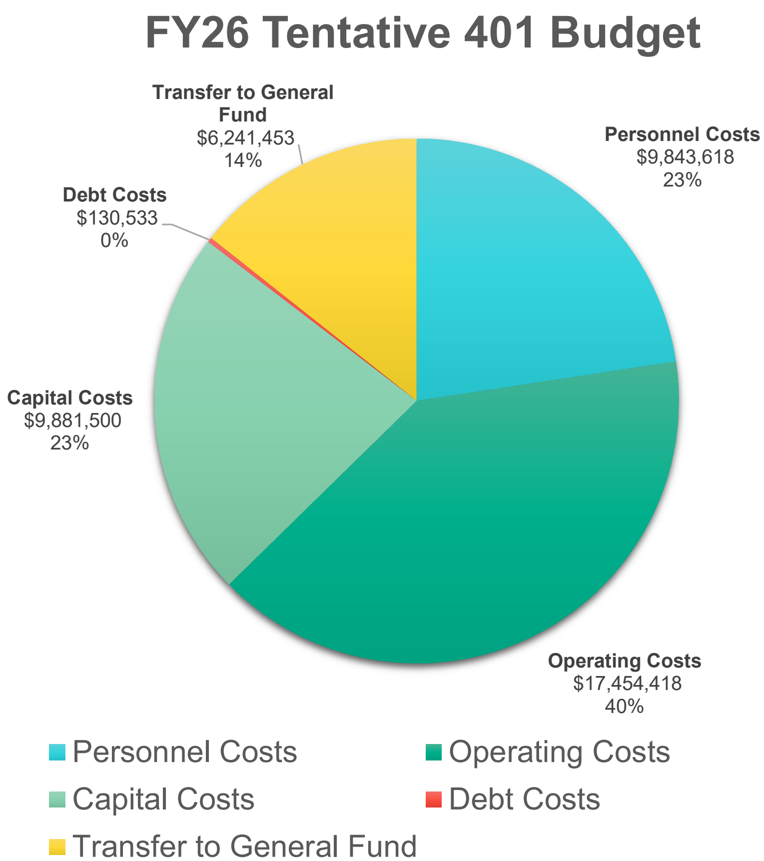
	2026	2027	2028	2029
Water System	15.5%	9.0%	6.0%	6.0%
Wastewater System	15.5%	9.0%	6.0%	6.0%
Reclaimed System	15.5%	9.0%	6.0%	6.0%
Effective Date	Oct. 1, 2025	Oct. 1, 2026	Oct. 1, 2027	Oct. 1, 2028

Observations and Recommendations (cont.)

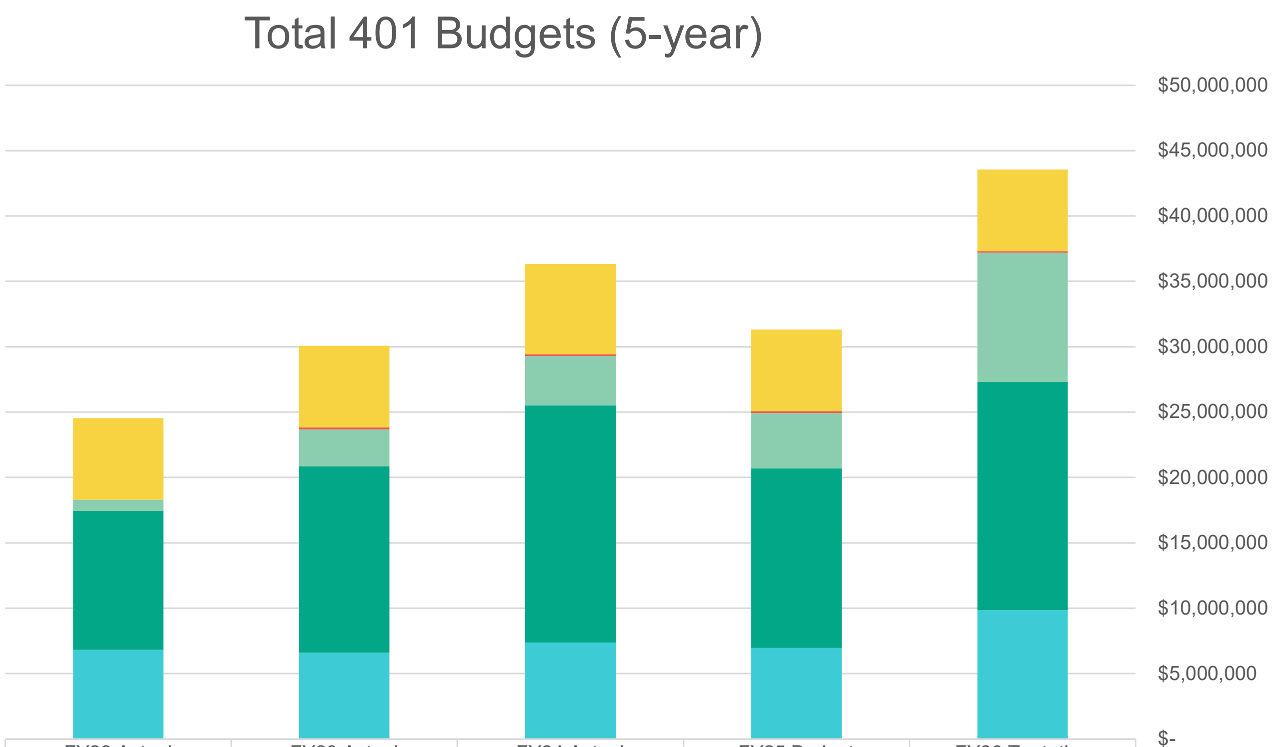
- Adopt proposed revised rate adjustment plan
- Positive cashflow maintained through end of forecast period
- All coverage requirements are fulfilled during forecast period
- Operating reserves build to targeted 150 Day level by 2029

Additional Staff Comments

City of Apopka Fund 401 Budgets



City of Apopka Fund 401 Budgets



	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Tentative
Transfer to General Fund	$6,240,792	$6,241,453	$6,922,237	$6,241,453	$6,241,453
Debt Costs	$(53,513)	$146,941	$138,568	$128,079	$130,533
Capital Costs	$856,728	$2,811,107	$3,764,021	$4,245,000	$9,881,500
Operating Costs	$10,626,007	$14,267,094	$18,140,292	$13,715,235	$17,454,418
Personnel Costs	$6,811,638	$6,602,653	$7,374,084	$6,977,097	$9,843,618

City of Apopka Fund 401 Budgets

FY26 Major Capital Projects

FY26 Capital Improvements Funded in 401 Tentative Budget		**$**	**9,881,500**
FY26 Capital Improvements Funded in 403 Tentative Budget		**$**	**26,390,000**
WATER - 401	Asbestos & Cast Iron Pipe Replacement Program	$	1,000,000
WATER - 401	Plymouth Regional Water Treatment Plant Emergency Generator	$	250,000
WATER - 401	Plymouth Regional Water Treatment Plant Building Rehabilitation	$	200,000
WATER - 401	Mt. Plymouth Lakes Water Treatment Plant Building Rehabilitation	$	100,000
WATER - 401	FlexNet Tower Base Stations	$	180,000
WWATER - 401	Generator/Bypass Pump Program	$	230,000
WWATER - 401	Wastewater Collections System Pipeline Rehabilition & Replacement Program	$	500,000
WWATER - 401	Lift Station Rehabilitation and Replacement Program: Lift Station No. 17	$	3,700,000
WATER - IMPACT	Potable Water Service - New Pipelines Upsizing Agreements (for new growth)	$	1,000,000
WATER - IMPACT	Grossenbacher Water Treatment Plant - NEW High Service Pump (for new growth)	$	1,000,000
WATER - IMPACT	Grossenbacher Water Treatment Plant - NEW Ozone Treatment Design (for new growth)	$	1,500,000
WATER - IMPACT	NEW Water Treatment Plant Design at Golden Gem for (for new growth)	$	500,000
WWATER - IMPACT	Wastewater New Pipeline Upsizing Agreements (for new growth)	$	500,000
WWATER - IMPACT	Lift Station Generator Program	$	500,000
WWATER - IMPACT	Master Lift Station Upsize Program - LS17 Construction	$	2,500,000
WWATER - IMPACT	Force Main Upsizing - Kelly Park (Jason Dwelley to Plymouth Sorrento Rd)	$	850,000
WWATER - IMPACT	Force Main Upsizing - W. Orange Ave. (LS No.50 -U.S. Hwy. 441)	$	390,000
REUSE - IMPACT	NWRC Reclaim Water Storage West Pond Transfer Pump Station - Phase 2	$	4,800,000
REUSE - IMPACT	NEW Golden Gem Reclaim Water Plant & Transfer Pump Station	$	12,500,000

Further City Actions

Staff are currently undertaking additional steps to continue building positive trends in the utility operations, including:

- Pushing to rectify all meter and FlexNet issues by the end of 2025, reducing estimated billing to national standards (between 5-10%)
- Install three new FlexNet base stations by end of 2025/early 2026
- Prepare and propose new installation fee adjustments for installs of new potable, reclaimed, and sewer taps and for backflow preventers – **Estimating increased new revenue $262,544**
- Implement new email notification process to delinquent accounts, prior to sending to collections, with goal of reducing delinquent accounts by 20% in FY26
- Implement a Utility Tampering Find to accompany tampering repair costs and deter tampering
- Search for additional operational and small capital budget efficiencies as we move through FY26 including:
    - Re-evaluating vehicle status and operational need
    - Continue evaluating operations and work flow to reduce use of OT for regular operations
- Prepare and propose a small credit card processing fee to recover some of the credit card processing fees currently being paid by the utility fund. **Estimated increased new revenue $43,334**

At the completion of the first quarter of FY26, staff will re-engage Raftelis to assess current revenue/expense status and begin assessing if adjustments can be made for the FY27 rate to bring it lower than 15.5%.

City of Apopka Fund 401 Budgets

Residential Rate Comparisons

	Current FY25 Rate	PROPOSED FY26 Rate Increase	PROPOSED FY26 Rate (per 1,000)	**PROPOSED FY26 Increase**		Estimated FY26 Bills	Estimated FY25 Bills	**Difference**
Water: Base Charge	$ 11.24	15.5%	$ 12.98	**$ 1.74**	Base	$ 12.98	$ 11.24	**$ 1.74**
Water: 0-6,000 gallons	$ 2.07	15.5%	$ 2.39	**$ 0.32**	6,000	$ 14.35	$ 12.42	**$ 1.93**
Water: 6,001-15,000 gallons	$ 2.55	15.5%	$ 2.95	**$ 0.40**	9,000	$ 26.51	$ 22.95	**$ 3.56**
Water: 15,001-30,000 gallons	$ 3.80	15.5%	$ 4.39	**$ 0.59**	15,000	$ 65.84	$ 57.00	**$ 8.83**
Water: 30,000+ gallons	$ 7.70	15.5%	$ 8.89	**$ 1.19**	1,000	$ 8.89	$ 7.70	**$ 1.19**
					31,000	$ 128.56	$ 111.31	**$ 17.25**

	Current FY25 Rate	PROPOSED FY26 Rate Increase	PROPOSED FY26 Rate (per 1,000)	**PROPOSED FY26 Increase**		Estimated FY26 Bills	Estimated FY25 Bills	**Difference**
Sewer: Base Charge	$ 23.90	15.5%	$ 27.60	**$ 3.70**	Base	$ 27.60	$ 23.90	**$ 3.70**
Sewer: 0-12,000 gallons	$ 3.97	15.5%	$ 4.59	**$ 0.62**	12,000	$ 55.08	$ 47.64	**$ 7.44**
Sewer: 12,000 gallons (capped)	$ 71.54	15.5%	$ 82.63	**$ 11.09**		$ -	$ -	**$ -**
					12,000	$ 82.68	$ 71.54	**$ 11.14**

	Current FY25 Rate	PROPOSED FY26 Rate Increase	PROPOSED FY26 Rate (per 1,000)	**PROPOSED FY26 Increase**		Estimated FY26 Bills	Estimated FY25 Bills	**Difference**
Reclaimed: Base Charge	$ 11.25	15.5%	$ 12.99	**$ 1.74**	6,000	$ 12.99	$ 11.25	**$ 1.74**
Reclaimed: 6,001-15,000 gallons	$ 1.94	15.5%	$ 2.24	**$ 0.30**	9,000	$ 20.17	$ 17.46	**$ 2.71**
Reclaimed: 15,001-30,000 gallons	$ 2.90	15.5%	$ 3.35	**$ 0.45**	15,000	$ 50.24	$ 43.50	**$ 6.74**
Reclaimed: 30,000+ gallons	$ 5.78	15.5%	$ 6.68	**$ 0.90**	1,000	$ 6.68	$ 5.78	**$ 0.90**
					31,000	$ 90.07	$ 77.99	**$ 12.08**

	Current FY25 Rate	FY26 Rate Increase	Proposed FY26 Rate	**FY26 Increase**
Residential Garbage	$ 23.13	15.0%	$ 26.60	**$ 3.47**

Tentative Millage FY26 4.4376

$300,000 Home = $1,331.28

Q&A

Thank you!

Contact: Henry Thomas
407 628 2600 / hthomas@raftelis.com

Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of Winter Garden	Adopted – November 2024	• 3.24% – 10/1/2024 • 17.00% – 1/1/2025 • 20.00% – FY2026 & FY2027 • 7.00% – FY2028 & FY2029 • Greater of FPSC Index or 2.00% – annually beginning FY 2030	• 3.24% – 10/1/2024 • 17.00% – 1/1/2025 • 20.00% – FY2026 & FY2027 • 7.00% – FY2028 & FY2029 • Greater of FPSC Index or 2.00% – annually beginning FY 2030
City of Palm Coast	Adopted – March 2025	• 8.00% – 4/1/2025 • 8.00% – 10/1/2025 • Greater of W/S Maint. Index or 4.00% – annually beginning FY 2027	• 8.00% – 4/1/2025 • 8.00% – 10/1/2025 • Greater of W/S Maint. Index or 4.00% – annually beginning FY 2027
City of Groveland	Adopted – August 2024	• 40.00% – FY2025 • 10.00% – FY2026 through FY2028	• 40.00% FY2025 • 10.00% FY2026 through FY2028
City of Wilton Manors	Adopted – September 2024	• 7.00% – FY2025	• 30.00% – FY2025

Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of LaBelle	Adopted – September 1, 2024 Presented – FY 2026 – FY 2028	• 50.00% – FY2025 • 3.50% – FY2026 • 3.50% – FY2027 • 3.50% – FY2028	• 80.00% – FY2025 • 50.00% –FY2026 • 25.00% – FY2027 • 3.50% – FY2028
City of Lake Worth Beach	Adopted – September 2024	• 5.25% – FY2025	• 9.00% – FY2025
Clay County Utility Authority	Adopted – September 2024	• 6.50% – FY2025	• 7.00% – FY 2025
City of Oviedo	Adopted – February 2025	• 9.00% - FY 2025 through FY 2029	• 9.00% - FY 2025 through FY 2029

Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of Fort Lauderdale	Adopted – September 2023	•8.60% – FY2024 •22.50% – FY2025 •9.00% – FY2026 & FY2027 •5.00% – annually beginning FY2028	•7.00% – FY2024 •9.00% – FY2025 & FY2026 •5.00% – annually beginning FY2028
City of Riviera Beach Utility Special District	Adopted – January 2025	•10.00% – FY2025 •31.85% – FY2026 & FY2027 •29.78% – FY2028 •26.00% – FY2029	•8.00% – FY2025 •6.09% – FY2026 through FY 2028 •6.00% – FY2029