



PALM BEACH COUNTY, FLORIDA WATER UTILITIES DEPARTMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended September 30, 2021 and 2020



An Enterprise Fund Department of the Board of County Commissioners for Palm Beach County, Florida



**PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

An Enterprise Fund Department of the Palm Beach County, Florida
Board of County Commissioners

Finance and Accounting Section of the
Water Utilities Department of Palm Beach County

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Years Ended September 30, 2021 and 2020

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PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT

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Introductory Section





**Water Utilities Department
Administration**

P. O. Box 16097
West Palm Beach, FL 33416-6097
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Fax: (561) 493-6008
www.pbcwater.com

■

**Palm Beach County
Board of County
Commissioners**

Robert S. Weinroth,
Mayor

Gregg K. Weiss,
Vice Mayor

Maria G. Marino

Dave Kerner

Maria Sachs

Melissa McKinlay

Mack Bernard

County Administrator

Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

March 30, 2022

Honorable Robert S. Weinroth, Mayor, and Members of the
Palm Beach County Board of County Commissioners
Verdenia C. Baker, County Administrator
West Palm Beach, Florida

Dear Ladies and Gentlemen:

The Annual Comprehensive Financial Report (ACFR) of the Palm Beach County Water Utilities Department (the Department) for the fiscal years ended September 30, 2021 and September 30, 2020, is hereby submitted. The Department is an enterprise fund of the Palm Beach County Board of County Commissioners (BCC). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the Department. All disclosures necessary to enable the reader to gain an understanding of the Department's financial activities have been included.

INDEPENDENT AUDITOR'S REPORT

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Department's financial statements for the fiscal years ended September 30, 2021 and September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

PROFILE

The Water Utilities Department is an enterprise fund operation of the BCC. The Department provides potable water, wastewater, and reclaimed water services to approximately 605,000 people located within approximately 1,300 square miles of the primarily unincorporated area of the County. In addition to serving unincorporated areas, the Department provides services directly to the residents and businesses of the Village of Royal Palm Beach, the Cities of Greenacres, Belle Glade, Pahokee, South Bay and the Towns of Haverhill and Loxahatchee Groves. Through inter-local agreements, the Department also provides services directly to the Village of Palm Springs, the Town of Lake Clarke Shores, the Cities of Lake Worth, Boynton Beach, Westlake and Atlantis.

Palm Beach County is a political subdivision of the State of Florida and is governed by the State Constitution, general laws of the State of Florida, and the County's Charter. The legislative and governing body of the County is the seven-member BCC.

In accordance with the County's Charter, the Clerk & Comptroller is the Clerk of the BCC and is the official custodian of County funds and the accounting records of and for the Department. As an operating unit of the BCC, the Department reports directly to County Administration. An eleven-member Citizens' Advisory Board provides guidance to the Department and to the BCC on rate and policy issues.

The Department applies the provisions of the Governmental Accounting Standards Board (GASB) Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 requires that management's discussion and analysis of the Department's financial performance be included as an integral part of the financial statements. Your attention is directed to page 15 for this information.

FINANCIAL CONDITION

Palm Beach County is the third most populous county in the State of Florida. The real estate and construction industries comprise the mainstays of the County's economic base. The Department's service area continues to reflect primarily residential customers, plus some commercial and light industrial services. The COVID-19 worldwide pandemic contributed to an uptick in the unemployment rate in recent years, but saw a decrease to 5.3% from 8.1% for 2021 and 2020 respectively; with a ten-year average of 6.3% and 6.7%. The decrease contributed to a slight increased growth rate in dwelling units for the Department's service area to a rate of 1.2% and 1.0% for 2021 and 2020, respectively - slightly above the five-year averages of 0.98% and 0.91%. These factors, accompanied by inflation, have affected the Department financially.

To offset the impact of these factors, the Department has implemented several cost-cutting measures. Through these efforts and the implementation of rate indexing, cash reserves as of September 30, 2021 and 2020, were 220% and 178%, respectively, of annual operating expenses net of depreciation and amortization and exceeded the minimum benchmark of 25%. The Department's aggressive turn-off policy continues to yield positive results as bad debt expense for 2021 and 2020 was 0.09% and 0.08%, respectively, compared with the five-year averages of 0.20% and 0.22% for 2021 and 2020, respectively. These numbers are well within industry standards. Expenses are expected to continue to be subject to upward pressure from increased fuel and electricity costs, and growth is expected to remain at current levels. These factors

were considered when preparing the Department's budget for fiscal year 2022. The budget forecasts that revenues will continue to be sufficient to fund operating expenses, debt service, a portion of the Department's capital projects expenditures, and sufficient reserves.

MAJOR ACCOMPLISHMENTS & INITIATIVES

For Fiscal Year 2020 - 2021: The Department continued its commitment to becoming a *Best in Class Utility* through the continued implementation of five narrowly focused Strategic Objectives; Safety, Construction Improvement Projects (CIP), Program Management, Asset Management, Communication and Strategic Planning.

The Department's many accomplishments over the past 24 months include:

- Earned three awards from the Florida Water Environmental Assoc. Regulatory Compliance Specialist Stephen Brown earned the *Albert B. Herndon Award*, for meeting or exceeding federal and state pretreatment guidelines and two *Earle B. Phelps Honorable Mention Awards*, for the Belle Glade and Pahokee plants.
- Water Treatment Plant (WTP) 11 Superintendent, Mike Turbeville was recognized by the Florida Water & Pollution Control Operators Assoc. WTP 11 was chosen for the annual Safety Award for their outstanding safety record in 2020. This includes safety training and accident prevention.
- Installation of Advanced Metering Infrastructure (AMI) utility-wide with over 200,000 accounts covering 605,000 customers. Customers now can obtain their water usage data in real time, which will assist in detecting leaks or issues immediately, leading to a faster response time and an increase in customer satisfaction.
- Earned the Safety Council of Palm Beach County Recognition Award. The hard working team, which included Diana Perez, Nicholas Barone, Wayne Ellington, Samantha Prescod and Jeff Waites, implemented a new Lockout-Tagout and Job Hazard Analysis proves at WTP 2.
- Both the eastern and western service areas incurred no violations as evidenced by the 2020 Annual Water Quality Reports.

Safety

The Department continues to improve the operating culture that highlights the safety for all employees

and stakeholders through all tiers of the organization. Specifically, through an increased focus on training and identifying trends we regularly raise the safety bar effecting employee safety knowledge and responsibility for all employees. The Department has reduced total injuries by 44%. Preventable vehicle accidents remained effectively the same as last year. Since 2017, total injuries have been reduced by over 50% and preventable vehicle accidents by 38%.

Current program highlights include:

- Fifty-six new employees graduated from the Department one-day safety orientation in 2021, which includes classroom training, on-line learning and open discussion.
- Continued Behavior Based Safety (BBS) Observations in support of our BBS program. Department personnel performed 755 BBS Observations in 2021.
- Produced Lockout/Tagout procedures and Job Hazard Analysis forms for the safety library at WTP 8. This equated to approximately 550 valves and circuit breakers that were identified, isolated, verified and referenced in the procedures. These documents will be imported into Maximo, WUD's asset management tool, which will automatically provide them to plant technicians before maintenance activities start. WTP 11 is scheduled as the next for implementation of similar documents.
- In cooperation with the WUD IT, placed training documentation and tracking into Maximo for approximately 600 employees. This software tool will automatically notify employees when training is needed in one or more of the 30 curriculum categories required for WUD to perform its mission.
- Completed an internal evaluation using the OSHA Recommended Practices for Safety and Health Programs tool. The purpose of the evaluation was to discover areas to improve the WUD safety program. The results of the audit were presented to WUD leadership.

Award: The Safety Council of Palm Beach County, Inc. Special Recognition Award was earned by five WUD employees for the completion and

implementation of the Lockout/Tagout and Job Hazard Analysis program at our Water Treatment Plant #2. This program assists the affected employees in protecting themselves from hazardous energy when performing maintenance and certain operations of the plant.

Program Management

The Department continues to implement Program Management to successfully deliver larger projects as the implementation of the \$400 million Capital Improvement Plan (CIP) moves forward. Program Management allows the Department to direct groups of related projects in a coordinated way to obtain control and benefits that are not always available when managing projects on an individual basis. The Department is successfully increasing its annual capital expenditures, has seen marked improvement in the consistency and transparency of project delivery and is promoting staff development within the program. Department staff, in cooperation with the consultants that have been brought on to assist in the implementation of Program Management, have successfully implemented project packages.

During the past 12 months, the Department has:

- Embarked on an Integrated Utility Master Plan to evaluate and determine expansion and improvement needs for the water, wastewater and reclaimed water systems by examining each system's requirements as an integrated system that will help guide utility decisions, budget appropriations and project delivery schedules.
- Expanded program staff training and education to improve efficiency in the implementation of the CIP, such as the achievement of Project Management Professional certification by team members.
- Created a new county-wide PPM regarding design-build services, in order to expedite the delivery of larger projects.
- Successfully completed project packages on time and within budget.

Asset Management

The Department has achieved compliance and certification for the International Standard of ISO 55001 (ISO) by completing an independent audit of WUD's readiness. PBCWUD was identified to be the first Water Utility in North America to achieve this certification. This certification demonstrates the

continuous growth of our asset management program and Capital Improvement Plan.

The Department has implemented key artifacts of the ISO 55001 standard, such as Asset Management Policy, Strategic Asset Management Plan (SAMP), Business Process Mapping and Responsibilities, Accountability, Consulting, Inform (RACI) charts. These key artifacts help build the strong foundation needed to reach certification. By implementing these standards along with continuous development of Maximo Computerized Maintenance Management System (CMMS), Geographical Information System (GIS), Supervisory Control Alarming Data Acquisition (SCADA), Payroll Data (HRIS) and Business Intelligence software (Tableau), WUD can streamline maintenance using data-driven decision processes.

The framework that the Department is developing using ISO 55001 and data-driven decision-making will provide benefits to the Department, Palm Beach County and our customers by:

- Setting strategic priorities that will align asset management objectives with key performance indicators.
- Increase productivity and efficiency by reducing costs, managing risks and increasing reliability of assets.
- Develop and retain organizational knowledge through competency and training.

Communication

The Department is committed to keeping all employees and stakeholders informed about developments and opportunities within the organization through various platforms, resources, and events. The Public Information (PI) division is tasked with both internal and external communications. This includes maintaining a robust social media presence to enhance community outreach and engagement. Our PI team utilizes several tools to keep constituents informed including the external website pbcwater.com press releases, and a variety of educational and promotional videos. For our internal audience, the PI Team publishes the *WUD Journal*, an employee-focused magazine quarterly. The Department's SharePoint site has been developed to be a one-stop resource for information, events, and document sharing. Additionally, employee engagement events, such as "Harvest Fest" and the "WUD Olympics" are held on a semi-annual basis. Future plans to support this Objective include:

- Enhanced document and content management through the internal SharePoint site to allow for ease in information access and exchange, as well as providing for increased efficiency in the production of work products.
- Building consistency in documents with the creation of a style guide and supporting assets allowing employees to focus on content during the production of a variety of core documents and forms.
- Development of a digital *WUD Journal* called the "WUD Pipeline" to be sent bi-weekly. This digital internal employee newsletter aims to reach employees faster, ensuring they are kept up to date with news, messages, and helpful tips. Topics will include - Departmental news, employee accomplishments, new hires, IT tips for cybersecurity, wellness, and more.
- Expanding employee training with more interactive modules to provide an enhanced measurement of comprehension, as well as cross-training that will result in a more highly skilled and flexible workforce, resulting in the ability to respond to future needs and challenges more effectively.
- Creation of a quarterly external stakeholder newsletter providing updates and important news in a cost-effective medium.
- Increase the number of social platforms to broaden the audience and reach of the Utility messages to a larger targeted group.
- Implementation of a public records portal to allowing online records requests with enhanced processing speed and transparency.

Strategic Planning

The Department continues to strive to achieve its overarching Mission to provide the *Best Water, Best Service and Best Environmental Stewardship* through the further implementation of the latest five (5) year Strategic Sustainability Plan (SSP). The SSP identifies general overarching goals for the Department, which will be realized by implementing the "Circles of Excellence" Initiatives. The Initiatives include Workforce, Community, Environment, Infrastructure, Financial Responsibility, and Operational Excellence. Strategies and Key Performance Indicators (KPI) were subsequently assigned to the applicable Goals and

Initiatives to enable the Department to make the necessary adjustments to map and measure progress and to develop an organizational culture that is focused on continuous improvement.

Future actions to implement this Objective include:

- The development of individual performance plans to incorporate into the larger scale strategic planning process.
- Implementation of the KPIs throughout the Department to further achieve the Strategic Objectives of the Department.
- Annual assessment of the achievement of the strategic plans and necessary adjustments to adaptively manage the Department in the face of changing circumstances.

OTHER INFORMATION

Internal Control: In conformity with the internal control procedures established by the County, the Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Department are protected from loss, theft, or misuse. Additionally, the Department's internal controls ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management.

Budgetary Control: The Department's budget is included in the County's annual budget, which is prepared pursuant to Chapter 129, Florida Statutes, and represents the legal authority to levy taxes and expend funds for all County purposes. The Department's budget is balanced, as required by Florida Statutes, with the inclusion of reappropriated beginning fund balances. Encumbrance accounting is applied during the year. Budgetary control is maintained in the County's accounting system at the appropriation unit level. As part of the budget process, open encumbrances lapse at year-end and must be reappropriated in the following year and are, therefore, not reported as reserved fund balance at year-end. Activities of the operating accounts (Revenue; Operations and Maintenance; Sinking Fund

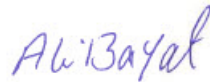
Accounts, including Bond Interest, Bond Principal, Bond Redemption, and Debt Service Reserve; Renewal and Replacement; Capital Improvement; and Connection Fee) required by covenants securing the Department's indebtedness are included in the annual budget.

Award: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Palm Beach County, Florida, Water Utilities Department for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the twenty-fourth consecutive year that the Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment: The preparation of the Annual Report was made possible by the dedicated services of the entire staff of the Finance and Accounting Section of the Finance and Administration Division. Each member of the Finance and Accounting Section has our sincere appreciation for the contributions made in the preparation of this report.

Very truly yours,



Ali Bayat
Department Director



Ebony Bruton
Finance & Administration Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Palm Beach County, Florida
Water Utilities Department**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

**PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT PRINCIPAL OFFICIALS**

Board of County Commissioners

As of September 30, 2021



Dave Kerner
Mayor
District 3



Robert S. Weinroth
Vice Mayor
District 4



Maria G. Marino
Commissioner
District 1



Gregg K. Weiss
Commissioner
District 2



Maria Sachs
Commissioner
District 5



Melissa McKinlay
Commissioner
District 6



Mack Bernard
Mayor
District 7

County Administration

Verdenia C. Baker, County Administrator

Todd J. Bonlarron, Assistant County Administrator

Water Utilities Department

Ali Bayat, Director

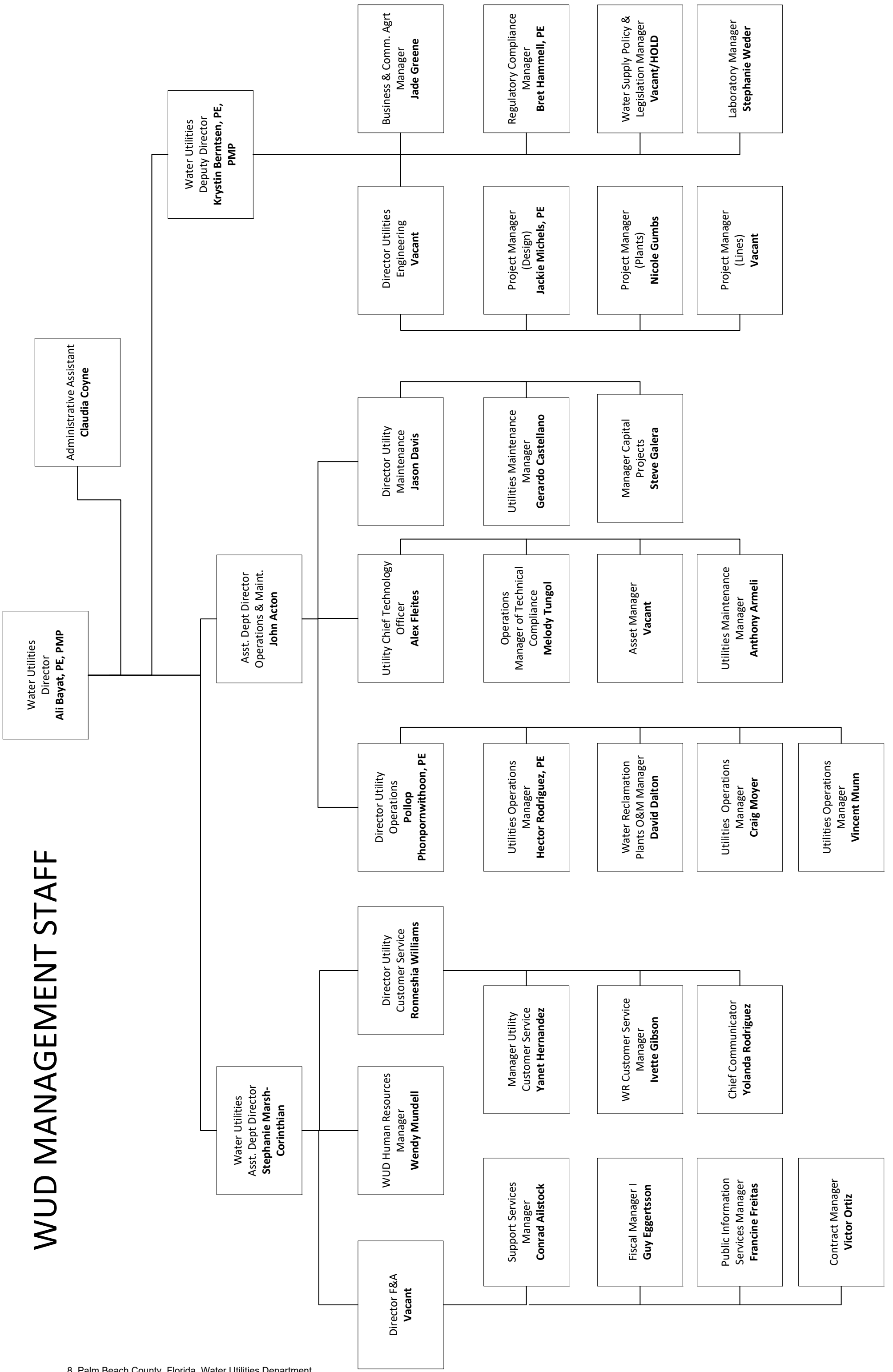
Water Utilities Advisory Board



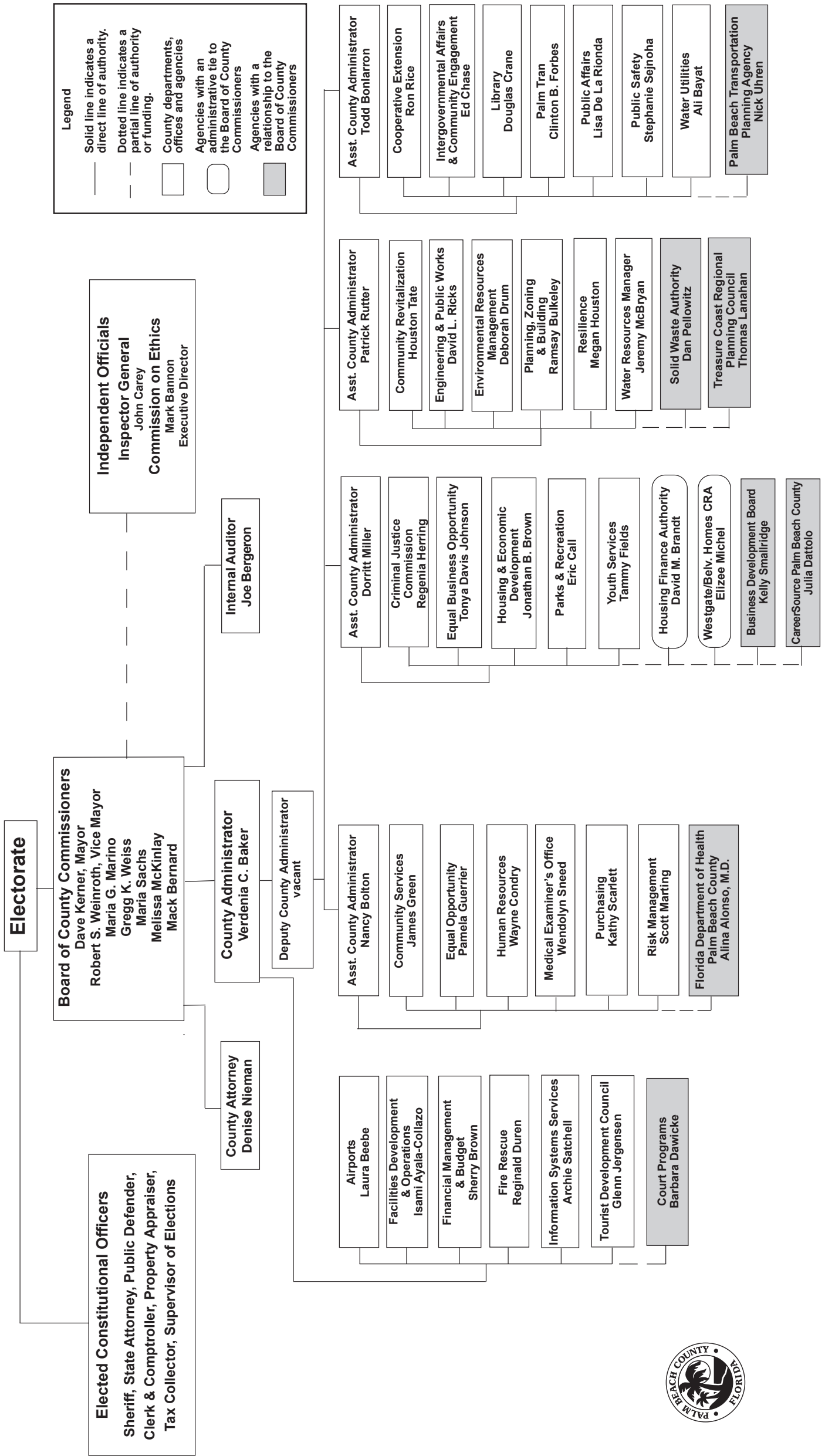
*Pictured (l-r): William Nuss, Myrna Rosoff, Clara Murvin, Carolyn Pomeranz,
Rob Hawkins, Bernard Castleman, Carlos Cedano*

Not Pictured: Arnold Katz

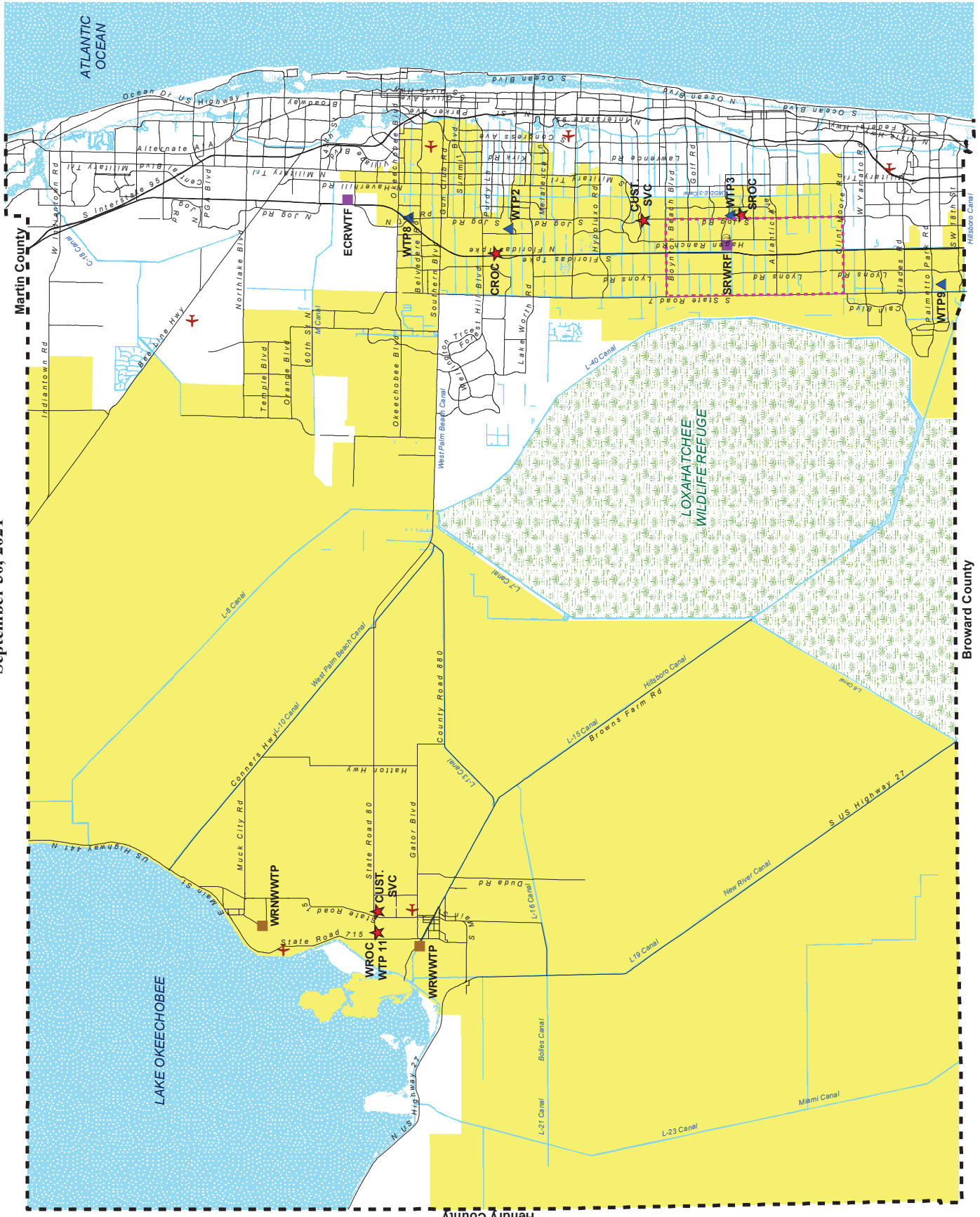
WUD MANAGEMENT STAFF



Palm Beach County Board of County Commissioners Organizational Structure



PALM BEACH COUNTY, FLORIDA WATER UTILITIES DEPARTMENT SERVICE AREA (SA) AND MAJOR FACILITIES September 30, 2021



- Legend**
- Wastewater Treatment Plant
 - Water Reclamation Plant
 - Water Treatment Plant
 - Administration
 - Wetlands
 - Palm Beach County Limits
 - Mandatory Reclaimed SA
 - P.B.C. W.U.D. Service Area



NOT TO SCALE

Financial Section



Independent Auditor's Report

Honorable Board of County Commissioners
Palm Beach County, Florida Water Utilities Department
Palm Beach County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Palm Beach County, Florida Water Utilities Department (the Department) as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of September 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above present only the Department and do not purport to, and do not, present fairly the financial position of Palm Beach County, Florida, as of September 30, 2021 and 2020, and the changes in its financial position and where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedules of the proportionate share of net pension liability, schedules of contributions, schedule of changes in the Department's total other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, supplementary information contained in the financial section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information contained in the financial section has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information contained in the financial section is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
March 30, 2022



WATER UTILITIES DEPARTMENT OF PALM BEACH COUNTY, FLORIDA Management's Discussion and Analysis (unaudited)

This section of the Department's annual financial report presents our discussion and analysis of the Department's financial performance during the fiscal years ended September 30, 2021 (FY 2021) and September 30, 2020 (FY 2020). Please read it in conjunction with the preceding transmittal letter and the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The Department's net position increased by \$77.0 million, or 5.6%, during FY 2021 and increased by \$64.8 million, or 5.0%, during FY 2020.
- Long-term debt (net of the current portion) decreased by \$6.6 million, or 4.4%, in FY 2021 compared to a decrease of \$7.6 million, or 4.8%, in FY 2020.
- Operating revenues in FY 2021 totaled \$226.6 million, an increase of \$8.7 million, or 4.0%, compared with \$217.9 million in FY 2020, an increase of \$13.0 million, or 6.3% from the previous year. FY 2021 included the effect of rate indexing and a 1.35% increase in the customer base. FY 2020 included the effect of rate indexing and a 0.98% increase in the customer base.
- Operating expenses before depreciation and amortization and equity interest in net loss of joint venture, totaled \$136.9 million, a decrease of \$6.1 million, or 4.3%, in FY 2021 compared with \$143.0 million, for a decrease of \$15.2 million, or 9.6%, for FY 2020.
- Non-operating income decreased by \$1.3 million, or 50.0%, in FY 2021 compared to a FY 2020 decrease of \$2.0 million, or 43.5%.
- The Department showed net income before contributions, transfers and special items of \$38.7 million for FY 2021, an increase of \$12.4 million, or 47.1%, and showed net income before contributions of \$26.3 million for FY 2020, an increase of \$24.1 million, or 1,095.5%.

FINANCIAL STATEMENTS OVERVIEW

Financial Reporting Entity - The Water Utilities

Department is an enterprise fund operation of the Palm Beach County Board of County Commissioners (BCC). As such, the Department's financial operations are maintained on the full accrual basis of accounting: revenues are recognized when earned, and expenses are recognized when incurred. The Department provides potable water, wastewater, and reclaimed water services to approximately 605,000 people located within approximately 1,300 square miles of the primarily unincorporated area of the County. In addition to serving unincorporated areas, the Department provides services directly to the residents and businesses of the Village of Royal Palm Beach, the City of Greenacres, and the Town of Haverhill. Through inter-local agreements, the Department also provides services to the Village of Palm Springs and the Cities of Boynton Beach, and Atlantis. The Cities of Belle Glade, Pahokee and South Bay are now directly served as well since the Department's May 1, 2013 absorption of the Glades Utility Authority.

Palm Beach County is a political subdivision of the State of Florida and is governed by the State Constitution, general laws of the State of Florida, and the County's Charter. The legislative and governing body of the County is the seven-member BCC. In accordance with the County's Charter, the Clerk & Comptroller is the Clerk of the BCC and is the official custodian of County funds and the accounting records of and for the Department. As an operating unit of the BCC, the Department reports directly to County Administration. An eleven-member Citizens' Advisory Board provides guidance to the Department and to the BCC on rate and policy issues.

Financial Statement Structure - In addition to the preceding report of the County's independent certified public accountants, the annual financial statements consist of three segments:

Management's Discussion and Analysis, which provides explanations for and analyses of the Department's financial activities based upon currently known facts, conditions, and decisions of the Department's management. While primarily focused on current year results compared with prior years, this discussion also addresses certain long-term issues, which may, in management's opinion,

impact the Department's financial performance.

Basic Financial Statements depict the Department's financial position as of September 30, 2021 and 2020, along with earnings performance and cash flow information. The accompanying notes explain some of the financial statement data and provide information that is more detailed.

Supplementary Information, presents the following:

- The Department's share of the Florida Retirement System Pension Plan liability and schedule of contributions to said plan.
- The Department's share of the Health Insurance Subsidy Pension Plan liability and schedule of contributions to said plan.
- Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios, which compares the Department's results of operations with the original and final budgetary goals.

FINANCIAL OPERATIONS OF THE DEPARTMENT

Net Position: The Department's net position increased by \$77.0 million, or 5.6%, for the fiscal year ended September 30, 2021, compared to a 5.0%, or \$64.8 million increase in the prior year. An increase in capital assets of \$22.3 million was the major component of the increase in FY 2021. An increase of capital assets of \$26.0 million was the major component of the increase in FY 2020.

Table 1 presents the Department's net position (dollars in millions) for the fiscal years ended

September 30, 2021, 2020, and 2019. Completed projects of \$76.8 million, less a decrease in construction in progress of \$20.4 million; and, less depreciation and amortization of \$52.3 million were the major components of the increase in net capital assets in FY 2021. Completed projects of \$50.5 million, plus an increase in construction in progress of \$4.7 million, less depreciation and amortization of \$51.2 million, were the major components of the increase in net capital assets in FY 2020. Construction projects totaling \$76.8 million were completed in FY 2021, which represented a 52.1% increase from the FY 2020 total of \$50.5 million.

Long-term debt (net of the current portion) decreased by \$6.6 million, or 4.4%, in FY 2021 compared to a \$7.6 million, or 4.8% decrease, in the previous year. The decrease in both years was attributable to principal repayments.

The Department's operating revenues totaled \$226.6 million in FY 2021 and \$217.9 million in FY 2020, which represented increases of 4.0% and 6.3%, respectively, for the years. FY 2021 included the effect of rate indexing and a 1.35% increase in the customer base. FY 2020 included the effect of rate indexing and a 0.98% increase in the customer base.

Operating expenses before depreciation and amortization and equity interest in net gain of joint venture were \$136.9 million and \$143.0 million for the years ended FY 2021 and FY 2020, respectively. These represented decreases of 4.3% in FY 2021 and 9.6% in FY 2020. The primary reasons for the decrease are shown in Table 2.

Table 1 - Summary of Net Position - (dollars in millions)

	2021	2020	% Change	2019	% Change
Current and other assets	\$463.5	\$417.7	11.0	\$379.1	10.2
Capital assets, net	<u>1,176.6</u>	<u>1,154.3</u>	1.9	<u>1,128.3</u>	2.3
Total assets	<u>1,640.1</u>	<u>1,572.0</u>	4.3	<u>1,507.4</u>	4.3
Deferred outflows of resources	<u>16.7</u>	<u>21.3</u>	-21.6	<u>20.3</u>	4.9
Long-term net revenue bonds outstanding	140.2	146.7	-4.4	154.6	-5.1
Current portion of revenue bonds	7.1	5.0	42.0	3.4	47.1
Other liabilities	<u>43.7</u>	<u>73.5</u>	-40.5	<u>65.5</u>	12.2
Total liabilities	<u>191.0</u>	<u>225.2</u>	-15.2	<u>223.5</u>	0.1
Deferred inflows of resources	<u>22.7</u>	<u>2.0</u>	1,035.0	<u>2.9</u>	-31.0
Net position:					
Net investment in capital assets	1,037.6	1,010.9	2.6	995.7	1.5
Restricted	7.7	6.1	26.2	6.5	-6.2
Unrestricted	<u>397.8</u>	<u>349.1</u>	14.0	<u>299.1</u>	16.7
Total net position	<u>\$1,443.1</u>	<u>\$1,366.1</u>	5.6	<u>\$1,301.3</u>	5.0

*Restatement due to implementation of GASB Nos. 68, 71 & 75.

Table 2 - Operating Expense Changes (dollars in millions)

<u>FY 2021 Changes:</u>	
Pension expense	-\$7.4
Meter installation materials	-1.7
All other accounts net decrease	<u>3.0</u>
Total operating expense change for FY 2021	<u>-\$6.1</u>
<u>FY 2020 Changes:</u>	
Meter installation materials	-\$20.0
Chemicals	3.4
All other accounts net increase	<u>1.4</u>
Total operating expense change for FY 2020	<u>-\$15.2</u>

A comparative summary of changes in net position for the years ended September 30, 2021, 2020, and 2019 (dollars in millions) is presented in Table 3.

Table 3 - Change in Net Position (dollars in millions)

	<u>2021</u>	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>
Operating revenues					
Charges for utility service	\$221.2	\$213.3	3.7	\$199.8	6.8
Other operating revenues	<u>5.4</u>	<u>4.6</u>	17.4	<u>5.1</u>	-9.8
Total operating revenues	<u>226.6</u>	<u>217.9</u>	4.0	<u>204.9</u>	6.3
Operating expenses before depreciation and amortization and equity interest in net loss of joint venture	136.9	143.0	-4.3	158.2	-9.6
Depreciation and amortization and equity interest in net loss of joint venture	<u>52.3</u>	<u>51.2</u>	2.1	<u>49.1</u>	4.3
Total operating expenses	<u>189.2</u>	<u>194.2</u>	-2.6	<u>207.3</u>	-6.3
Net operating income	<u>37.4</u>	<u>23.7</u>	57.8	<u>-2.4</u>	1,087.5
Nonoperating revenues (expenses)					
Investment income	3.9	5.2	-25.0	8.2	-36.6
Interest expense	-2.4	-2.6	-7.7	-4.1	-36.6
Engineering fees	0.7	0.8	-12.5	1.0	-20.0
Engineering expenses	-0.8	-0.8	0.0	-0.9	-11.1
Other	<u>-0.1</u>	<u>0.0</u>	-100.0	<u>0.4</u>	-100.0
Total non-operating revenues (expenses)	<u>1.3</u>	<u>2.6</u>	-50.0	<u>4.6</u>	-43.5
Income before capital contributions, transfers from County	38.7	26.3	47.1	2.2	1,095.5
Capital contributions	38.3	38.3	-0.0	41.4	-7.5
Transfers from primary government	0.1	0.2	-50.0	2.1	-85.7
Transfers to primary government	-0.1	0.0	0.0	-0.2	-100.0
Change in net position	77.0	64.8	19.0	45.5	42.4
Beginning net position	<u>1,366.1</u>	<u>1,301.3</u>	5.0	<u>1,255.8</u>	3.6
Net position, ending	<u>\$1,443.1</u>	<u>\$1,366.1</u>	5.6	<u>\$1,301.3</u>	5.0

**CAPITAL ASSETS AND DEBT
ADMINISTRATION**

Capital Assets: At September 30, 2021 and September 30, 2020, the Department had \$1,176.6 million and \$1,154.3 million, respectively, invested in a wide range of capital assets, including water treatment plants, water reclamation facilities, pipelines, and two regional operations centers to serve the 1,300 square mile service area. As Table 4 shows, FY 2021 represents a \$22.3 million, or 1.9%, increase over the prior year (dollars are in millions, net of accumulated depreciation and amortization). FY 2020 amounts increased by \$26.0 million, or 2.3%, from the previous year. Major capital asset additions for the two years are shown in Table 5. For more detailed information on capital assets, please see Note 5.

The Department’s fiscal year 2022 capital budget anticipates spending \$306.6 million, an increase of \$105.2 million, or 52.3%, from the previous year’s budget of \$201.4 million. Major projects include:

- Lift station rehabilitations (\$37.8 million);
- Improvements to Southern Region Water Reclamation Facility (\$37.1 million);
- Water distribution system improvements (\$34.9 million)

These projects will be financed using existing funds, cash generated by operations, and connection fees received from developers.

Table 4 – Change in Capital Assets Net of Accumulated Depreciation and Amortization (dollars in millions)

	<u>2021</u>	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>
Utility plants and pipelines	\$998.1	\$951.3	4.9	\$924.7	2.9
Buildings	78.8	82.5	-4.5	86.1	-4.2
Equipment and vehicles	27.3	27.7	-1.4	29.4	-5.8
Land	15.6	15.6	0.0	15.6	0.0
Easements	1.7	1.7	0.0	1.7	0.0
Construction in progress	<u>55.1</u>	<u>75.5</u>	-27.0	<u>70.8</u>	6.6
Total	<u>\$1,176.6</u>	<u>\$1,154.3</u>	1.9	<u>\$1,128.3</u>	2.3

*Restatement due to implementation of GASB Nos. 68, 71 & 75.

Table 5 – Major Capital Asset Additions and Deletions (dollars in millions)

<u>FY 2021 Additions:</u>	
Southern Region Water Reclamation Plant Improvements	\$11.7
Wellfield Rehabilitations	9.7
<u>FY 2021 Deletions:</u>	
None	\$0.0
<u>FY 2020 Additions:</u>	
Water Main Improvements	\$10.3
Collection System Rehabilitation	\$8.0
<u>FY 2020 Deletions:</u>	
None	\$0.0

Debt Administration: As shown in Table 6, the Department’s long-term debt (net of the current portion) was \$143.6 million on September 30, 2021 a decrease of \$6.6 million, or 4.4%. The balance was \$150.2 million on September 30, 2020, a decrease of \$7.6 million, or 4.8%

from the previous year’s figure of \$157.8 million. More detailed information on the Department’s revenue bonds payable is presented in Note 6 to the financial statements.

Table 6 – Change in Long-Term Debt (dollars in millions)

	<u>2021</u>	<u>2020</u>	<u>%</u> <u>Change</u>	<u>2019</u>	<u>%</u> <u>Change</u>
Revenue bonds (backed by net revenues)	\$136.6	\$133.5	2.3	\$144.1	-7.4
Notes payable	5.7	6.3	-9.5	6.9	-8.7
Plus unamortized bond premium	<u>5.0</u>	<u>12.5</u>	-60.0	<u>10.2</u>	22.5
Net revenue bonds	147.3	152.3	-3.3	161.2	-5.5
Compensated absences	<u>3.7</u>	<u>3.7</u>	0.0	<u>3.4</u>	8.8
Total long-term debt	151.0	156.0	-3.2	164.6	-5.2
Current portion of long-term debt:					
Revenue bonds	6.5	4.9	32.7	5.9	-16.9
Notes payable	0.6	0.6	0.0	0.6	0.0
Compensated absences	<u>0.3</u>	<u>0.3</u>	0.0	<u>0.3</u>	0.0
Total current portion of long-term debt	7.4	5.8	27.6	6.8	-14.7
Long-term debt (net of current portion)	\$143.6	\$150.2	-4.4	\$157.8	-4.8

Since inception of the utility system in 1969, the Department has issued revenue bonds to finance capital improvements. The revenue bonds have interest rates ranging from 2.50% to 5.00% and are payable through FY 2040. All issues are on parity as to their lien on net revenues and connection fees of the utility system.

In conjunction with the issuance of the Series 2014 Water and Sewer Revenue Refunding Bonds, Series 2009 Water and Sewer Revenue Bonds and the Series 2008 Water and Sewer Refunding Bonds, Fitch Ratings, Standard & Poor's, and Moody's Investors Service rated these issues and all outstanding bonds of the Department as AAA, AAA, and Aaa, respectively.

The Department is obligated by a rate covenant to establish and maintain rates that are sufficient to cover debt service requirements. The rate covenant requires that rates and fees must always provide net revenues that, together with a specified percentage of connection fees, are adequate to pay at least one hundred twenty-five percent (1.25x) of the annual debt service requirement for the bonds. Additionally, the net revenues together with the connection fees must be sufficient to make all payments required by the bond resolution. This requirement was exceeded by the 9.96x and 7.82x calculations for FY 2021 and FY 2020, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Palm Beach County is the third most populous county in the State of Florida. Growth in dwelling units for the Department's service area over the last five years has averaged 0.98%. The real estate and construction industries comprise the mainstays of the County's economic base. The Department's service area continues to reflect primarily residential customers, plus some commercial and light industrial services. A continued increase in population is projected through "build-out," which is expected to occur by approximately 2025. By 2025, the Department will operate at least five regional water plants with an estimated 130 million gallons per day (mgd) capacity. For wastewater services, the Department will own a projected 24 mgd capacity in the East Central Regional Wastewater Treatment Plant and 8 mgd in the Western Region Wastewater Treatment Plants and will operate the 35 mgd capacity in the Southern Region Water Reclamation Facility, which will be able to provide approximately 22 mgd of reclaimed water.

These factors, along with inflation, water restrictions imposed by the South Florida Water Management District and the current state of the real estate market, were considered when preparing the Department's budget for fiscal 2021. The budget forecasts operating revenues of \$235.4 million, or 6.2%, above the final 2021 budget of \$221.7 million. Net revenues will be used to fund debt service and a portion of the

Department's capital projects expenditures. Expenses will continue to be subjected to upward pressure from increased operating costs and the expansion of facilities. Amounts anticipated in fiscal 2022 for operating expenses, excluding depreciation and amortization and equity interest in net loss of joint venture, are \$174.0 million, a 1.0% decrease from the final 2021 budget of \$175.8 million.

CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, investors, and creditors with an overview of the Department's finances and to demonstrate the Department's accountability for the monies it receives. If you have questions about this report or require additional financial information, please contact us at the address on the preceding transmittal letter.

COMPARATIVE FINANCIAL STATEMENTS

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
STATEMENTS OF NET POSITION
September 30, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS

	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents	\$ 330,915,797	\$ 286,201,621
Restricted cash and cash equivalents	14,357,549	13,417,583
Accounts receivable (less allowance for doubtful accounts of \$4,617,300 and \$4,447,400 for 2021 and 2020, respectively)	23,566,421	22,794,162
Accrued interest receivable	247,143	300,323
Special assessments and notes receivable, current portion	960,602	996,573
Due from other County funds	82,268	248,728
Due from other governments	-	1,008,143
Prepaid expenses	484,341	435,111
Inventories	11,388,524	11,200,985
Total current assets	382,002,645	336,603,229
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	9,965,366	10,889,525
Special assessments and notes receivable	6,548,241	7,923,360
Investment in joint ventures	65,018,481	62,283,529
Capital assets:		
Utility plants and pipelines in service	1,759,813,801	1,671,101,629
Buildings	141,872,792	141,872,792
Equipment	97,607,843	94,385,080
Land	15,626,971	15,626,971
Easements	1,678,030	1,678,030
Total capital assets	2,016,599,437	1,924,664,502
Less accumulated depreciation and amortization	(895,037,372)	(845,841,439)
Subtotal	1,121,562,065	1,078,823,063
Construction in progress	55,062,418	75,502,941
Capital assets, net	1,176,624,483	1,154,326,004
Total noncurrent assets	1,258,156,571	1,235,422,418
TOTAL ASSETS	1,640,159,216	1,572,025,647
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on bond refunding	5,320,486	5,345,724
Goodwill	3,650,093	3,867,050
Pensions	7,390,360	11,801,757
Other post-employment benefits	277,745	299,505
TOTAL DEFERRED OUTFLOWS OF RESOURCES	16,638,684	21,314,036
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,656,797,900	\$ 1,593,339,683

The accompanying notes to the financial statements are an integral part of these statements

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
STATEMENTS OF NET POSITION
September 30, 2021 and 2020

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	2021	2020
CURRENT LIABILITIES:		
Vouchers payable and accrued liabilities	\$ 15,396,592	\$ 16,562,297
Due to other governments	1,214,804	1,188,302
Due to other County funds	1,221,975	1,301,912
Compensated absences	341,000	321,000
Due to other component units	104,232	73,727
Other current liabilities	-	16,848
Subtotal current liabilities	18,278,603	19,464,086
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Revenue bonds payable, current portion	7,103,670	5,542,202
Customer deposits	5,417,257	4,970,212
Accrued interest payable	1,836,622	2,905,170
Subtotal current liabilities payable from restricted assets	14,357,549	13,417,584
Total current liabilities	32,636,152	32,881,670
NONCURRENT LIABILITIES:		
Revenue bonds payable, net of unamortized discount and premium	140,185,012	146,725,766
Net pension liability	13,603,239	40,977,970
Compensated absences	3,349,055	3,360,906
Total other post-employment benefits liability	1,217,779	1,281,415
Total noncurrent liabilities	158,355,085	192,346,057
TOTAL LIABILITIES	190,991,237	225,227,727
DEFERRED INFLOWS OF RESOURCES		
Pensions	21,803,474	935,824
Deferred gain on bond refunding	712,321	796,348
Other post-employment benefits	22,957	25,692
Other	183,875	234,948
Total deferred inflows of resources	22,722,627	1,992,812
NET POSITION:		
Net investment in capital assets	1,037,613,501	1,010,890,840
Restricted for debt service	6,671,752	5,116,331
Restricted for other purposes	1,000,000	1,000,000
Unrestricted	397,798,783	349,111,973
TOTAL NET POSITION	1,443,084,036	1,366,119,144
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,656,797,900	\$ 1,593,339,683

The accompanying notes to the financial statements are an integral part of these statements

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Years Ended September 30, 2021 and 2020

	2021	2020
OPERATING REVENUES:		
Charges for services	\$ 221,161,462	\$ 213,330,647
Other operating revenue	5,402,338	4,646,171
Total operating revenues	226,563,800	217,976,818
OPERATING EXPENSES:		
Depreciation and amortization	53,692,913	51,977,357
Personal services	43,820,109	50,243,028
Maintenance	30,700,664	34,064,968
Supplies	18,607,701	18,573,921
Contractual services	20,715,904	19,483,677
Purchased water and wastewater treatment	11,965,116	10,041,954
Utilities	8,599,320	8,001,217
Equity interest in net loss of joint venture	(1,420,733)	(810,705)
Miscellaneous	2,484,166	2,635,515
Total operating expenses	189,165,160	194,210,932
OPERATING INCOME	37,398,640	23,765,886
NONOPERATING REVENUES (EXPENSES):		
Investment income	3,891,034	5,244,563
Interest expense	(2,426,510)	(2,597,287)
Engineering fees	715,661	843,502
Engineering expenses	(799,981)	(893,199)
Other	(139,952)	(24,828)
Total nonoperating revenues (expenses)	1,240,252	2,572,751
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	38,638,892	26,338,637
Transfers from other County Funds	125,000	287,226
Transfers to other County Funds	(69,320)	(136,471)
Capital contributions received	38,270,320	38,303,201
CHANGE IN NET POSITION	76,964,892	64,792,593
NET POSITION, BEGINNING OF PERIOD	1,366,119,144	1,301,326,551
NET POSITION, END OF PERIOD	\$ 1,443,084,036	\$ 1,366,119,144

The accompanying notes to the financial statements are an integral part of these statements

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts:		
Cash received from customers	\$ 221,403,358	\$ 211,859,159
Other operating receipts	6,313,243	4,550,440
Total cash receipts	227,716,601	216,409,599
Cash disbursements:		
Payments to employees	(37,933,130)	(36,336,858)
Payments to other County funds	(27,893,714)	(27,589,313)
Payments to suppliers of goods and services	(74,099,843)	(76,762,647)
Total cash disbursements	(139,926,687)	(140,688,818)
Net cash provided by operating activities	87,789,914	75,720,781
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash contributed to joint ventures	(3,049,929)	(2,961,095)
Transfers from other County Funds	125,000	287,226
Transfers to other County Funds	(69,320)	(136,471)
Net cash (used in) non-capital financing activities	(2,994,249)	(2,810,340)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction and acquisition of capital assets	(61,599,054)	(54,259,267)
Proceeds on issuance of revenue refunding bonds	59,375,000	48,753,674
Principal paid on refunded revenue bonds	(51,325,000)	(48,755,000)
Capital contributed by developers and customers	26,796,908	21,921,318
Payments to escrow agent on refunded revenue bonds	(7,225,795)	-
Principal paid on revenue bond maturities	(5,542,202)	(6,516,631)
Interest paid on revenue bonds	(4,739,503)	(6,117,617)
Cash contributed by other governments	782,565	991,721
Bond issuance costs paid	(625,037)	(328,982)
Proceeds on sale of surplus capital assets	279,812	151,452
Interest paid on refunded revenue bonds	(185,340)	(374,355)
Bond paying agent fees paid	(2,250)	(1,600)
Net cash (used in) capital and related financing activities	(44,009,896)	(44,535,287)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and gains or losses on investments	3,944,214	5,313,070
Net change in cash and cash equivalents	44,729,983	33,688,224
Cash and cash equivalents at beginning of period	310,508,729	276,820,505
Cash and cash equivalents at end of period	\$ 355,238,712	\$ 310,508,729
Displayed on statements of net position as:		
Cash and cash equivalents	\$ 330,915,797	\$ 286,201,621
Restricted cash and cash equivalents	24,322,915	24,307,108
Total per statements of net position	\$ 355,238,712	\$ 310,508,729

The accompanying notes to the financial statements are an integral part of these statements

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 2021 and 2020

(continued)

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	<u>\$ 37,398,640</u>	<u>\$ 23,765,886</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	53,692,913	51,977,357
Equity interest in net loss of joint venture	(1,420,733)	(810,705)
Provision for doubtful accounts receivable	169,900	148,700
Changes in assets and liabilities:		
Customer accounts receivable	(864,159)	(2,436,498)
Due from other County funds	166,460	924
Due from other governments	1,008,143	852,415
Prepaid expenses	(49,230)	(38,909)
Inventories	(187,539)	(2,536,030)
Compensated absences	8,148	315,371
Vouchers payable and accrued liabilities	(421,149)	(626,855)
Due to other County funds	(79,937)	196,799
Due to other component units	30,505	(7,453)
Due to other governments	31,202	71,847
Customer deposits	447,045	(507,818)
Net pension liability	(27,374,731)	8,735,956
Deferred outflows of resources related to pensions	4,411,397	(1,615,242)
Deferred inflows of resources related to pensions	20,867,650	(1,792,774)
Total other post-employment benefits liability	(63,636)	253,546
Deferred outflows of resources related to other post-employment benefits	(2,735)	(224,839)
Deferred inflows of resources related to other post-employment benefits	21,760	(897)
Total adjustments	<u>50,391,274</u>	<u>51,954,895</u>
Net cash provided by operating activities	<u>\$ 87,789,914</u>	<u>\$ 75,720,781</u>

SCHEDULE OF NONCASH CAPITAL AND FINANCING ACTIVITIES:

Utility plant contributed by developers and customers	<u>\$ 12,023,937</u>	<u>\$ 16,485,006</u>
Payables related to capital asset acquisition	<u>\$ 9,428,838</u>	<u>\$ 9,976,062</u>
Capitalized interest	<u>\$ 1,109,707</u>	<u>\$ 2,526,805</u>
Amortization of bond premium	<u>\$ 1,193,009</u>	<u>\$ 1,484,255</u>
Amortization of deferred advance bond refunding loss, net	<u>\$ 872,931</u>	<u>\$ 608,671</u>
Disposal of fully depreciated capital assets	<u>\$ 2,212,399</u>	<u>\$ 1,230,840</u>

The accompanying notes to the financial statements are an integral part of these statements

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 2021 and 2020

1. GENERAL

Description - Palm Beach County, Florida (County) is a chartered political subdivision of the State of Florida and is authorized by the power of self-government by the Constitution of the State of Florida and Florida Statutes. The Board of County Commissioners (BCC) is the legislative and governing body of the County. Pursuant to the general laws of Florida, the County owns the Water Utilities Department of Palm Beach County (Department). The financial statements only present the Department and are not intended to present fairly the financial position of Palm Beach County, Florida, and the changes in its financial position and cash flows, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation - The Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges by users of such services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Department:

Basis of Accounting - The Department utilizes the accrual basis of accounting in accordance with GAAP. The financial statements are presented using the economic resources measurement focus.

Budget Approval - The BCC approves the Department's annual budget as part of the formal budget adoption process pursuant to Chapter 129, Florida Statutes. The budget is adopted on a basis consistent with GAAP, and budgetary controls for appropriations are established at the appropriation unit level. Activities for the operating accounts required by bond covenants securing the Department's indebtedness are included in the annual budget.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions which affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues and Expenses - Operating revenues and expenses are those which result from providing water and wastewater services. Nonoperating revenues and expenses include financing, investing, and other activities not directly related to the provision of water and wastewater services.

Revenue Recognition - All water and wastewater revenues are recognized when the related services are provided. Special assessment contributed capital is recognized when the project has final acceptance by the BCC's Contract Review Committee and, for projects whose final assessed amount is less than the original assessed amount, BCC approval of the amended amount. Grants from other governmental agencies for the acquisition of capital assets are recorded as capital contributions when all applicable eligibility requirements have been met. Connection fees are charged to new service customers and are required to be used for capital acquisition purposes; these fees are accounted for as capital contributions when service is provided.

Cash and Cash Equivalents - The Department considers all highly liquid investments with maturities of three months or less when purchased as well as its proportionate share of the County's investment pool to be cash equivalents for purposes of the statements of net position and the statements of cash flows.

Accounts Receivable - Billings to the Department's customers are based on metered consumption, which is determined at various dates during each month. Estimated unbilled consumption at month-end is recognized as

revenue and recorded as accounts receivable. The allowance for doubtful accounts is determined by multiplying the accounts receivable balance at fiscal year-end by the average bad debt rate for the last five years and adjusting for current economic conditions. This results in adjusting the receivables to their net realizable value.

Special Assessments Receivable - A non-current special assessment receivable is recorded for contributed capital resulting from special assessment projects. Recognition of the contributed capital is described in the revenue recognition section of Note 2. A portion of the balance is reclassified as a current special assessment receivable. This current portion is estimated based on the actual tax billing determined by the Clerk & Comptroller and billed by the Tax Collector. No allowance is recorded because liens are recorded against the assessed property.

Inventories - Inventories consist primarily of material and supplies and are stated at the lower of cost or market determined on a first-in, first-out basis.

Restricted Assets and Restricted Net Position - Assets are restricted in accordance with provisions of the bond resolutions of the BCC authorizing the issuance of the Series 2020, 2019, 2015 and 2013 Revenue Bonds, along with other applicable obligations. The restricted component of net position represents restricted assets reduced by liabilities related to those assets.

Capital Assets - Capital assets are stated at cost less accumulated depreciation and amortization, except contributed assets which are recorded at acquisition value on the date of contribution. Expenditures of \$25,000 or more for additions and improvements and \$5,000 for equipment are capitalized. Expenditures for maintenance, repairs, and minor improvements are charged to expense as incurred.

Depreciation of tangible capital assets is computed on the straight-line method over the estimated useful lives of the assets, which are as follows:

Buildings	15-40 years
Utility plants in service	7-50 years
Equipment	3-25 years

Impairment of Long-Lived Assets - Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of long-lived asset(s) may not be recoverable. The carrying amount is not considered recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the long-lived asset(s) use and eventual disposition. An impairment loss, if any, is measured as the amount by which the carrying amount of said long-lived asset(s) exceeds its fair value. Management has determined that no long-lived assets were impaired as of September 30, 2021.

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources, which represents a consumption of net position applicable to a future period and will not be recognized as an outflow (expense) until that time. Deferred outflows relate primarily to 1) the difference in the carrying value of refunded debt and its reacquisition price, which amount is deferred and amortized over the shorter of the life of the refunded or refunding debt, 2) pension and other post-employment (OPEB) related items including differences between expected and actual investment earnings and experience, changes in the Department's proportionate share of contributions and contributions subsequent to the measurement date, and 3) goodwill, which represents the difference between the acquisition price and the fair value of utility systems purchased.

The Department has two items of goodwill which are amortized as follows:

- The goodwill resulting from the acquisition of the Village of Royal Palm Beach's Utility System is amortized over 30 years, which represents the period the bonds issued to fund the acquisition will be outstanding.
- The goodwill resulting from the acquisition of the Indian Trail Improvement District Utility System is amortized over 40 years.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources, which represents an acquisition of net position applicable to a future period and will not be recognized as an inflow (revenue) until that time. Deferred inflows relate primarily to pension and OPEB related items including differences between expected and actual investment earnings and experience and changes in the Department's proportionate share of contributions.

Compensated Absences - Accumulated unpaid vacation and sick leave benefits are accrued as a liability and charged to expense at the time the employees perform the services which give rise to the benefits.

Interest - Interest costs are expensed or capitalized as required by GASB No. 62. The amount of interest cost to be capitalized for qualifying assets is intended to be the portion of the interest costs incurred during the asset's acquisition periods which theoretically could have been avoided if the outlays for the assets had not been made.

Net Position - The financial statements utilized a net position presentation. Net position is categorized as: Net Investment in Capital Assets, Restricted and Unrestricted. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any debt attributable to the acquisition, construction or improvement of those assets. Restricted net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position which does not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

Use of Restricted Resources - When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources as they are needed.

3. CASH AND INVESTMENTS

Cash and investments consist of the following at September 30, 2021 and 2020:

<u>September 30, 2021</u>	
County Internal Investment Pool	\$346,939,599
Cash with Fiscal Agent	8,290,813
Petty cash	8,300
Total	<u>\$355,238,712</u>

<u>September 30, 2020</u>	
County Internal Investment Pool	\$302,694,182
Cash with fiscal agent	7,806,247
Petty cash	8,300
Total	<u>\$310,508,729</u>

The Department participates in the County's pooled cash system so as to maximize earnings and facilitate cash management. The County's pooled cash fund is a highly liquid investment pool of approximately \$2.57 billion and \$2.17 billion as of September 30, 2021 and 2020, respectively, of which approximately 10% and 14%, respectively, are invested in U. S. Government and Agency obligations. The County's investment policy for this pool requires that all securities be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank that is restricted for the safekeeping of County-owned securities. Almost all remaining amounts at September 30, 2021 and 2020 were invested in money markets and certificates of deposit. The equity in the County pooled cash system is available to the Department on a demand basis. See the County's Annual Comprehensive Financial Report (ACFR) for disclosures relating to its investment policy interest rate risk, credit risk, custodial credit risk and concentration of credit risk.

The County's ACFR may be viewed on-line at: <http://mypalmbeachclerk.com/annual-report> or may be ordered from: Palm Beach County Clerk & Comptroller • Attn: Financial Reporting 301 North Olive Avenue • West Palm Beach, Florida 33401 • (561) 355-2912.

4. INVESTMENT IN JOINT VENTURES

East Central Regional Wastewater Facilities

The County, on behalf of the Department, participates in a joint interlocal agreement (Agreement) with four municipalities whereby they consolidated separate agreements into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Facilities (ECR). ECR became a separate legal entity created for the purpose of providing wastewater treatment and disposal services to the five participating entities (Entities). The Agreement establishes the duties and responsibilities among the Entities for the operation of ECR. Key provisions of the Agreement include:

- The initial term of the Agreement is thirty years with an option to renew for an additional thirty years based upon mutual consent of the Entities.
- The Agreement can be terminated only with unanimous mutual consent of the Entities.
- An Entity may withdraw from participation in the Agreement; however, the Entity will forfeit its interest and allocation in ECR and will still be required to meet its obligations under the Agreement.
- In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on the reserve capacity allocation in effect as of the date of sale or disposition. As of September 30, 2021 and 2020, the Department had a 34.29% interest in ECR for both fiscal years.
- The Agreement provides for the establishment of a Board (Board) to administer ECR. The Board is comprised of one representative from each participating Entity.
- The City of West Palm Beach (City) is designated to administer and operate ECR efficiently and economically for the benefit of the Entities. To that end, the City retains legal title to ECR property, provides all personnel resources required for operation and administration of ECR, and assumes responsibility for all employee benefits, risk management, and other costs. In exchange for such services, ECR pays the City an administrative fee.
- A budget is adopted annually by the Board. Annual expenditures are covered by the wastewater flow charge, which is charged to each Entity based on usage.

Under accounting principles generally accepted in the United States of America, the Department is required to account for this investment using the equity method. Accordingly, the Department recorded its initial investment at cost and annually records its proportionate share of ECR's income or loss, contributions made, and distributions received.

The financial obligations of the Entities include the following:

- ECR allocates to the Entities the costs associated with the operation and maintenance of the treatment plant based on each Entity's proportionate share of total wastewater flow into the plant. The Department's totals of such costs charged to expense were approximately \$8,886,400 and \$7,556,500 for the fiscal years ended September 30, 2021 and 2020, respectively.
- The Entities are required to make annual deposits to a Renewal and Replacement Fund to finance improvements to ECR. The annual deposits of approximately \$2.8 million will continue until the amount on deposit equals 10% of the Department's proportionate share of ECR's replacement value which was estimated to be \$397 million as of September 30, 2020. The total of such costs was \$2,801,216 and \$2,719,624 for the fiscal years ended September 30, 2021 and 2020, respectively. The amounts on deposit were \$8,779,101 and \$10,063,899 for the fiscal years ended September 30, 2021 and 2020, respectively.
- Florida Power and Light (FPL), ECR and the Department entered into agreements to construct a 27 million gallons per day reclaimed water facility (Reclaimed Water Project). The Reclaimed Water Project was financed with debt issued by the Department (see Note 6) while a portion of the assets are located on ECR property, who operates the reclaimed water facility. The Department maintains and operates the distribution system and FPL reimburses the Department for all costs associated with operating and maintaining the

distribution system in addition to administrative costs. The total reclaimed water facility operating costs for the fiscal years ended September 30, 2021 and 2020, respectively, were \$2,963,700 and \$2,361,000.

- In fiscal year 2014 the Department was required to make annual deposits to a Renewal and Replacement Fund to finance improvements to the Reclaimed Water Project. The annual deposits of approximately \$0.2 million will continue until the amount on deposit equals 10% of the facility’s replacement value. As of September 30, 2021 and 2020, respectively, the Department’s investment in the Reclaimed Water Project was \$13.1 million and \$14.3 million.
- For the fiscal years ended September 30, 2021 and 2020, respectively, the Department’s total payments to ECR for all the transactions described above were \$14.7 million and \$12.9 million respectively.

The following table is a brief summary of the financial position of ECR as of September 30, 2020:

Total assets and deferred outflows	\$352,314,851
Total net position	\$171,533,420
Net Investment in capital assets	\$121,831,882
Unrestricted net position	\$5,430,631
Increase in net position	\$9,582,940

September 30, 2021 amounts are expected to approximate the above figures. As of September 30, 2021 and 2020, respectively, the Department’s investment in the ECR was \$62.5 million and \$59.4 million, respectively. Separate financial statements for ECR may be obtained at the following address: East Central Regional Wastewater Facilities • City of West Palm Beach • P.O. Box 3506 • West Palm Beach, FL 33402

Biosolids Processing and Recycling Facility

On September 23, 2003, the Board of County Commissioners, on behalf of the Water Utilities Department, entered into an interlocal agreement (Agreement) with the Solid Waste Authority (SWA) to fund a portion of the cost to design, build, and operate a Biosolids Processing and Recycling Facility (BPF). Amendments to the agreement were approved May 3, 2005, July 11, 2006 and July 16, 2013.

The BPF processes certain wastewater treatment residuals (biosolids) and is necessary to comply with increasingly stringent environmental regulations that have significantly decreased the number of land application sites available. Bulk land application was the previous method of disposing of the biosolids.

The Agreement is for a period of twenty years ending on August 1, 2029. Upon the conclusion of the term of the agreement, the BPF will remain the property of SWA with each participating entity owning its share of the BPF, in perpetuity, for the life of the plant. Under accounting principles generally accepted in the United States of America, the Department is required to account for this arrangement as a joint venture. Therefore, an asset is reported on Department’s financial statements under the caption “Investment in joint ventures.”

Since the BPF agreement does not state that the participants are to share in the profit and losses of the joint venture, the investment in joint venture account will not be adjusted to reflect the joint venture’s results of operations. Rather the investment in joint venture will be amortized using the straight-line method over the twenty-year life of the agreement. The amortization started on August 1, 2009. The Department’s 27.5% share resulted in pro rata obligations of \$9.2 million for construction costs and \$580,000 annually for operating expenses for the twenty-year period. On July 16, 2013, the Department sold excess capacity shares in the BPF to the ECR for \$2,817,749, leaving the Department with a 17.82% pro-rata share in the BPF’s capacity. The Department’s total operating costs were \$1,098,800 and \$1,053,400 for the fiscal years ended September 30, 2021 and 2020, respectively.

As of September 30, 2021 and 2020, respectively, the Department’s investment in the BPF is \$2.5 million and \$2.9 million. No separate financial statements are prepared for the BPF which is reported as part of SWA operations. Financial statements for the SWA may be obtained at the following address: Solid Waste Authority • 7501 North Jog Road • West Palm Beach, Florida 33412

5. INFORMATION ON CAPITAL ASSETS

Capital assets activity for the fiscal years ended September 30, 2021 and 2020 is depicted in the following two tables:

<u>September 30, 2021</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$15,626,971	\$ -	\$ -	\$15,626,971
Easements	1,678,030	-	-	1,678,030
Construction in progress	75,502,941	56,416,216	(76,856,739)	55,062,418
Total capital assets not being depreciated or amortized	92,807,942	56,416,216	(76,856,739)	72,367,419
Capital assets being depreciated or amortized:				
Buildings	141,872,792	-	-	141,872,792
Utility plants and pipelines	1,671,101,629	88,712,172	-	1,759,813,801
Equipment	94,385,080	5,828,407	(2,605,644)	97,607,843
Total capital assets being depreciated or amortized	1,907,359,501	94,540,579	(2,605,644)	1,999,294,436
Less accumulated depreciation or amortization for:				
Buildings	(59,411,049)	(3,618,694)	-	(63,029,743)
Utility plants and pipelines	(719,786,914)	(41,943,995)	-	(761,730,909)
Equipment	(66,643,476)	(6,177,557)	2,544,313	(70,276,720)
Total accumulated depreciation and amortization	(845,841,439)	(51,740,246)	2,544,313	(895,037,372)
Total capital assets being depreciated or amortized, net	1,061,518,062	42,800,333	(61,331)	1,104,257,064
Capital assets, net	<u>\$1,154,326,004</u>	<u>\$ 99,216,549</u>	<u>\$(76,918,070)</u>	<u>\$1,176,624,483</u>

<u>September 30, 2020</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$15,626,971	\$ -	\$ -	\$15,626,971
Easements	1,678,030	-	-	1,678,030
Construction in progress	70,823,870	55,180,575	(50,501,504)	75,502,941
Total capital assets not being depreciated or amortized	88,128,871	55,180,575	(50,501,504)	92,807,942
Capital assets being depreciated or amortized:				
Buildings	141,872,792	-	-	141,872,792
Utility plants and pipelines	1,604,115,119	66,986,510	-	1,671,101,629
Equipment	91,268,242	4,514,717	(1,397,879)	94,385,080
Total capital assets being depreciated or amortized	1,837,256,153	71,501,227	(1,397,879)	1,907,359,501
Less accumulated depreciation or amortization for:				
Buildings	(55,787,357)	(3,623,692)	-	(59,411,049)
Utility plants and pipelines	(679,487,118)	(40,299,796)	-	(719,786,914)
Equipment	(61,833,035)	(6,125,465)	1,315,024	(66,643,476)
Total accumulated depreciation and amortization	(797,107,510)	(50,048,953)	1,315,024	(845,841,439)
Total capital assets being depreciated or amortized, net	1,040,148,643	21,452,274	(82,855)	1,061,518,062
Capital assets, net	<u>\$1,128,277,514</u>	<u>\$76,632,849</u>	<u>\$(50,584,359)</u>	<u>\$1,154,326,004</u>

6. REVENUE BONDS PAYABLE AND LONG-TERM DEBT

Long-term obligations activity for the fiscal years ended September 30, 2021 and 2020 are depicted in the following two tables:

September 30, 2021	Beginning Balance	Increases	Decreases	Ending Balance	Due in Fiscal Year 2022
Revenue bonds	\$133,500,000	\$59,375,000	\$(56,265,000)	\$136,610,000	\$6,490,000
Notes	6,290,593	-	(602,202)	5,688,391	613,670
Unamortized premiums	12,477,375	-	(7,487,084)	4,990,291	-
Net revenue bonds payable	<u>152,267,968</u>	<u>59,375,000</u>	<u>(64,354,286)</u>	<u>147,288,682</u>	<u>7,103,670</u>
Compensated absences	3,681,906	259,214	(251,065)	3,690,055	341,000
Total long-term obligations	<u>\$155,949,874</u>	<u>\$59,634,214</u>	<u>\$(64,605,351)</u>	<u>\$150,978,737</u>	<u>\$7,444,670</u>

September 30, 2020	Beginning Balance	Increases	Decreases	Ending Balance	Due in Fiscal Year 2021
Revenue bonds	\$144,079,151	\$44,105,000	\$(54,684,151)	\$133,500,000	\$4,940,000
Notes	6,878,073	-	(587,480)	6,290,593	602,202
Unamortized premiums	10,183,737	4,648,674	(2,355,036)	12,477,375	-
Net revenue bonds payable	<u>161,140,961</u>	<u>48,753,674</u>	<u>(57,626,667)</u>	<u>152,267,968</u>	<u>5,542,202</u>
Compensated absences	3,366,535	589,592	(274,221)	3,681,906	321,000
Total long-term obligations	<u>\$164,507,496</u>	<u>\$49,343,266</u>	<u>\$(57,900,888)</u>	<u>\$155,949,874</u>	<u>\$5,863,202</u>

The Series 2020, 2019, 2015 and 2013 Water and Sewer Revenue Bonds, along with other long-term debt obligations, are repayable in future years as follows:

	Year (s) Ending September 30	
	Principal	Interest
2022	\$7,103,670	\$3,599,193
2023	7,345,366	3,356,857
2024	7,597,297	3,093,534
2025	7,794,463	2,889,109
2026	7,926,876	2,752,513
2027-2031	40,751,696	11,207,801
2032-2036	46,354,023	6,238,349
2037-2041	17,425,000	760,799
Total	<u>\$142,298,391</u>	<u>\$33,898,156</u>

The bond issues enable the Department to call various maturities of the debt at specified premiums of up to 2% of the principal balance.

The Water and Sewer Revenue Bonds are collateralized by a first lien on the Department's net revenues and connection fees as defined in the bonds' resolutions (Resolutions). The Department is required to establish rates and fees sufficient to provide net revenues and connection fees which are at least 125% of the annual debt service requirements.

The Water and Sewer Revenue Bond Resolutions established certain accounts and determined the order in which revenue is to be deposited into these accounts. The purpose of the accounts, in order of priority of monthly revenue transfers, is as follows:

Revenue: deposit all revenue.

Operations & Maintenance: pay operating expenses.

Sinking Fund Accounts:

- **Bond Interest Account:** fund the next semi-annual interest payment on all outstanding serial and term bonds.
- **Bond Principal Account:** fund the next annual principal payment on all outstanding serial bonds.
- **Bond Redemption Account:** fund the next annual principal payment on all outstanding term bonds.
- **Debt Service Reserve Account:** deposit one-twelfth of the amount equal to the maximum annual debt service requirement on the bonds in any succeeding year, but insurance may be used, up to the maximum annual debt service amount, for transfer to the bond interest, bond principal, or bond redemption accounts, if necessary.

Renewal and Replacement: deposit one-twelfth of 5% of the preceding year’s gross revenue for extensions, improvements, additions, or the replacement of capital assets until the amount on deposit equals \$1,000,000.

Capital Improvement: deposit remaining revenue for use in any manner provided by law.

Connection Fee: deposit all connection fees received, fund any deficiency in the sinking fund accounts or subordinated indebtedness, pay costs of constructing extensions to the Water and Sewer System, or use for any other lawful purpose.

The Department’s long-term revenue bonds payable as of September 30, 2021 and 2020 are illustrated in the following table:

<u>REVENUE BONDS AND NOTES</u>	September 30	
	2021	2020
\$72,430,000 Series 2013 Water & Sewer Revenue Refunding Bonds due in annual installments of \$3,600,000 to \$3,900,000 through October 1, 2024, with interest from 4.00% to 5.00% payable semiannually on October 1 and April 1.	\$11,240,000	\$66,010,000
\$26,930,000 Series 2015 Water & Sewer Revenue Refunding Bonds due in annual installments of \$7,535,000 to \$8,080,000 through October 1, 2036, with interest from 3.125% to 4.00% payable semiannually on October 1 and April 1.	23,385,000	23,385,000
\$44,105,000 Series 2019 Water & Sewer Revenue Refunding Bonds due in annual installments of \$1,575,000 to \$2,985,000 through October 1, 2036, with interest from 2.5% to 5.00% payable semiannually on October 1 and April 1.	42,610,000	44,105,000
\$59,375,000 Series 2020 Water & Sewer Revenue Refunding Bonds due in annual installments of \$1,315,000 to \$5,865,000 through October 1, 2033, with interest from 0.2% to 1.75% payable semiannually on October 1 and April 1.	59,375,000	-
Various State Revolving Fund notes payable	5,688,391	6,290,593
Total debt	142,298,391	139,790,593
Less current portion of long-term debt	(7,103,670)	(5,542,202)
Plus unamortized premium	4,990,291	12,477,375
Total noncurrent portion	<u>\$140,185,012</u>	<u>\$146,725,766</u>

7. PLEDGED REVENUES

The Department has pledged future water and wastewater system revenues, net of specified operating expenses, to repay \$140 million in water and sewer system revenue bonds issued between February 27, 2013 and October 27, 2020 and notes assumed with the absorption of the GUA on May 1, 2013. Proceeds from the bonds provided financing for the addition, improvement, and expansion of the utility system facilities, infrastructure, and equipment. The bonds and notes are payable solely from the utility system net revenues and are payable through October 1, 2040.

Net revenues are defined as gross revenues remaining after deducting operating expenses, with operating revenues including all income except the following excluded items: third party reimbursements, connection fees (see next paragraph), special assessments, gain on disposal of capital assets, and grants. Operating expenses exclude interest expense, depreciation and amortization, equity interest in net loss of joint venture, and loss on disposal of capital assets.

Connection fees included are the lesser of total connection fees collected during the fiscal year or the percentage of debt service for the fiscal year attributable to expansion of the utility system.

Total principal and interest remaining to be paid on the bonds and notes is \$176.2 million with annual requirements ranging from \$0.1 million in fiscal years 2039 and 2040 to \$10.7 million in fiscal years 2022 through 2027. Annual principal and interest payments on these debts are expected to require less than 25% of projected future net revenues and connection fees. Principal and interest paid for the current year and utility system net revenues and connection fees were \$11.0 million and \$109.1 million, respectively.

8. ADVANCE REFUNDING OF DEBT

On November 26, 2019 the Department issued \$44,105,000 Series 2019 Water and Sewer Revenue Refunding Bonds for the purpose of current refunding the remaining \$48,755,000 of Series 2009 Water and Sewer Revenue Bonds outstanding. The Series 2009 bonds were called for redemption effective November 26, 2019. Outstanding principal and accrued interest up to the redemption date was paid to the bondholders on this date through a fiscal agent. As a result, the Department recognized an accounting gain of \$870,781, but realized a difference between the cash flows to service the old debt and the new debt of \$13,245,536 and realized an economic gain (net present value of cash flow savings) of \$12,505,536.

On October 27, 2020 the Department issued \$59,375,000 Series 2020 Water and Sewer Revenue Refunding Bonds for the purpose of advance refunding \$51,325,000 of Series 2013 Water & Sewer Revenue Refunding Bonds maturing on or after October 1, 2024. The Department placed into irrevocable trust funds sufficient to pay interest on said bonds and redeem on those bonds on the October 1, 2023 call date. As a result, the Department recognized an accounting loss of \$4,833,851, but realized a difference between the cash flows to service the old debt and the new debt of \$8,398,635 and an economic gain of \$7,708,533.

9. COMMITMENTS

The Department has entered into construction contracts with remaining commitments totaling approximately \$103,162,000 and \$59,375,000 as of September 30, 2021 and 2020, respectively.

10. RETIREMENT PLANS

The Department provides retirement benefits to its employees through the Florida Retirement System (System), a contributory, cost-sharing, multiple-employer, public employee retirement system. All employees are covered by the System. There are three plans, as described below, within the System. All of the Department's employees are eligible to participate in the System, and substantially all are covered by the System.

Plan Descriptions:

Florida Retirement System (FRS) Pension Plan and Retiree Health Insurance Subsidy (HIS) Program are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost of

living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida Legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time.

An annual comprehensive financial report including financial information and required supplementary information on both plans is publicly available on the Florida Department of Management Services website (<http://www.dms.myflorida.com>)

Florida Retirement System Investment Plan (Investment Plan) is a defined contribution plan the Department contributes to for its eligible employees who elect to participate in the Investment Plan in lieu of the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Department employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends in part on the performance of the investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates which are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

Pension Expense/Expenditures:

The Department's aggregate pension expense/expenditures for all plans amounted to \$(2,095,684) for the fiscal year ended September 30, 2021. The Department's aggregate net pension liability for all plans was \$13,603,239, with balances of deferred outflows of resources related to pensions of \$7,390,360 and deferred inflows of resources related to pensions of \$21,803,474 as of September 30, 2021.

Florida Retirement System (FRS) Pension Plan Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The % level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July

1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment, whereupon members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2021:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	6.75%
Special Risk	3.00%	23.76%
State Attorney/Public Defender	3.00%	54.31%
County, City, Special District Elected Officers	3.00%	47.10%
Special Risk Administrative Support	3.00%	36.87%
Senior Management	3.00%	23.69%
Deferred Retirement Option Program	N/A	12.94%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

The Department’s employer contributions to the FRS Pension Plan totaled \$3.7 million and employee contributions totaled \$1.3 million for the fiscal year ended September 30, 2021. The Department contributed 100 percent of its statutorily required contributions for the current and preceding two years.

Net Pension Liability, Deferrals, and Pension Expenses

At September 30, 2021 the Department reported a liability of \$6.0 million for its proportionate share of the FRS Pension Plan’s net pension liability, which was measured as of June 30, 2021. The total pension liability used to calculate the net liability was determined by an actuarial valuation as of July 1, 2021. The Department’s proportionate share of the net pension liability was based on the Department’s 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021 the Department’s proportionate share was 0.079% which was an increase of 0.001 from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2020 the Department recognized pension expense of \$5.1 million related to the FRS Pension Plan. In addition, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$-	\$1,023,786
Change of assumptions	-	4,087,039
Net difference between projected and actual earnings on Pension Plan investments	20,838,379	-
Changes in proportion and differences between Department Pension Plan contributions and proportionate share of contributions	551,693	284,952
Department Pension Plan contributions subsequent to the measurement date	<u>-</u>	<u>778,253</u>
Total	<u>\$21,390,072</u>	<u>\$6,174,030</u>

The Department's contributions to the FRS Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$3,510,973
2023	3,276,368
2024	4,071,509
2025	5,390,459
2026	(255,014)
Total	<u>\$15,994,295</u>

For the fiscal year ended September 30, 2020 the Department recognized pension expense of \$5.1 million related to the FRS Pension Plan. In addition, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$-	\$1,294,951
Change of assumptions	-	6,125,290
Net difference between projected and actual earnings on Pension Plan investments	-	2,014,594
Changes in proportion and differences between Department Pension Plan contributions and proportionate share of contributions	376,439	453,505
Department Pension Plan contributions subsequent to the measurement date	<u>-</u>	<u>669,750</u>
Total	<u>\$376,439</u>	<u>\$10,558,090</u>

The Department's contributions to the FRS Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2021	\$2,019,138
2022	3,045,667
2023	2,539,424
2024	1,525,403
2025	408,932
Thereafter	<u>(26,663)</u>
Total	<u>\$9,511,901</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

- **Inflation:** 2.4 percent
- **Investment Rate of Return:** 6.8 percent, net of plan investment expense
- **Salary Increases:** 3.25% average, including inflation
- **Mortality:** was calculated using the PUB2010 with Projection Scale MP 2018, with adjustments for member category and sex projected generationally.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

- **Inflation:** 2.4 percent
- **Investment Rate of Return:** 6.8 percent, net of plan investment expense
- **Salary Increases:** 3.25% average, including inflation
- **Mortality:** was calculated using the PUB-2010 with Projection Scale MP-2018, with adjustments for member category and sex projected generationally.

The actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	100%			
Assumed inflation - mean			2.4%	1.2%

Note 1: As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.8%. The Pension Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity to Changes in the Discount Rate - The following represents the Department's proportionate share of the net pension liability calculated using the 6.8% discount rate as well as what the Department's proportionate share would be if it were calculated using a discount rate one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

	<u>2021 Discount Rates</u>		
	<u>1% decrease (5.8%)</u>	<u>Current 6.8% Discount Rate</u>	<u>1% increase (7.8%)</u>
Department's proportionate share of the net pension liability (asset)	\$26,711,763	\$5,973,024	\$(11,362,237)

	<u>2020 Discount Rates</u>		
	<u>1% decrease (5.8%)</u>	<u>Current 6.8% Discount Rate</u>	<u>1% increase (7.8%)</u>
Department's proportionate share of the net pension liability (asset)	\$54,029,501	\$33,835,434	\$16,969,261

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Retiree Health Insurance Subsidy (HIS) Program:

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive an HIS Plan benefit, a retiree under State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Program is funded by required contributions from participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active Pension Plan

members. For the fiscal year ended September 30, 2021 the contribution rate was 1.66% of total Pension Plan contributions. The Department contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Department’s employer contributions to the HIS Program totaled \$60,956 for the fiscal year ended September 30, 2021. The Department contributed 100 percent of its statutorily required contributions for the current and preceding two years.

Net Pension Liability, Deferrals and Pension Expense

At September 30, 2021 the Department reported a liability of \$7.6 million for its proportionate share of the HIS Program’s net pension liability, which was measured as of June 30, 2021. The total pension liability used to calculate the net liability was determined by an actuarial valuation as of July 1, 2021. The Department’s proportionate share of the net pension liability was based on the Department’s fiscal year 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members for the same period. At June 30, 2021 the Department’s proportionate share was 0.062%, which was an increase of 0.004 from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Department recognized pension expense of \$562,905 related to the HIS Program. In addition, the Department reported deferred outflows of resources and deferred inflows of resources related to the HIS Program from the following sources:

<u>Description</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$3,196	\$255,326
Change of assumptions	314,384	599,564
Changes in proportion and differences between Department Pension Plan contributions and proportionate share of contributions	95,822	266,847
Net difference between projected and actual Earnings on Pension Plan investments	-	7,954
Department Pension Plan contributions subsequent to the measurement date	-	86,639
Total	<u>\$413,402</u>	<u>\$1,216,330</u>

The Department’s contributions to the HIS Program subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to the HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$185,621
2023	89,084
2024	115,686
2025	155,987
2026	130,709
Thereafter	<u>39,202</u>
Total	<u>\$716,289</u>

At September 30, 2020 the Department reported a liability of \$7.1 million for its proportionate share of the HIS Program's net pension liability, which was measured as of June 30, 2020. The total pension liability used to calculate the net liability was determined by an actuarial valuation as of July 1, 2020. The Department's proportionate share of the net pension liability was based on the Department's fiscal year 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members for the same period. At June 30, 2020 the Department's proportionate share was 0.058%, which was an increase of 0.001 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Department recognized pension expense of \$259,524 related to the HIS Program. In addition, the Department reported deferred outflows of resources and deferred inflows of resources related to the HIS Program from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$5,510	\$292,173
Change of assumptions	415,311	768,026
Changes in proportion and differences between Department Pension Plan contributions and proportionate share of contributions	138,564	96,906
Net difference between projected and actual Earnings on Pension Plan investments	-	5,703
Department Pension Plan contributions subsequent to the measurement date	-	80,860
Total	<u>\$559,385</u>	<u>\$1,243,668</u>

The Department's contributions to the HIS Program subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$163,537
2022	132,209
2023	41,614
2024	65,827
2025	103,993
Thereafter	<u>96,243</u>
Total	<u>\$603,423</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

- **Inflation:** 2.40 percent.
- **Municipal Bond Rate:** 2.16 percent.
- **Salary Increases:** 3.25 percent, average, including inflation.

- **Mortality:** was calculated using the Generational PUB-2010 with Projection Scale MP-2018, with adjustments for member category and sex projected generationally.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

- **Inflation:** 2.40 percent.
- **Municipal Bond Rate:** 2.21 percent.
- **Salary Increases:** 3.25 percent, average, including inflation.
- **Mortality:** was calculated using the PUB-2010 with Projection Scale MP-2018, with adjustments for member category and sex projected generationally.

The actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent of discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Program sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity to Changes in the Discount Rate – The following tables represents the Department’s proportionate share of the net pension liability as well as what the Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	2021 Discount Rates		
	1% decrease (1.16%)	Current 2.16% Discount Rate	1% increase (3.16%)
Department’s proportionate share of the net pension liability (asset)	\$8,821,267	\$7,630,215	\$6,654,414

	2020 Discount Rates		
	1% decrease (1.21%)	Current 2.21% Discount Rate	1% increase (3.21%)
Department’s proportionate share of the net pension liability (asset)	\$8,256,453	\$7,142,536	\$6,230,798

Florida Retirement System Investment Plan

Vesting Provisions: For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered

employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll, which is included in the FRS contribution rates, and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Department. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Department’s employer contributions to the Investment Plan totaled \$0.4 million for the fiscal year ended September 30, 2021.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to the retirement plans, the Department provides a defined benefit health care OPEB plan, which provides medical benefits to all eligible retired employees and their dependents.

OPEB Expense/Expenditures: The Department’s share of OPEB expense/expenditures was \$110,280 for the fiscal year ended September 30, 2021. The Department’s total OPEB liability was \$1,217,779, with deferred outflows of resources related to OPEB of \$277,745 and deferred inflows of resources related to OPEB of \$22,957 as of September 30, 2021. For the fiscal year ended September 30, 2020 the Department’s share of OPEB expense/expenditures was \$88,931. The Department’s OPEB liability was \$1,281,415, with deferred outflows of resources related to OPEB of \$299,505 and deferred inflows of resources related to OPEB of \$25,692 as of September 30, 2020.

Plan Description - The plan is a single-employer plan administered by the County. The authority to establish and amend the benefit terms and financing requirements is granted to the County Board. The Department, as an entity of the County, is required by Florida Statute 112.0801 to allow its retirees (and eligible dependents) to continue participation in the group insurance plan. No assets are accumulated in a trust which meets the criteria in Paragraph 4 of GASB Statement No. 75. Additionally, there are no legal documents referencing a trust. The healthcare benefits OPEB plan does not issue a separate stand-alone financial report.

Benefits Provided - Retirees of the healthcare benefit OPEB plan must be offered the same coverage as is offered to active employees at a premium cost no more than the premium cost applicable for active employees, resulting in an implicit subsidy.

Employees Covered by Benefit Terms

As of September 30, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries	12
Active members	517
Total	<u>529</u>

As of September 30, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries	12
Active members	<u>517</u>
Total	<u><u>529</u></u>

Total OPEB Liability – The total healthcare OPEB liability of \$1,217,779 was measured as of September 30, 2021. The liability measured in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	<u>9/30/2021</u>	<u>9/30/2020</u>
Inflation rate	3.0%	3.0%
Projected annual salary increase	3.5%	3.5%
Discount rate	2.15%	2.21%
Initial healthcare inflation rate	5.5%	6.0%
Ultimate healthcare inflation rate (2 years out)	4.5%	4.5%

The discount rate was based on the Bond Buyer 20-Bond GO index.

Mortality rates were based on the PUB 2010 generational table with MP-2019 generational scale and applied on a gender-specific basis.

No formal experience study was performed; however, the actuarial assumptions used in the valuation were consistent with the Florida Retirement System.

Changes in Total OPEB Liability - The following table illustrates changes in the Department's portion of the forgoing for the fiscal years ended September 30, 2021 and 2020:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Balances, beginning of year	\$1,281,415	\$1,027,869
Changes for the year:		
Service cost	76,632	51,282
Interest cost	35,115	37,572
Differences between expected and actual experience	-	137,523
Changes in assumptions or other inputs	7,248	185,801
Benefit payments	<u>(182,631)</u>	<u>(158,632)</u>
Net changes	(63,636)	253,546
Total	<u><u>\$1,217,779</u></u>	<u><u>\$1,281,415</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following tables present the Department's share of the total OPEB liability as well as what that liability would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	2021 Discount Rates		
	1% decrease (1.15%)	Current 2.15% Discount Rate	1% increase (3.15%)
Total OPEB liability	\$1,303,024	\$1,217,779	\$1,144,712

	2020 Discount Rates		
	1% decrease (1.21%)	Current 2.21% Discount Rate	1% increase (3.21%)
Total OPEB liability	\$1,371,129	\$1,281,415	\$1,204,543

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates – The following table presents the Department’s share of the total OPEB liability as well as what that liability would be if it were calculated using healthcare cost trend rates 1 percent lower or 1 percent higher than the assumed trend rate:

	2021 Healthcare Cost Trend Rates		
	1% decrease 4.5% decreasing to 3.5% over 3 years	Current Rate 5.5% decreasing to 4.5% over 3 years	1% increase 6.5% decreasing to 5.5% over 2 years
Total OPEB Liability	\$1,108,179	\$1,217,779	\$1,351,735

	2020 Healthcare Cost Trend Rates		
	1% decrease 5.0% decreasing to 3.5% over 3 years	Current Rate 6.0% decreasing to 4.5% over 3 years	1% increase 7.0% decreasing to 5.5% over 3 years
Total OPEB Liability	\$1,166,100	\$1,281,415	\$1,422,386

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -

For the fiscal years ended September 30, 2021 and September 30, 2020 the healthcare OPEB plan recognized OPEB expense of \$110,280 and \$88,931, respectively. At September 30, 2021 the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

Fiscal Year Ending September 30, 2021		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$87,976	
Change of assumptions/inputs	189,769	\$(22,957)
Total	<u>\$277,745</u>	<u>\$(22,957)</u>

Fiscal Year Ending September 30, 2020		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$96,462	
Change of assumptions/inputs	<u>203,043</u>	<u>\$(25,692)</u>
Total	<u>\$299,505</u>	<u>\$(25,692)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the healthcare OPEB plan will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$21,909
2023	21,909
2024	21,909
2025	21,909
2026	21,909
Thereafter	<u>145,243</u>
Total	<u>\$254,788</u>

12. INTEREST COSTS

Total interest costs incurred by the Department were \$3,856,294 and \$5,999,343, of which \$1,109,707 and \$2,526,805 were capitalized as part of capital assets, for the fiscal years ended September 30, 2021 and 2020, respectively.

13. RELATED PARTY TRANSACTIONS

The County allocated to the Department certain support department costs which include legal, administrative, fiscal, purchasing, personnel, internal audit, data processing, and communication costs. The Department is also charged for the costs of services provided by the County's Fleet Management, Casualty Self-Insurance, Employee Health Insurance, and Workers' Compensation Internal Service Funds. The total of such costs charged to expense for the fiscal years ended September 30, 2021 and 2020, was approximately \$28,120,000 and \$27,715,000, respectively.

The Department covers risk of loss from fire, theft, natural disasters, and damage to assets, in excess of \$200,000 per person or \$300,000 per occurrence, with commercial insurance purchased through the County's Risk Management Fund, with the coverage specifically designated for the Department's facilities. In none of the last three fiscal years have settlements pertaining to the Department's property exceeded insurance coverage.

Liability claims risk from torts, errors of omission, negligence, and the aforementioned causes (below the specified limits) is covered by the Department's participation in the County's Casualty Self-Insurance Fund (a public entity risk pool in which all County departments, excluding the Sheriff, participate). Premiums are based on estimates of the amounts needed to pay prior year claims, current year claims, and claims incurred but not reported. Settlements pertaining to the Department have not exceeded coverage limits in any of the past three years.

The Department's risk for injuries to employees is covered 100% under the County's self-insured Workers' Compensation Fund. Premiums and participation are the same as for the Casualty Self-Insurance Fund.

The Department provides health insurance to its employees through the County's self-insured policy. All County departments participate, with premiums determined on the same premise as above. Settled claims have not exceeded coverage in any of the last three years.

14. CONTINGENCIES

The Federal Emergency Management Agency (FEMA) reimbursed the Department certain costs related to Hurricanes Frances and Wilma in fiscal years 2005 and 2006, respectively. Subsequent audits of these reimbursements determined up to \$2,626,448 of the reimbursement was for costs FEMA disallowed. The County is appealing the decision and, due to uncertainty regarding the amount, if any, which will be actually repaid, has not recognized a liability in the financial statements.

The Department is also involved in various lawsuits arising from the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of Department management, based on consultation with legal counsel, that the outcome of these matters will not materially affect the financial position of the Department.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread throughout the globe, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the County were significantly affected by decreased sales tax collections due to the shuttering of many businesses deemed non-essential. Although most business activity has fully re-opened, the extent of these effects on governmental activity, business activity and investment results going forward depend on future developments and the success of mitigation and treatment efforts. The primary effects on the Department have been 1) increased bad debt expense, 2) decreased investment income, and 3) expenditures for personal protective equipment.

15. DEFERRED COMPENSATION

The Department participates in the County's Deferred Compensation Plan. The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or certain unforeseen emergencies.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the plan participants and their beneficiaries.

16. SUBSEQUENT EVENTS

The Department's management evaluated subsequent events through March 30, 2022, the date the financial statements were available to be issued, and has determined that no additional material events have occurred which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
For the Last Ten Fiscal Years*

(REQUIRED SUPPLEMENTARY INFORMATION)
(unaudited)

Schedule of Proportionate Share of Net Pensions Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Department's proportion of the FRS net pension liability	0.079%	0.078%	0.075%	0.076%	0.081%	0.079%	0.078%	0.079%
Department's proportionate share of the FRS net pension liability	\$ 5,973,024	\$ 33,835,434	\$ 25,861,898	\$ 22,915,248	\$ 23,906,665	\$ 19,919,085	\$ 10,030,459	\$ 4,847,927
Department's covered payroll	\$ 34,159,806	\$ 32,012,003	\$ 31,262,882	\$ 31,009,120	\$ 31,394,359	\$ 31,953,486	\$ 29,503,880	\$ 28,927,640
Department's proportionate share of the FRS net pension liability as a percentage of its covered payroll	17.5%	105.7%	82.7%	73.9%	76.1%	62.3%	34.0%	16.8%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

NOTE: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 through 2021 is available.

Schedule of Contributions to Florida Retirement System Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 3,611,093	\$ 3,122,589	\$ 2,804,807	\$ 2,595,181	\$ 2,479,881	\$ 2,383,065	\$ 2,260,802	\$ 2,159,631
FRS contributions in relation to the contractually required contribution	\$ 3,611,093	\$ 3,122,589	\$ 2,804,807	\$ 2,595,181	\$ 2,479,881	\$ 2,383,065	\$ 2,260,802	\$ 2,159,631
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department's covered payroll	\$ 33,716,977	\$ 32,918,741	\$ 31,984,496	\$ 30,579,222	\$ 30,596,525	\$ 30,413,366	\$ 29,254,317	\$ 28,937,668
FRS contributions as a percentage of covered payroll	10.7%	9.5%	8.8%	8.5%	8.1%	7.8%	7.7%	7.5%

NOTE: The schedule is presented to illustrate the requirements of GASB Statement No. 68 as of September 30th. Currently, only data for fiscal years 2014 through 2021 is available.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
For the Last Ten Fiscal Years

(REQUIRED SUPPLEMENTARY INFORMATION)
(unaudited)

Schedule of Proportionate Share of Net Pensions Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Department's proportion of the HIS net pension liability	0.062%	0.058%	0.057%	0.058%	0.060%	0.060%	0.061%	0.061%
Department's proportionate share of the HIS net pension liability	\$ 7,630,215	\$ 7,142,536	\$ 6,350,116	\$ 6,114,168	\$ 6,441,337	\$ 6,870,208	\$ 6,165,853	\$ 5,730,171
Department's covered payroll	\$ 34,159,806	\$ 32,012,003	\$ 31,262,882	\$ 31,009,120	\$ 31,394,359	\$ 31,953,486	\$ 29,503,880	\$ 28,927,640
Department's proportionate share of the HIS net pension liability as a percentage of its covered payroll	22.3%	22.3%	20.3%	19.7%	20.5%	21.5%	20.9%	19.8%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.99%	0.99%

NOTE: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years 2014 through 2021 is available.

Schedule of Contributions to Health Insurance Subsidy Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 60,956	\$ 52,710	\$ 47,346	\$ 43,807	\$ 41,861	\$ 40,227	\$ 28,850	\$ 27,559
HIS contributions in relation to the contractually required contribution	\$ 60,956	\$ 52,710	\$ 47,346	\$ 43,807	\$ 41,861	\$ 40,227	\$ 28,850	\$ 27,559
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department's covered payroll	\$ 33,716,977	\$ 32,918,741	\$ 31,984,496	\$ 30,579,222	\$ 30,596,525	\$ 30,413,366	\$ 29,254,317	\$ 28,934,668
HIS contributions as a percentage of covered payroll	0.18%	0.16%	0.15%	0.14%	0.14%	0.13%	0.10%	0.10%

NOTE: The schedule is presented to illustrate the requirements of GASB Statement No. 68 as of September 30th. Currently, only data for fiscal years 2014 through 2021 is available.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
COUNTY HEALTH-CARE OPEB PLAN
Last Ten Fiscal Years

(REQUIRED SUPPLEMENTARY INFORMATION)
(unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 1,281,415	\$ 1,027,869	\$ 988,208	\$ 1,064,296
Service cost	76,632	51,282	58,942	46,378
Interest cost	35,115	37,572	67,172	59,065
Differences between expected and actual experience	-	137,523	-	-
Change of assumptions	7,248	185,801	131,482	(41,803)
Benefit payments, including refunds of member contributions	(182,631)	(158,632)	(217,935)	(139,728)
Net change in total OPEB liability	<u>(63,636)</u>	<u>253,546</u>	<u>39,661</u>	<u>(76,088)</u>
Total OPEB liability - ending	<u>\$ 1,217,779</u>	<u>\$ 1,281,415</u>	<u>\$ 1,027,869</u>	<u>\$ 988,208</u>
Covered employee payroll	\$ 33,716,977	\$ 32,918,741	\$ 31,984,496	\$ 30,579,222
Total OPEB liability as a percentage of covered employee payroll	3.6%	3.9%	3.2%	3.2%

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2021	2.15%			
2020		2.21%		
2019			2.66%	
2018				4.24%

Notes to Schedule:

- (1) GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was implemented in fiscal year 2018 requiring ten-year trend data. Additional years will be displayed as the data becomes available.
- (2) Amounts are as of September 30 of each year.
- (3) Currently only data for 2018 through 2021 is available.

SUPPLEMENTARY INFORMATION

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
BUDGETARY COMPARISON SCHEDULE
REVENUES, EXPENSES (natural classification), AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2021
(Supplementary Information)

	<u>Original Budget</u>	<u>Current Budget</u>	<u>Actual Results</u>	<u>Variance</u>	<u>%</u>
OPERATING REVENUES:					
Charges for services	\$ 216,768,000	\$ 216,768,000	\$ 221,161,462	\$ 4,393,462	2%
Other operating revenue	4,501,400	4,501,400	5,402,338	900,938	20%
Total operating revenues	<u>221,269,400</u>	<u>221,269,400</u>	<u>226,563,800</u>	<u>5,294,400</u>	2%
OPERATING EXPENSES:					
Depreciation and amortization	53,692,852	53,692,852	53,692,913	(61)	0%
Personal services	53,793,044	53,197,394	43,820,109	9,377,285	18%
Maintenance	41,911,306	41,764,078	30,700,664	11,063,414	26%
Supplies	19,709,701	19,709,624	18,607,701	1,101,923	6%
Contractual services	22,938,773	23,358,703	20,715,904	2,642,799	11%
Purchased water and wastewater treatment	13,477,000	13,477,000	11,965,116	1,511,884	11%
Utilities	9,482,300	9,257,300	8,599,320	657,980	7%
Equity interest in net loss of joint venture	(1,420,733)	(1,420,733)	(1,420,733)	-	0%
Miscellaneous	3,025,781	2,978,151	2,484,166	493,985	17%
Total operating expenses	<u>216,610,024</u>	<u>216,014,369</u>	<u>189,165,160</u>	<u>26,849,209</u>	12%
OPERATING INCOME (LOSS)	<u>4,659,376</u>	<u>5,255,031</u>	<u>37,398,640</u>	<u>32,143,609</u>	612%
NONOPERATING REVENUES (EXPENSES):					
Investment income	5,227,000	5,227,000	3,891,034	(1,335,966)	-26%
Interest expense	(3,592,293)	(2,428,493)	(2,426,510)	1,983	0%
Engineering fees	926,000	926,000	715,661	(210,339)	-23%
Engineering expenses	(1,056,000)	(1,056,000)	(799,981)	256,019	24%
Other	358,000	(281,900)	(139,952)	141,948	50%
Total nonoperating revenues (expenses)	<u>1,862,707</u>	<u>2,386,607</u>	<u>1,240,252</u>	<u>(1,146,355)</u>	-48%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS					
	6,522,083	7,641,638	38,638,892	30,997,254	406%
Transfers from other County Funds	125,000.00	125,000	125,000	-	0%
Transfers to other County Funds	(68,651)	(68,651)	(69,320)	(669)	-1%
Capital contributions received, net	36,878,000	36,878,000	38,270,320	1,392,320	4%
CHANGE IN NET POSITION	<u>\$ 43,456,432</u>	<u>\$ 44,575,987</u>	<u>\$ 76,964,892</u>	<u>\$ 32,388,905</u>	73%

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
BUDGETARY COMPARISON SCHEDULE
REVENUES, EXPENSES (functional classification), AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2021
(Supplementary Information)

	Current Budget	Actual	Variance	%
OPERATING REVENUES:				
Water - base facility	\$ 51,295,000	\$ 51,166,034	\$ (128,966)	0%
Water - commodity	52,254,000	55,085,827	2,831,827	5%
Water - contractual	2,966,000	3,646,920	680,920	23%
Wastewater - base facility	57,392,000	62,307,856	4,915,856	9%
Wastewater - commodity	40,143,000	36,302,805	(3,840,195)	-10%
Wastewater - contractual	1,512,000	2,669,853	1,157,853	77%
Reclaimed water - retail	2,095,000	1,970,835	(124,165)	-6%
Reclaimed water - bulk	8,156,000	7,418,677	(737,323)	-9%
Customer account charge	955,000	592,655	(362,345)	-38%
Other operating revenue	4,501,400	5,402,338	900,938	20%
Total operating revenues	221,269,400	226,563,800	5,294,400	2%
OPERATING EXPENSES:				
Water treatment	39,610,765	36,131,762	3,479,003	9%
Water distribution	16,809,017	13,727,700	3,081,317	18%
Wastewater treatment	22,392,885	18,626,995	3,765,890	17%
Wastewater collection	25,508,097	22,160,764	3,347,333	13%
Purchased water and wastewater treatment	13,477,000	11,965,116	1,511,884	11%
Customer accounts	10,516,886	9,264,551	1,252,335	12%
Administrative and general	35,427,600	25,016,092	10,411,508	29%
Total operating expenses	163,742,250	136,892,980	26,849,270	16%
Operating income before depreciation, amortization and equity interest in net gain of joint venture	57,527,150	89,670,820	32,143,670	56%
Depreciation and amortization	53,692,852	53,692,913	(61)	0%
Equity interest in net gain of joint venture	(1,420,733)	(1,420,733)	-	0%
OPERATING INCOME (LOSS)	5,255,031	37,398,640	32,143,609	612%
NONOPERATING REVENUES (EXPENSES):				
Investment income	5,227,000	3,891,034	(1,335,966)	-26%
Interest expense	(2,428,493)	(2,426,510)	1,983	0%
Engineering fees	926,000	715,661	(210,339)	-23%
Engineering expenses	(1,056,000)	(799,981)	256,019	24%
Other	(281,900)	(139,952)	141,948	-50%
Total nonoperating revenues (expenses)	2,386,607	1,240,252	(1,146,355)	-48%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS				
CONTRIBUTIONS AND TRANSFERS	7,641,638	38,638,892	30,997,254	406%
Transfers from County	125,000	125,000	-	0%
Transfers to other County Funds	(68,651)	(69,320)	(669)	-1%
Capital contributions received, net	36,878,000	38,270,320	1,392,320	4%
CHANGE IN NET POSITION	\$ 44,575,987	\$ 76,964,892	\$ 32,388,905	73%
CONNECTION FEES INCLUDED IN CAPITAL CONTRIBUTIONS				
	\$ 7,892,000	\$ 17,074,825	\$ 9,182,825	116%



Statistical Section



STATISTICAL SECTION

This part of the Palm Beach County Water Utility Department's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Department's overall financial health.

Contents

	PAGE
Financial Trends	59
These schedules contain trend information to help the reader understand how the Department's financial performance and well-being have changed over time.	
Revenue Capacity	67
These schedules contain information to help the reader assess the factors affecting the Department's ability to generate water and wastewater revenues.	
Debt Capacity	89
These schedules present information to help the reader assess the affordability of the Department's current levels of outstanding debt and the Department's ability to issue additional debt in the future.	
Demographic and Economic Information	93
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place and to help make comparisons over time.	
Operating Information	97
These schedules contain information about the Department's operations and resources to help the reader understand how the Department's financial information relates to the services the Department provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year or other Department records.



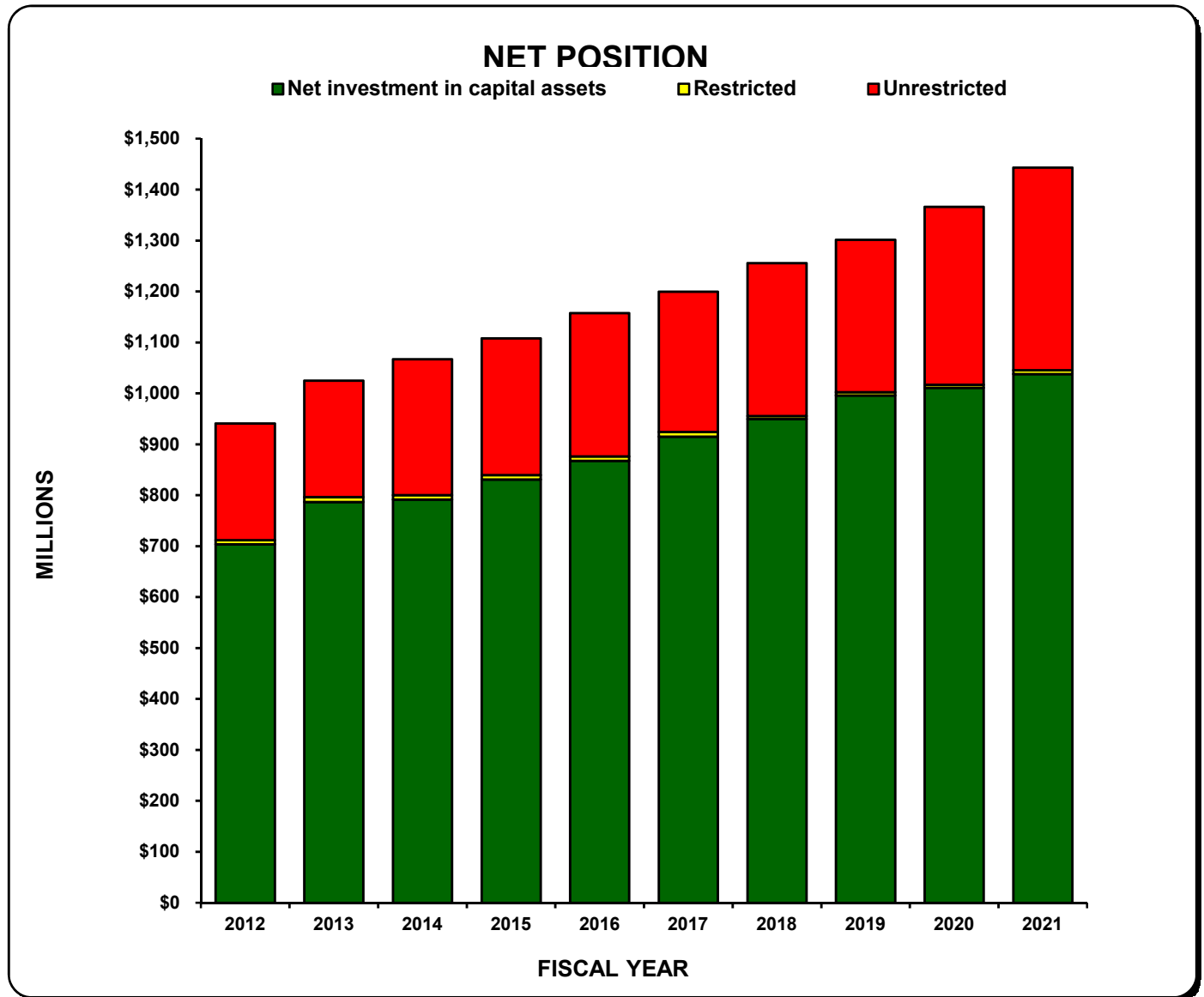
FINANCIAL TRENDS INFORMATION



PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
SCHEDULE OF NET POSITION BY COMPONENT
 Last Ten Fiscal Years

(in thousands)	2021	2020	2019	2018	2017	2016	2015	2014*	2013*	2012
Net investment										
in capital assets	\$1,037,613	\$1,010,891	\$995,683	\$949,168	\$914,690	\$867,526	\$831,039	\$791,649	\$786,867	\$703,494
Restricted	7,672	6,116	6,537	6,302	9,503	8,693	8,353	8,568	9,230	7,965
Unrestricted	397,799	349,112	299,106	300,356	275,576	281,149	268,684	266,513	228,713	229,394
TOTAL NET POSITION	\$1,443,084	\$1,366,119	\$1,301,326	\$1,255,826	\$1,199,769	\$1,157,368	\$1,108,076	\$1,066,730	\$1,024,810	\$940,853

* Amounts restated per GASB 68 & 71.



PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (000's)
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:			
Charges for services	\$221,162	\$213,331	\$199,847
Other operating revenue	5,402	4,646	5,127
Total operating revenues	<u>226,564</u>	<u>217,977</u>	<u>204,974</u>
OPERATING EXPENSES:			
Depreciation and amortization	53,693	51,977	51,453
Personal services	43,820	50,243	47,184
Maintenance	30,701	34,065	33,035
Contractual services	20,716	19,484	19,421
Supplies	18,608	18,574	36,099
Purchased water and wastewater treatment	11,965	10,042	11,116
Utilities	8,599	8,001	8,393
Miscellaneous	2,484	2,636	2,978
Equity interest in net (income) loss of joint venture	(1,421)	(811)	(2,352)
Total operating expenses	<u>189,165</u>	<u>194,211</u>	<u>207,327</u>
OPERATING INCOME (LOSS)	<u>37,399</u>	<u>23,766</u>	<u>(2,353)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	3,891	5,245	8,168
Engineering fees	716	843	1,021
Other	(140)	(25)	372
Guaranteed revenue	-	-	-
Engineering expenses	(800)	(893)	(949)
Interest expense	(2,427)	(2,597)	(4,074)
Total nonoperating revenues (expenses)	<u>1,240</u>	<u>2,573</u>	<u>4,538</u>
Income (loss) before capital contributions, transfers, special item and prior period adjustment	<u>38,639</u>	<u>26,339</u>	<u>2,185</u>
Capital contributions received	38,270	38,303	41,374
Transfers from other County funds	125	287	2,114
Transfers to other County funds	(69)	(136)	(173)
Contributions to other governments	-	-	-
Special item - Contribution from Absorption of Glades Utility Authority	-	-	-
Special item - Contribution of cash and capital assets to Glades Utility Authority	-	-	-
Prior period adjustment: Implementation of GASB Statements 68 & 71	-	-	-
CHANGE IN NET POSITION	<u>76,965</u>	<u>64,793</u>	<u>45,500</u>
BEGINNING NET POSITION AS PREVIOUSLY REPORTED	<u>1,366,119</u>	<u>1,301,326</u>	<u>1,255,826</u>
Restatement for GASB Statement #75 implementation	-	-	-
BEGINNING NET POSITION AS RESTATED	<u>1,366,119</u>	<u>1,301,326</u>	<u>1,255,826</u>
NET POSITION, END OF PERIOD	<u>1,443,084</u>	<u>1,366,119</u>	<u>1,301,326</u>

* Amounts restated per GASB 68 & 71.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013*</u>	<u>2012</u>
\$191,700	\$187,624	\$180,796	\$170,471	\$164,001	\$156,772	\$148,391
5,508	5,416	5,418	6,332	5,939	5,625	5,379
<u>197,208</u>	<u>193,040</u>	<u>186,214</u>	<u>176,803</u>	<u>169,940</u>	<u>162,397</u>	<u>153,770</u>
50,035	47,247	44,676	42,385	41,244	40,723	39,717
42,958	43,619	41,774	37,543	36,692	37,178	35,491
24,869	32,057	29,659	24,990	26,440	22,769	18,550
18,030	18,851	17,728	16,679	15,132	15,199	16,979
19,406	18,925	15,398	15,067	14,507	13,332	14,237
11,257	9,173	9,295	10,317	6,989	6,514	5,696
8,279	8,632	8,029	8,155	8,180	8,071	8,613
2,230	2,183	2,391	2,445	2,371	1,684	981
(2,996)	(1,768)	(1,127)	(193)	925	2,449	1,008
<u>174,068</u>	<u>178,919</u>	<u>167,823</u>	<u>157,388</u>	<u>152,480</u>	<u>147,919</u>	<u>141,272</u>
<u>23,140</u>	<u>14,121</u>	<u>18,391</u>	<u>19,415</u>	<u>17,460</u>	<u>14,478</u>	<u>12,498</u>
5,263	4,730	3,850	3,682	3,518	507	5,398
885	1,076	950	952	634	643	482
615	473	727	2,736	3,180	(90)	3,508
6,129	5,062	7,532	7,603	4,422	4,109	4,010
(848)	(448)	(660)	(578)	(628)	(589)	(583)
(4,804)	(5,441)	(5,337)	(6,075)	(7,029)	(7,787)	(8,457)
<u>7,240</u>	<u>5,452</u>	<u>7,062</u>	<u>8,320</u>	<u>4,097</u>	<u>(3,207)</u>	<u>4,358</u>
<u>30,380</u>	<u>19,573</u>	<u>25,453</u>	<u>27,735</u>	<u>21,557</u>	<u>11,271</u>	<u>16,856</u>
26,917	22,939	23,950	26,223	19,084	28,385	18,251
-	-	-	-	1,383	1,789	2,521
(144)	(111)	(111)	(12,612)	(71)	-	-
-	-	-	-	(34)	-	-
-	-	-	-	1	63,928	-
-	-	-	-	-	-	(3,572)
-	-	-	-	-	(19,874)	-
<u>57,153</u>	<u>42,401</u>	<u>49,292</u>	<u>41,346</u>	<u>41,920</u>	<u>85,499</u>	<u>34,056</u>
<u>1,199,769</u>	<u>1,157,368</u>	<u>1,108,076</u>	<u>1,066,730</u>	<u>1,024,810</u>	<u>939,311</u>	<u>905,255</u>
(1,096)	-	-	-	-	-	-
<u>1,198,673</u>	<u>1,157,368</u>	<u>1,108,076</u>	<u>1,066,730</u>	<u>1,024,810</u>	<u>939,311</u>	<u>905,255</u>
<u>1,255,826</u>	<u>\$1,199,769</u>	<u>\$1,157,368</u>	<u>1,108,076</u>	<u>1,066,730</u>	<u>1,024,810</u>	<u>939,311</u>

PALM BEACH COUNTY, FLORIDA

WATER UTILITIES DEPARTMENT

OPERATING REVENUES BY SOURCE AND OPERATING EXPENSES BY FUNCTION (000's)

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES BY SOURCE:			
Charges for services:			
Water - base facility	\$51,166	\$50,795	\$48,281
Water - commodity	55,086	51,832	47,272
Water - contractual	3,647	3,299	2,494
Wastewater - base facility	62,308	55,606	52,832
Wastewater - commodity	36,303	38,818	36,063
Wastewater - contractual	2,670	2,355	1,691
Reclaimed water - retail	1,971	2,481	2,361
Reclaimed water - bulk	7,419	7,191	7,910
Customer account charge	592	954	943
Water and wastewater - public authorities	-	-	-
	<u>221,162</u>	<u>213,331</u>	<u>199,847</u>
Other operating revenue:			
Meter sales	976	782	855
Service charges	1,128	649	1,115
Industrial pretreatment	878	1,242	1,173
Miscellaneous	2,420	1,973	1,984
Other operating revenue	<u>5,402</u>	<u>4,646</u>	<u>5,127</u>
Total operating revenues	<u><u>\$226,564</u></u>	<u><u>\$217,977</u></u>	<u><u>\$204,974</u></u>
OPERATING EXPENSES BY FUNCTION:			
Water treatment	\$36,132	\$35,356	\$30,229
Water distribution	13,728	13,719	23,879
Wastewater treatment	18,627	18,062	17,073
Wastewater collection	22,161	21,572	20,163
Purchased water and wastewater treatment	11,965	10,042	11,116
Water and wastewater - public authorities	-	-	-
Customer accounts	9,264	10,984	24,846
Administrative and general	25,016	33,310	30,920
Operating expenses before depreciation and amortization and equity interest in net (income) loss of joint venture	<u>136,893</u>	<u>143,045</u>	<u>158,226</u>
Depreciation and amortization	53,693	51,977	51,453
Equity interest in net (income) loss of joint venture	(1,421)	(811)	(2,352)
Total operating expenses	<u><u>\$189,165</u></u>	<u><u>\$194,211</u></u>	<u><u>\$207,327</u></u>

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$46,774	\$44,954	\$43,722	\$41,876	\$40,462	\$36,987	\$33,627
45,023	45,529	43,302	42,321	39,681	35,868	33,023
2,022	1,523	2,268	1,811	2,772	3,767	3,423
51,257	49,301	47,954	46,019	44,573	41,015	37,782
34,645	34,177	32,137	31,266	29,788	27,271	25,151
1,430	972	1,012	877	748	726	708
1,803	2,121	1,863	1,823	1,589	1,583	1,546
7,789	8,112	7,598	3,546	3,457	3,379	2,901
957	935	940	932	931	923	931
-	-	-	-	-	5,253	9,299
<u>191,700</u>	<u>187,624</u>	<u>180,796</u>	<u>170,471</u>	<u>164,001</u>	<u>156,772</u>	<u>148,391</u>
774	599	727	602	660	566	491
1,232	1,232	1,272	1,324	1,466	1,520	1,558
1,063	1,007	950	1,031	1,077	1,118	1,044
2,439	2,578	2,469	3,375	2,736	2,421	2,286
<u>5,508</u>	<u>5,416</u>	<u>5,418</u>	<u>6,332</u>	<u>5,939</u>	<u>5,625</u>	<u>5,379</u>
<u>\$197,208</u>	<u>\$193,040</u>	<u>\$186,214</u>	<u>\$176,803</u>	<u>\$169,940</u>	<u>\$162,397</u>	<u>\$153,770</u>
\$30,828	\$37,443	\$34,589	\$31,395	\$33,332	\$28,000	\$26,870
14,307	13,314	11,168	10,131	9,393	8,531	8,080
15,699	16,875	17,553	16,087	15,863	11,689	12,158
18,189	18,606	18,049	16,304	16,077	13,932	12,369
10,641	9,059	8,864	9,882	6,556	6,514	5,721
-	-	-	-	-	10,561	9,311
10,930	10,757	8,649	8,844	7,424	5,825	6,279
26,435	27,386	25,402	22,553	21,666	19,695	19,760
<u>127,029</u>	<u>133,440</u>	<u>124,274</u>	<u>115,196</u>	<u>110,311</u>	<u>104,747</u>	<u>100,548</u>
50,035	47,247	44,676	42,385	41,244	40,723	39,717
(2,996)	(1,768)	(1,127)	(193)	925	2,449	1,008
<u>\$174,068</u>	<u>\$178,919</u>	<u>\$167,823</u>	<u>\$157,388</u>	<u>\$152,480</u>	<u>\$147,919</u>	<u>\$141,273</u>



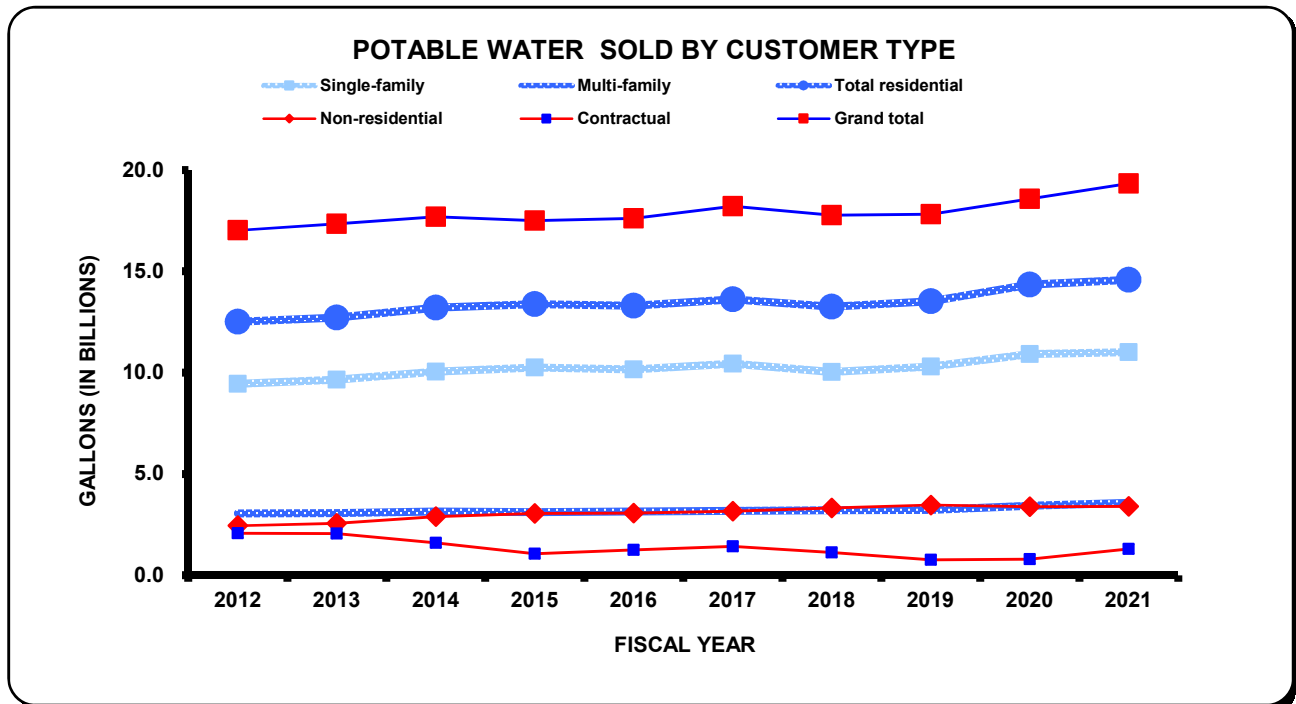
REVENUE CAPACITY INFORMATION

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
POTABLE WATER SOLD BY CUSTOMER TYPE
 Last Ten Fiscal Years

(in millions of gallons)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential:										
Single-family	11,013	10,921	10,304	10,035	10,444	10,165	10,256	10,053	9,653	9,454
Multi-family	3,564	3,429	3,218	3,214	3,180	3,137	3,119	3,152	3,068	3,051
Total residential	14,577	14,350	13,522	13,249	13,624	13,302	13,375	13,205	12,721	12,505
Non-residential	3,394	3,374	3,465	3,311	3,161	3,059	3,057	2,889	2,562	2,444
Contractual	1,293	794	761	1,127	1,423	1,247	1,063	1,597	2,059	2,069
Other	69	59	71	87	3	5	5	4	4	4
Grand total	19,333	18,577	17,819	17,774	18,211	17,613	17,500	17,695	17,346	17,022
Charges for Services (in thousands)	\$226,564	\$217,977	\$204,974	\$197,208	\$193,040	\$186,214	\$176,803	\$169,940	\$156,772	\$148,391
Calculated Total Direct Rate per Thousand Gallons	\$11.72	\$11.73	\$11.50	\$11.10	\$10.60	\$10.57	\$10.10	\$9.60	\$9.04	\$8.72

Notes:

The Department has a complex rate structure. Charges are based on a combination of factors: customer type, meter size, number of units, and level of consumption. With the exception of wastewater only customers whose total revenue is approximately 1% of the Department's charges for services, both potable water and wastewater charges are calculated based on water sold. Therefore, the calculated total direct rate per thousand gallons is the total charges for services divided by water sold in thousands of gallons. For detail of the Department's rate structure, see pages 76 - 88.



PALM BEACH COUNTY, FLORIDA

WATER UTILITIES DEPARTMENT

TEN LARGEST CUSTOMERS

Fiscal Years Ended September 30, 2021 and 2012 (Nine Years Ago)

CUSTOMER	2021			2012		
	Operating Revenues (in thousands)	Rank	%	Operating Revenues (in thousands)	Rank	%
Florida Power & Light Company	\$5,281	1	2.33	\$8,509	2	5.53
Century Village West Condominiums	3,250	2	1.43	2,045	3	1.33
Seacoast Utility Authority	2,578	3	1.14	-	-	-
School District of Palm Beach County	2,121	4	0.94	1,513	4	0.98
GEO Group, Inc.	1,292	5	0.57	-	-	-
Palm Beach County Sheriff's Office	775	6	0.34	663	7	0.43
MHC Lake Worth Village LLC	662	7	0.29	497	8	0.32
Sugar Cane Growers COOP	609	8	0.27	-	-	-
Fountains Condo Oper Inc.	590	9	0.26	-	-	-
Lake Crystal Apartments	586	10	0.26	-	-	-
Glades Utility Authority*	-	-	-	9,299	1	6.05
City of Boynton Beach Interconnect	-	-	-	940	5	0.61
City of Lake Worth Interconnect	-	-	-	762	6	0.50
Casa Del Monte LLC	-	-	-	452	9	0.29
Hometown Lake Worth LLC	-	-	-	437	10	0.28
Subtotal (10 largest)	17,744		7.83	25,117		16.32
Balance from other customers	208,820		92.17	128,653		83.68
Grand totals	\$226,564		100.00	\$153,770		100.00

Source: Department's records

Note:

*On May 1, 2013 the Department absorbed the Glades Utility Authority (GUA) which comprised the Cities of Belle Glade, Pahokee and South Bay. Thus, explaining why the GUA went from the Department's largest customer in 2012, to not being on the list in 2021.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
AVERAGE RESIDENTIAL CUSTOMER'S MONTHLY BILLING
 Last Ten Fiscal Years

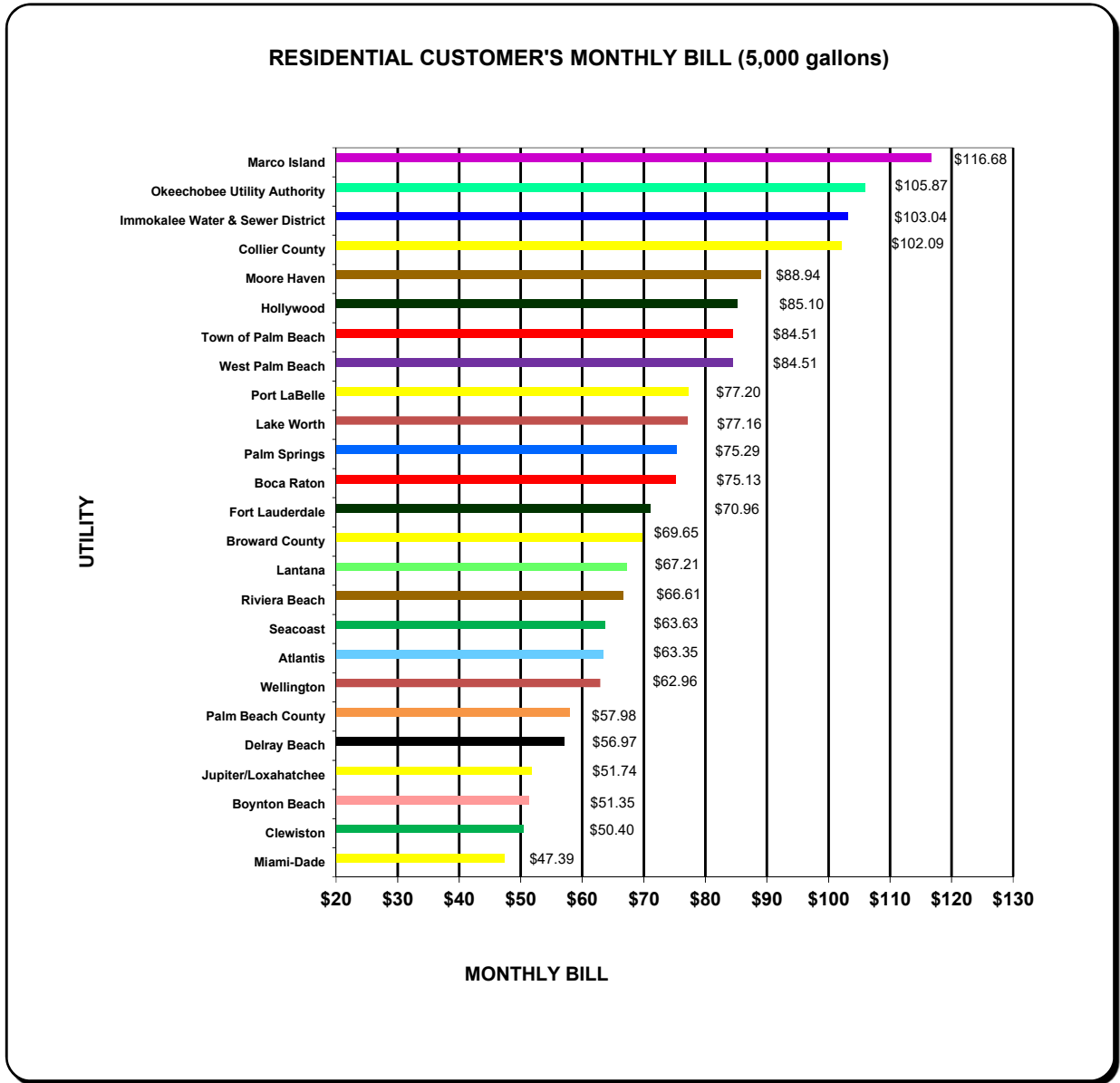
<u>FISCAL YEAR</u>	<u>BASE FACILITY FEE</u>	<u>COMMODITY FEE*</u>	<u>TOTAL FEE</u>	<u>% CHANGE</u>
2021	\$33.31	\$36.30	\$69.61	0.1%
2020	31.40	38.16	69.56	2.4%
2019	30.67	37.27	67.94	2.6%
2018	29.89	36.31	66.20	2.9%
2017	29.05	35.29	64.34	3.1%
2016	28.18	34.23	62.41	3.9%
2015	27.10	32.94	60.04	2.9%
2014	26.36	32.01	58.37	3.8%
2013	25.40	30.82	56.22	4.9%
2012	24.23	29.36	53.59	4.2%

Notes:

An average customer is defined as single-family with a 5/8 x 3/4" meter, having combined potable water and wastewater service, and using 7,500 gallons each month.

* Since the Department calculates the portion of the bill based on usage (commodity fee) in increments of thousands of gallons of water, the commodity fee is calculated for 7,000 gallons.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
RESIDENTIAL CUSTOMER'S MONTHLY BILL COMPARISON
For Selected Utilities as of 9/30/21

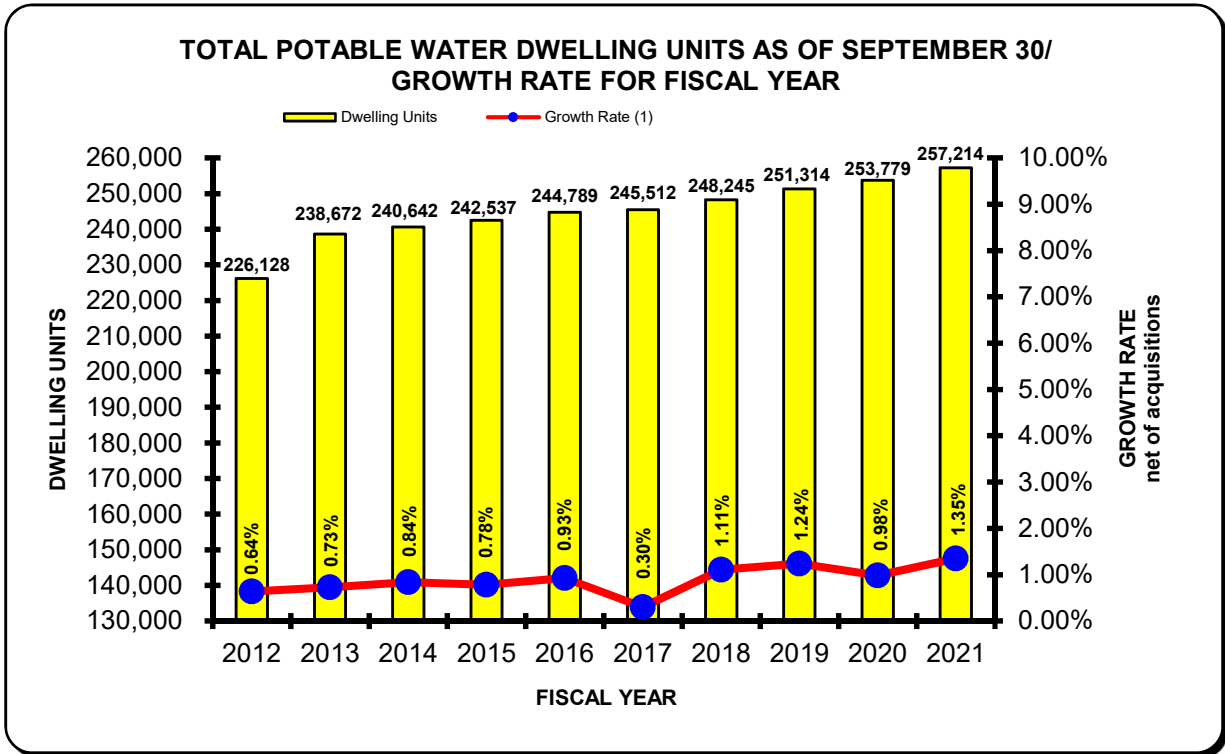


Source: Utility survey

Notes:

Customer's monthly billed includes all fees charged monthly with commodity fee based on usage of 5,000 gallons.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
POTABLE WATER DWELLING UNITS DATA
 Last Ten Fiscal Years



OF DWELLING UNITS BY DWELLING TYPE

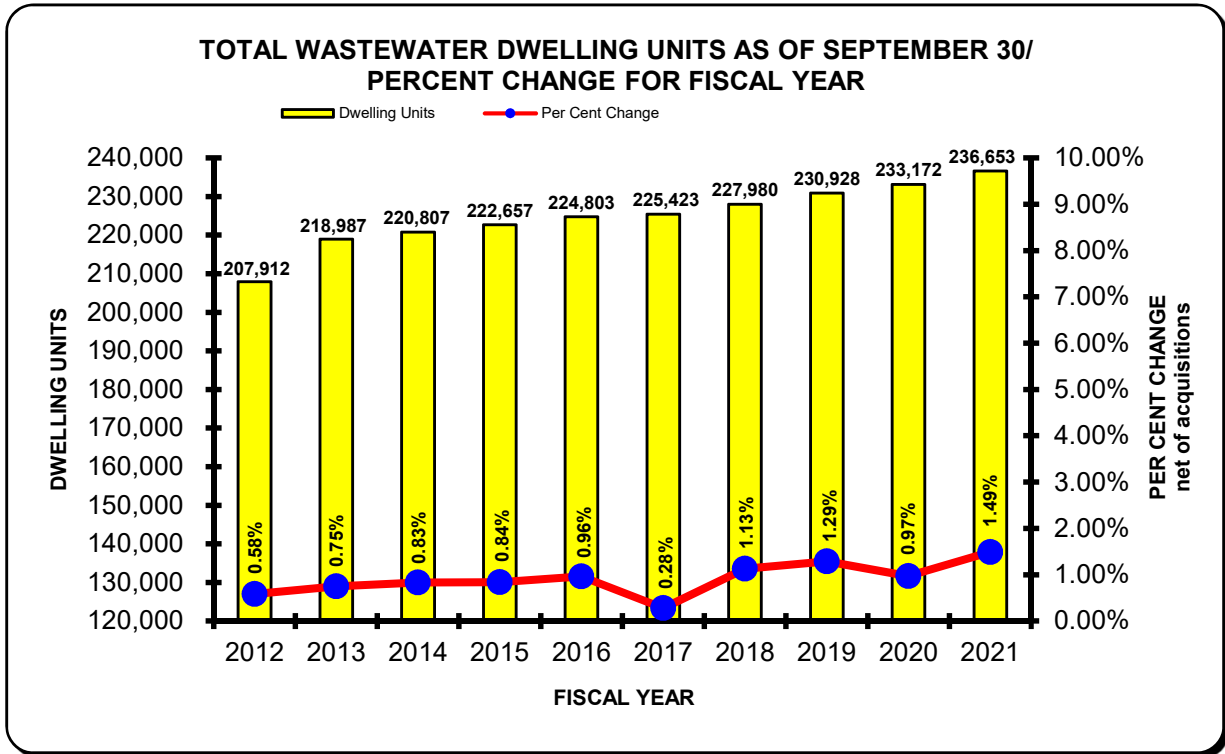
Fiscal Year	Single Family		Multi-Family		Non-Residential ⁽²⁾		Annual Total
	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	
2021	154,460	60.05%	94,751	36.84%	8,003	3.11%	257,214
2020	156,172	61.54%	89,668	35.33%	7,939	3.13%	253,779
2019	154,485	61.47%	88,998	35.41%	7,831	3.12%	251,314
2018	152,909	61.60%	87,599	35.29%	7,737	3.11%	248,245
2017	151,452	61.69%	86,457	35.21%	7,603	3.10%	245,512
2016	150,442	61.46%	86,837	35.47%	7,510	3.07%	244,789
2015	149,080	61.47%	85,971	35.45%	7,486	3.08%	242,537
2014	147,915	61.47%	85,369	35.48%	7,358	3.05%	240,642
2013 ⁽³⁾	146,410	61.34%	84,927	35.58%	7,335	3.08%	238,672
2012	137,131	60.64%	82,748	36.59%	6,249	2.77%	226,128

Notes:

- (1) The Department measures growth as the change in the number of potable water units served.
- (2) Non-residential does not include contractual/wholesale.
- (3) On May 1, 2013, the Department absorbed the Glades Utility Authority. The 10,900 potable water units acquired are not included in the fiscal year growth rate %.

Source: Department's Records

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
WASTEWATER DWELLING UNITS DATA
 Last Ten Fiscal Years



OF DWELLING UNITS BY DWELLING TYPE

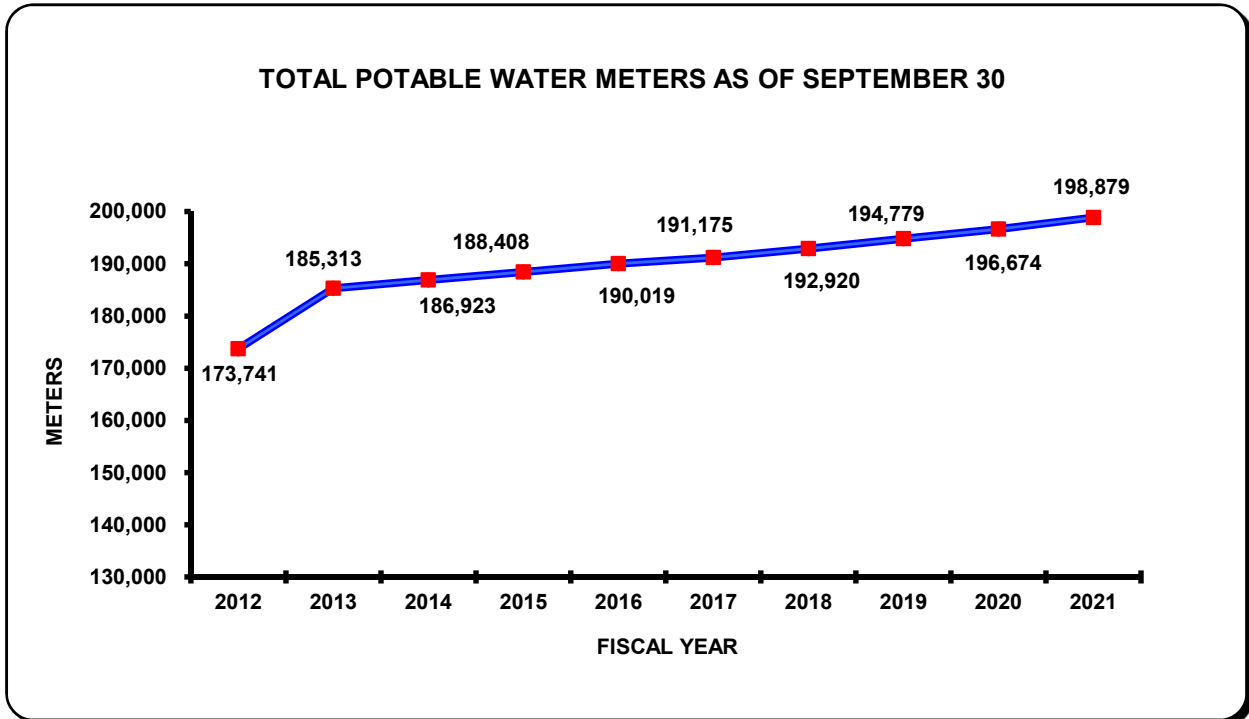
Fiscal Year	Single Family		Multi-Family		Non-Residential ⁽¹⁾		Annual Total
	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	
2021	137,926	58.28%	92,170	38.95%	6,557	2.77%	236,653
2020	139,570	59.86%	87,095	37.35%	6,507	2.79%	233,172
2019	138,019	59.77%	86,457	37.44%	6,452	2.79%	230,928
2018	136,547	59.89%	85,072	37.32%	6,361	2.79%	227,980
2017	135,193	59.97%	83,937	37.24%	6,293	2.79%	225,423
2016	134,228	59.71%	84,337	37.52%	6,238	2.77%	224,803
2015	132,981	59.73%	83,485	37.49%	6,191	2.78%	222,657
2014	131,820	59.70%	82,860	37.53%	6,127	2.77%	220,807
2013 ⁽²⁾	130,419	59.56%	82,430	37.64%	6,138	2.80%	218,987
2012	122,268	58.81%	80,450	38.69%	5,194	2.50%	207,912

Notes:

- ⁽¹⁾ Non-residential does not include contractual/wholesale.
- ⁽²⁾ On May 1, 2013, the Department absorbed the Glades Utility Authority. The 9,515 units acquired are not included in the fiscal year growth rate %.

Source: Department's Records

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
POTABLE WATER METER DATA
 Last Ten Fiscal Years



OF METERS BY DWELLING TYPE

Fiscal Year	Single Family		Multi-Family		Non-Residential ⁽¹⁾		Contractual/ Wholesale ⁽¹⁾		Annual Total
	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	
2021	154,460	77.67%	36,391	18.30%	8,003	4.02%	25	0.01%	198,879
2020	156,116	79.38%	32,623	16.59%	7,911	4.02%	24	0.01%	196,674
2019	154,429	79.28%	32,525	16.70%	7,802	4.01%	23	0.01%	194,779
2018	152,852	79.23%	32,336	16.76%	7,708	4.00%	24	0.01%	192,920
2017	151,395	79.19%	32,174	16.83%	7,582	3.97%	24	0.01%	191,175
2016	150,385	79.14%	32,118	16.90%	7,491	3.94%	25	0.02%	190,019
2015	149,023	79.10%	31,893	16.93%	7,464	3.96%	28	0.01%	188,408
2014	147,858	79.10%	31,677	16.94%	7,358	3.94%	30	0.02%	186,923
2013 ⁽²⁾	146,384	78.99%	31,546	17.02%	7,355	3.97%	28	0.02%	185,313
2012	137,131	78.93%	30,335	17.46%	6,249	3.60%	26	0.01%	173,741

Notes:

⁽¹⁾ Non-residential does not include contractual/wholesale.

⁽²⁾ On May 1, 2013, the Department absorbed the Glades Utility Authority. The 10,900 potable water meters acquired are included in these figures.

Source: Department's Records

CUSTOMER RATE SCHEDULES

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY RESIDENTIAL POTABLE WATER AND WASTEWATER RATES
 Last Ten Fiscal Years

	2021	2020	2019
CUSTOMER ACCOUNT FEE (per meter)			
Multi-Family accounts only	n/a	\$ 2.50	\$ 2.50
All accounts	n/a	n/a	n/a
POTABLE WATER RATES			
Base Facility Fee			
Single-Family (per meter)			
5/8" x 3/4"	\$ 11.97	\$ 14.80	\$ 14.46
1"	\$ 27.31	\$ 36.14	\$ 35.30
1 1/2 "	\$ 59.02	\$ 54.04	\$ 52.78
2"	\$ 95.78	\$ 112.67	\$ 110.05
Multi-Family (per dwelling unit)	\$ 9.39	\$ 11.03	\$ 10.77
Commodity Fee per thousand gallons			
Single-Family per meter; Multi-Family per dwelling unit			
0-4	\$ 1.97	\$ 1.49	\$ 1.46
5-10	\$ 4.34	\$ 3.30	\$ 3.22
11-25	\$ 7.69	\$ 8.31	\$ 8.12
Over 25	\$ 8.87	\$ 10.34	\$ 10.10
Commodity Fee per thousand gallons			
Multi-Family per dwelling unit (start May 2021)			
0-4	\$ 1.95	n/a	n/a
5-10	\$ 3.73	n/a	n/a
11-25	\$ 5.15	n/a	n/a
Over 25	\$ 8.70	n/a	n/a
WASTEWATER RATES			
Base Facility Fee			
Single-Family (per meter)			
5/8" x 3/4"	\$ 21.34	\$ 16.60	\$ 16.21
1"	\$ 48.67	\$ 48.99	\$ 47.85
1 1/2 "	\$ 105.20	\$ 75.22	\$ 73.47
2"	\$ 170.71	\$ 164.49	\$ 160.66
Multi-Family (per dwelling unit)			
Commodity Fee per thousand gallons water			
Single-Family per meter; Multi-Family per dwelling unit			
0-4	\$ 2.20	\$ 2.02	\$ 1.97
5-10	\$ 2.20	\$ 4.74	\$ 4.63
Commodity Fee per thousand gallons water			
Multi-Family per dwelling unit (starting May 2021)			
0-4	\$ 1.68	n/a	n/a
5-10	\$ 1.68	n/a	n/a

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

These rates do not apply to approximately 10% of the Department's customers in the service areas acquired thru the purchase of the Village of Royal Palm Beach's Utility System (for FYs 2007 to FY 2016) and the absorption of the Glades Utility Authority (GUA). Effective October 1, 2016, the FY 2017 rates apply to the customers in the Royal Palm service area. Effective May 2021, the FY 2021 rates apply to the entire system.

Rates effective with billings on October 1 of fiscal year unless otherwise indicated.

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

2018	2017	2016	2015	2014	2013	2012
\$ 2.50 n/a	\$ 2.50 n/a	\$ 2.50 n/a	\$ 2.50 n/a	\$ 2.50 n/a	\$ 2.50 n/a	\$ 2.50 n/a
\$ 14.09	\$ 13.69	\$ 13.28	\$ 12.77	\$ 12.42	\$ 11.97	\$ 11.42
\$ 34.40	\$ 33.43	\$ 32.44	\$ 31.20	\$ 30.34	\$ 29.23	\$ 27.88
\$ 51.44	\$ 49.99	\$ 48.51	\$ 46.66	\$ 45.38	\$ 43.72	\$ 41.70
\$ 107.25	\$ 104.23	\$ 101.14	\$ 97.29	\$ 94.61	\$ 91.15	\$ 86.94
\$ 10.50	\$ 10.20	\$ 9.90	\$ 9.52	\$ 9.26	\$ 8.92	\$ 8.51
\$ 1.42	\$ 1.38	\$ 1.34	\$ 1.29	\$ 1.25	\$ 1.20	\$ 1.14
\$ 3.14	\$ 3.05	\$ 2.96	\$ 2.85	\$ 2.77	\$ 2.67	\$ 2.55
\$ 7.91	\$ 7.69	\$ 7.46	\$ 7.18	\$ 6.98	\$ 6.72	\$ 6.41
\$ 9.84	\$ 9.56	\$ 9.28	\$ 8.93	\$ 8.68	\$ 8.36	\$ 7.97
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 15.80	\$ 15.36	\$ 14.90	\$ 14.33	\$ 13.94	\$ 13.43	\$ 12.81
\$ 46.63	\$ 45.32	\$ 43.97	\$ 42.29	\$ 41.13	\$ 39.62	\$ 37.79
\$ 71.60	\$ 69.59	\$ 67.52	\$ 64.95	\$ 63.16	\$ 60.85	\$ 58.04
\$ 156.57	\$ 152.17	\$ 147.65	\$ 142.02	\$ 138.11	\$ 133.05	\$ 126.90
n/a	n/a	n/a	n/a	\$ 13.94	\$ 13.43	\$ 12.81
\$ 1.92	\$ 1.87	\$ 1.81	\$ 1.74	\$ 1.69	\$ 1.63	\$ 1.55
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY RESIDENTIAL FIRE LINE AND RECLAIMED WATER RATES
 Last Ten Fiscal Years

	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾
CUSTOMER ACCOUNT FEE (per meter)			
Multi-Family accounts only	n/a	n/a	n/a
All accounts	n/a	n/a	n/a
FIRE LINE RATES			
Base Facility Fee per size of backflow device			
2"	\$ 22.27	\$ 16.45	\$ 16.07
3"	\$ 53.36	\$ 30.98	\$ 30.26
4"	Analysis	\$ 51.62	\$ 50.42
6"	Analysis	\$ 103.23	\$ 100.83
8" and above	Analysis	\$ 165.20	\$ 161.35
RECLAIMED WATER RATES			
Base Facility Fee			
Single-Family (per meter)			
5/8" x 3/4"	\$ 7.23	\$ 7.23	\$ 7.06
5/8" x 3/4" (connection fee paid)	\$ 3.54	\$ 3.54	\$ 3.46
1"	n/a	n/a	n/a
1 1/2 "	n/a	n/a	n/a
2"	n/a	n/a	n/a
Multi-Family (per dwelling unit)	n/a	n/a	n/a
Commodity Fee per thousand gallons	\$ 0.31	\$ 0.31	\$ 0.30
Fixed Commodity Fee (meter size)			

All others see non-residential rates

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

These rates do not apply to approximately 10% of the Department's customers in the service areas acquired thru the purchase of the Village of Royal Palm Beach's Utility System (for FYs 2007 to FY 2016) and the absorption of the Glades Utility Authority (GUA). Effective October 1, 2016, the FY 2017 rates apply to the customers in the Royal Palm service area. Effective May 2021, the FY 2021 rates apply to the entire system.

Rates effective with billings on October 1 of fiscal year unless otherwise indicated

(1) A 20% discount applies to Reclaimed Water rates for lake delivery services.

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 15.66	\$ 15.22	\$ 14.77	\$ 14.21	\$ 13.82	\$ 13.31	\$ 12.69
\$ 29.49	\$ 28.66	\$ 27.81	\$ 26.75	\$ 26.01	\$ 25.06	\$ 23.90
\$ 49.14	\$ 47.76	\$ 46.34	\$ 44.57	\$ 43.34	\$ 41.75	\$ 39.82
\$ 98.26	\$ 95.50	\$ 92.66	\$ 89.13	\$ 86.68	\$ 83.51	\$ 79.65
\$ 157.24	\$ 152.82	\$ 148.28	\$ 142.63	\$ 138.70	\$ 133.62	\$ 127.44
\$ 6.88	\$ 6.69	\$ 6.49	\$ 6.24	\$ 6.07	\$ 6.26	\$ 5.97
\$ 3.37	\$ 3.28	\$ 3.18	\$ 3.06	\$ 2.98	\$ 3.08	\$ 2.94
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 0.29	\$ 0.28	\$ 0.27	\$ 0.26	\$ 0.25	\$ 0.24	\$ 0.23

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY NON-RESIDENTIAL POTABLE WATER AND WASTEWATER RATES
Last Ten Fiscal Years

	2021	2020	2019
CUSTOMER ACCOUNT FEE			
(per meter)	n/a	n/a	n/a
POTABLE WATER RATES			
Base Facility Fee			
5/8" x 3/4"	\$ 31.70	\$ 27.82	\$ 27.17
1"	\$ 110.70	\$ 94.74	\$ 92.53
1 1/2 "	\$ 199.60	\$ 150.73	\$ 147.22
2"	\$ 349.45	\$ 255.71	\$ 249.76
3"	\$ 837.29	\$ 677.39	\$ 661.62
4"	Analysis	\$ 1,044.85	\$ 1,020.52
6" and larger based on projected water usage			
Commodity Fee per thousand gallons			
5/8" x 3/4"			
0-14	\$ 1.37	\$ 1.73	\$ 1.69
Over 14	\$ 3.16	\$ 4.74	\$ 4.63
1"			
0-57	\$ 1.37	\$ 1.73	\$ 1.69
Over 57	\$ 3.16	\$ 4.74	\$ 4.63
1 1/2 "			
0-94	\$ 1.37	\$ 1.73	\$ 1.69
Over 94	\$ 3.16	\$ 4.74	\$ 4.63
2"			
0-138	\$ 1.37	\$ 1.73	\$ 1.69
Over 138	\$ 3.16	\$ 4.74	\$ 4.63
3"			
0-557	\$ 1.37	\$ 1.73	\$ 1.69
Over 557	\$ 3.16	\$ 4.74	\$ 4.63
4"			
0-675	Analysis	\$ 1.73	\$ 1.69
Over 675	Analysis	\$ 4.74	\$ 4.63
6" and above			
All usage	Analysis	\$ 1.73	\$ 1.69
0-675	n/a	n/a	n/a
Over 675	n/a	n/a	n/a

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

These rates do not apply to approximately 10% of the Department's customers in the service areas acquired thru the purchase of the Village of Royal Palm Beach's Utility System (for FYs 2007 to FY 2016) and the absorption of the Glades Utility Authority (GUA). Effective October 1, 2016, the FY 2017 rates apply to the customers in the Royal Palm service area. Effective May 2021, the FY 2021 rates apply to the entire system.

Rates effective with billings on October 1 of fiscal year unless otherwise indicated

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 26.48	\$ 25.74	\$ 24.98	\$ 24.03	\$ 23.37	\$ 22.51	\$ 21.47
\$ 90.18	\$ 87.64	\$ 85.04	\$ 81.80	\$ 79.55	\$ 76.64	\$ 73.10
\$ 143.47	\$ 139.44	\$ 135.30	\$ 130.14	\$ 126.56	\$ 121.93	\$ 116.29
\$ 243.40	\$ 236.56	\$ 229.54	\$ 220.79	\$ 214.71	\$ 206.85	\$ 197.29
\$ 644.78	\$ 626.65	\$ 608.05	\$ 584.88	\$ 568.78	\$ 547.96	\$ 522.62
\$ 994.55	\$ 966.58	\$ 937.88	\$ 902.14	\$ 877.31	\$ 845.19	\$ 806.11
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.09	\$ 3.98	\$ 3.83	\$ 3.65
\$ 1.65	\$ 1.60	\$ 1.55	\$ 1.49	\$ 1.45	\$ 1.40	\$ 1.34
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY NON-RESIDENTIAL POTABLE WATER AND WASTEWATER RATES
Last Ten Fiscal Years

	2021	2020	2019
WASTEWATER RATES			
Base Facility Fee			
5/8" x 3/4"	\$ 42.71	\$ 34.99	\$ 34.18
1"	\$ 149.16	\$ 133.86	\$ 130.74
1 1/2 "	\$ 268.95	\$ 218.71	\$ 213.62
2"	\$ 470.88	\$ 391.94	\$ 382.81
3"	\$ 1,128.23	\$ 1,006.10	\$ 982.67
4"	Analysis	\$ 1,539.75	\$ 1,503.90
6" and larger based on projected water usage			
Commodity Fee per thousand gallons			
water - all metered usage	\$ 2.44	\$ 2.34	\$ 2.29

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

These rates do not apply to approximately 10% of the Department's customers in the service areas acquired thru the purchase of the Village of Royal Palm Beach's Utility System (for FYs 2007 to FY 2016) and the absorption of the Glades Utility Authority (GUA). Effective October 1, 2016, the FY 2017 rates apply to the customers in the Royal Palm service area. Effective May 2021, the FY 2021 rates apply to the entire system.

Rates effective with billings on October 1 of fiscal year unless otherwise indicated

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 33.31	\$ 32.37	\$ 31.41	\$ 30.21	\$ 29.38	\$ 28.30	\$ 26.99
\$ 127.41	\$ 123.83	\$ 120.15	\$ 115.57	\$ 112.39	\$ 108.28	\$ 103.27
\$ 208.18	\$ 202.33	\$ 196.32	\$ 188.84	\$ 183.64	\$ 176.92	\$ 168.74
\$ 373.07	\$ 362.58	\$ 351.82	\$ 338.41	\$ 329.10	\$ 317.05	\$ 302.39
\$ 957.66	\$ 930.73	\$ 903.10	\$ 868.68	\$ 844.77	\$ 813.84	\$ 776.21
\$ 1,465.63	\$ 1,424.41	\$ 1,382.12	\$ 1,329.45	\$ 1,292.86	\$ 1,245.53	\$ 1,187.94
\$ 2.23	\$ 2.17	\$ 2.11	\$ 2.03	\$ 1.97	\$ 1.90	\$ 1.81

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY NON-RESIDENTIAL FIRE LINE AND RECLAIMED WATER RATES
 Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
CUSTOMER ACCOUNT FEE			
(per meter)	n/a	n/a	n/a
FIRE LINE RATES			
Base Facility Fee per size of backflow device			
2"	\$ 22.27	\$ 16.45	\$ 16.07
3"	\$ 53.36	\$ 30.98	\$ 30.26
4"	Analysis	\$ 51.62	\$ 50.42
6"	Analysis	\$ 103.23	\$ 100.83
8"	Analysis	\$ 165.20	\$ 161.35

Commodity Fee per thousand gallons:
 see non-residential commodity rates on page 78.

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

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Rates effective with billings on October 1 of fiscal year unless otherwise indicated.

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 15.66	\$ 15.22	\$ 14.77	\$ 14.21	\$ 13.82	\$ 13.31	\$ 12.69
\$ 29.49	\$ 28.66	\$ 27.81	\$ 26.25	\$ 26.01	\$ 25.06	\$ 23.90
\$ 49.14	\$ 47.76	\$ 46.34	\$ 44.57	\$ 43.34	\$ 41.75	\$ 39.82
\$ 98.26	\$ 95.50	\$ 92.66	\$ 89.13	\$ 86.68	\$ 83.51	\$ 79.65
\$ 157.24	\$ 152.82	\$ 148.28	\$ 142.63	\$ 138.70	\$ 133.62	\$ 127.44

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
MONTHLY NON-RESIDENTIAL FIRE LINE AND RECLAIMED WATER RATES
Last Ten Fiscal Years

	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾
CUSTOMER ACCOUNT FEE			
(per meter)	n/a	n/a	n/a
RECLAIMED WATER RATES			
Base Facility Fee			
5/8" x 3/4"	\$ 7.73	\$ 7.73	\$ 7.55
5/8" x 3/4" (connection fee paid)	\$ 3.80	\$ 3.80	\$ 3.71
1"	\$ 41.27	\$ 41.27	\$ 40.31
1" (connection fee paid)	\$ 20.30	\$ 20.30	\$ 19.83
1 1/2 "	\$ 103.23	\$ 103.23	\$ 100.83
1 1/2 " (connection fee paid)	\$ 50.80	\$ 50.80	\$ 49.62
2"	\$ 221.94	\$ 221.94	\$ 216.77
2" (connection fee paid)	\$ 109.21	\$ 109.21	\$ 106.67
3"	\$ 485.20	\$ 485.20	\$ 473.90
3" (connection fee paid)	\$ 238.76	\$ 238.76	\$ 233.20
4"	\$ 1,326.54	\$ 1,326.54	\$ 1,295.65
4" (connection fee paid)	\$ 652.79	\$ 652.79	\$ 637.59
6"	\$ 2,833.74	\$ 2,833.74	\$ 2,767.76
6" (connection fee paid)	\$ 1,394.47	\$ 1,394.47	\$ 1,362.00
8"	\$ 5,037.74	\$ 5,037.74	\$ 4,920.44
8" (connection fee paid)	\$ 2,479.04	\$ 2,479.04	\$ 2,421.32
10"	\$ 7,845.64	\$ 7,845.64	\$ 7,662.96
10" (connection fee paid)	\$ 3,860.80	\$ 3,860.80	\$ 3,770.90
Commodity Fee per thousand gallons	\$ 0.31	\$ 0.31	\$ 0.30

Notes:

Rate changes must be approved by the Palm Beach County, Florida, Board of County Commissioners.

These rates do not apply to approximately 10% of the Department's customers in the service areas acquired thru the purchase of the Village of Royal Palm Beach's Utility System (for FYs 2007 to FY 2016) and the absorption of the Glades Utility Authority (GUA). Effective October 1, 2016, the FY 2017 rates apply to the customers in the Royal Palm service area. Effective May 2021, the FY 2021 rates apply to the entire system.

Rates effective with billings on October 1 of fiscal year unless otherwise indicated:

- (1) A 20% discount applies to Reclaimed Water rates for lake delivery services.

The GUA, now known as the Western Region, was absorbed by the Department on May 1, 2013.

2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 7.36	\$ 7.15	\$ 6.94	\$ 6.68	\$ 6.50	\$ 6.26	\$ 5.97
\$ 3.62	\$ 3.52	\$ 3.42	\$ 3.29	\$ 3.20	\$ 3.08	\$ 2.94
\$ 39.28	\$ 38.18	\$ 37.05	\$ 35.64	\$ 34.66	\$ 33.39	\$ 31.85
\$ 19.33	\$ 18.79	\$ 18.23	\$ 17.54	\$ 17.06	\$ 16.44	\$ 15.68
\$ 98.26	\$ 95.50	\$ 92.66	\$ 89.13	\$ 86.68	\$ 83.51	\$ 79.65
\$ 48.36	\$ 47.00	\$ 45.60	\$ 43.86	\$ 42.65	\$ 41.09	\$ 39.19
\$ 211.25	\$ 205.31	\$ 199.21	\$ 191.62	\$ 186.35	\$ 179.53	\$ 171.23
\$ 103.96	\$ 101.04	\$ 98.04	\$ 94.30	\$ 91.70	\$ 88.34	\$ 84.26
\$ 461.84	\$ 448.85	\$ 435.52	\$ 418.92	\$ 407.39	\$ 392.48	\$ 374.33
\$ 227.27	\$ 220.88	\$ 214.32	\$ 206.15	\$ 200.48	\$ 193.14	\$ 184.21
\$ 1,262.68	\$ 1,227.17	\$ 1,190.74	\$ 1,145.36	\$ 1,113.84	\$ 1,073.06	\$ 1,023.44
\$ 621.36	\$ 603.89	\$ 585.96	\$ 563.63	\$ 548.12	\$ 528.05	\$ 503.63
\$ 2,697.32	\$ 2,621.47	\$ 2,543.64	\$ 2,446.70	\$ 2,379.36	\$ 2,292.25	\$ 2,186.26
\$ 1,327.34	\$ 1,290.01	\$ 1,251.71	\$ 1,204.01	\$ 1,170.87	\$ 1,128.01	\$ 1,075.85
\$ 4,795.22	\$ 4,660.37	\$ 4,522.01	\$ 4,349.67	\$ 4,229.96	\$ 4,075.11	\$ 3,886.68
\$ 2,359.70	\$ 2,293.34	\$ 2,225.26	\$ 2,140.45	\$ 2,081.54	\$ 2,005.34	\$ 1,912.62
\$ 7,467.95	\$ 7,257.94	\$ 7,042.47	\$ 6,774.07	\$ 6,587.64	\$ 6,346.47	\$ 6,053.02
\$ 3,674.94	\$ 3,571.60	\$ 3,465.57	\$ 3,333.49	\$ 3,241.75	\$ 3,123.07	\$ 2,978.66
\$ 0.29	\$ 0.28	\$ 0.27	\$ 0.26	\$ 0.25	\$ 0.24	\$ 0.23



DEBT CAPACITY INFORMATION

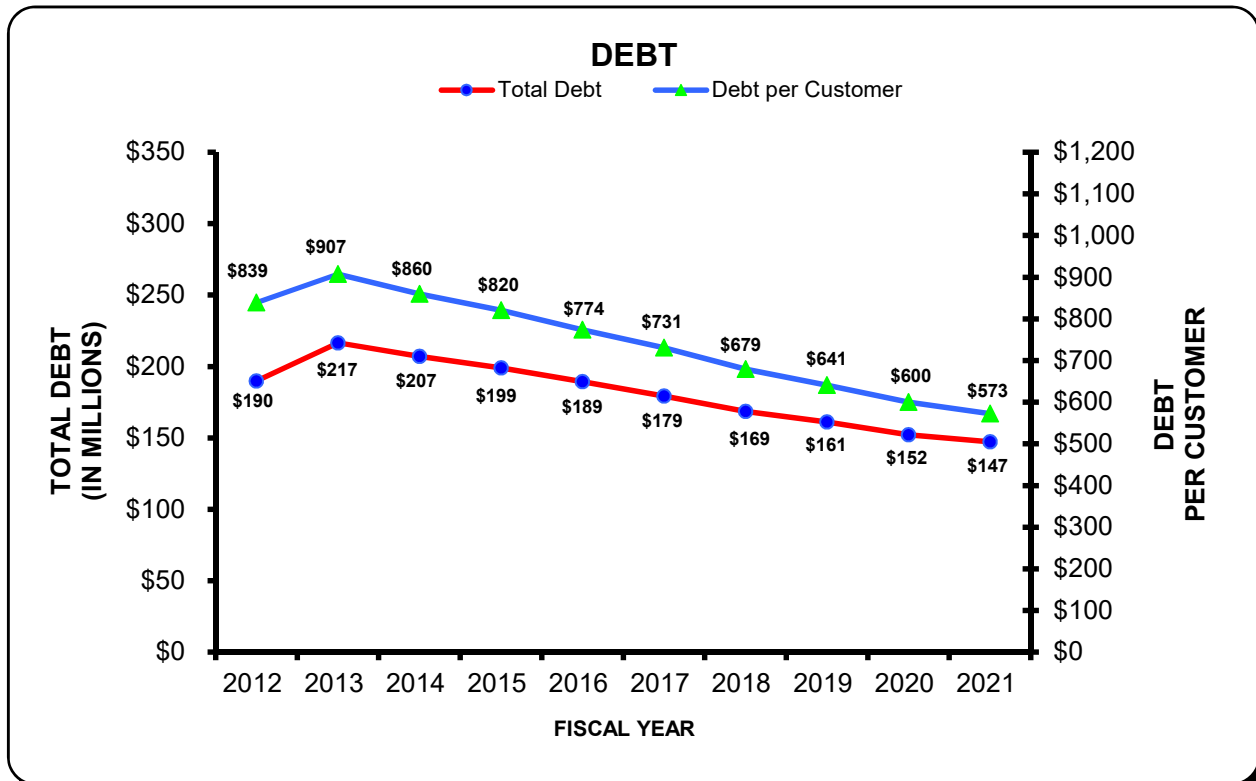
PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

	Water & Sewer Revenue Bonds	Pro Rata Share of Joint Venture Debt		Total Debt	Debt per Customer
2021	\$147,288,682	\$ -	(1)	\$147,288,682	\$573
2020	152,267,968	-	(1)	152,267,968	600
2019	161,140,961	-	(1)	161,140,961	641
2018	168,602,532	-	(1)	168,602,532	679
2017	179,408,076	-	(1)	179,408,076	731
2016	189,374,522	-	(1)	189,374,522	774
2015	198,976,869	-	(1)	198,976,869	820
2014	206,986,215	-	(1)	206,986,215	860
2013	216,573,017	-	(1)	216,573,017	907
2012	188,550,000	1,261,946	(1)	189,811,946	839

Notes:

Although neither the State of Florida nor Palm Beach County set a legal debt limit, the bond covenants stipulate that the Department may issue debt as long as certain conditions are met. The major criterion is that the Department establishes rates and fees sufficient to provide net revenues and connection fees that are at least 1.25 times the annual debt service requirements. Number of customers is defined as the number of potable water dwelling units served. See page 72 for customer data.

(1) On September 14, 2012, the ECR paid in full the remaining balance of the 20 year revolving loans.

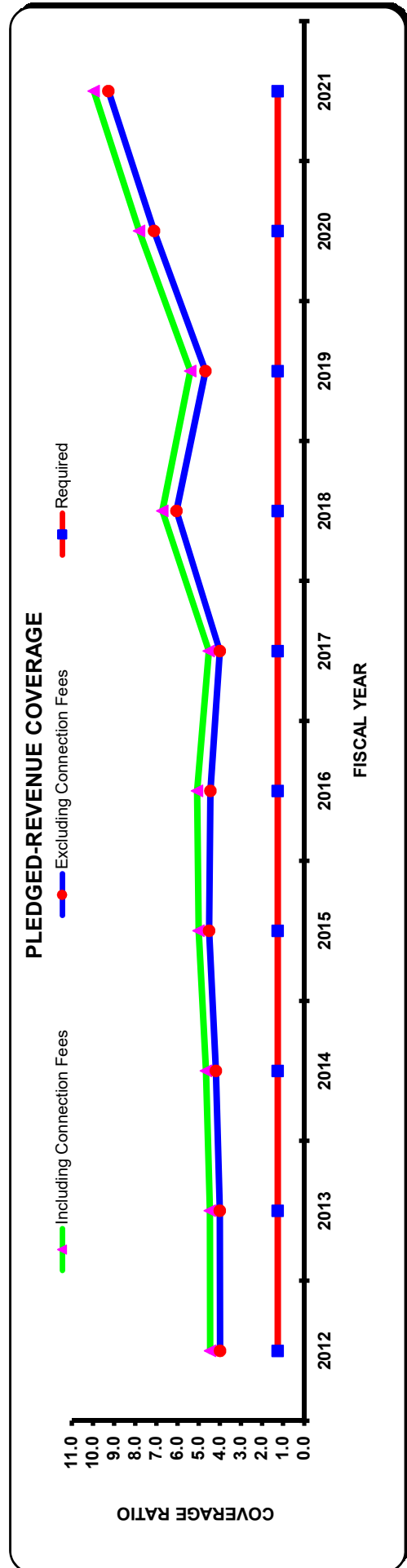


PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years

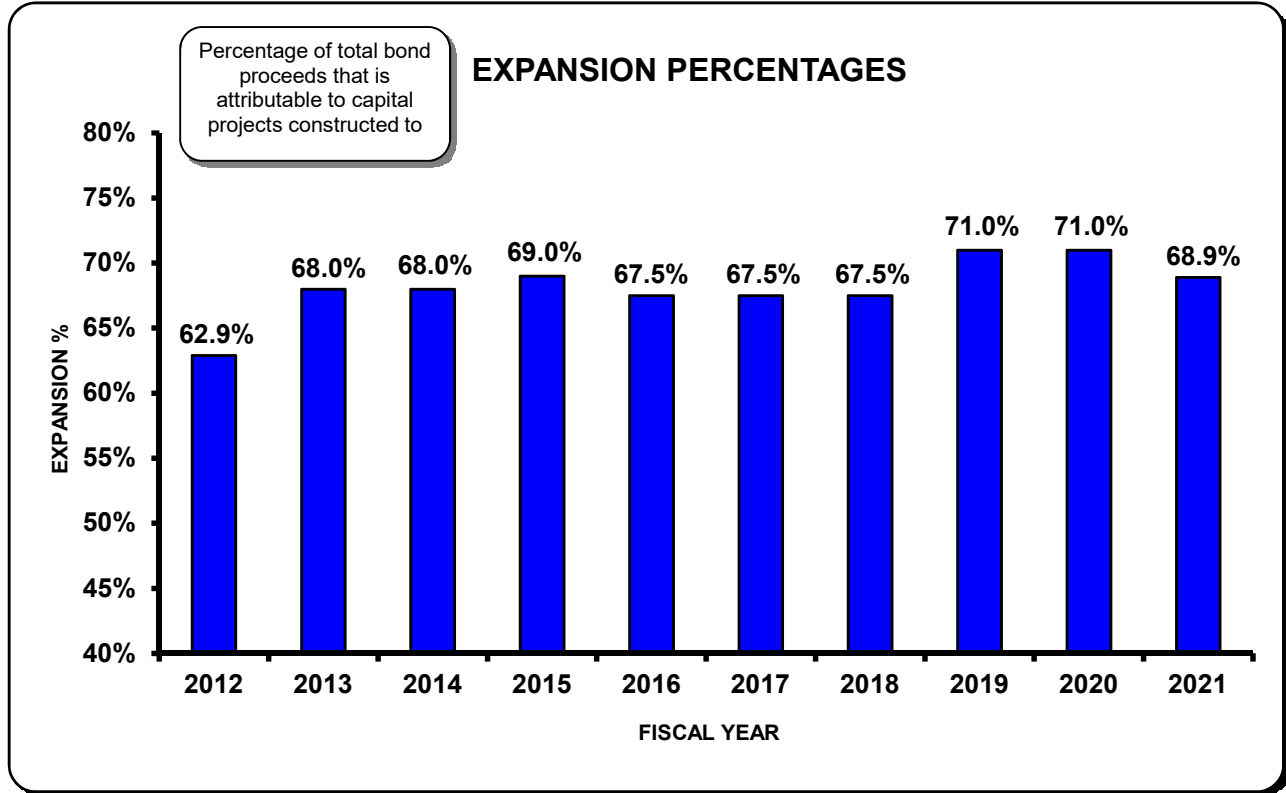
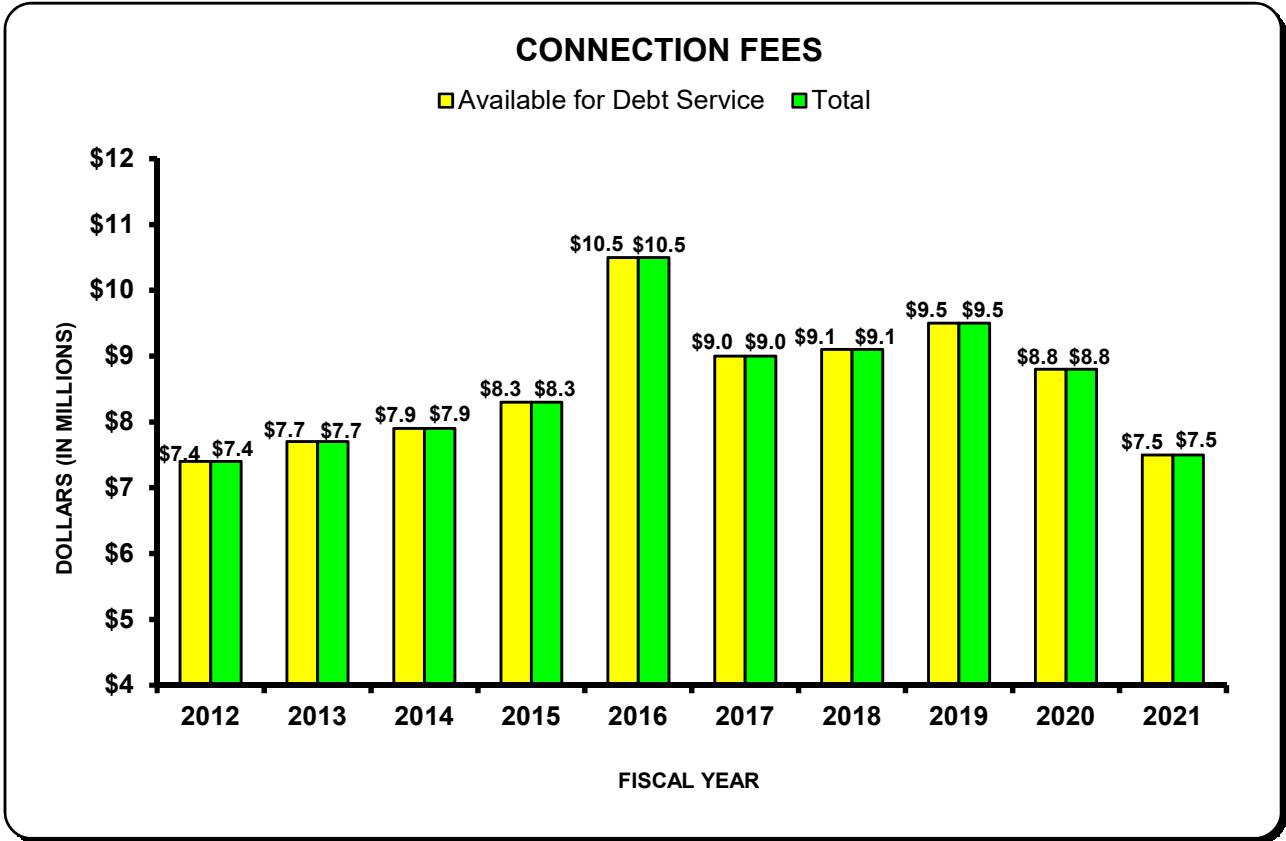
Fiscal Year Ended Sept 30	Operating			Nonoperating		Available for Debt Service			Debt Service Requirements			Coverage Ratio	
	Revenues	Expenses ⁽¹⁾	Expenses ⁽²⁾	Revenues	(Expenses) ⁽²⁾	Net Revenues	Connection Fees ⁽³⁾	Revenues & Connection Fees	Principal	Interest	Total Debt Service	Excluding Connection Fees	Including Connection Fees
2021	\$226,563,800	\$136,892,980	\$11,837,274	\$11,837,274	\$11,837,274	\$101,508,094	\$7,545,916	\$109,054,010	\$7,095,688	\$3,856,295	\$10,951,983	9.27x	9.96x
2020	217,976,818	143,044,280	12,890,566	12,890,566	12,890,566	87,823,104	8,764,242	96,587,346	6,344,327	5,999,676	12,344,003	7.11	7.82
2019	204,973,971	158,226,435	16,083,547	16,083,547	16,083,547	62,831,083	9,524,019	72,355,102	6,487,969	6,926,142	13,414,111	4.68	5.39
2018	197,208,287	127,029,860	11,664,831	11,664,831	11,664,831	81,843,258	9,132,437	90,975,695	6,352,142	7,177,394	13,529,536	6.05	6.72
2017	193,040,161	133,440,305	10,565,010	10,565,010	10,565,010	70,164,866	8,970,138	79,135,004	9,938,514	7,597,348	17,535,862	4.00	4.51
2016	186,213,992	124,274,303	11,936,492	11,936,492	11,936,492	73,876,181	10,530,256	84,406,437	8,675,180	7,972,045	16,647,225	4.44	5.07
2015	176,803,449	116,443,238	14,514,826	14,514,826	14,514,826	74,875,037	8,271,112	83,146,149	8,166,052	8,464,578	16,630,630	4.50	5.00
2014	169,940,052	111,815,585	11,053,141	11,053,141	11,053,141	69,177,608	7,902,936	77,080,544	7,630,891	8,938,050	16,568,941	4.18	4.65
2013	162,397,200	104,747,391	8,132,428	8,132,428	8,132,428	65,782,237	7,659,599	73,441,836	7,386,929	9,071,030	16,457,959	4.00	4.46
2012	153,770,117	100,798,052	9,598,962	9,598,962	9,598,962	62,571,027	7,394,115	69,965,142	6,465,000	9,263,137	15,728,137	3.98	4.45

Notes:

- (1) Operating expenses exclude depreciation and amortization and equity interest in net (income) loss of joint venture.
- (2) Nonoperating revenues (expenses) exclude interest on debt, gain or loss on disposal of fixed assets, and grants.
- (3) Represents the lesser of the expansion percentage (see page 92) times the debt service in a given fiscal year or the connection fees in that year.



PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
CONNECTION FEES & EXPANSION PERCENTAGES
 Last Ten Fiscal Years



DEMOGRAPHIC AND ECONOMIC INFORMATION

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
DEMOGRAPHIC AND ECONOMIC STATISTICS FOR PALM BEACH COUNTY
Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (000)</u>	<u>Per Capita Personal Income</u>	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>
2021	1,502,495	N/A	N/A	747,157	4.4%
2020	1,466,494	\$131,435,258	\$87,478	701,775	7.5
2019	1,447,857	124,632,614	83,268	739,891	3.3
2018	1,433,417	118,519,249	79,760	729,972	3.5
2017	1,414,144	109,973,732	74,754	726,467	4.2
2016	1,391,741	103,876,015	71,946	701,993	4.8
2015	1,378,417	97,806,900	68,743	685,491	5.3
2014	1,360,248	93,526,272	66,914	669,252	6.0
2013	1,345,652	79,564,774	57,985	640,219	7.1
2012	1,335,415	75,461,490	55,628	622,775	9.2

N/A = not available

Sources:

Florida Legislature, Office of Economic and Demographic Research
Florida Agency for Workforce Innovation, Labor Market Statistics Center,
Local Area Unemployment Statistics Program, In cooperation
with the U.S. Department of Labor, Bureau of Labor Statistics.

Notes:

Although the Department's service area is primarily unincorporated, some municipalities or parts of municipalities are included in the service area. See the Department's Service Area and Major Facilities map on page 10.

Since statistics are not available for the service area only, demographic and economic statistics are presented for the entire County.

Population and income data are per calendar year.

Income data for 2021 is not available.

Personal Income data and Per Capita Income data are revised annually.

Labor Force data and Unemployment data are for September of each year.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
PRINCIPAL EMPLOYERS IN PALM BEACH COUNTY
Current Year and Nine Years Ago

EMPLOYER	2021			2012		
	Employees	Rank	%	Employees	Rank	%
Palm Beach County School District	22,600	1	3.22	21,495	1	3.45
Palm Beach County Government	11,864	2	1.69	11,381	2	1.83
Tenet Healthcare Corp	6,505	3	0.93	6,100	3	0.98
NextEra Energy (Florida Power & Light)	5,119	4	0.73	3,635	4	0.58
Florida Atlantic University	3,133	5	0.45	2,706	7	0.43
Boca Raton Regional Hospital	3,052	6	0.44	2,250	10	0.36
Veterans Health Administration	3,000	7	0.43	-	-	-
Hospital Corporation of America (HCA)	2,806	8	0.40	2,714	6	0.44
The Breakers	2,300	9	0.33	-	-	-
Bethesda Hospital East/West	2,282	10	0.33	2,391	8	0.38
Wackenhut Corporation (G4S)	-	-	-	3,000	5	0.48
Office Depot	-	-	-	2,250	9	0.36
Total	62,661		8.94	57,922		9.29
Balance from other employers	638,245		91.06	565,566		90.71
Grand totals	700,906		100.00	623,488		100.00

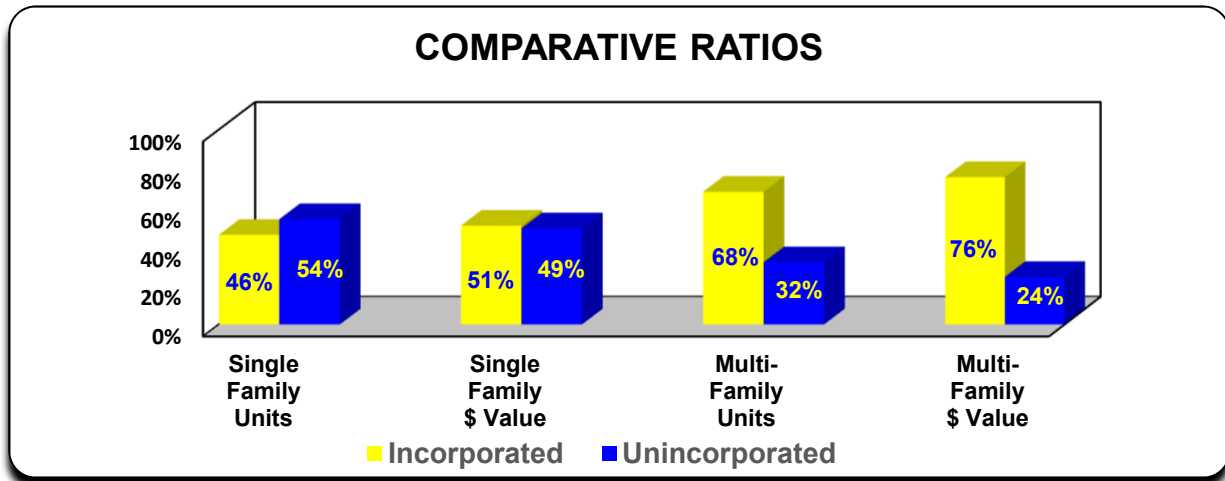
Source: Business Development Board of Palm Beach County

Notes:

Although the Department's service area is primarily unincorporated, some municipalities or parts of municipalities are included in the service area. See the Department's Service Area and Major Facilities map on page 10.

Since statistics are not available for the service area only, demographic and economic statistics are presented for the entire County.

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
RESIDENTIAL BUILDING PERMIT DATA FOR PALM BEACH COUNTY
 Unincorporated and Incorporated Areas
 Last Ten Years



NUMBER OF UNITS:

	Unincorporated		Incorporated		Total	
	Single Family	Multi-Family	Single Family	Multi-Family	Single Family	Multi-Family
2021	2,526	1,189	2,148	2,538	4,674	3,727
2020	2,280	1,933	1,640	913	3,920	2,846
2019	1,843	888	1,342	1,554	3,185	2,442
2018	1,720	112	1,284	1,784	3,004	1,896
2017	1,733	391	946	1,610	2,679	2,001
2016	1,258	733	1,102	2,026	2,360	2,759
2015	1,756	260	1,033	1,306	2,789	1,566
2014	1,299	443	1,134	1,084	2,433	1,527
2013	1,241	497	1,354	1,959	2,595	2,456
2012	1,022	252	6	1,940	1,028	2,192
Totals	16,678	6,698	11,989	16,714	28,667	23,412

VALUE (in millions):

	Unincorporated		Incorporated		Total	
	Single Family	Multi-Family	Single Family	Multi-Family	Single Family	Multi-Family
2021	\$961	\$174	\$988	\$539	\$1,949	\$713
2020	819	282	649	222	1,468	504
2019	697	110	610	165	1,307	275
2018	589	21	519	174	1,108	195
2017	588	60	458	281	1,046	341
2016	430	132	440	278	870	410
2015	564	38	349	170	913	208
2014	477	57	433	178	910	235
2013	480	63	448	179	928	242
2012	385	36	319	168	704	204
Totals	\$5,990	\$973	\$5,213	\$2,354	\$11,203	\$3,327

Source: Palm Beach County Planning, Zoning and Building Department

Notes: Data for calendar year.

Although the Department's service area is primarily unincorporated, some municipalities or parts of municipalities are included in the service area. See the Department's Service Area and Major Facilities map on page 10.

Since statistics are not available for the service area only, residential building permit data is presented for the entire County.

OPERATING INFORMATION



PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
NUMBER OF POSITIONS BY FUNCTION
Last Ten Fiscal Years

<u>Function</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Water:										
Treatment	127	127	127	120	120	103	103	100	101	100
Distribution	88	88	88	88	88	88	84	88	89	89
Wastewater:										
Treatment	58	58	57	56	57	41	41	38	39	39
Collection	113	113	113	113	113	89	84	92	88	89
Customer accounts	81	78	76	75	75	55	58	56	55	55
Administration	112	111	111	108	107	106	106	96	91	86
Western Region	-	-	-	-	-	65	65	62	67	71
Engineering	<u>37</u>	<u>37</u>	<u>37</u>	<u>31</u>	<u>31</u>	<u>28</u>	<u>27</u>	<u>29</u>	<u>29</u>	<u>29</u>
Total positions	<u><u>616</u></u>	<u><u>612</u></u>	<u><u>609</u></u>	<u><u>591</u></u>	<u><u>591</u></u>	<u><u>575</u></u>	<u><u>568</u></u>	<u><u>561</u></u>	<u><u>559</u></u>	<u><u>558</u></u>

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
OPERATING AND CAPITAL ASSET STATISTICS
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
INCREASE IN SERVICES:			
Potable water meters	2,204	1,894	1,860
Potable water dwelling units	3,435	2,465	3,069
Wastewater dwelling units	3,481	2,244	2,948
WATER SUPPLY, TREATMENT, AND DISTRIBUTION SYSTEMS:			
RAW WATER WELLS:			
Total Well Capacity (MGD)	157.11	151.06	151.06
Combined permitted Yearly Withdrawal (MG)	35,194	35,194	35,194
Combined permitted Maximum Daily Withdrawal (MGD)	140.33	140.33	140.33
TREATMENT PLANTS:			
Average finished water (MGD)	60.70	59.91	58.84
Primary plants	5	5	5
Combined permitted treatment capacity (MGD)	113.28	113.28	113.28
Plant 2 (West Lake Worth)	16.40	16.40	16.40
Plant 3 (West Delray)	30.00	30.00	30.00
Plant 8 (West Palm Beach)	30.00	30.00	30.00
Plant 9 (West Boca Raton)	26.88	26.88	26.88
Plant 10 (Royal Palm Beach)	-	-	-
Plant 11 (Western Region)	10.00	10.00	10.00
DISTRIBUTION SYSTEM:			
Miles of pipe	2,506	2,497	2,504
Storage tanks and repump stations	14	14	14
Repump stations	1	1	1
Emergency interconnects	23	23	21
Bulk meters	9	9	9
Fire hydrants	20,076	19,740	19,363
Valves	39,857	39,231	38,393
Air release valves	744	738	688

N/A = not available

Notes:

When the Glades Utility Authority (GUA) was absorbed on May 1, 2013, Plant 11 was reactivated, which was previously contributed to the GUA on October 1, 2009.

The 2013 increase in services includes the following from the GUA absorption:

10,224 potable water meters; 10,900 potable water dwelling units; and 9,515 wastewater dwelling units.

Plant 10 was contributed to Royal Palm Beach on July 16, 2013 and is no longer owned by the Department. See pages 72- 74 and 102 - 103 for additional operating statistics.

* Amounts restated due to reorganization of reporting categories.

<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>
1,745	1,157	1,614	1,487	1,610	11,572	1,253
2,733	723	2,252	1,868	1,970	12,544	1,447
2,557	620	2,146	1,850	1,820	11,075	1,204
151.06	151.06	151.06	113.28	107.00	103.00	109.00
35,194	35,194	35,194	35,194	35,194	35,194	38,792
140.33	140.33	140.33	140.33	140.33	139.02	106.28
60.00	60.39	61.32	59.32	58.82	52.04	53.01
5	5	5	5	5	5	5
0.00	113.28	113.28	113.28	113.28	113.28	104.28
16.40	16.40	16.40	16.40	16.40	16.40	14.40
30.00	30.00	30.00	30.00	30.00	30.00	30.00
30.00	30.00	30.00	30.00	30.00	30.00	30.00
26.88	26.88	26.88	26.88	26.88	26.88	26.88
-	-	-	-	-	-	3.00
10.00	10.00	10.00	10.00	10.00	10.00	-
2,520	2,437	2,417	2,407	2,385	2,364	2,152
18	18	19	16	17	17	17
-	-	-	-	-	-	-
26	26	26	26	26	24	21
-	-	-	-	-	-	-
19,119	18,635	18,287	18,155	17,839	17,593	16,582

(continued)

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
OPERATING AND CAPITAL ASSET STATISTICS
 Last Ten Fiscal Years

(continued) 2021 2020 2019

WASTEWATER COLLECTION AND TREATMENT SYSTEMS:

TREATMENT PLANTS:

Combined maximum 3-month average (MGD)	39.70	34.58	35.20
Combined annual average wastewater treated (MGD)	37.73	34.81	31.79
Primary wastewater plants	4	4	4
Combined permitted treatment capacity mgd	67.20	67.20	67.20
Southern Region Water Reclamation Facility	35.00	35.00	35.00
Department's share @ East Central Regional Wastewater Facilities	24.50	24.50	24.50
Western Region WWTP, Belle Glade	6.50	6.50	6.50
Western Region North WWTP, Pahokee	1.20	1.20	1.20

COLLECTION SYSTEM:

Miles of gravity wastewater line	1,339	1,329	1,307
Pump/Lift Stations	1,088	1,080	1,054
Repump Stations	6	6	6
Miles of force main	610	617	606
Valves	4,567	4,440	4,180
Air relief valves	868	861	839
Manholes	34,309	34,021	33,453

EFFLUENT DISPOSAL:

Deep injection wells	8	8	8
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RECLAIMED WATER:

Combined annual average reclaimed water (MGD)	29.56	29.75	30.64
Combined permitted for reclaimed water (MGD)	52.00	52.00	52.00
Wetlands combined permitted capacity (MGD)	5.00	5.00	5.00
Combined wetlands (MGD)	1.55	1.55	2.40
Green Cay Wetlands (MGD)	0.88	0.72	0.87
Wakodahatchee Wetlands (MGD)	0.67	0.87	1.53
Central Region Reclamation Facility Capacity (MGD)	3.00	3.00	3.00
Central Region Reclamation Facility (MGD)	0.49	0.37	0.74
Miles of pipe	69	69	68
Flush hydrants	118	113	113
Valves	734	599	579
Air release valves	70	40	113
Vacuum release valves	75	78	24
Repump Stations	1	1	1
Bulk Meters	3	3	3

N/A = not available

Notes:

The Glades Utility Authority was absorbed on May 1, 2013.
 See pages 72 - 74 and 100 - 101 for additional operating statistics.
 * Amounts restated due to reorganization of reporting categories.

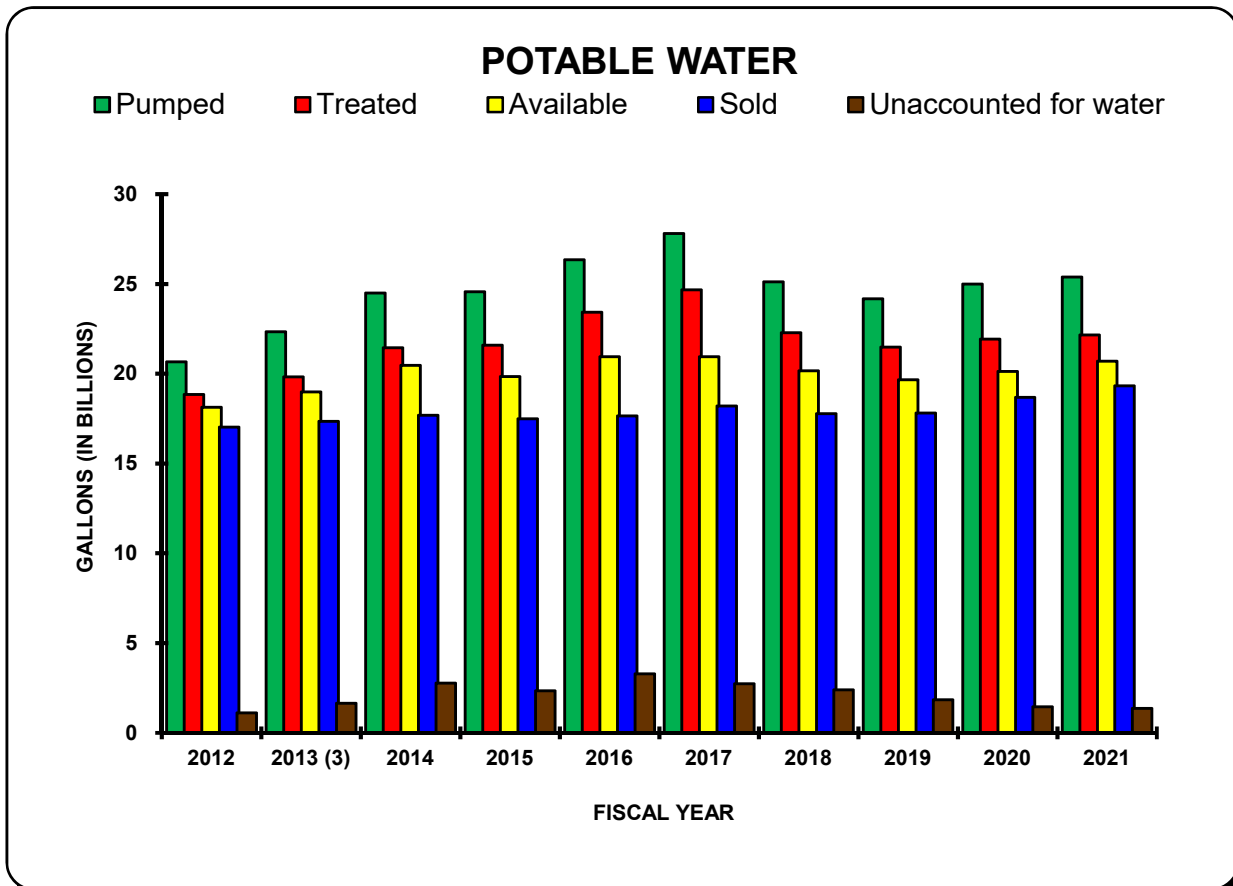
<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>
37.56	36.04	36.04	45.30	46.98	42.30	43.87
35.14	36.09	36.09	39.59	41.41	38.46	38.81
4	4	4	4	4	3	2
67.20	67.20	67.20	67.20	66.70	66.70	59.00
35.00	35.00	35.00	35.00	35.00	35.00	35.00
24.50	24.50	24.50	24.50	24.00	24.00	24.00
6.50	6.50	6.50	6.50	6.50	6.50	-
1.20	1.20	1.20	1.20	1.20	1.20	-
1,290	1,273	1,262	1,256	1,248	1,238	1,165
1,020	1,006	987	899	893	886	803
-	-	-	-	-	-	-
604	598	594	595	589	588	532
4,120	4,007	3,847	3,805	3,608	3,541	3,383
795	780	766	763	752	746	726
32,996	32,558	31,877	31,714	31,443	31,132	29,457
8	8	7	7	7	7	6
22.97	28.11	30.29	28.13	28.75	8.90	9.71
52.00	52.00	52.00	52.00	52.00	60.00	22.00
5.00	5.00	5.00	3.53	3.18	2.72	1.92
1.74	2.42	2.50	-	-	-	-
0.64	0.67	0.94	0.94	0.82	0.66	0.67
1.10	0.83	0.96	0.96	0.79	0.83	0.63
3.00	3.00	3.00	1.63	1.57	1.23	0.62
0.19	0.92	0.60				
66	63	62	61	60	57	55
111	109	109	107	101	101	99
555	537	522	511	482	477	471
112	111	108	106	100	100	98

PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
POTABLE WATER VARIANCE ANALYSIS
 Last Ten Fiscal Years

(in million gallons)	2021	2020	2019	2018	2017	2016	2015	2014	2013 ⁽³⁾	2012
Pumped	25,380	24,997	24,182	25,125	27,814	26,349	24,563	24,495	22,340	20,672
Treated ⁽¹⁾	22,160	21,928	21,487	22,290	24,673	23,434	21,586	21,447	19,824	18,845
Available ⁽²⁾	20,703	20,136	19,667	20,173	20,953	20,943	19,843	20,476	18,991	18,139
Sold	19,333	18,683	17,819	17,774	18,211	17,654	17,500	17,695	17,346	17,022
Unaccounted for water	1,370	1,453	1,848	2,399	2,742	3,289	2,343	2,781	1,645	1,117
"Unaccounted for water" as a percentage of treated water	6.2%	6.6%	8.6%	10.8%	11.1%	14.0%	10.9%	13.0%	8.3%	5.9%

Notes:

- ⁽¹⁾ The variance between Pumped and Treated is accounted for by water used within the water plants.
- ⁽²⁾ The variance between Treated and Available is accounted for by water used system-wide for purposes such as hydrant flushing and lift station and wastewater plant use.
- ⁽³⁾ On May 1, 2013, the Department absorbed the Glades Utility Authority (GUA). The percentage includes the GUA data.



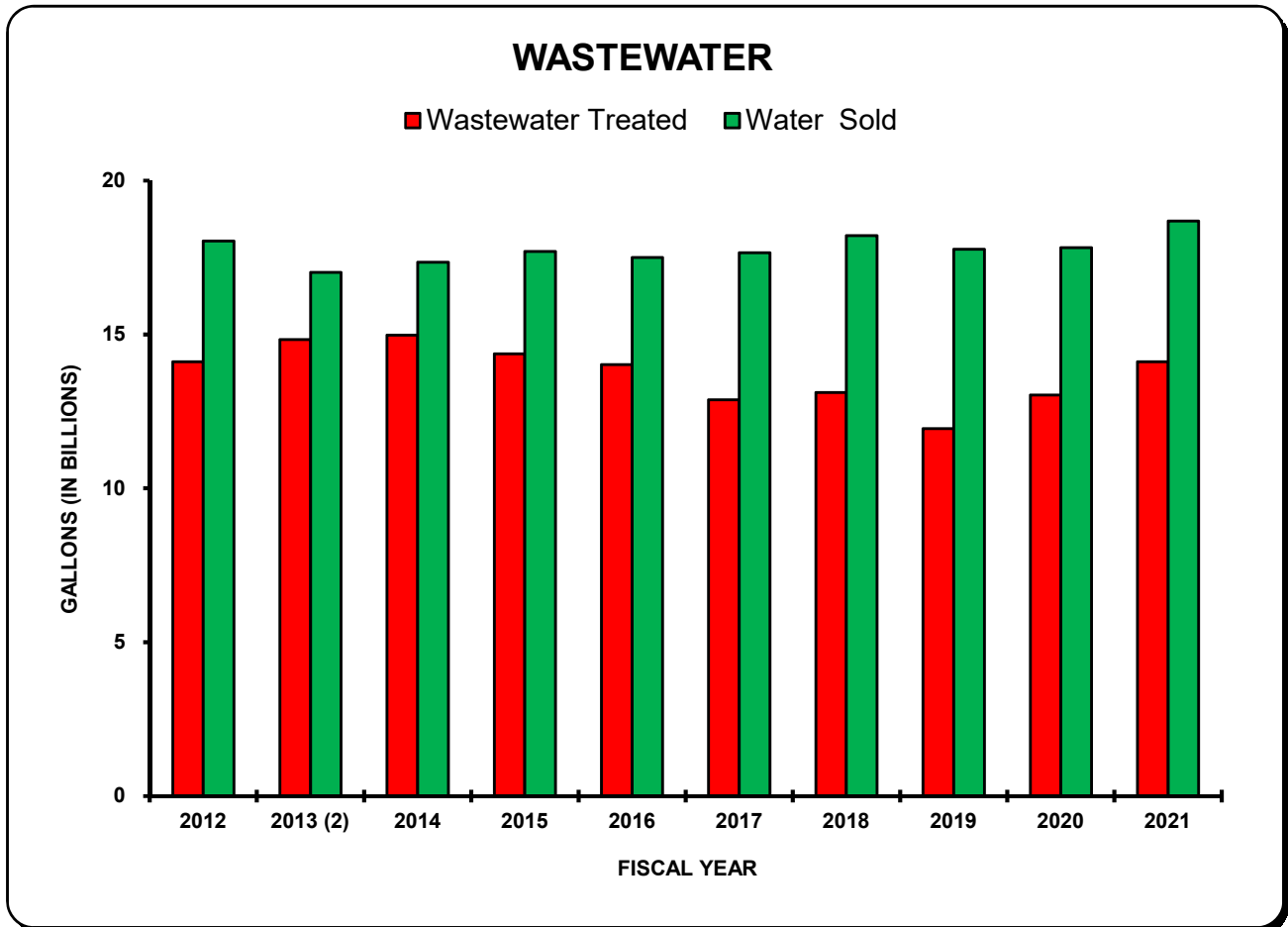
PALM BEACH COUNTY, FLORIDA
WATER UTILITIES DEPARTMENT
WASTEWATER TREATED
 Last Ten Fiscal Years

(in million gallons)	2021	2020	2019	2018	2017	2016	2015	2014	2013 ⁽²⁾	2012
Department plants	8,724	8,009	7,545	7,954	7,910	8,860	9,702	9,807	9,180	8,615
ECR ⁽¹⁾	5,393	5,028	4,394	5,163	4,968	5,161	4,666	5,175	5,653	5,499
Total Treated	14,117	13,037	11,939	13,117	12,878	14,021	14,368	14,982	14,833	14,114
Daily Average	38.7	35.6	32.7	35.9	35.3	38.3	39.4	41.0	40.6	38.6

Notes:

⁽¹⁾ Per an Interlocal Agreement, at September 30, 2010 Palm Beach County owns 34.29% of the capacity at the East Central Regional Wastewater Facilities (ECR) operated by the City of West Palm Beach.

⁽²⁾ On May 1, 2013, the Department absorbed the Glades Utility Authority (GUA). The amount treated includes GUA data.





Compliance Report





RSM US LLP

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based
on an Audit of the Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

Honorable Board of County Commissioners
Palm Beach County, Florida Water Utilities Department
Palm Beach County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying statement of net position of the Palm Beach County, Florida Water Utilities Department (the Department) as of September 30, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and have issued our report thereon dated March 30, 2022, which contained an unmodified opinion on the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
March 30, 2022



PALM BEACH COUNTY WATER UTILITIES DEPARTMENT

BEST WATER, BEST SERVICE & BEST ENVIRONMENTAL STEWARDSHIP

An Enterprise Fund Department of the Board of County Commissioners for Palm Beach County, Florida



8100 Forest Hill Boulevard, West Palm Beach, FL 33413 | (561) 493-6000 | pbcwater.com

