PARKER
CITY COUNCIL SPECIAL MEETING
WORKSHOP

Council Chambers, City Hall
Thursday, May 15, 2025, at 5:30 P.M.

MAYOR:
Andrew Kelly
COUNCILMEMBERS:
Tonya Barrow, Mayor Pro Tem
Katy Bodiford
Ron Chaple
John Haney

CITY ATTORNEY:
Tim Sloan
CITY CLERK:
Ingrid Bundy

NOTE: AT EACH OF ITS REGULAR OR SPECIAL MEETINGS, THE CITY OF PARKER COUNCIL ALSO SITS, AS EX OFFICIO, AS THE CITY OF PARKER COMMUNITY REDEVELOPMENT AGENCY (CRA) AND MAY CONSIDER ITEMS AND TAKE ACTION IN THAT CAPACITY.

AGENDA

CALL TO ORDER
INVOCATION
ROLL CALL
REGULAR AGENDA

1. **Impact Fees**

I Bundy
Ingrid Bundy, City Clerk

If a person decides to appeal any decision made by the City Council with respect to any matter considered at the meeting, if an appeal is available, such person will need a record of the proceeding and such person may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be made.

Any person requiring special accommodation at this meeting because of a disability or physical impairment should contact the City Clerk at clerk@cityofparker.com or by phone at 850-871-4104. If you are hearing or speech impaired and you have TDD equipment, you may contact the City Clerk using the Florida Dual Party System, which can be reached at 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD).

ALL INTERESTED PERSONS DESIRING TO BE HEARD ON THE AFORESAID agenda are invited to be present at the meeting.

1001 West Park Street – Parker, Florida 32404
Telephone: 850-871-4104 – www.cityofparker.com

FLORIDA RURAL WATER ASSOCIATION

2970 Wellington Circle • Tallahassee, FL 32309-7813
(850) 668-2746

EMAIL
frwa@frwa.net

WEBSITE
www.frwa.net

February 18, 2025

Mr. Tony Summerlin
Public Works Director
City of Parker
1001 West Park Street
Parker, FL 32404
Phone: (850) 871-5599
Email: tsummerlin@cityofparker.com

RE: Water and Wastewater Final Capacity Fee Study
City of Parker, Bay Co., PWS: 1030520, Fac. No. FLA645541

Dear Mr. Summerlin:

Florida Rural Water Association is pleased to provide this Capacity Fee Study to the City of Parker as a membership benefit. FRWA is dedicated to assisting water and wastewater systems provide Floridians with an ample affordable supply of high-quality water and wastewater disposal services, while protecting natural systems.

You should be congratulated on your water and wastewater system and 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 provide quality services. 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.

Capacity Fees. Capacity Fees (Connection Charges) are one-time charges assessed to the new commercial and residential connections to reimburse utility systems for infrastructure required to supply water and collect, treat, and dispose of wastewater from these new commercial and residential connections. Capacity Fees are proportional to the capacity set aside for the new customer. In some systems these charges are called Capacity Fees while others may be called Benefit Assessments, User Fees, Contributions In Aid of Construction (CIAC), Impact Fees or System Development Charges. [1]

The goals and objectives considered in the study include the following:

- ✓ Proposed Capacity Fees should be equitable among customer classes;
- ✓ Proposed Capacity Fees should minimize "shock" to customers if possible;

[1] AWWA, *Manual M1 - Principles of Water Rates, Fees and Charges*, 7th Edition, American Water Works Association, Denver CO., 2017, pp. 321-347

- ✓ Proposed Capacity Fees should reimburse the City for infrastructure required to supply water and collect treat, and disposal of wastewater from new commercial and residential connections; and
- ✓ Proposed Capacity Fees should provide for capital improvement needs and not operation and maintenance costs

Executive Summary

Findings & Recommendations

The City of Parker has two options for setting Capacity Fees:

Option A – Use the **Remaining Useful Life Basis** to capture the existing cost of running the City of Parker Water and Wastewater Utility.

Option B – Use the **Replacement Value Basis** to capture the true and sustainable cost of running the City of Parker Water and Wastewater Utility.

Remaining Useful Life (RUL) is the length of time the utility infrastructure, piping, pumps, tanks, and equipment is likely to be functional before it requires replacement. A piece of equipment may last longer than its estimated useful life, but it will need more and more maintenance as it reaches that point. It may become obsolete or require major repairs. An especially old asset, while technically functional, may be more of a liability than a benefit if it requires frequent repair work.

The Remaining Useful Life basis for computing Capacity Fees provides a value to existing utility assets based on their depreciated condition, estimated based on the years it is expected to continue to function. This can also be called Replacement Cost New Less Depreciation. This basis does not provide for the cost of replacing the pipe or equipment when it reaches the end of its useful life, the cost that the utility will have to bear to serve the development being added to the utility.

As an example of the implication of Remaining Use Life Basis, a community has an Elevated Storage Tank at the school constructed around 1952, over 70 years ago. The AWWA useful life of an elevated storage tank is 44 years. The elevated storage tank at the school would have no value when computing Capacity Fees based on Remaining Useful Life Basis. For this portion of the Capacity Fee, the new user will have almost no Capacity Fee to pay. However, the true, sustainable value to the utility is the replacement cost for the elevated storage tank, this is the cost the utility will have to bear to keep treated water available for new users as they are added to the system.

Replacement Value is the original cost escalated to current-day dollars. That is, the cost to the utility to install new infrastructure to replace existing piping, pumps, tanks, and equipment in today's dollars. The Replacement Value recognizes the expense the utility must incur to purchase new piping and equipment as the existing piping and equipment have become unusable due to age and wear. This is the cost the existing users have been incurring for all the previous years in keeping sufficient and usable piping and equipment available for the users now coming onto the system.

Replacement Value reasonably reflects the cost of providing new expansion capacity to users as if the capacity was added at the time the new user connected to the water system. The utility is fairly compensated for the carrying costs of the excess capacity that needed to be built into the system in advance of the new users connecting to the system so it would be available at the time the connection was needed. With pipelines and treatment plants it is impossible to put in increments of capacity at exactly the time a new development needs to have it available. Capacity-related

infrastructure must be planned, designed, and constructed in large increments and the new users the capacity is intended to serve will typically connect to the system over many years. Utilities must make investments in capacity-related infrastructure that will provide services to new development well in advance of the time when the new development occurs. Meanwhile, the utility is incurring the cost of keeping the capacity-related infrastructure in proper working condition so it will be fully available when needed by the new development.

With Capacity Fees based on Replacement Value, the new users are paying for the true, sustainable value of the capacity that the utility has purchased and kept available for them until now to us. While Replacement Value capacity fees represent a higher cost per Equivalent Residential Connection (ERC) than Remaining Useful Life, FRWA recommends Replacement Value because it represents a more equitable compensation to the utility for the cost of constructing and keeping necessary, effective capacity available for new users when it is needed.

1. Water Capacity Fee Finding

The current Water Connection Fees charge only for tapping the city water main. The tapping fee for a 5/8" tap is $500.00. For the Water Capacity Fee, the City has the option of using the evaluated Fee of **$1,580 per ERC** using the Remaining Useful Life Basis –or- **$3,070 per ERC** using the Replacement Value Basis to capture the true and sustainable cost of running its Water Utility. FRWA recommends using the Replacement Value.

2. Wastewater Capacity Fee Findings

The current Wastewater Impact Fees for Parker is $1,400 per ERC. There is an additional capacity charge for the Bay County wastewater treatment plant. For Wastewater Capacity Fee, the City has the option of using the evaluated Fee of **$2,820 per ERC** using the Remaining Useful Life Basis –or- **$6,150 per ERC** using the Replacement Value Basis to capture the true and sustainable cost of running its Wastewater Utility. FRWA recommends using the Replacement Value.

Capacity Fees per ERC are proportional to the existing Average Day Flow per connection. Parker has an average day flow per connection of 105 gpd. According to the Water Research Foundation, average water use per household is 138 gpd (Water Research Foundation, *Residential End Uses of Water, Version 2*, 2016) Wastewater discharge would be even less than 138 gpd/household because not all water used is returned to the wastewater system. That means the wastewater flows for Parker are in line with the Water Research Foundation recommendation and infiltration/inflow is not an issue for the wastewater system.

Water & Wastewater Capacity Fee Findings

In combination both the Water and Wastewater Capacity Fees are:

Equivalent Residential Water & Wastewater Connection (ERC) Calculation Comparison

Category	Current Impact Fees	Option A Remaining Useful Life Value	Option B Replacement Value
Water	$500/ERC	$1,580/ERC	$3,070/ ERC
Wastewater	$1,400/ERC	$2,820/ ERC	$6,150/ ERC
Totals	**$1,900/ERC**	**$4,400/ ERC**	**$9,220/ ERC**

3. Water and Wastewater Capacity Fee Recommendations

FRWA recommends that the City use the evaluated fees to capture the true and sustainable cost of running its Water and Wastewater Utility and to maintain and protect the City's vital infrastructure. We recommend and can assist with continuing to establish a 5 and 10-year Capital Improvement Program to keep the City's utility financially sound.

4. Other Utility Fee Recommendations

- Fees for turn-ons, turn-offs, and late fees might need to be increased for inflation. Fees should be reviewed / updated at least annually by staff based on actual time and material costs for meters, fittings, boxes, equipment costs, fuel costs, and salaries.
- The Utility's policies on payments, late charge fees, illegal turn on penalty, or returned check penalty should also be reviewed / updated at least annually by staff.

- FRWA recommends implementing annual adjustments in accordance with the Florida Public Service Commission. The Public Service Commission price index is established annually to allow franchised water and wastewater utilities to adjust rates and charges as a reflection of the determined increase in operation and maintenance expenses. The following table shows the Public Service Commission Annual Approved Index for water and wastewater utilities.

Year	Commission Approved Index	Year	Commission Approved Index
2013	1.63%	2019	2.36%
2014	1.41%	2020	1.79%
2015	1.57%	2021	1.17%
2016	1.29%	2022	4.53%
2017	1.51%	2023	7.07%
2018	1.76%	2024	3.24%

- It is recommended that you revisit this Capacity Fee study every 3 to 5 years or as needed. Indicators of need include changes to revenue or CIP expenses predictions, current financial position and other indicators that become evident during the annual budget approval process.

Capacity Fee Evaluation

Capacity Fee Calculations.

Capacity Fee Calculations are performed in accordance with the American Water Works Association *Manual M1 - Principles of Water Rates, Fees and Charges* guidelines for calculating and allocating Capacity Fees to new customers.[2] FRWA uses a rational and conservative approach when performing these evaluations. This approach is transparent, defendable, and complies with statute and case law. Since there is a rational nexus of allocating Capacity Fees to customer groups it also follows the intent of the Florida Statutes that set the basis for rates and Capacity Fees by counties and municipalities. Such fees shall be just and equitable. [3]

Capacity Fees are set using the following criteria:

- The water / wastewater system has the legal authority to charge Capacity Fees.
- Costs are allocated to specific customer classes based on use of the water / wastewater system infrastructure.
- New customers add incremental capital costs to the utility and the fees are set to recapture their impacts to the system.
- The evaluation of system data is sufficient to reasonably estimate the value of water / wastewater system infrastructure and support charges to new customers. The evaluation includes water / wastewater consumption, historical flow trends, growth, and inventories of water lines, wells, treatment, collection, manholes, lift stations, etc.
- Justification of capital costs is clearly provided in the calculation of fees.
- The costs of grant-funded and contributed assets are not included in the Capacity Fee calculations.
- Outstanding principal on debt that has been incurred for infrastructure is not included in asset value for Capacity Fee calculations.
- The capital costs / fee requirements for new customers are consistent, predictable, and uniform.
- Each customer class equitably pays its own way. No undue burden is placed on one class over another customer class.

Compliance with the Dual Rational Nexus Test

The City is responsible for compliance with Florida statutes for all aspects of Capacity Fees – establishment, collection, and expenditures. The dual rational nexus test is a basis for the validity of impact fees. The test has two prongs, each of which are a rational nexus that must be found:

> The local government must demonstrate a reasonable connection, or rational nexus, between the need for additional capital facilities and the growth in population generated by the subdivision. In addition, the government must show a reasonable connection, or rational nexus, between the expenditures of the funds collected and the benefits accruing to the subdivision.[4]

To understand the first prong of the dual rational nexus test, a rational nexus between the need for additional capital facilities and the growth in population generated by a new development, it is first important to understand what is considered rational. To be rational, the nexus must be substantial, demonstrably clear, and present. The Capacity Fee Study attempts to define (monetarily) the benefit new customers receive from hooking up to the

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[2] AWWA, *Manual M1 - Principles of Water Rates, Fees and Charges*, 7th Edition, American Water Works Association, Denver CO., 2017, pp. 321-347

[3] See Florida Statutes Chapter 153 for County Water & Sewer Systems and Chapter 180 - Municipal Public Works.

[4] *St. Johns County v. Northeast Florida Builders Ass'n, Inc.* 583 So.2d 635, 637 (Fla. 1991),; *Hollywood, Inc. v. Broward County,* 431 So.2d 606, 611-612 (Fla. 4th DCA 1983)

utility in demonstrating the value of infrastructure capacity made available to the new customer. The Capacity Fee Study specifically focuses on the pro-rate share new customers should pay for the infrastructure required to meet the new demand. The goals of the Capacity Fee Study are rational and consistent with the first prong of the dual rational nexus test.

The second prong of the dual rational nexus test is that there must be a rational nexus between the expenditures of the funds collected and the benefits accruing to the payor of the impact fee. This can be satisfied by specifically earmarking the funds collected for use in acquiring capital facilities to benefit the new residents. How the City handles the fees collected is the responsibility of the City and is not addressed in this Capacity Fee Study.

Cost Savings and Benefits.

Capacity Fees provide a revenue source for replacement and upgrade of existing infrastructure as new customers are added to the system and the funds collected must benefit the new customers paying the fee. This revenue is intended to be used for funding major expansions as well as minimizing future debt or reducing the need for future debt. Capacity Fees also provide for the utility to maintain an appropriate level of retained earnings and cash reserves to meet capital improvement needs. Utilities that are committed to regular renewal and replacement of aging infrastructure regularly see cost savings in their O&M budget, avoid unnecessary costly emergency repairs and minimize community health and safety concerns due to critical water and wastewater equipment failures.

Accuracy of Revenue Predictions.

We have performed our analyses using the data and information obtained; we have relied upon such information to be accurate. Projected Capacity Fee revenue precision is limited by the accuracy of the financial information provided – good information "in" equals good information "out", and *vice versa*. Should our capacity fees not meet your expectations, we will work with you to carefully review and update financial records, revisit our calculations, valuation parameters, assumptions, etc. We are always happy to return, revisit your Capacity Fees, and adjust the analyses as necessary, consistent with Florida law.

Growth should pay for Growth.

Growth causes the need for expansion and should therefore pay its fair share for the costs incurred. These new connections use existing capacity or require expanded capacity in the form of plant expansions and water / sewer line extensions -- requiring significant capital expenditures. Existing ratepayers have supported and maintained the existing facilities, and new customers should support any new, additional, or expanded facilities plus pipelines that are required for the use of these new customers.

Some officials and new customers have argued incorrectly that the utility should allow new customers on the system without charge or at original plant costs (not adjusted for inflation). It's not fair to existing ratepayers and it is not a prudent utility practice. Nor would it be good business practice. Public officials may be tempted at times to trim budgets; lower utility rates below operational costs; and keep Capacity Fees below actual capital investment needs -- but this seriously reduces utilities' ability to perform its central mission, shortchanges ratepayers by delaying costs, sets up unrealistic expectations, and undermines the future vitality of the community.

Dealing with Growth & Infrastructure Decay.

Communities must maintain adequate levels of service for public facilities and anticipate and prepare for growth. Some older or aging infrastructure may need to be upgraded which requires adequate funding.

As new customers come online more and more of the treatment capacity is used up until the plant is at capacity and must be expanded. Further, the Florida Department of Environmental Protection requires that when a water plant reaches 75% of capacity that the supplier of water must submit source/treatment/storage capacity analysis reports by a professional engineer documenting projected flows. If the operating capacity of the water treatment plant or finished water storage is exceeded in less than 5 years, documentation of timely design, permitting, and

construction must be submitted with the report (Rule 62-555.348 F.A.C.). Similarly, for wastewater treatment plants, FAC 62-600.405 requires timely planning, design, and construction of needed wastewater treatment facility expansion. This requirement includes a statement signed and sealed by a professional engineer that planning and preliminary design of the necessary expansion has been initiated if the Capacity Analysis Report documents that the permitted capacity of the facility will be exceeded within the next five years. Bay County operates and maintains the water treatment plant supplying treated source water to Parker. Parker is a consecutive wholesale customer.

Existing Water System Demand.

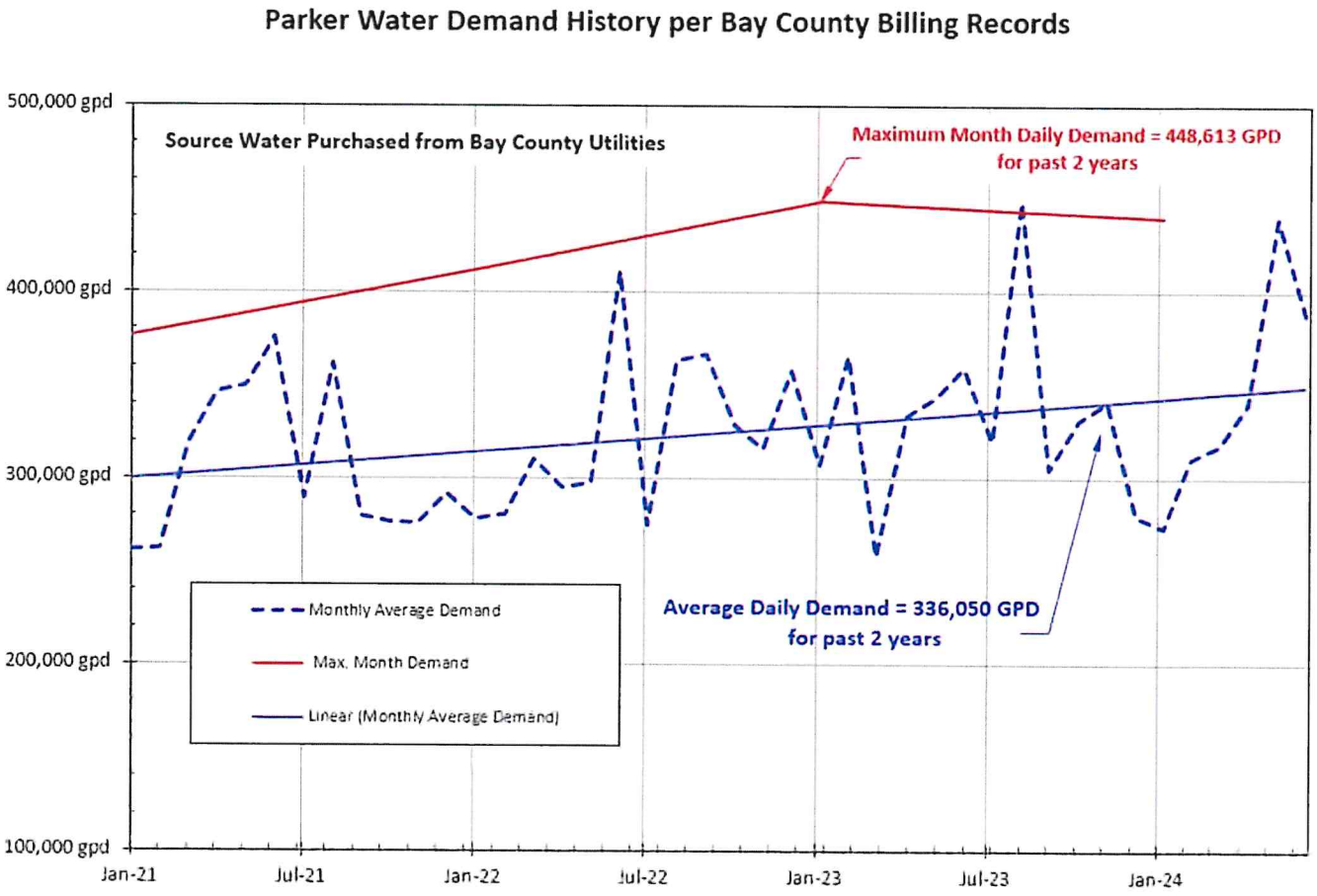


Figure 1 ~ Historic Water Demands

(GPD denotes Gallons per Day)

The amount of water used by the customers on the system is provided below, see Figure 1 for flow records:

City Population.....4,010
(based on data.census.gov - 2020)

Equivalent Residential Connections (ERC).....2,279

Average Daily Demand (ADD) for past 2 years ..... 336,050 gpd (233 gpm)

Maximum Daily Demand (MDD) for past 2 years ..... 448,613 gpd (311 gpm)

Total Permitted Plant Capacity (MDD)..... N/A – Purchased water from Bay County

Percentage of total water treatment plant capacity used ..... N/A

Water used per Equivalent Residential Connection (ADD / ERC) ..... 147 gpd

The City of Parker is a distribution only system that purchases water from Bay County Water System, PWS ID 1030050. The water system receives treated water under pressure directly from Bay County Water System through eight interconnects. The interconnect flow meters are maintained by Bay County Water System. The City of Parker maintains a water service contract with Bay County Water System on file. The contract is effective through July 2041. The contract stipulates conditions of sale including water quality, water quantity, area of service, and water rates. City of Parker serves 1882 residential connections, 4 multi-family connections, 102 commercial connections, and 38 unclassified connections.

Existing Wastewater System Demand.

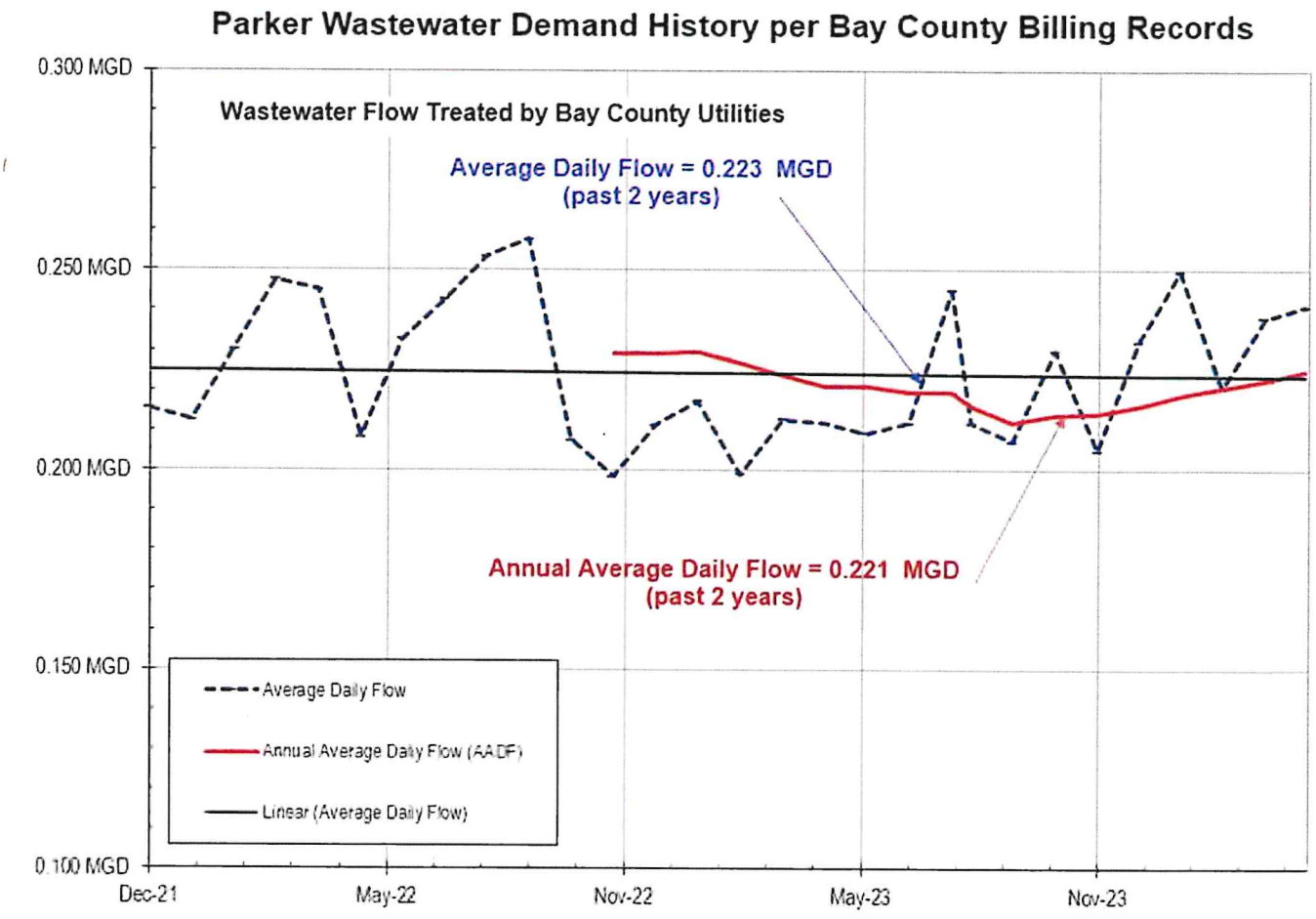


Figure 2 ~ Historic Wastewater Flows

(MGD denotes Million Gallons per Day)

The amount of wastewater used by the customers on the system is provided below, see Figure 2 for flow records:

City Population 4,010
(based on data.census.gov – 2020)

Equivalent Residential Connections 2136

Monthly Average Daily Flow per DMRs (for past 2 years) ..... 0.223 MGD (155 gpm)

Permitted Plant Capacity (Monthly Average Day Flow) ..... 0.7189 MGD (500 gpm)

Percentage of wastewater treatment plant used..... 30 %

The City's wastewater system consists of approximately 25 miles of gravity collection lines to 16 pump stations and a master pump station to the Bay County operated Military Point Regional Wastewater Treatment Facility, FL0167959. An interlocal agreement between Bay County and Parker dated September 24, 1996, reserves treatment capacity of 0.719 MGD for the City of Parker's raw wastewater. Parker's wastewater collection system and pump stations are also maintained and operated by Bay County under an interlocal agreement.

Utilities are Capital Intensive.

The water supply and wastewater treatment industry are very capital intensive because almost every component of these systems requires fixed capital investments in long-term infrastructure. Water facilities include water supply, treatment, storage, distribution, and disposal of treatment residuals. Wastewater facilities include sewage collection, pumping (lift stations), transmission, treatment, disposal of treated effluent, and disposal of biosolids.

Funding Utilities.

Utilities typically operate for many years without fully recovering the initial construction costs. Loans and grants supported by rates are used to finance capital facilities. In addition to paying the debt obligation for existing facilities, rates support operation, maintenance, salaries, chemicals, power, vehicles, equipment, repair and replacement. Rates frequently cannot be structured to accommodate new or expanded facilities for new customers. Capacity Fees are used to assess new customers for capital construction costs and allow new customers to "buy-in" to the system. Capacity Fees bridge the funding gap needed to build the new facilities to provide service to new residents and businesses. Capacity Fees cannot be used for operation, maintenance, repair, replacement, or normal utility administrative costs. Capacity Fees should be held in a separate account from water/wastewater revenue and general funds. Finally, Capacity Fees must benefit the new users paying the Capacity Fees.

It is just too easy to neglect existing facilities and run them into the ground instead of being proactive in their repair and replacement. Problems with this approach are:

1. Cost for replacement is several times greater than for repair and maintenance;
2. Real cost of utility operation is hidden from the ratepayer and governing board;
3. Assets are not properly valued and preserved;
4. Improper stewardship of public assets;
5. Grants never cover all replacement costs; and
6. Diversion of public funds from more worthy uses.

FRWA Rough Order of Magnitude Capital Improvement Cost Projections.

Twenty years ago, conventional lime softening water treatment plants would cost about $4 to $6 per gallon to construct, today one would expect to spend approximately $10 to $15 per gallon to construct. Actual costs vary greatly by community, by region, and between design consultants. Plus, any estimate must include unique site-specific needs like new raw water wells, piping, land, instrumentation & controls, emergency power generation, or deep wells. The FRWA has developed cost estimating curves based on construction work in Florida for various types of water treatment techniques. These estimating curves have been used to prepare the rough order of magnitude costs for replacement shown herein.

Establishing the cost for new wastewater treatment capacity is equally difficult for wastewater treatment plants. Rough order of magnitude costs is included for wastewater plants, collection systems, lift stations, and force mains. Twenty years ago, an extended aeration secondary treatment plant would cost about $3 to $5 per gallon to construct, today you would expect to spend approximately $20 to $40 per gallon to construct. Actual costs vary greatly by regulated treatment requirements, by community, by region, and between design consultants. Recent final construction costs for advanced treatment wastewater plant and effluent reuse systems required by regulatory consent order for a Florida utility similar to Parker have been more than $30/gallon. All costs included are the Engineer's opinion of probable costs based on professional judgement and reviewing a sample of recent bids submitted to the FDEP State Revolving Fund program.

Scheduling Presentation of Capacity Fees Study Findings and Recommendations.

We are happy to come to your next City Council meeting to explain our analysis and report. We anticipate that you will have questions to discuss and options to consider. The presentation is between 20 to 30-minutes in length, which would be followed by commission discussion. This activity typically takes about 60 to 90 minutes and can be held during a special workshop or a normal commission meeting. This is an informative meeting and decisions about Capacity Fees are usually taken at subsequent meetings. It is important that all commission members be in attendance since the adoption of Capacity Fees increases can produce public comment.

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

Sincerely,

Michael Chase, P.E.
Florida Rural Water Association

Water & Wastewater Capacity Fee Report

City of Parker

FRWA Member:

Address: 1001 W Park Street
Panama City, FL 32404

Telephone: (850) 871-5599

Contact: Tony Summerlin

E-mail: tsummerlin@cityofparker.com

County: **Bay**

City Population: 4,010

Connections:	Water:	2,004	Wastewater:	1,879
	Facility ID:	**1030520**	Facility ID:	**FL0167959**
	Capacity:	N/A	Capacity:	718,900 gpd
	ADF	0.336 MGD	ADF	0.223 MGD
	MDF	0.449 MGD	MMF	0.258 MGD

February 18, 2025

Version: **FINAL**

Prepared by: Michael Chase, P.E.

Raymond Michael Chase

Digitally signed by Raymond Michael Chase
Date: 2025.02.17 16:34:26 -05'00'

RAYMOND MICHAEL CHASE
LICENSE
No. 56768
STATE OF FLORIDA
PROFESSIONAL ENGINEER

Florida Rural Water Association

2970 Wellington Circle
Tallahassee, Florida 32309-6885
Phone: 850-668-2746

Michael Chase, P.E.
FL PE# 56768

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309
Member: **City of Parker**
Contact: **Tony Summerlin**
Address: **Panama City, FL 32404**

Date: **18-Feb-25**
Version: **FINAL**
Conn: **2,004**
PWS: **1030520**

Water Capacity Fee Recommendations

Water Capacity Fee Calculation

Where:

Total Treatment Capacity =	845,765 gpd
Max Day Demand from MORs past 2 years =	448,613 gpd
Percentage of WTP used =	53.0%
Average Daily Demand from MORs past 2 years =	336,050 gpd

Category	Remaining Useful Life		Replacement Value
Wells	**$0**	N/A	$0
Water Treatment	**$0**	N/A	$0
Elevated Storage Tanks	**$0**	N/A	$0
Distribution System	**$6,849,317**	52%	$13,238,125
Less Water Utility Debt	**($58,000)**		**($58,000)**
Totals	**$6,791,317**	52%	**$13,180,125**
Cost per Gallon	$8.03 / gal		$15.58 / gal

Equivalent Residential Water Connection (ERC) Calculation

Where:

	Remaining Useful Life Basis	Replacement Value Basis	
System Value ($) =	$6,791,317	$13,180,125	
Max Daily Demand based on MORs past 2 years =	448,613 gpd	448,613 gpd	
ERCs =	2,279	2,279	*see ERC calculation worksheet*
Max Daily Demand / Connection =	**197 gpd/ERC**	**197 gpd/ERC**	
Avg Daily Demand / Connection =	**147 gpd/ERC**	**147 gpd/ERC**	

ERC Costs = $\frac{\text{System Value (\$) x MDD / ERC}}{\text{Total Treatment Capacity gpd (Max Day)}}$

ERC Costs = $\frac{\$6,791,317 \quad 197 \text{ gpd/ERC}}{845,765 \text{ gpd}}$ **$1,580.64 / ERC** Remaining Useful Life Basis

Use **$1,580 / ERC**

ERC Costs = $\frac{\$13,180,125 \quad 197 \text{ gpd/ERC}}{845,765 \text{ gpd}}$ **$3,067.59 / ERC** Replacement Value Basis

Use **$3,070 / ERC**

Remaining Equivalent Residential Water Connections Available

Where:

Max Daily Demand / ERC =	197 gpd/ERC	2,279 = ERCs
Total Treatment Capacity (Max Day) =	845,765 gpd	
Max Day Demand =	448,613 gpd	**397,152 gpd** = WTP Capacity Remaining (MDF)
Percentage of WTP used =	53.0%	47.0% = WTP Capacity Remaining

2,018 = ERCs Remaining

Note: 1. Approximate Useful Value based on industry standards, consistent with FRWA Deparatment of Environmental Protection Asset Management Plan.

2. Utility debt for capital expenditures is taken out because repayment of debt will be paid by new users in rates

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: **Tony Summerlin**
Address: **Panama City, FL 32404**

Date: **18-Feb-25**
Version: **FINAL**
Conn: **1,879**
GMS: **FL0167959**

Wastewater Capacity Fee Recommendations

Wastewater Capacity Fee Calculation

Where:

Total Treatment Capacity =	718,900 gpd	Monthly Average Day Flow
MADF from DMRs =	0.223 MGD	*for past 24 months*
Percentage of WWTF used =	31.1%	

Category	Remaining Useful Life		Replacement Value
WWTP	$2,261,229	30%	$7,631,649
Lift Stations	$2,265,000	43%	$5,300,000
Force Main	$2,024,761	74%	$2,725,313
Gravity Sewers & Manholes	$13,173,000	49%	$26,998,000
Less Wastewater Utility Debt	($332,862)		($332,862)
Totals	**$19,391,128**	46%	**$42,322,100**
Cost per Gallon	$26.97 / gal		$58.87 / gal

Equivalent Residential Wastewater Connection (ERC) Calculation

Where:

	Remaining Useful Life Basis	Replacement Value Basis	
System Value ($) =	$19,391,128	$42,322,100	
MADF from DMRs =	0.223 MGD	0.223 MGD	
ERCs =	2,136	2,136	*see ERC calculation worksheet*
Average Day Flow / Connection =	**105 gpd/ERC**	**105 gpd/ERC**	

ERC Costs = System Value ($) x MADF/ERC / Total Treatment Capacity gpd (MADF)

ERC Costs = $19,391,128 / 718,900 gpd × 105 gpd/ERC = **$2,819.83 / ERC** Remaining Useful Life Basis

Use **$2,820 / ERC**

ERC Costs = $42,322,100 / 718,900 gpd × 105 gpd/ERC = **$6,154.42 / ERC** Replacement Value Basis

Use **$6,150 / ERC**

Remaining Equivalent Residential Wastewater Connections Available

Where:

Monthly ADF / ERC =	105 gpd/ERC	2,136	= ERCs
Total Treatment Capacity =	718,900 gpd		
Monthly ADF from DMRs	0.223 MGD	0.496 MGD	= Capacity Remaining
Percentage of WWTF used =	31.1%	68.9%	
		4,741	**= ERCs Remaining**

Note: 1. Approximate Useful Value based on industry standards, consistent with FRWA Department of Environmental Protection Asset Management Plan.

2. Utility debt for capital expenditures is taken out because repayment of debt will be paid by new users in rates.

3. Infrastructure paid by developers and turned over the to City, based on information provided by City staff, is not included in Replacement Value or Remaining Useful Life costs

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**

Contact: **Tony Summerlin**

Address: **Panama City, FL 32404**

Date: **18-Feb-25**

Version: **FINAL**

Conn: **2,004**

PWS: **1030520**

Distribution System Piping - Inventory, Condition & Current Value

Neglect lines less than 4-inches from value of water distribution system

Replacement Value at today's cost price per inch-diameter per foot: $13.72

Pipe Dia (inches)	Pipe Material	Length (feet)	Length (miles)	Approximate Average Age	Approx. Useful Value	Value ($ per ft)	Estimated Useful Life Value ($)	Estimated Replacement Value ($)
4-in	DIP, PVC	552-ft	0.10 mi	52-yrs	48%	$34.00 /ft	$9,009	$18,768
6-in	DIP, PVC	98,396-ft	18.64 mi	52-yrs	48%	$82.32 /ft	$3,922,567	$8,099,959
8-in	DIP, PVC	41,953-ft	7.95 mi	42-yrs	58%	$109.76 /ft	$2,670,715	$4,604,761
10-in	DIP, PVC	3,751-ft	0.71 mi	52-yrs	48%	$137.20 /ft	$247,026	$514,637
						Weighted Average		
		144,652-ft	27.40 mi			$91.52 /ft	$6,849,317	$13,238,125

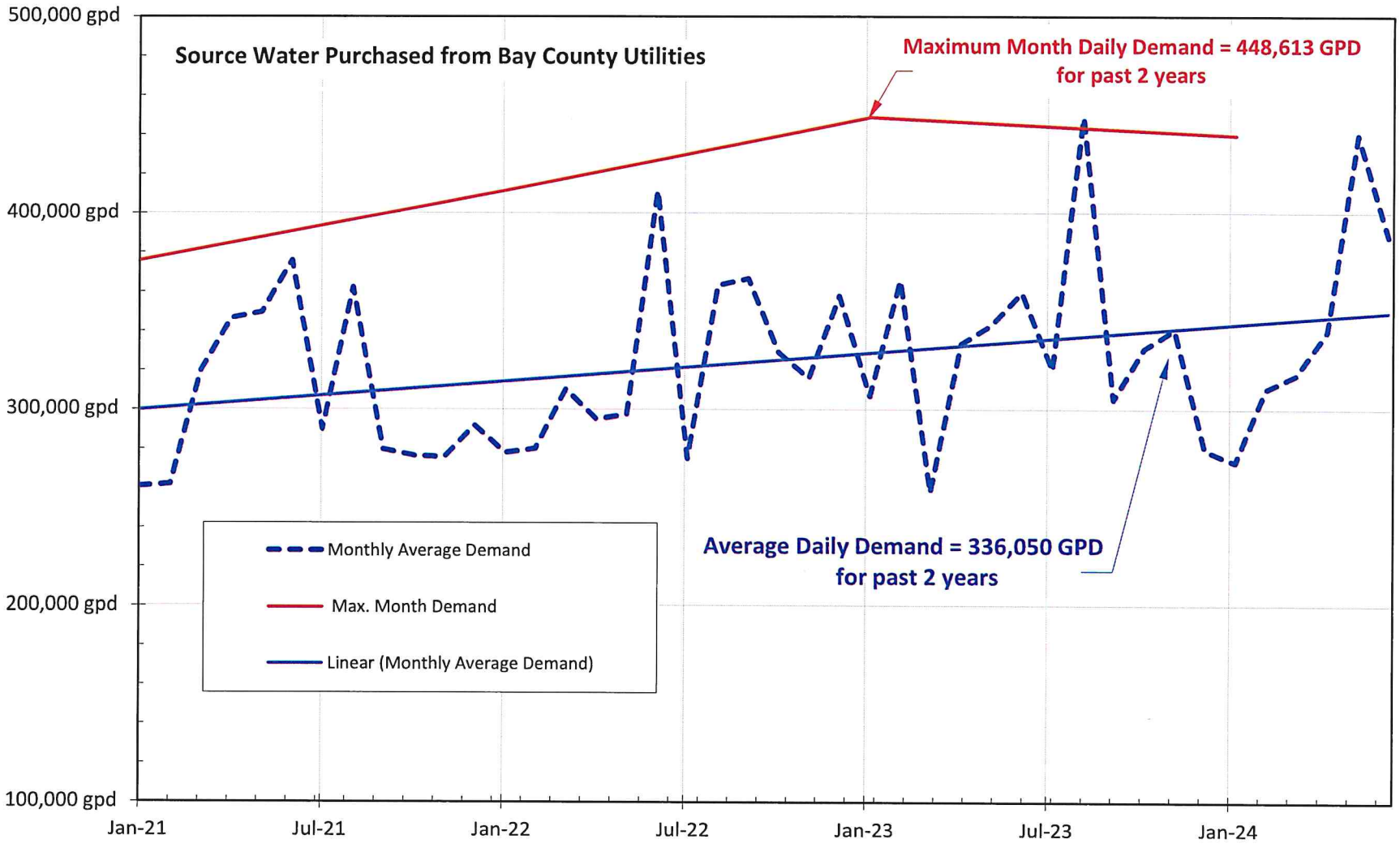
Replacement Value at today's cost: $13,238,125

NOTES:

1. Lengths, material and age based on City GIS maps and interviews with Utilities staff.

2. Approximate Useful Value based on industry standards, consistent with FRWA Deparatment of Environmental Protection Asset Management Plan: 100 years.

Parker Water Demand History per Bay County Billing Records



Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: Tony Summerlin
Address: Panama City, FL 32404

Date: 18-Feb-25
Version: FINAL
Conn: 2,004
PWS: **1030520**

Historic Water Flow Data from Bay County Billing Records

Month	Monthly Average Demand	ADD (Annual)	Max. Month Demand	Ratio MDD:AADD	Total WTP Permitted Capacity (MDD)	
Jan-21	260,774 gpd					
Feb-21	261,804 gpd					
Mar-21	319,387 gpd					
Apr-21	346,333 gpd					
May-21	349,323 gpd					
Jun-21	375,700 gpd		375,700 gpd	1.22	N/A	Purchased Source Water
Jul-21	289,581 gpd					
Aug-21	362,097 gpd					
Sep-21	279,567 gpd					
Oct-21	276,387 gpd					
Nov-21	275,500 gpd					
Dec-21	291,742 gpd	307,349 gpd	375,700 gpd			
Jan-22	277,903 gpd					
Feb-22	279,964 gpd					
Mar-22	310,161 gpd					
Apr-22	294,933 gpd					
May-22	297,226 gpd					
Jun-22	411,333 gpd		411,333 gpd	1.27	N/A	Purchased Source Water
Jul-22	274,871 gpd					
Aug-22	363,161 gpd					
Sep-22	366,600 gpd					
Oct-22	329,000 gpd					
Nov-22	315,833 gpd					
Dec-22	357,935 gpd	323,244 gpd	411,333 gpd			
Jan-23	306,645 gpd					
Feb-23	365,821 gpd					
Mar-23	257,839 gpd					
Apr-23	333,333 gpd					
May-23	342,968 gpd					
Jun-23	359,567 gpd		448,613 gpd	1.35	N/A	Purchased Source Water
Jul-23	319,935 gpd					
Aug-23	448,613 gpd					
Sep-23	304,867 gpd					
Oct-23	330,839 gpd					
Nov-23	340,433 gpd					
Dec-23	279,290 gpd	332,513 gpd	448,613 gpd			
Jan-24	273,000 gpd					
Feb-24	310,107 gpd					
Mar-24	317,516 gpd		439,484 gpd	1.28	N/A	Purchased Source Water
Apr-24	339,700 gpd					
May-24	439,484 gpd					
Jun-24	387,833 gpd	344,607 gpd				

Average Day Demand (GPD)	**336,050 gpd**	For past 2 years
MDF/ADF	**1.33**	For past 2 years
Max Daily Demand (GPD)	**448,613 gpd**	For past 2 years

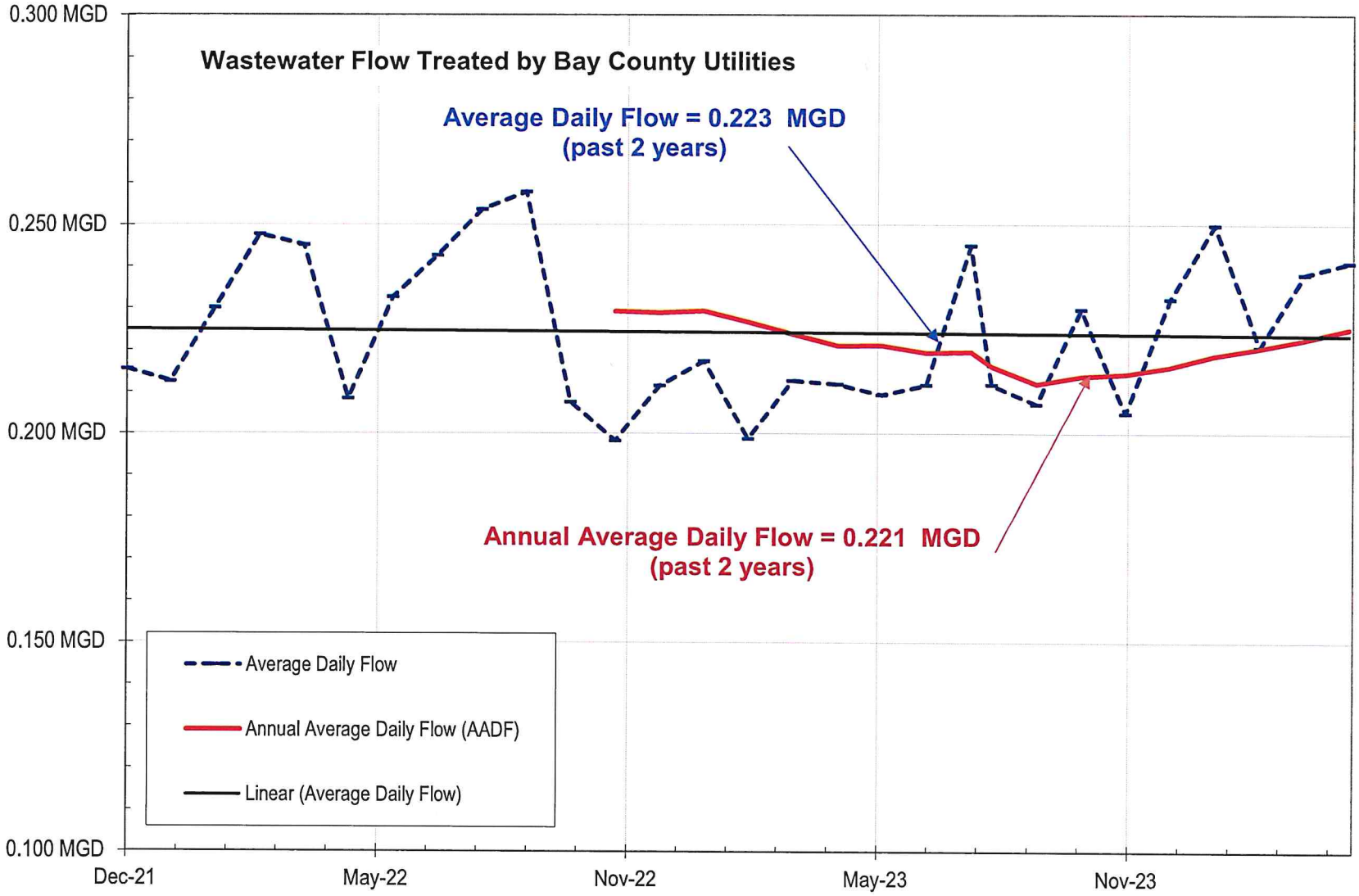
	ADD	MDD	TPC
2021	307,349 gpd	375,700 gpd	N/A
2022	323,244 gpd	411,333 gpd	N/A
2023	332,513 gpd	448,613 gpd	N/A
2024	344,607 gpd	439,484 gpd	N/A

Bay County Billing

Drinking Water Account #

Usage Date	06984-00	06818-00	11228-0	08830-00	08829-00	06983-00	06874-00	06826-00	06825-00	06824-00	06823-00	06822-00	06821-00	06820-00	06819-00	06778-00	06373-00	05414-00	05412-00	05409-00	05400-00	05398-00	05370-00	05375-00	Total	Monthly ADD
Jan-21	0	0	0	1,000	2,000	7,000	6,000	9,000	12,000	1,000	1,000	3,000	1,000	4,000	1,000	13,000	5,000	1,364,000	12,000	45,000	48,000	123,000	1,573,000	4,853,000	8,084,000	260,774
Feb-21	0	0	0	1,000	2,000	9,000	8,000	1,000	4,000	1,000	0	4,000	1,000	4,000	1,000	12,000	4,000	1,343,000	4,000	46,000	56,000	141,000	173,500	5,515,000	7,330,500	261,804
Mar-21	0	0	0	2,000	2,000	9,000	7,000	3,000	3,000	1,000	5,000	3,000	0	0	1,000	15,000	6,000	1,827,000	6,000	50,000	66,000	167,000	1,822,000	5,906,000	9,901,000	319,387
Apr-21	0	6,000	0	2,000	3,000	9,000	6,000	1,000	4,000	1,000	0	4,000	1,000	0	2,000	23,000	7,000	1,831,000	7,000	80,000	77,000	155,000	1,992,000	6,185,000	10,390,000	346,333
May-21	0	0	0	2,000	2,000	7,000	7,000	3,000	2,000	1,000	1,000	0	1,000	0	1,000	19,000	6,000	1,774,000	7,000	70,000	92,000	252,000	2,125,000	6,457,000	10,829,000	349,323
Jun-21	0	0	0	2,000	2,000	8,000	9,000	2,000	3,000	1,000	4,000	3,000	0	3,000	1,000	24,000	5,000	1,929,000	7,000	107,000	240,000	183,000	2,209,000	6,529,000	11,271,000	375,700
Jul-21	0	0	23,000	1,000	2,000	8,000	10,000	4,000	3,000	1,000	7,000	2,000	0	3,000	1,000	17,000	9,000	975,000	10,000	116,000	79,000	173,000	1,858,000	5,675,000	8,977,000	289,581
Aug-21	0	2,000	1,000	2,000	2,000	8,000	16,000	4,000	3,000	1,000	0	3,000	0	2,000	2,000	18,000	8,000	864,000	10,000	93,000	121,000	260,000	2,399,000	7,408,000	11,225,000	362,097
Sep-21	0	0	2,000	2,000	1,000	7,000	13,000	2,000	3,000	1,000	1,000	3,000	6,000	2,000	1,000	18,000	7,000	635,000	8,000	70,000	75,000	237,000	1,663,000	5,630,000	8,387,000	279,567
Oct-21	0	0	2,000	2,000	2,000	8,000	9,000	2,000	3,000	1,000	1,000	2,000	39,000	1,000	1,000	18,000	5,000	665,000	9,000	72,000	56,000	227,000	1,732,000	5,711,000	8,568,000	276,387
Nov-21	0	2,000	6,000	2,000	2,000	9,000	10,000	2,000	3,000	1,000	1,000	3,000	0	1,000	1,000	21,000	6,000	627,000	8,000	78,000	42,000	300,000	1,698,000	5,444,000	8,265,000	275,500
Dec-21	0	0	3,000	2,000	2,000	15,000	9,000	3,000	5,000	0	3,000	3,000	0	1,000	1,000	18,000	7,000	647,000	8,000	101,000	53,000	505,000	1,762,000	5,896,000	9,044,000	291,742
Usage Date	06984-00	06818-00	11228-0	08830-00	08829-00	06983-00	06874-00	06826-00	06825-00	06824-00	06823-00	06822-00	06821-00	06820-00	06819-00	06778-00	06373-00	05414-00	05412-00	05409-00	05400-00	05398-00	05370-00	05375-00		2022
Jan-22	0	0	6,000	1,000	2,000	28,000	7,000	1,000	3,000	0	1,000	3,000	1,000	1,000	2,000	16,000	5,000	634,000	8,000	89,000	53,000	634,000	1,628,000	5,492,000	8,615,000	277,903
Feb-22	0	1,000	1,000	2,000	1,000	19,000	6,000	2,000	3,000	0	0	2,000	0	2,000	1,000	16,000	6,000	586,000	7,000	77,000	45,000	253,000	1,590,000	5,220,000	7,839,000	279,964
Mar-22	0	1,000	1,000	2,000	3,000	11,000	8,000	2,000	5,000	0	3,000	3,000	0	1,000	1,000	11,000	8,000	784,000	9,000	64,000	46,000	519,000	1,842,000	6,292,000	9,615,000	310,161
Apr-22	0	1,000	5,000	1,000	1,000	9,000	6,000	2,000	3,000	0	1,000	2,000	0	1,000	2,000	10,000	9,000	668,000	6,000	39,000	37,000	399,000	1,751,000	5,896,000	8,848,000	294,933
May-22	0	3,000	1,000	2,000	2,000	23,000	6,000	2,000	3,000	0	0	3,000	1,000	2,000	1,000	10,000	10,000	782,000	9,000	57,000	44,000	612,000	1,753,000	5,891,000	9,214,000	297,226
Jun-22	0	1,000	0	2,000	3,000	10,000	9,000	87,000	4,000	0	5,000	3,000	0	1,000	1,000	13,000	10,000	1,202,000	6,000	73,000	89,000	1,080,000	2,306,000	7,436,000	12,340,000	411,333
Jul-22	0	1,000	0	1,000	2,000	7,000	6,000	2,000	2,000	0	4,000	1,000	0	2,000	1,000	4,000	7,000	747,000	4,000	46,000	54,000	991,000	1,647,000	4,993,000	8,521,000	274,871
Aug-22	0	0	0	2,000	4,000	6,000	5,000	3,000	3,000	0	2,000	3,000	0	1,000	1,000	5,000	5,000	1,535,000	6,000	45,000	84,000	811,000	2,083,000	6,654,000	11,258,000	363,161
Sep-22	0	2,000	0	2,000	2,000	9,000	6,000	2,000	2,000	0	1,000	4,000	7,000	1,000	2,000	0	6,000	2,155,000	5,000	46,000	53,000	350,000	1,904,000	6,441,000	10,998,000	366,600
Oct-22	0	0	0	3,000	2,000	6,000	9,000	2,000	3,000	1,000	2,000	1,000	0	2,000	1,000	0	5,000	1,980,000	5,000	42,000	56,000	423,000	1,850,000	5,806,000	10,199,000	329,000
Nov-22	1,000	3,000	0	2,000	1,000	6,000	15,000	3,000	3,000	7,000	2,000	0	0	2,000	1,000	0	6,000	1,784,000	4,000	44,000	42,000	392,000	1,567,000	5,594,000	9,475,000	315,833
Dec-22	0	2,000	0	2,000	2,000	6,000	19,000	3,000	1,000	11,000	3,000	2,000	1,000	2,000	1,000	0	7,000	1,818,000	3,000	67,000	136,000	700,000	2,019,000	6,293,000	11,096,000	357,935
Usage Date	06984-00	06818-00	11228-0	08830-00	08829-00	06983-00	06874-00	06826-00	06825-00	06824-00	06823-00	06822-00	06821-00	06820-00	06819-00	06778-00	06373-00	05414-00	05412-00	05409-00	05400-00	05398-00	05370-00	05375-00		2023
Jan-23	0	2,000	0	1,000	2,000	6,000	19,000	2,000	0	10,000	0	1,000	0	1,000	1,000	0	8,000	1,649,000	4,000	72,000	46,000	597,000	1,648,000	5,439,000	9,506,000	306,645
Feb-23	0	1,000	0	2,000	1,000	8,000	22,000	3,000	1,000	11,000	1,000	1,000	0	2,000	2,000	0	8,000	1,720,000	3,000	44,000	48,000	300,000	2,463,000	5,603,000	10,243,000	365,821
Mar-23	0	1,000	0	2,000	1,000	7,000	6,000	2,000	0	12,000	1,000	1,000	0	2,000	1,000	0	8,000	1,797,000	5,000	40,000	44,000	217,000	750,000	5,097,000	7,993,000	257,839
Apr-23	0	2,000	0	1,000	2,000	9,000	6,000	2,000	0	12,000	2,000	1,000	0	2,000	2,000	0	10,000	1,834,000	6,000	55,000	58,000	122,000	1,856,000	6,020,000	10,000,000	333,333
May-23	0	1,000	0	3,000	1,000	10,000	8,000	2,000	0	12,000	1,000	2,000	0	2,000	1,000	0	12,000	2,087,000	5,000	51,000	54,000	98,000	1,936,000	6,347,000	10,632,000	342,968
Jun-23	0	1,000	0	2,000	1,000	10,000	8,000	3,000	1,000	11,000	3,000	1,000	0	2,000	2,000	1,000	19,000	2,252,000	11,000	64,000	78,000	131,000	2,003,000	6,184,000	10,787,000	359,567
Jul-23	0	1,000	0	1,000	1,000	9,000	8,000	1,000	0	9,000	3,000	1,000	3,000	2,000	1,000	0	11,000	2,454,000	8,000	71,000	66,000	80,000	1,887,000	5,302,000	9,918,000	319,935
Aug-23	0	2,000	0	3,000	2,000	11,000	11,000	2,000	1,000	9,000	1,000	1,000	0	3,000	1,000	2,000	11,000	3,190,000	8,000	70,000	105,000	219,000	2,728,000	7,529,000	13,907,000	448,613
Sep-23	1,000	1,000	0	3,000	1,000	8,000	9,000	1,000	0	5,000	1,000	2,000	0	2,000	1,000	1,000	8,000	2,181,000	9,000	57,000	73,000	96,000	1,775,000	4,913,000	9,146,000	304,867
Oct-23	0	1,000	0	2,000	1,000	12,000	13,000	2,000	1,000	6,000	0	1,000	0	2,000	2,000	1,000	6,000	2,434,000	8,000	35,000	53,000	124,000	1,898,000	5,655,000	10,256,000	330,839
Nov-23	1,000	1,000	0	3,000	1,000	12,000	14,000	2,000	1,000	5,000	0	1,000	0	3,000	2,000	2,000	8,000	2,061,000	10,000	39,000	57,000	192,000	1,945,000	5,855,000	10,213,000	340,433
Dec-23	1,000	1,000	0	2,000	1,000	7,000	12,000	1,000	0	5,000	2,000	2,000	0	3,000	0	1,000	4,000	1,231,000	8,000	132,000	47,000	116,000	1,558,000	5,526,000	8,658,000	279,290
Usage Date	06984-00	06818-00	11228-0	08830-00	08829-00	06983-00	06874-00	06826-00	06825-00	06824-00	06823-00	06822-00	06821-00	06820-00	06819-00	06778-00	06373-00	05414-00	05412-00	05409-00	05400-00	05398-00	05370-00	05375-00		2024
Jan-24	1,000	1,000	0	1,000	2,000	7,000	15,000	1,000	0	6,000	1,000	1,000	0	4,000		0	15,000	1,295,000	8,000	119,000	52,000	258,000	1,408,000	5,270,000	8,463,000	273,000
Feb-24	1,000	1,000	0	2,000	1,000	7,000	6,000	2,000	1,000	3,000	1,000	1,000	0	3,000	0	0	5,000	1,523,000	5,000	35,000	47,000	174,000	1,513,000	5,354,000	8,683,000	310,107
Mar-24	1,000	3,000	0	1,000	1,000	6,000	7,000	1,000	0	4,000	0	1,000	0	3,000	0	0	3,000	1,941,000	5,000	43,000	56,000	164,000	1,832,000	5,775,000	9,843,000	317,516
Apr-24	2,000	1,000	0	2,000	2,000	7,000	6,000	2,000	0	4,000	1,000	2,000	0	2,000	0	6,000	4,000	2,064,000	5,000	44,000	53,000	200,000	1,888,000	5,899,000	10,191,000	339,700
May-24	1,000	1,000	0	1,000	1,000	6,000	8,000	1,000	0	4,000	3,000	1,000	0	2,000	0	0	19,000	3,953,000	5,000	52,000	71,000	418,000	2,270,000	6,809,000	13,624,000	439,484
Jun-24	1,000	2,000	0	1,000	1,000	6,000	6,000	2,000	0	3,000	1,000	1,000	1,000	2,000	0	2,000	17,000	3,034,000	3,000	118,000	51,000	240,000	2,132,000	6,014,000	11,635,000	387,833

Parker Wastewater Demand History per Bay County Billing Records



Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**

Contact: Tony Summerlin

Address: Panama City, FL 32404

Date: 18-Feb-25

Version: FINAL

Conn: 1,879

GMS: **FL0167959**

Historic Wastewater Flow Data from Bay County Billing Records

Month	Days/Month	Monthly Gallons Billed (Total)	Year	Monthly Average	Annual Average	Max Capacity 10.27% of the Military Point WRF - 7 MGD
Dec-21	31	6,678,100	**2021**	0.215 MGD		718,900 gpd
Jan-22	28	6,586,100		0.212 MGD		718,900 gpd
Feb-22	31	7,130,600		0.230 MGD		718,900 gpd
Mar-22	30	7,675,100		0.248 MGD		718,900 gpd
Apr-22	31	7,595,000		0.245 MGD		718,900 gpd
May-22	30	6,458,100		0.208 MGD		718,900 gpd
Jun-22	31	7,211,000		0.233 MGD		718,900 gpd
Jul-22	31	7,519,100		0.243 MGD		718,900 gpd
Aug-22	30	7,859,100		0.254 MGD		718,900 gpd
Sep-22	31	7,991,000		0.258 MGD		718,900 gpd
Oct-22	30	6,435,100		0.208 MGD		718,900 gpd
Nov-22	31	6,148,000		0.198 MGD	0.229 MGD	718,900 gpd
Dec-22	31	6,556,100		0.211 MGD	0.229 MGD	718,900 gpd
Jan-23	28	6,737,100	**2022**	0.217 MGD	0.229 MGD	718,900 gpd
Feb-23	31	6,162,800		0.199 MGD	0.227 MGD	718,900 gpd
Mar-23	30	6,594,100		0.213 MGD	0.224 MGD	718,900 gpd
Apr-23	31	6,567,000		0.212 MGD	0.221 MGD	718,900 gpd
May-23	30	6,488,100		0.209 MGD	0.221 MGD	718,900 gpd
Jun-23	31	6,562,000		0.212 MGD	0.219 MGD	718,900 gpd
Jul-23	31	7,592,100		0.245 MGD	0.220 MGD	718,900 gpd
Aug-23	30	6,563,100		0.212 MGD	0.216 MGD	718,900 gpd
Sep-23	31	6,420,000		0.207 MGD	0.212 MGD	718,900 gpd
Oct-23	30	7,120,100		0.230 MGD	0.214 MGD	718,900 gpd
Nov-23	31	6,350,000		0.205 MGD	0.214 MGD	718,900 gpd
Dec-23	31	7,195,100		0.232 MGD	0.216 MGD	718,900 gpd
Jan-24	28	7,743,100	**2023**	0.250 MGD	0.219 MGD	718,900 gpd
Feb-24	31	6,840,900		0.221 MGD	0.221 MGD	718,900 gpd
Mar-24	30	7,380,100		0.238 MGD	0.223 MGD	718,900 gpd
Apr-24	31	7,467,000		0.241 MGD	0.225 MGD	718,900 gpd
Average Daily Flow the Last 2 years =				0.223 MGD		
Max ADF the Last 2 years =				0.258 MGD		
Parker Annual Average =				0.225 MGD		

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: **Tony Summerlin**
Address: **Panama City, FL 32404**

Date: **18-Feb-25**
Version: **FINAL**
Conn: **1,879**
GMS: **FL0167959**

Wastewater Lift Stations

		Estimated Construction Cost Replacement Station	Average Age (years)	Useful Life Value	Unit Cost
Duplex Submersible Lift Stations (2-5 Hp)	8	$2,400,000	30	$600,000	$300,000 / ea
Duplex Submersible Lift Stations (5-15 Hp)	6	$2,100,000	22	$945,000	$350,000 / ea
Duplex Submersible Lift Stations (15-30 Hp)	2	$800,000	4	$720,000	$400,000 / ea
			Useful Life Value:	**$2,265,000**	
			Replacement Value at today's cost:	**$5,300,000**	

1. Age based on best available information from City staff and City GIS data input.

2. Approximate Useful Value of existing lift stations based on industry standards, consistent with FRWA Deparatment of Environmental Protection Asset Management Plan: 40 years. Minimum useful life = 10%.

3. Cost based on similar construction in Florida and engineer estimate.

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: **Tony Summerlin**
Address: **Panama City, FL 32404**

Date: **18-Feb-25**
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GMS: **FL0167959**

Estimated WWTF Construction Costs

Year built: Bid in September 1997, SRF Close-Out 2005, Parker Owns 10.27%

	Capacity	Parker's Share Original Construction Cost	$/gallon	Average Age (years)	Useful Life
Mechanically cleaned bar screens, forced vortex grit removal device and one vortex cyclone/screw conveyor grit classifier/dewatering device, a 5-Stage Biological Nutrient Removal (BNR) Wastewater Treatment System; two anaerobic basins (0.26 MG, each), two first anoxic basins (1.01 MG, each), two aeration basins (2.70 MG, each), two second anoxic basins (0.51 MG, each), and two reaeration basins (0.10 MG, each), two secondary clarifiers (12,272 SF, each), three filters (1,040 SF, each).	0.719 MGD	$3,276,250	Replacement value estimated using ENR Construction Cost Index 2024	19	30%
Replacement Value at today's cost:		**$7,631,649**			
Useful Life Value at today's cost:		**$2,261,229**			

Notes: 1. WWTP replacement cost based on Engineering News Record Construction Cost Index Annual Average

2. Approximate Useful Value based on industry standards, consistent with FRWA Deparatment of Environmental Protection Asset Management Plan and Florida Public Service Commission Average Service Life Guidelines, F.A.C. 25-30.140 : 27 years.

Florida Rural Water Association

Date: **18-Feb-25**

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Wastewater Transmission System - Inventory, Condition & Current Value

Includes Wastewater Force Main

Replacement Value at today's cost price per inch-diameter per foot: $13.72

Pipe Dia (inches)	Pipe Material	Length (feet)	Length (miles)	Approximate Average Age	Approx. Useful Value	Value ($ per ft)	Estimated Useful Life Value ($)	Estimated Replacement Value ($)
Wastewater Force Main								
4-in	PVC	10,185-ft	1.93 mi	27-yrs	55%	$54.88 /ft	$307,424	$558,953
6-in	PVC	1,106-ft	0.21 mi	5-yrs	92%	$82.32 /ft	$83,459	$91,046
8-in	PVC	9,838-ft	1.86 mi	12-yrs	80%	$109.76 /ft	$863,855	$1,079,819
10-in	PVC	3,687-ft	0.70 mi	19-yrs	68%	$137.20 /ft	$345,669	$505,856
12-in	PVC	2,974-ft	0.56 mi	8-yrs	87%	$164.64 /ft	$424,354	$489,639
		27,790-ft	5.26 mi			Useful Life Value:	**$2,024,761**	**$2,725,313**
						Replacement Value at today's cost:	**$2,725,313**	

NOTES:

1. Age, material, diameter and lengths of pipelines based on GIS data and interviews with operations staff.

2. Approximate Useful Value of existing force main based on industry standards, consistent with FRWA Deparatment of Environmental Protection Asset Management Plan: 60 years.

3. Cost based on similar construction in Florida and engineer estimate

4. Share of system cost is for force main 4-inches and larger for sewage transmission, collection system force mains required for connections (3-inches and smaller) are not included

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: **Tony Summerlin**
City: **Panama City, FL 32404**

Date: **18-Feb-25**
Version: **FINAL**
Conn: **1,879**
GMS: **FL0167959**

Wastewater Collection System - Inventory, Condition & Current Value

Replacement Value at today's cost price per inch-diameter per foot: $17.31

PVC	Pipe Material	Length (feet)	Length (miles)	Average Age (years) [1]	Approx. Useful Value [3]	Value ($ per ft)	Estimated Useful Life Value ($)	Estimated Replacement Value ($)
8-in	PVC, Clay, DIP	143,426-ft	27.16 mi	40-yrs	60%	$138.48 /ft	$11,916,979	$19,861,632
10-in	PVC	138-ft	0.03 mi	41-yrs	59%	$173.10 /ft	$14,094	$23,888
12-in	PVC	1,817-ft	0.34 mi	41-yrs	59%	$207.72 /ft	$222,682	$377,427
16-in	PVC, Clay	337-ft	0.06 mi	41-yrs	59%	$276.96 /ft	$55,068	$93,336
18-in	DIP, Clay	1,157-ft	0.22 mi	41-yrs	59%	$311.58 /ft	$212,694	$360,498
		143,426-ft	**27.16 mi**			Rounded	**$11,917,000**	**$20,716,781**

Replacement Value at today's cost: $20,717,000

Manholes

Category	Material	Quantity		Avg Est Age (years) [1]	Approx. Useful Value [3]	Value ($ per unit)	Estimated Useful Life Value ($)	Estimated Replacement Value ($)
Manholes	Concrete	579		40-yrs	20%	$10,847	$1,256,122	$6,280,610
							$1,256,000	**$6,280,610**

Replacement Value at today's cost: $6,281,000

NOTES:

1. Age of pipelines are based on interviews with Utilities staff and available GIS data.

2. Pipe Diameter based on interviews with Utility staff and available GIS data.

3. Approximate Useful Value of existing piping and manholes based on industry standards, consistent with FRWA Department of Environmental Protection Asset Management Plan: 100 years gravity sewers, 50 years manholes.

4. Cost based on similar construction in Florida and engineer estimate.

5. Share of system cost is for gravity sewers greater than 4-inches, collection system gravity sewers 4-inches and smaller required for connections are not included

Florida Rural Water Association

2970 Wellington Circle, Tallahassee, Florida 32309

Member: **City of Parker**
Contact: **Tony Summerlin**
Address: **Panama City, FL 32404**

Date: **18-Feb-25**
Version: **FINAL**
Conn: **2,004**
PWS **1030520**

Equivalent Residential Connection (ERC) Worksheet

WATER ERCS

Water Meter Breakdown by Size

Type	Quantity	Size	ERC Factor	Total ERCs
Residential	1,893	3/4" or 5/8"	1	1893
Residential	4	1"	2.5	10
Residential	0	1-1/2"	5	0
Residential	4	2"	8	32
Nonresidential	69	3/4" or 5/8"	1	69
Nonresidential	16	1"	3	48
Nonresidential	3	1-1/2"	5	15
Nonresidential	14	2"	8	112
Nonresidential	1	4"	100	100
Total	**2,004**			**2279**

Ratio ERCs / Service Connection: 1.14

2279	Water ERCs

WASTEWATER ERCS

Type	Quantity	Size	ERC Factor	Total ERCs
Residential	1,781	3/4" or 5/8"	1	1781
Residential	4	1"	2.5	10
Residential	0	1-1/2"	5	0
Residential	4	2"	8	32
Nonresidential	60	3/4" or 5/8"	1	60
Nonresidential	14	1"	3	42
Nonresidential	3	1-1/2"	5	15
Nonresidential	12	2"	8	96
Nonresidential	1	4"	100	100
Total	**1,879**			**2136**

Ratio ERCs / Service Connection: 1.14

2136	Wastewater ERCs

Source: 1/5/2024 and 3/14/2024, Assistant City Cerk and Public Works Director

CITY OF PARKER CAPACITY FEES

Michael Chase, PE

Florida Rural Water Association

- Specialize water & wastewater rates and financing
- Serving over 1,400 cities, towns, special districts, and utilities throughout Florida
- Completed over 1,000 financing & rate studies.
- 30+ yrs advising Florida water & wastewater systems
  1. FRWA rate / fee studies have **never had legal challenge**
  2. Performed sound rational and methodical procedures
  3. Use tested utility industry standards – AWWA, GASB…
  4. Strong legal footing under Florida Statutes & case law

Water Revenues

Four Categories

1. **Rates**
   - Monthly charges for services used including fixed costs such as debt repayment
2. **Capacity Fees**
   - One time capacity buy-in
3. **Connection Charges**
   - Placement of new water meter or sewer stub-out
4. **Other Fees**
   - Late charges, turn offs / ons, etc.

What are Capacity Fees

- **One-time Charge Assessed**
  - new connections to reimburse utility systems for capital / fixed costs needed to provide capacity to be used
- **Fixed Costs for Water and Wastewater Service**
  - wells, treatment plants, storage tanks, pumps, pipes, etc.
- **Utility Capital Expenses, not Operations**

Growth Pays For Growth

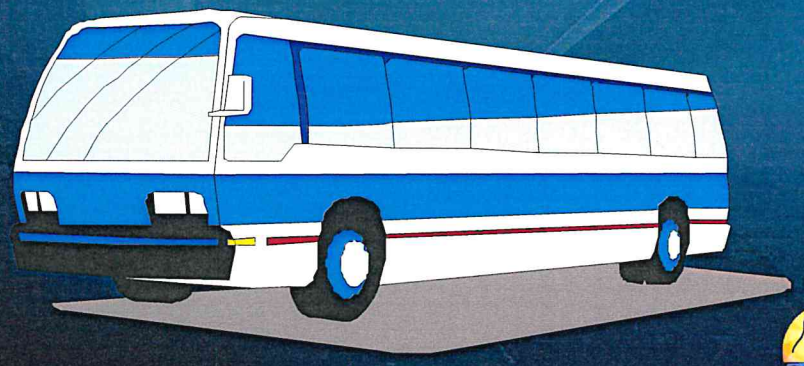
Always-present questions:

1. How shall we pay for growth?
2. Should existing utility rate payers support system expansion to accommodate growth?

- Capacity fees are designed to make it possible for new customers to pay for their proportion of the system and capacity they use up that has been provided in the system for them

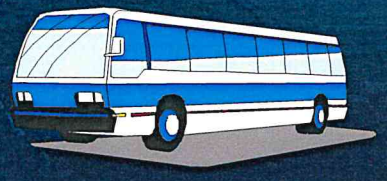
Growth Pays For Growth
Example

Limited number of seats on the bus (capacity)



Growth Pays For Growth

- Rates pay for operation and debt
  - ✓ Gas, tires, driver, repairs, etc.
  - ✓ Existing rate payers are paying and have paid for their seat on the bus
- Capacity fees by new passengers pay for
  - ✓ Their own seat on the bus
  - ✓ Principles of equity & fairness
  - ✓ Cost is justifiable



Capacity Fee Objectives

- New development pay its own way
- Minimize debt or reduce need for future debt
- Maintain an appropriate level of retained earnings and cash reserves to meet capital needs

IS ONE MORE FEE REALLY NEEDED?

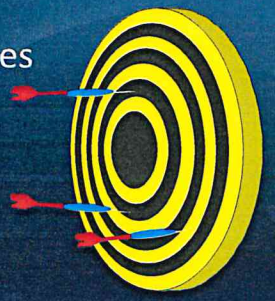
Dealing with Growth & Infrastructure Decay

- Florida statute requires communities to maintain adequate levels of service for public facilities and **to anticipate and prepare for growth**
- It takes **many years to build capacity** into a system, it's impossible to provide it at the same time the new growth happens
- In addition, water and wastewater utilities must maintain infrastructure in **good operating condition**
- Requires adequate funding and continual **repair and replacement** (R&R) just to keep up with normal usage and aging

HOW TO DETERMINE CAPACITY FEES

Pseudo-Rate / Fee Making Process

- Sampling of neighbors to confirm rates are *comparative only*
- Quick & Easy Method
  - Polling Surrounding Communities
  - Not Rational Basis
  - Not Defensible to Challenges
  - Don't rely on comparisons



Capacity Fee Determination

Capacity Cost ($) / ERC x No. of ERCs represented by new user

Capacity Cost per ERC:

- **$/ERC** = Total Treatment Cost ($) / Total Treatment Capacity (gpd) x gpd/ERC

Capacity Fee Options

Option A

- The **Remaining Useful Life Basis** provides a value to existing assets based on current condition, based on years they are expected to continue to function.

Option B

- The **Replacement Value Basis** captures the true and sustainable costs or running (and replacing) the City of Parker's Water and Wastewater Utilities.

RECOMMENDED CAPACITY FEES

Recommended Water Capacity Fees

Current Capacity Fee – $500 / ERC

Option A – Remaining Useful Life Basis

- **$1,580** per Equal Residential Connection (ERC).

Option B – Replacement Value Basis

- **$3,070** per Equal Residential Connection (ERC).

⇨ **FRWA Recommends Option B to capture true & sustainable costs**

Water Capacity Fee Recommendations

- Water treatment plant costs are covered in user rates therefore drinking water capacity fee calculations are based on distribution infrastructure renewal and replacement.
- Approx. 2,018 more drinking water service connections at 100% capacity based on allotted wastewater capacity.
- Up to $6,200,000 in Capacity Fees can be collected up to 100% capacity

Recommended Wastewater Capacity Fees

Current Capacity Fee – $1,400 Equivalent Residential Connection

Option A – Remaining Useful Life Basis

- **$2,820** per Equal Residential Connection (ERC).

Option B – Replacement Value Basis

- **$6,150** per Equal Residential Connection (ERC).

⇨ **FRWA Recommends Option B to capture true & sustainable costs**

Wastewater Capacity Fee Recommendations

- 31% of wastewater treatment plant capacity is being used
- 4,741 more service connections at 100% capacity
- Up to $29,000,000 in Capacity Fees can be collected up to 100% capacity

QUESTIONS ?

FLORIDA RURAL WATER ASSOCIATION

ORDINANCE NO. 2025-425

AN ORDINANCE OF THE CITY OF PARKER, FLORIDA, AMENDING THE CODE OF ORDINANCES OF THE CITY OF PARKER (ORDINANCE NO. 2010-349, AS AMENDED); AMENDING CERTAIN PROVISIONS OF CHAPTER 82 OF THE CODE OF ORDINANCES RELATING TO UTILIITY SERVICES; PROVIDING FOR SEVERABILITY; PROVIDING A MECHANISM FOR THE CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR THE LIBERAL CONSTRUCTION OF THIS ORDINANCE; PROVIDING FOR CODIFICATION AND REPEALER CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITATION OF FACTS

WHEREAS, the water and sewer impact fees ordained below are based on a study using the most recent and localized data available that has been done within 4 years of this Ordinance and such study is adopted by the City within twelve (12) months of the initiation of the new impact fee study.

WHEREAS, the City provides for accounting and reporting of impact fees collections and expenditures and accounts for the revenues and expenditures of such impact fees in separate accounting funds.

WHEREAS, administrative charges of the City are limited for the collection of impact fees to the actual costs.

WHEREAS, notice of the imposition of amended impact fees was and is provided at least ninety (90) days before the effective date of this Ordinance imposing increased impact fees.

WHEREAS, the City does not require the collection of impact fees prior to the date of issuance of the building permit for the property that is subject to the fees.

WHEREAS, the impact fees levied by the City are proportional and reasonably connected to, or has a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.

WHEREAS, the impact fees are proportional and reasonably connected to, or has a rational nexus with, the expenditures of

the funds collected and the benefits accruing to the new residential or nonresidential construction.

WHEREAS, the City specifically earmarks impact fees collected for use in acquiring, constructing, or improving capital facilities to benefit new users and any other matters allowed by Florida law.

WHEREAS, the revenues generated by the impact fees are not used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure was or is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.

WHEREAS, the demonstrated-need study for the City justifying an increase of the impact fees in excess of those authorized in Subparagraphs (6)(b), (6)(c), (6)(d), or (6)(e) of Section 163.31801, F.S. has been completed within twelve (12) months before the adoption of the increases of the impact fees herein and expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase-in limitations.

WHEREAS, the City has held not less than two publicly noticed workshops/meetings dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations set forth in Section 163.31801(6), F.S.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARKER AS FOLLOWS:

Section 1. Section 82-68 of the Code of Ordinances, City of Parker, Florida, is hereby amended to read as follows:

Sec. 82-68. Monthly water rate and impact fee.

(a) *Water rates.* The charges for water service, with no minimum water consumption included, are currently set forth below but shall be adjusted as set forth herein and altered by action of the council. The charges shall be subject to the applicable taxes. In the first and final month of service during which a customer will be initiating or terminating service, the regular monthly base rate shall be pro-rated for the number of days that the city's water service is available. Meters are read in thousands only for

billing purposes.

Residential.

Base monthly charge

Single-family units . . . . . $ 36.50

Multifamily units (also includes bulk customers) on a per-unit basis $36.50

Volumetric charge

Per 1,000 gallons for all water consumed $6.50

10% utility surcharge on water only customers

Commercial or industrial.

Base monthly charge

Charge for each individual unit $36.50

Volumetric charge

Per 1,000 gallons for all water consumed $6.50

Hydrants.

Base monthly charge

Charge for each individual hydrant . . . $9.59

Volumetric charge

Per 1,000 gallons for all water consumed $6.13

(b) *Basis for rates.* The water rates set forth in this section are determined in accordance with the current rates charged by the county to the city. If the county increases the rates charged to the city from those currently charged, the rates set forth herein shall be automatically increased by the same amount on a per-thousand-gallon basis as implemented by the county in its

wholesale water rate in order to recover the total cost incurred by the city of the rate increase implemented by the county's wholesale rate.

All rates including base rates shall be subject to an inflationary adjustment of three percent effective on October 1 of each year hereafter and shall be applied to each customer's water bill beginning with the first bill issued after October 1 of each year. Such inflationary adjustment shall be in addition to any other rate adjustment which may be approved by the city. The city council may change, alter or amend any or all fees and charges relating to water use, including but not limited to fees, deposits, base rates and impact fees by subsequent ordinance, resolution or action.

(c) *Fire sprinkler system rate charge:*

(1) The rate charge for establishments relating to a fire sprinkler system connected to a four-inch city water line shall be $6.25 per month.

(2) The rate charge for establishments relating to a fire sprinkler system connected to a six-inch city water line shall be $10.50 per month.

(3) In addition to the amounts set forth in subparagraphs (1) and (2) above, each customer shall pay the amount of $1.00 per month for each sprinkler head permitted or installed.

(4) The monthly rate charge for establishments connected to the county water system shall be equal to whatever charge the county levies upon the city for such service.

(5) The monthly rate charge set forth in this subsection (c) shall be payable to the department upon billing as reflected on the customer's monthly water bill from the city.

(d) *Impact fees.*

(1) It shall be unlawful for any person to connect or permit any other person to connect any fixture or piping to the water system of the city, or to any private water system

which is already connected to the water system of the city, without first paying the applicable impact fee to the city. An impact fee shall not be required solely in connection with an irrigation meter.

(2) The current impact fee for one equivalent residential connection (including irrigation) shall be $3,070.00. The impact fee for one equivalent residential connection (including irrigation) may be altered or amended by subsequent ordinance or resolution.

(3) The current impact fee for nonresidential customers shall be a multiplier factor of the number of equivalent residential connections based upon the table set forth below multiplied by the then existing impact fee.

Diameter of Pipe	Equivalent Residential Connection
5/8" or 3/4"	1.0
1"	2.5
1 1/2"	5.0
2"	8.0
3"	16.0
4"	25.0

(4) Impact fees shall be payable at such time as a permit from the city for water connection is obtained. No water connection permit shall be issued until such fees are paid in full. In the event a building is located outside the boundaries of the city, such fee shall be due at the time water tap and sewer connection fees are paid. No service shall be provided until such fees are paid.

(5) The foregoing impact fee may be changed in the future by the city by subsequent ordinance, resolution, or motion of the council.

(e) *Water reserve fund.* All monies received from water impact fees imposed hereunder shall be deposited and held together with interest thereon in a separate reserve fund hereby created and shall be expended from that fund only for the purpose of extending or oversizing, separating or constructing additions to the production or holding facilities, treatment plant, or

distribution system, including new taps and meters, or for any other lawful purpose.

Section 2. Section 82-372 of the Code of Ordinances, City of Parker, Florida, is hereby amended to read as follows:

Sec. 82-372. Amount of fee.

(a) The current impact fee for one equivalent residential sewer connection shall be $6,150.00.

(b) The current impact fee for nonresidential customers shall be a multiplier factor of the number of equivalent residential connections (ERCs) based upon the table set forth below multiplied by the then existing impact fee.

Diameter of Pipe	ERC
5/8" or 3/4"	1.0
1"	2.5
1 1/2"	5.0
2"	8.0
3"	16.0
4"	25.0

(c) Impact fees shall be payable at such time as a permit from the city for sewer or sewer connection is obtained. No sewer or sewer connection permit shall be issued until such fees are paid in full. In the event a building is located outside the boundaries of the city, such fee shall be due at the time water tap and sewer connection fees are paid. No service shall be provided until such fees are paid.

(d) The impact fees set forth herein may be changed in the future by the city by subsequent ordinance, resolution, or motion of the council.

Section 3. Severability.

If any section, subsection, sentence, clause, phrase, word or provision of this Ordinance is for any reason held invalid or

unconstitutional by any court of competent jurisdiction, whether for substantive, procedural, or any other reason, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

Section 4. Scrivener's Errors.

The City Attorney may correct any scrivener's errors found in this Ordinance, without public hearing, by filing a corrected copy of the Ordinance with the Clerk. A scrivener's error may not include an amendment that changes the intent or meaning of the Ordinance.

Section 5. Ordinance to be Liberally Construed.

This ordinance shall be liberally construed in order to effectively carry out the purposes hereof which are deemed not to adversely affect public health, safety, or welfare.

Section 6. Codification.

The provisions of this Ordinance shall become and be made part of the Code of the City. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 7. Repeal of Conflicting Codes, Ordinances, and

Resolutions.

All codes, ordinances and resolutions or parts of codes, ordinances and resolutions or portions thereof of the City of Parker, in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 8. Effective Date.

This Ordinance shall take effect on the 91st day following passage of this Ordinance.

PASSED, APPROVED AND ADOPTED at a Meeting of the City Council of the City of Parker, Florida as of the _____ day of _____, 2025.

CITY OF PARKER

_____
Andrew Kelly, Mayor

ATTEST:

_____
Ingrid Bundy, City Clerk

Examined and approved by me, this _____ day of _____, 2025.

_____
Andrew Kelly, Mayor