Melbourne City Council
November 25, 2025
City Manager's Item Report

Department:	Financial Services
Presenter:	Ross McGinn
Council District:	N/A
Reading Number:	1
Quasi-judicial Item (Disclosure Required):	No
Public Hearing:	Yes
Item Number:	C.18.

Subject:
An ordinance amending water and sewer impact fees.

Background/Consideration:
At the September 25, 2025 City Council meeting, City Council approved five consecutive annual increases of 10.5% to water rates and 7% to wastewater rates, effective October 1, 2025 and each October 1 through 2029. Adopting rates at these amounts was critical to meeting revenue requirements for bond covenants and avoiding negatively impacting the City's Water and Sewer Fund's operating reserves. During this meeting and the preceding meetings prior to adoption, City staff and the City's rate consultant, Raftelis Financial Consultants, Inc. (Raftelis), announced that a similar recommendation for water and sewer impact fees was forthcoming to update the impact fee rates last updated in 2012. The 2025 Water and Sewer Impact Fee Report prepared by Raftelis is attached.

As noted on Page 10 of the attached 2025 Water and Sewer Impact Fee Report, the City's water impact fee is recommended to be increased from $1,540 per equivalent residential unit (ERU) to $2,755, an increase of 79%, and the City's sewer impact fee is recommended to be increased from $2,210 per ERU to $4,165, an 88% increase. During the 2025 Florida Legislative Session, House Bill (HB) 579 was approved and signed into law with an effective date of January 1, 2026, which amends the process in which "extraordinary circumstances" may be used, both increasing the requirement of the approval of the enacting ordinance from a two-thirds majority of the legislative body to a unanimous vote of the legislative body, and preventing those jurisdictions that have not previously approved an increase in the previous four-year period from using "extraordinary circumstances" after January 1, 2026. Based upon the last review of the City's impact fee ordinances, these changes would effectively limit the City's recommended increases to both impact fees to 12.5% annually over a four-year period as required under 163.31801.

It became apparent during the finalization of the Impact Fee Report that the recommended increases exceeded those allowable under current State law without the use of the "extraordinary circumstances" provision of the Florida Impact Fee Act, which allows for the full increase to be placed in effect with a two-thirds vote of the legislative body on the enacting ordinance, two publicly-noticed workshops, and justification of the "extraordinary circumstances" requiring increases than those allowable under the statute. City Council held the first of the two required workshops at 5:30 PM on November 13, 2025, and will hold the second of such workshops at 5:30 PM on November 25, 2025, prior to the beginning of the regularly scheduled council meeting in which the first reading of this

ordinance is considered.

In developing the ordinance enacting the recommended impact fee increases, the City's rate consultant provided four (4) factors to consider in exercising the "extraordinary circumstances" provision of the existing language:

1. Population growth in excess of the State of Florida average population growth.
2. Development growth in excess of the State of Florida average growth.
3. Expansion of the utility's service area.
4. Cost of capital improvement cost increases and the impact on utility rates.

While the 2025 Water and Wastewater Rate Study included a conservative estimate of development growth, the City's Community Development Department provided an updated 2025 Local Government Request Form provided to the local school board for growth estimates that assumed an increase in the number of units in the City of Melbourne over the five-year study period of 9,041 ERUs. Based upon this magnitude of development, far exceeding historical development averages for the City, the amount of lost impact fee revenues is forecast to be approximately $10 million, or 2.6% of utility rate revenues over that period of time.

Additionally, recent capital improvement projects (CIP) have grossly exceeded initial estimates. For example, the Reverse Osmosis Water Treatment Plant Expansion project, initially forecast for approximately $40 million in cost in the FY 2022-2023 Adopted Budget CIP, but more recently forecast to be $95 million based upon design estimates as provided by the City's engineering consultant. As this experience has been felt across most of the City's forecast capital expenses, it comes as no surprise as the CIP has grown from $300 million during the FY 2022-2023 budget preparation process to over $500 million in the most recent 2026 Fiscal Year budget preparation process.

The attached Ordinance requires two readings. This is the first of two readings. In accordance with 163.31801, the new water and sewer impact fees would not go into effect until 90 days following the adoption of the ordinance. Impact fees are paid at the time of building permit issuance. Applicants receiving a building permit prior to the effective date will not be impacted. Applicants who have received some level of entitlement (i.e. zoning or land use amendment, site plan approval, conditional use approval) but have not been issued a permit by the City prior to the effective date will be subject to the revised water and sewer impact fees.

Fiscal/Budget Impact:
Additional detail regarding the financial impacts of this ordinance can be found throughout the 2025 Water and Sewer Impact Fee Report.

Requested Action:
Approval of Ordinance No. 2025-59.

ORDINANCE NO. 2025-59

AN ORDINANCE OF THE CITY OF MELBOURNE, BREVARD COUNTY, FLORIDA, RELATING TO WATER AND SEWER IMPACT FEES; MAKING FINDINGS; AMENDING CHAPTER 58 OF THE CITY CODE, ENTITLED “UTILITIES”; AMENDING SECTION 58-131 ENTITLED “WATER IMPACT FEES”; AND AMENDING SECTION 58-242 ENTITLED “SEWER IMPACT FEES”; PROVIDING FOR SEVERABILITY AND INTERPRETATION; PROVIDING AN EFFECTIVE DATE; AND PROVIDING AN ADOPTION SCHEDULE.

WHEREAS, Article VIII, Section 2 of the Florida Constitution, and Chapters 163 and 166, Florida Statutes, provide municipalities with broad home rule powers, including the authority to impose and collect impact fees; and

WHEREAS, Section 163.31801, Florida Statutes, known as the Florida Impact Fee Act, establishes uniform standards for the adoption of impact fees and requires that such fees satisfy the dual rational nexus test, which requires (1) a reasonable connection between the need for additional capital facilities and the growth generated by new development, and (2) a reasonable connection between the expenditure of impact fee revenues and the benefits received by new development; and

WHEREAS, Section 166.0421, Florida Statutes, prescribes the procedures for adoption of ordinances by municipalities and the City has complied with all such requirements; and

WHEREAS, the City has not updated its water and sewer impact fees since the adoption of Ordinance 2012-19 in May 2012, which established the current fee structure, and the existing fee schedules no longer bear a reasonable relationship to the costs of providing capital facilities and services; and

WHEREAS, the City retained the firm of Raftelis Financial Consultants, Inc. to study the demonstrated need to update the City of Melbourne’s existing water and wastewater impact fees

and to establish the proportionate share of new development's demand for capital improvements to these facilities; and

WHEREAS, Raftelis Financial Consultants, Inc. has prepared the "City of Melbourne Water and Wastewater Rate and Impact Fee Study" dated October 31, 2025 (hereinafter the "Impact Fee Study") which demonstrates that the impact fees set forth in the Impact Fee Study have a reasonable connection, or rational nexus, between the anticipated need for additional facilities and the growth in population; and

WHEREAS, the Impact Fee Study demonstrates extraordinary circumstances justifying exemption from the statutory phase-in requirements of Section 163.31801(6), Florida Statutes, including: (1) development growth forecasted to be in excess of the City's historical average and (2) major capital facility needs and cost of capital improvement cost increases and their impact on utility rates; and

WHEREAS, the City Council held two publicly noticed workshops on November 13, 2025 and November 25, 2025, to consider the Impact Fee Study and the extraordinary circumstances necessitating an increase to impact fees to exceed the phase-in limitations set forth in Section 163.31801, Florida Statutes, in compliance with Section 163.31801(6)(g), Florida Statutes; and

WHEREAS, the City Council hereby accepts and adopts the "City of Melbourne Water and Wastewater Rate and Impact Fee Study" dated October 31, 2025, and methodology for the impact fee changes adopted by this Ordinance; and

WHEREAS, based upon the findings and conclusions in the Impact Fee Study and the relevant case law, and after considering all information and comment provided at the publicly noticed workshops and hearings, the City Council finds that extraordinary circumstances exist in the City of Melbourne and that adoption of the updated impact fee schedule in excess of the statutory phase-in limitations set forth in Section 163.31801(6), Florida Statutes is necessary and

it ensures that new development bears a proportionate share of required capital facility costs, and is supported by competent substantial evidence in the record; and

WHEREAS, the City Council finds that the impact fees adopted by this Ordinance are in the best interest of and for the health, safety and welfare of the citizens of the City of Melbourne and users of the City utility system and are consistent with the requirements of Florida Law.

BE IT ENACTED BY THE CITY OF MELBOURNE, FLORIDA:

SECTION 1. Findings. That the above recitals are true and correct and incorporated herein as legislative findings of the City Council. Further, the City Council makes the following findings in support of the adoption of this Ordinance and determination that extraordinary circumstances exist, necessitating an increase to impact fees to exceed the phase-in limitations set forth in Section 163.31801, Florida Statutes, in compliance with Section 163.31801(6)(g), Florida Statutes:

A. There exists significant inflation in the cost of construction for water production capital projects. Generating new capacity at the City's water production facility costs $16.97 per gallon, compared to $5.87 per gallon for existing capacity. Bids for construction of public facilities are significantly exceeding initial estimates with the current Capital Improvement Projects of over $500 million compared to $300 million in 2023.

B. The City plans to invest approximately $245 million, net of grant funding, in future treatment and transmission improvements for both water production and wastewater treatment. The City is in the process of upgrades and expansions to the Joe Mullins Reverse Osmosis Water Treatment Plant. Major projects for the wastewater system include various improvements at the Grant Street WRF and

several force main extensions and lift station upgrades to accommodate additional connections and flows.

C. There has been a significant increase in major capital facility needs and the cost of capital improvements. The impacts of these needs and cost increases on utility rates are evident by Ordinance 2025-46, increasing rates on existing ratepayers by 10.5% for water and 8.0% for wastewater each year during the study period.

D. Significant development growth for the City's utility service areas is forecasted in excess of the City's historical growth, with 5,068 equivalent residential connections expected during the study period, as reported on the Brevard County School Board's 2025 Local Government Request Form, leading to a significant growth in the demand for public facilities.

SECTION 2. That Section 58-131 of the City Code of Melbourne, Florida, is hereby amended to read as follows:

Sec. 58-131. Water impact fees.

(a) *Service to properties or customers.* Each customer requesting potable water capacity from the city's water system shall, prior to the installation of the connection to the water main, pay the following amounts to provide service to properties or customers and to all customers presently connected to the city's water system when additional development, structural changes, additions or changes in permitted use shall result in an additional impact to the city's water system. Water impact fees shall not be transferable from one property to another property.

(1) *Single-family residence*. All development which is considered an individually metered residential unit shall be considered one equivalent residential connection (ERC). The water impact fee per one ERC shall be ~~$1,540.00~~ $2,755.00.

(2) *Multiple-family, condominium, mobile home trailer and motor home parks, including all related facilities not having individual water meter connections, or other multiple living units or developments of mobile-type homes.* The water impact fees for each living unit served by a master meter shall be determined in accordance with the following schedule. If the development served by the master meter includes individually metered nonresidential use, then the water impact fee for such individually metered nonresidential use will be determined in addition to the applicable water impact fees as shown below for this customer designation.

	ERC Factor per Living Unit	Water Impact Fee
Duplex (1 or 2 bedrooms)	0.833	~~$1,283.00~~ $2,295.00
Duplex (3 or more bedrooms)	1.000	~~$1,540.00~~ $2,755.00
Multifamily (1 bedroom)	0.583	~~$898.00~~ $1,606.00
Multifamily (efficiency less than 500 square feet)	0.500	~~$770.00~~ $1,378.00
Multifamily (2 bedrooms)	0.833	~~$1,283.00~~ $2,295.00
Multifamily (3 or more bedrooms)	1.000	~~$1,540.00~~ $2,755.00
Mobile home (1 or 2 bedrooms)	0.667	~~$1,027.00~~ $1,838.00
Mobile home (3 or more bedrooms)	0.833	~~$1,283.00~~ $2,295.00

(3) *Hotels and motels not having individual water connections*. The water impact fees for each unit that is not individually metered shall be considered as 0.75 ERCs per unit. The water impact fee per each unit shall be ~~$1,155.00~~ $2,066.00 per unit.

(4) *Housing for older persons not having individual water connections*. The water impact fees for each unit of housing as defined by F.S § 760.29, as amended from time to time, that is not individually metered shall be considered as 0.75 ERCs per unit. The water impact fee per each unit of housing shall be ~~$1,155.00~~ $2,066.00 per unit.

(5) *Commercial connections.*

a. For all commercial and nonresidential connections not specifically identified in one of the classifications listed above, the water impact fees shall be based on the average dependable daily capacity for the development of the property identified by the applicant and certified for the applicant by a registered state professional engineer using the city's potable water concurrency standards in appendix D, article IV, chapter 3, section 3.46, and as approved by the city expressed on a gallons per day basis multiplied by ~~$6.417~~ $11.479 per gallon of capacity. In no event will the water impact fee charged to a commercial customer property be less than ~~$1,540.00~~ $2,755.00. For each commercial customer that is presently connected to the city's water system that constructs structural changes, additions, or changes in permitted use of such property that shall result in additional capacity impact to the city's water system, the water impact fee shall be based on the net increase in the average dependable daily capacity for the structural changes, additions, or changes in permitted use as determined above expressed on a gallons per day basis multiplied by ~~$6.417~~ $11.479 per gallon of capacity.

* * * *

SECTION 3. That Section 58-242 of the City Code of Melbourne, Florida, is hereby amended to read as follows:

Sec. 58-242. Sewer impact fees; cost of extension.

(a) *Service to properties or customers.* Each customer requesting sewer capacity from the city's sewer system shall, prior to connection to the system, pay the following amounts to provide service to properties and on all properties presently connected to the city's sewer system when structural changes, additions or changes in permitted use shall result in an additional impact to the city's sewer system. Sewer impact fees will not be transferable from one property to another property.

(1) *Single-family residence*. All development which is considered an individually metered residential unit shall be considered one equivalent residential connection (ERC). The sewer impact fee per ERC shall be ~~$2,210.00~~ $4,165.00.

(2) *Multiple-family, condominium, mobile home trailer and motor home parks, including all related facilities not having individual sewer connections, or other multiple living units or developments of mobile-type homes.* The sewer impact fees for each living unit serviced by a master meter shall be determined in accordance with the following schedule. If the development served by the master meter includes individually metered nonresidential use, then the sewer impact fee for such nonresidential use will be determined in addition to the applicable sewer impact fees as shown below for this customer designation.

	ERC Factor per Living Unit	~~Water~~ Sewer Impact Fee
Duplex (1 or 2 bedrooms)	0.833	~~$1,841.00~~ $3,469.00
Duplex (3 or more bedrooms)	1.000	~~$2,210.00~~ $4,165.00
Multifamily (1 bedroom)	0.583	~~$1,288.00~~ $2,428.00
Multifamily (efficiency less than 500 square feet)	0.500	~~$,1,105.00~~ $2,083.00
Multifamily (2 bedrooms)	0.833	~~$1,841.00~~ $3,469.00
Multifamily (3 or more bedrooms)	1.000	~~$2,210.00~~ $4,165.00
Mobile home (1 or 2 bedrooms)	0.667	~~$1,474.00~~ $2,778.00
Mobile home (3 or more bedrooms)	0.833	~~$1,841.00~~ $3,469.00

(3) *Hotels and motels not having individual sewer connections*. The sewer impact fees for each unit that is not individually metered shall be considered as 0.75 ERCs per unit. The sewer impact fee per each unit shall be ~~$1,658.00~~ $3,124.00 per unit.

(4) *Housing for older persons not having individual sewer connections*. The sewer impact fees for each unit of housing as defined by F.S § 760.29, as amended from time to time, that is not individually metered shall be considered as 0.75 ERCs per unit. The sewer impact fee per each unit of housing shall be ~~$1,658.00~~ $3,124.00 per unit.

(5) *Commercial connections.*

a. For all commercial and nonresidential connections not specifically identified in one of the classifications listed above, the sewer impact fees shall be based on the average dependable daily capacity for the development of the property identified by the applicant and certified for the applicant by a registered state professional engineer using the city's potable water concurrency standards in appendix D, article IV, chapter 3, and as approved by the city expressed on a gallons per day basis multiplied by ~~$9.208~~ $17.354 per gallon of capacity. In no event will the sewer impact fee charged to a commercial customer property be less than ~~$2,210.00~~ $4,165.00. For each commercial customer that is presently connected to the city's sewer system that constructs structural changes, additions, or changes in permitted use of such property that shall result in additional capacity impact to the city's sewer system, the sewer impact fee shall be based on the net increase in the average dependable daily capacity for the structural changes, additions, or changes in permitted use as determined above expressed on a gallons per day basis multiplied by ~~$9.208~~ $17.354 per gallon of capacity.

* * * *

SECTION 4. Severability/Interpretation Clause.

(a) That in the event that any term, provision, clause, sentence or section of this ordinance shall be held by a court of competent jurisdiction to be partially or wholly unenforceable or invalid for any reason whatsoever, any such invalidity, illegality, or unenforceability shall not affect any of the other or remaining terms, provisions, clauses, sentences, or sections of this ordinance, and this ordinance shall be read and/or applied as if the invalid, illegal, or unenforceable term, provision, clause, sentence or section did not exist.

(b) That in interpreting the provisions of this ordinance, words underlined are additions to existing text. Words ~~stricken through~~ are deletions from the existing text in Code. Asterisks (* * * *) indicate a deletion from the ordinance of text, which exists in the Code of Ordinances. It is

intended that the text in the Code of Ordinances denoted by the asterisks and not set forth in this ordinance shall remain unchanged from the language existing prior to adoption of this ordinance.

SECTION 5. That in compliance with Section 163.31801, Florida Statutes, the updated impact fees adopted herein shall apply only after ninety days from adoption of this ordinance as set forth in Section 6. below.

SECTION 6. That this ordinance was passed on the first reading at a regular meeting of the City Council on the day of , 2025, and adopted on second/final reading at a regular meeting of the City Council on the day of , 2025.

BY: _____
Paul Alfrey, Mayor

ATTEST: _____
Kevin McKeown, City Clerk

[CITY SEAL]

Ordinance No. 2025-59

City of

Melbourne

Water and Wastewater Impact Fee Study

October 31, 2025

RAFTELIS

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RAFTELIS

October 31, 2025

The Honorable Mayor and
Members of the City Council
City of Melbourne
900 E. Strawbridge Avenue
Melbourne, FL 32901

Subject: Water and Wastewater Impact Fee Study

Ladies and Gentlemen:

Raftelis Financial Consultants, Inc. (Raftelis) has completed the water and wastewater impact fee study for the City of Melbourne, Florida (City) water and wastewater system (System). This report summarizes the results of our analysis, assumptions, and recommendations, which is submitted for your consideration. This report provides a basis for the updated impact fees recommended for the System that are based on the cost of capital expenditures for both existing and new facilities that provide capacity to serve new development.

The proposed fees have been designed to meet a number of goals and objectives. Specifically, the major objectives used to develop the impact fees proposed in this study include:

- The impact fees are designed to recover the capital costs associated with the treatment and backbone transmission infrastructure providing water and wastewater capacity for new development;
- The impact fees are based upon the City's current and near-term projected treatment capacities and adopted level of service standards attributable to the City's Equivalent Residential Unit (ERU) for service ;
- The impact fees are designed in accordance with the Florida Impact Fee Act and applicable case law meaning that the fees, at a minimum, are based on localized costs and meet the dual rational nexus standard, among other requirements; and
- The proposed impact fees are designed to satisfy the dual rational nexus by: i) ensuring that the infrastructure costs included in the fee are necessary to accommodate new development; and ii) equitably apportion those costs so that new development pays their fair share based on the benefits received from the additional system capacity.

Based on information provided by the City and the assumptions and considerations outlined in this report, Raftelis considers the proposed impact fees to be cost-based, reasonable, and representative of the identified capital funding and level of service requirements of the system.

The accompanying sections of this report and the appended tables provide details of our assumptions and methods regarding the analyses conducted on behalf of the City.

General

The City's System, as well as other publicly owned water and wastewater utility systems, face increasing capital investment requirements necessary to expand water and wastewater system facilities to serve new growth. The utility business is capital intensive and requires the commitment of significant resources in advance of the growth in demand for service. In addition, System improvements and regulatory compliance also require significant capital expenditures in today's utility business environment. Furthermore, the impact of inflation on System operating expenses and on the cost of new and replacement facilities results in upward pressure on monthly utility user rates. The compelling capital needs associated with the utility business and the desire to control the increase in monthly utility user rates and charges have resulted in the use of funding alternatives such as the City's water and wastewater impact fees to finance, at least in part, the cost of System expansion.

Within the water and wastewater industry, impact fees are also known as system development charges, capacity fees, connection fees, or availability charges, among others (collectively referenced throughout this report as *impact fees*). An impact fee is a charge imposed on new users of real property to help finance the capital cost of constructing public facilities necessary to serve new residents. The purpose of an impact fee is to assign, to the extent practical, growth-related capital costs to those new residents or users responsible for such additional costs. The impact fee can be considered to be a new user's contribution to those facilities or capital costs that are required in order to provide a comparable level of service to that which is being provided to existing customers.

Impact Fee Criteria

To the extent new population growth and associated development imposes identifiable added capital costs, municipal utility capital funding practices include the assignment of such costs to those residents or System users responsible for the added costs rather than the existing population base. Generally, this practice has been referred to as growth paying its own way.

Based on our experience within the industry, the implementation and use of impact fees should meet the following minimum criteria:

1. Satisfy the dual rational nexus requirements for fee design;
2. Be based on the most recent and localized data;
3. Provide for separate accounting and reporting of impact fee revenues and expenditures;
4. Limit administrative charges for the collection of impact fees to actual costs, if any; and

5. Provide reasonable notice of no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee.

Implementation of impact fees is supported by existing Florida case law and the Municipal Home Rule Powers Act that grants Florida municipalities the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, as limited by legislation or as prohibited by state constitution or general law. Florida courts have ruled that the Municipal Home Rule Powers Act grants the requisite power and authority to establish valid impact fees. The authority for Florida governments to implement valid System impact fees is further granted in the Florida Growth Management Act of 1985.

The initial precedent for impact fees in Florida was set in the Florida Supreme Court decision, *Contractors and Builders Association of Pinellas Authority v. The City of Dunedin, Florida*. In this case, the Court's ruling found that an equitable cost recovery mechanism, such as impact fees, could be levied for a specific purpose by a Florida municipality as a capital charge for services. An impact fee should not be considered a special assessment or an additional tax. A special assessment is predicated upon an estimated increase in property value as a result of an improvement being constructed in the vicinity of the property. Further, the assessment must be directly and reasonably related to the benefit which the property receives. Conversely, impact fees are not related to the value of the improvement to the property, but rather to the property's use of the public facility.

Until property is put to use and developed, there is no burden upon servicing facilities and the land use may be entirely unrelated to the value or assessment basis of the underlying land. Impact fees are distinguishable from taxes primarily in the direct relationship between the amount charged and the measurable quantity of public facilities or service capacity required. In the case of taxation, there is no requirement that the payment be in proportion to the quantity of public services consumed since tax revenue can be expended for any legitimate public purpose.

Based on existing Florida case law, certain conditions are required to develop a valid impact fee. Generally, it is our understanding that these conditions involve the following issues:

1. The impact fee must meet the "dual rational nexus" test. First, impact fees are valid when a reasonable impact or rationale exists between the anticipated need for additional capital facilities and the growth in population. Second, impact fees are valid when a reasonable association, or rational nexus, exists between the expenditure of the impact fee proceeds and the benefits accruing to the growth from those proceeds.

2. The system of fees and charges should be set up so that there is not an intentional windfall to existing users.

3. The impact fee should only cover the capital cost of construction and related costs thereto (engineering, legal, financing, administrative, etc.) for capital expansions or other additional capital requirements that are required due to growth, and which have a useful life of at least five years. Therefore, expenses due to rehabilitation or replacement of a facility serving only existing customers (e.g., replacement of a capital asset) or an increase in the level of service

should be borne by all users of the facility (i.e., existing and future users). Likewise, increased expenses due to operation and maintenance of that facility should be borne by all users of the facility.

4. The City should maintain an impact fee ordinance that explicitly restricts the use of impact fees collected. Therefore, impact fee revenue should be set aside in a separate account, and separate accounting must be made for those funds to ensure that they are used only for the lawful purposes described above.

Based on the criteria above, the proposed impact fees, which are set forth in subsequent sections herein: i) include only the estimated capital cost of facilities necessary to serve anticipated population growth; ii) do not reflect costs associated with renewal and replacement that benefit only existing customers; and iii) do not include any costs of operation and maintenance of any facilities.

As mentioned above, the courts have addressed three areas associated with the development of the impact fee. These areas include: i) the "fair share" rules dealing with payment of the fee by the affected property owners; ii) the "rational nexus" rules, which focus on the expenditure or purpose of the fee; and iii) the "credits" rules, which recognize fee offsets.

The fair share rules assert that the fee can only be used for capital expenditures that are attributable to new growth. The fee cannot be used to finance deficiencies in the level of service, or the replacement of existing facilities required to provide services to existing users. The rules also allow for establishing different fees for different classes of customers and the ability for the payment of a reduced impact fee if applicants can demonstrate that their development will have a lesser impact (or capital requirement) than assumed in the fee determination. Additionally, the fair share rules recognize that the cost of facilities used by both existing customers and new growth must be apportioned between the two user groups such that the user groups are treated equally, and one group does not subsidize the other.

The rational nexus or benefit rule requires that there be a reasonable relationship between the need for capital facilities and the benefits to be received by new growth for which the fee will be expended. The City's existing capital improvement program and the overall specific management of the System are considered to be system-wide, which eliminates the need for utility zones. As such, the proposed impact fees were determined on a system-wide basis. The second nexus condition recognizes that the property must receive a benefit from the public services for which the fee is being applied. Regarding the water and wastewater charges, these facilities are used by, and are constructed on behalf of, all the properties within the City's service area and benefit both residential and commercial customers. As such, all new growth requesting capacity from the System (either water and/or wastewater) are subject to the application of the impact fees.

The credit rule recognizes that if an agency has received property in the form of cost-free capital or there is specific revenue (taxes) that will be used for the capital expenditures for which the impact fee was designed to recover necessitated by new growth, a credit should be applied to the impact fee. Examples of cost-free capital include grants, principal debt forgiveness, contributions by developers, and other sources, which provide funds toward the capital expenditures for which the impact fee was

designed to recover. The credit rule allows for the recovery of costs from new development through impact fees, net of such cost-free capital.

Development of Impact Fees

There are two significant components to be addressed in designing impact fees. These two components include: i) the level of service to be apportioned to the applicants that request System capacity; and ii) the level or amount of capital costs to be recovered from a new applicant requesting service. Both of these issues are related to the level of the impact fee expressed on an equivalent residential unit or ERU basis.

Impact Fee Methodology

Water and wastewater impact fees can be calculated using various methodologies, with two widely recognized approaches being the System Buy-In Method and the Incremental Cost Method. The **Incremental Cost Method** evaluates the cost of adding new capacity to serve future customers. Since newly constructed capacity is often more expensive than existing infrastructure, this approach typically results in higher fees. It is most commonly applied when all existing capacity has been fully utilized or sold.

In contrast, the **System Buy-In Method** considers both the value of existing infrastructure, and the costs associated with near-term expansion projects. This approach typically results in a blended fee structure and is used when existing facilities still have available capacity.

For calculating the City's water and wastewater impact fees, the System Buy-In Method was selected. This approach acknowledges the capacity available within the existing infrastructure while also accounting for the substantial investments required to construct additional capacity to support future growth.

Level of Service Requirements

In the evaluation of the capital facility needs for providing water and wastewater utility services, it is critical that level of service (LOS) standards be established. Pursuant to Section 163.3164 of the Florida Statutes, the level of service means an indicator of the extent or degree of service provided by, or proposed to be provided by, a facility based on, and related to, the operational characteristics of the facility. Level of service shall indicate the capacity per unit of demand for each public facility. Essentially, the level of service standards are established in order to ensure that adequate facility capacity will be provided for future development and for purposes of issuing development orders or permits, pursuant to F.S. Section 163.3202(2)(g). As further stated in the F.S. Section 163.3180, each local government shall establish an LOS standard for each public facility located within the boundary for which such local government has authority to issue development orders or permits.

For water and wastewater service, the level of service that is commonly used in the industry is the amount of capacity (service) allocable to an ERU expressed as the amount of usage (gallons). The level of service generally represents the amount of capacity allocable to an ERU, whether such capacity is actually used (commonly referred to as *readiness to serve*). As previously mentioned, an ERU

is representative of the average capacity required to service a typical individually metered single-family residential unit. This class of users represents the largest number of customers served by a public utility such as the City's and generally the lowest level of usage requirements for an individually metered account. The existing fees are based on an estimated reserved 240 gallons per day (GPD) of water capacity and 240 GPD of wastewater capacity.

Existing Plant-in-service

In the development of the proposed impact fees associated with serving future customers, excess capacity, if any, of the existing utility system available to serve such growth should be considered. Since such capacity is available to serve the near-term incremental growth of the utility System, it is appropriate to evaluate the capacity availability of such facilities. In order to evaluate the availability of the existing utility plant-in-service to meet future capacity needs, it is necessary to functionalize the assets by specific utility requirement. The functionalization of the existing assets is necessary to: i) identify those assets which should be included in the determination of the impact fees; and ii) match existing plant type to the capital improvements to meet future service needs.

The functional cost categories are based on the purpose of the assets and the utility service that such assets provide. The following is a summary of the functional cost categories for the utility plant-in-service identified in this report.

Functional Plant Categories

Water Service	Wastewater Service
Supply / Treatment	Treatment
Transmission	Transmission
Distribution	Reclaimed Water (Disposal)
Meters/Hydrants	Collection
Equipment/Other Exclusions	Equipment/Other Exclusions

The listing of utility assets were functionalized into the major categories above. Generally, only the costs associated with supply, treatment, reclaimed water (effluent disposal), and transmission facilities are included in the impact fee, while the City's investment in water distribution lines, wastewater collection lines, and miscellaneous vehicles and equipment are excluded. Grant funded projects were excluded from the calculation of the fee. Table 1 at the end of this report summarizes the City's existing assets by utility function. Where a direct apportionment of existing System costs between transmission and distribution/collection lines was not possible due to limited information, lines were allocated based upon an apportionment methodology that used the City's determination as to the diameter and linear feet of installed water and wastewater lines and what constitutes local distribution or collection and major transmission. The remaining assets of the City that include meters, fire hydrants, vehicles, minor equipment, and other miscellaneous assets are also excluded from the development of the proposed impact fees. The remaining assets of the City that include meters, fire hydrants, vehicles,

minor equipment, and other miscellaneous assets are also excluded from the development of the proposed impact fees.

The City provided a list of its fixed assets and construction work in progress as of September 30, 2024 to serve as the basis for functionalizing the existing plant-in-service, which totals approximately $480.8 million. The classification of existing plant assets to each utility function was based on the description (use) of the asset as contained in the City's accounting records, as well as discussion with City staff. As shown below, approximately 63% of the assets are considered to be either treatment plant or transmission related.

Functionalized Existing Water and Wastewater System Assets [1]

Description	Water	Wastewater
Existing Assets Included in the Impact fees:		
Treatment	$135,309,985	$94,489,619
Transmission	41,149,855	21,631,087
Reclaimed (Effluent Disposal)	-	8,025,306
Total Costs Included in the Impact fees	$176,459,840	$124,146,012
Existing Assets Excluded from the Impact fees:		
Distribution and Collection	$78,235,724	$71,190,164
Meter and Hydrant Services	3,165,035	-
Excluded Assets	15,720,157	11,908,432
Total Costs Excluded from the Impact fees	$97,120,916	$83,098,595
Total Existing Fixed Assets by System	$273,580,756	$207,244,608
Grand Total	$480,825,364	

[1] Amounts derived from Table 1 at the end of this report. Fixed assets reflected as of September 30, 2024, including construction work in progress, as provided by City staff.

Additional Capital Investment

As with any utility, the City is continually in the process of updating and expanding the water and wastewater plant and transmission facilities to serve increasing demand or capacity requirements. In order to develop an impact fee that is consistent with the capital costs of the System, the cost of the City's capital improvements that are anticipated to meet such future needs are reflected in the proposed impact fee. Tables 2 and 3 at the end of this report provide a detailed list of the City's planned improvement projects. Capital improvements through fiscal year 2030 were included in the determination of the fee calculation. The improvements are for: i) expansion of the treatment and transmission system to meet the capacity requirements of new development; and ii) upgrades to existing assets which may benefit both current and future users of the System (e.g., a transmission line relocation). Project costs related to the replacement of assets, minor equipment needs or those

improvements that are anticipated to be funded from grants were excluded from the list of projects used in this analysis.

As derived from Tables 2 and 3, the City plans to invest approximately $245 million, net of grant funding, in future treatment and transmission improvements. Approximately $236 million in planned capital investment related to renewals and replacements benefiting only existing customers, grant funded projects, localized infrastructure, and minor equipment and vehicles were excluded from the calculation of the fee. The following table summarizes the capital improvements included in the calculation of the proposed fees:

Summary of Water and Wastewater System Improvements [1]

Description	Water	Wastewater
Total Capital Improvement Plan	$237,034,293	$265,488,484
Less Excluded Expenditures [2]	(73,065)	(21,541,816)
Capital Improvement Plan – Net of Exclusions	$236,961,228	$243,946,668
Less Capital Not Considered System Infrastructure [3]	(82,034,112)	(153,723,363)
Net Amount of Capital Expenditures Recognized in Fees	$154,927,115	$90,223,305
Percent of Total CIP Recognized in Fee Development	65%	34%

[1] Amounts derived from Table 2 and Table 3 at the end of this report.
[2] Amounts include ongoing general capital program expenditures benefiting only existing customers and grant funded projects.
[3] Represents capital expenditures not considered a System asset that benefits all users; examples would include meter replacement program, local area water line replacements and improvements / upgrades, and other similar expenditures.

To meet the growing potable water demands and to improve overall water quality, the City is in the process of upgrades and expansions to the Joe Mullins Reverse Osmosis Water Treatment Plant. The expansion projects will increase water capacity at the plant by 5.0 MGD, putting the City's total water capacity at 28.0 MGD. Major projects for the Wastewater System include various improvements at the Grant Street WRF and several forcemains extensions and lift station upgrades to accommodate addition connections and flows. After recognizing over $21 million in grant funding, an additional $245 million in expansion-related capital projects were recognized in the calculation of the water impact fee.

Design of Water Impact Fee

Table 5 summarizes the proposed impact fee of $2,755 per ERU, which represents an increase of approximately 79% when compared to the existing fee of $1,540 per ERU. The primary reason for this increase is the City's need to add additional water system capacity to serve new development, due to investments made in the system since the last time the fee was reviewed, and due to the significant cost of planned investments required to meet the demands of the system.

In the development of the proposed water impact fee, several assumptions were utilized in the analysis. The major assumptions utilized in the calculation of the water impact fee are as follows:

1. The existing water supply and treatment facilities, together with planned expansions, have approximately 38% capacity available to serve new growth based on: i) the current available capacity of the existing water treatment plant facilities; ii) the planned 5.0 MGD expansion of Jo Mullins Reverse Osmosis Water Treatment Plant; and iii) the 5-year historical month average daily flow experienced by the water system. The proposed water impact fee reflects the proportionate share of the existing plant capacity available to serve new development and the required additional capacity reserved for new growth. In recognizing that certain plant improvements replace existing capacity, an adjustment to exclude approximately $27 million in water plant assets from the fee calculation was made. A summary of the water capacity available to serve system growth is provided on Table 4.

2. The future capital costs that are identified on Table 2 are incorporated into the determination of the impact fee as appropriate on a project specific basis. The capital improvements are related to new facility expansions to serve new growth, upgrades to existing assets that may provide a benefit to both current and future users, and replacement and improvements to assets that only benefit current users. Those facilities considered to be entirely allocable to growth are included in the fee determination at full cost (i.e., 100% of the total cost). For capital expenditures that are solely for the replacement of existing assets directly benefiting existing customers or considered an onsite cost (providing service to a local area as would normally be constructed and subsequently contributed to the City by a developer), such amounts are not included in the calculation of the fee. Approximately 35% of planned expenditures within the City's water system capital improvement plan were excluded from the fee calculation.

3. For the capital costs identified as distribution and transmission System-related, which benefit both existing and future users, only the back-bone transmission component was recognized in the analysis. However, since the transmission function capacity is difficult to ascertain except at build-out conditions, the total existing assets plus the planned expansions are recognized, thus estimating an average buy-in cost for new users for this component of the system.

4. Part of the capital costs associated with the provision of water capacity is debt financing costs. The average (50%) remaining interest costs on outstanding water system expansion-related debt of approximately $17.7 million was included in the calculation of the water impact fee.

5. Individually metered single family residential homes are considered 1.0 ERU. The adopted level of service for a water ERU is 240 gallons per day (GPD) design flow amount. This level of service closely reflects the capacity required to serve a typical individually metered single-family unit.

6. For the calculation of the impact fee, no existing or planned capital facility costs associated with onsite distribution facilities have been included, and where the City has received contributed distribution lines, those assets were removed from the analysis.

7. Historical and planned capital investments that were or will be funded by grant proceeds were excluded from the calculation of the fee.

As shown on Table 5, the analysis utilizes estimated capital costs for the water supply / treatment / transmission system, ERU service requirements, and current fixed asset and plant capacity data regarding the water system. By calculating the water impact fee to recover costs on a prospective basis, an attempt is made to design a charge that will provide funds on a reasonable basis in order to reflect the cost of capacity needed to meet the future needs of the water system. It should be noted that in the event the plans for new capacity, capacity requirements, construction costs, or utility service area materially change from what is reflected in Table 5, the water impact fee should be adjusted. The following is a tabulation of the proposed water impact fee:

Proposed Water Impact Fee [1]

Description	Amount
Water Production / Treatment	$2,259.61
Water Transmission	499.75
Total Fee	$2,759.36
Recommended Fee [2]	$2,755.00
Cost per Gallon	$11.48

[1] Amounts derived from Table 5.
[2] Amount based on 1 ERU or 240 GPD.

Design of Wastewater Impact Fee

Table 6 presents the proposed wastewater impact fee of $4,165 per ERU, which represents an increase of approximately 88% when compared to the existing fee of $2,210 per ERU. The primary reason for the increase is due to the City's investments made in the system since the last time the fee was reviewed and due to the significant cost of planned investments required to meet the demands of the system.

In the development of the proposed wastewater impact fee, several assumptions were utilized in the analysis. The major assumptions utilized in the design of the proposed wastewater impact fee are:

1. The existing wastewater treatment facilities have approximately 20% of existing plant capacity available to serve new growth, based on: i) the available capacity of the existing wastewater treatment plant facilities; and ii) the 5-year historical month average daily flow experienced by the wastewater system. The proposed wastewater impact fee reflects the proportionate share of the existing plant capacity available to serve new development and the required planned capacity reserved for new growth. A summary of the wastewater capacity available to serve system growth is provided on Table 4.

2. The future capital costs that are identified in Table 3 are incorporated into the determination of the impact fee as appropriate on a project specific basis. The capital improvements are related to new facility expansions to serve new growth, upgrades to existing assets that may provide a benefit to both current and future users, and replacement and improvements to assets that only benefit current users. Those facilities that are considered to be entirely allocable to growth are included in the fee determination at full cost (i.e., 100% of the total cost). Capital expenditures anticipated solely for the replacement of existing assets which directly benefit existing customers or expenditures for facilities considered onsite costs (these facilities that provide service to a local area such as a development which would normally be constructed and subsequently contributed to the City by a developer) were not included in the cost to be recovered from the application of impact fees. Net of grant funding, approximately 63% of planned capital expenditures were excluded from the fee calculation.

3. For the cost of collection and transmission System improvements, which benefit both existing and future users, only the back-bone transmission component was recognized in the analysis. Since the transmission function capacity is difficult to ascertain except at build-out conditions, the total existing assets (expressed at original cost and not on a replacement or current cost basis) plus the planned expansions are recognized, thus estimating an average buy-in cost for new users for this component of the system.

4. Part of the capital costs associated with the provision of wastewater capacity is debt financing costs. The average (50%) remaining interest costs on outstanding wastewater system expansion-related debt of approximately $4.9 million was included in the calculation of the water impact fee.

5. Individually metered single family residential homes are considered 1.0 ERU. The City's adopted level of service for a single wastewater ERU is 240 gallons per day (GPD) design flow amount. This level of service closely reflects the capacity required to service a typical individually metered single-family unit.

6. For the development of the proposed impact fee, no existing or planned capital facility costs associated with onsite collection facilities have been included in the calculation of the fee and where the City has received contributed collection lines, those assets were removed from the analysis.

7. Historical and planned capital investments that were or will be funded by grant proceeds were excluded from the calculation of the fee.

As shown on Table 6, the analysis utilizes the estimated capital costs for the wastewater transmission / treatment / disposal system, ERU service requirements, and current fixed asset and plant capacity data regarding the wastewater system. By designing the wastewater system impact fee to recover costs on a prospective basis, an attempt is made to provide funds on a reasonable basis in order to reflect the cost of capacity needed to meet the future needs of the wastewater system. It should be noted that in the event the plans for new capacity, capacity requirements, construction costs, or utility service

area materially change from what is reflected in Table 6, the wastewater impact fee may need to be adjusted accordingly. The following is a tabulation of the proposed wastewater impact fee:

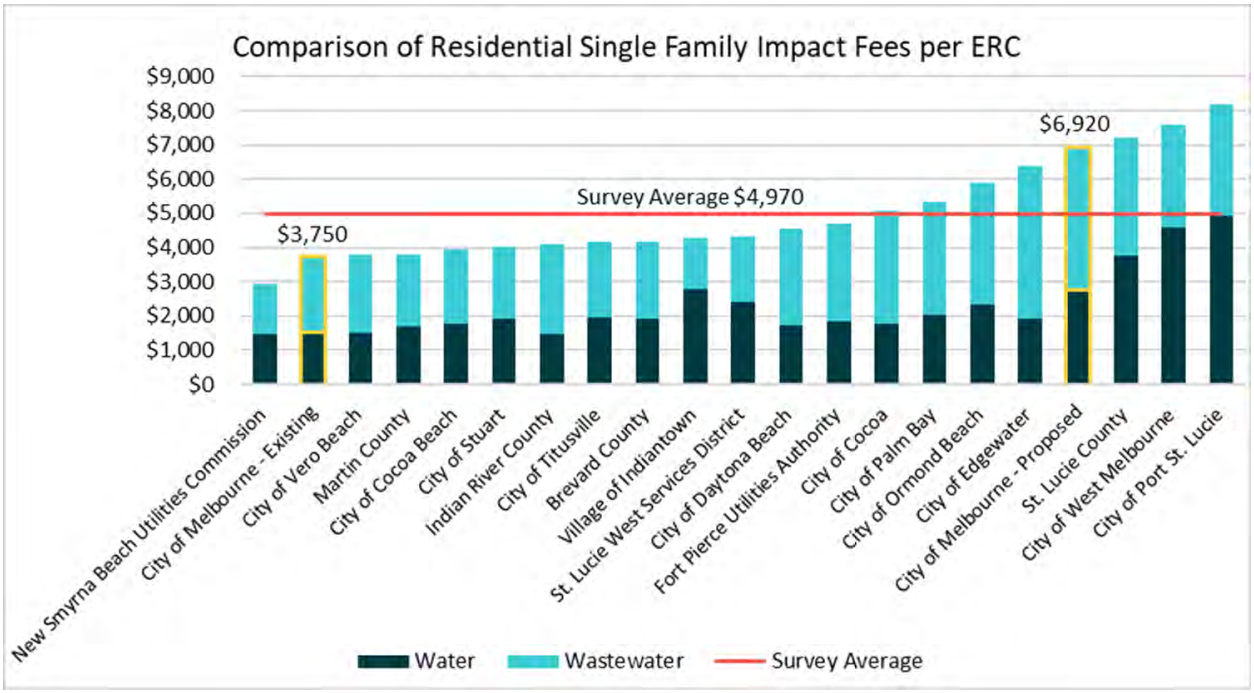
Proposed Wastewater Impact Fee [1]

Description	Amount
Wastewater Treatment / Disposal	$3,602.14
Wastewater Transmission	566.19
Total Fee	$4,168.33
Recommended Fee [2]	$4,165.00
Cost per Gallon	$17.35

[1] Amounts derived from Table 6.
[2] Amount based on 1 ERU or 240 GPD.

Comparison with Other Utilities

To provide the City with a benchmark to compare the proposed impact fees to those of surrounding utilities, a survey of water and wastewater impact fees was conducted. Table 7 at the end of this report provides a comparison of the existing and proposed impact fees for single-family residential unit (i.e., one [1] ERU) for the City with comparable fees currently imposed by other neighboring municipal/governmental water and wastewater systems. A number of factors can affect the level of charges collected by other utilities, including, but not limited to, level of treatment required for service, asset age, density of customer base, level of service adopted by local government, amount of grant (contributions) funds received, and other factors. No in-depth analysis has been performed to determine the affect these factors could have on the fees charged by other utilities or to determine the methods used in the development of the water and wastewater impact fees imposed by others, nor has any analysis been made to determine whether 100% of the cost of new facilities is recovered from the other utilities' charges, or some percentage less than 100% with the balance recovered through the user charges. The chart on the next page summarizes the survey results.



To highlight the trend in impact fees more broadly, the table below shows fees recently adopted or presented to the public. The fees from local governments shown below average over $9,600 per ERU on a combined basis.

Utility	Status	Water (per ERC)	Wastewater (per ERC)	Combined (per ERC)
Collier County	Adopted August 27, 2024	$4,411 – Dec 2024 $5,411 – Dec 2025 $6,470 – Dec 2026	$4,081 – Dec 2024 $4,847 – Dec 2025 $5,614 – Dec 2026	$8,492 – Dec 2024 $10,258 – Dec 2025 $12,084 – Dec 2026
City of Mt. Dora	Adopted June 4, 2024 Effective September 2024	$1,340	$7,975	$9,315
Polk County	Ph. 1 Effective January 1, 2025 Ph. 2 Effective October 1, 2025	Ph. 1 -$2,941 / Ph. 2 $3,038	Ph. 1 -$5,182 / Ph. 2 $6,169	Ph. 1 -$8,125 / Ph. 2 $9,207
Groveland	Adopted July 15, 2024	$3,830	$10,090	$13,920
Lake Alfred	Effective March 6, 2023	$6,333	$5,021	$11,354
City of Auburndale (Inside)	Effective September 2023	$3,127	$4,917	$8,044
Hernando County	Adopted July 2024	$2,397	$5,563	$7,960
City of Palm Coast	Effective May 1, 2024	$3,497; increasing to $4,378 by May 1, 2027	$3,931; increasing to $4,415 by May 1, 2027	$7,428; increasing to $8,793 by May 1, 2027
Florida Community Services Corp. of Walton County	Effective March 1, 2024	$3,092.66	$4,824.54	$7,917.20
South Walton Regional Utilities, Inc.	Effective October 1, 2023	$2,733.53	$4,649.00	$7,382.53
Port St. Lucie	Adopted September 2024	$5,705	$5,222	$10,927
Lakeland	Effective October 1, 2024	$3,603	$3,672	$7,275
Davenport	Effective January 1, 2024	$6,300	$5,360	$11,660
Winter Haven	Adopted September 10, 2024	$3,671	$8,175	$11,846
Sarasota County	Effective March 1, 2025	$4,250	$4,480	$8,730
Brooksville	Adopted January 27, 2025	$765	$6,467	$7,232

Recommendations

The City's existing water and wastewater impact fees currently reflect less costs than the capital investments made and planned by the City to serve the needs of new development. Therefore, the Members of the City Council may wish to consider adopting the proposed water and wastewater impact fees to help offset the cost of growth to the system that otherwise would have to be funded by monthly user fees. To adopt the proposed fees, City staff should consult with the City's legal counsel to determine how fee adjustments may be implemented, and consideration should be given as to the notification period provided to potential new customers and developers impacted by the fee adjustments.

The study tables that support our conclusions and recommendations are included at the end of this report. We appreciate the opportunity to be of service to the City and would like to thank staff for their valuable assistance and cooperation during the course of this study.

Respectfully submitted,

Raftelis Financial Consultants, Inc.

Trevor McCarthy, CGFM
Manager

Maurizzio Onorato
Consultant

Enclosures
Study Tables

Table of Contents
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

List of Study Tables

Table 1
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Existing Water and Wastewater Fixed Assets

Line No.	Function	Fixed Assets at Original Cost [1] Water	Wastewater	Total	Percentage of Total Water	Wastewater
	Existing Assets Included in Impact Fees					
1	Supply and Treatment	$135,309,985	$94,489,619	$229,799,604	49.5%	45.6%
2	Effluent Disposal - Reclaimed System	0	8,025,306	8,025,306	0.0%	3.9%
3	Transmission	41,149,855	21,631,087	62,780,942	15.0%	10.4%
4	Total Assets Included in Impact Fees	$176,459,840	$124,146,012	$300,605,852	64.5%	59.9%
	Existing Assets Excluded from Impact Fees					
5	Hydrants/Meter Services	$3,165,035	$0	$3,165,035	1.2%	0.0%
6	Equipment/Other	15,720,157	11,908,432	27,628,588	5.7%	5.7%
7	Distribution / Collection Lines	78,235,724	66,295,772	144,531,496	28.6%	32.0%
8	Reclaimed Distribution	0	4,894,392	4,894,392	0.0%	2.4%
9	Total Assets Excluded from Impact Fees	$97,120,916	$83,098,595	$180,219,511	35.5%	40.1%
10	**Total Existing Fixed Assets**	$273,580,756	$207,244,608	$480,825,364	100.0%	100.0%

Footnotes:

[1] Reported by the City as of September 30, 2024.

Table 2
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Water Capital Improvement Program By Function

Line No.	Project Description	Type	Purpose: Expansion	Purpose: Existing New	Purpose: Existing Replace	2025 - 2030 Estimated Capital Cost [1]	Adjustments [2]	Net Amount For Future Expenditures	Functional Category [3]: Supply and Treatment Existing	Supply and Treatment Expansion	Storage, Pumping & Transmission Existing	Storage, Pumping & Transmission Expansion	Renewal & Replacement	Distribution/ Other	Total
	Water Production Improvements														
1	Sludge Press Motor Control	Treatment	0.00%	100.00%	0.00%	$550,372	$0	$550,372	$550,372	$0	$0	$0	$0	$0	$550,372
2	SWTP Inclined Conveyor Belt	Treatment	0.00%	0.00%	100.00%	230,000	0	230,000	0	0	0	0	230,000	0	230,000
3	SCADA Instrument Control	Treatment	0.00%	0.00%	100.00%	179,137	0	179,137	0	0	0	0	179,137	0	179,137
4	Chemical Feed System & VFD Drives at Pineda Booster Station	Treatment	0.00%	0.00%	100.00%	2,464,000	0	2,464,000	0	0	0	0	2,464,000	0	2,464,000
5	Rehab 6 Ground Storage Tanks	Storage	0.00%	0.00%	100.00%	418,200	0	418,200	0	0	0	0	418,200	0	418,200
6	Above Grade Work - Wells #5/#6	Supply	0.00%	100.00%	0.00%	8,094,500	0	8,094,500	8,094,500	0	0	0	0	0	8,094,500
7	Reverse Osmosis Water Treatment Plant Expansion	Treatment	100.00%	0.00%	0.00%	88,115,133	0	88,115,133	0	88,115,133	0	0	0	0	88,115,133
8	Reverse Osmosis (RO) Membrane Replacements	Treatment	0.00%	0.00%	100.00%	1,100,000	0	1,100,000	0	0	0	0	1,100,000	0	1,100,000
9	Reverse Osmosis (RO) Concentrate Pipeline Expansion	Treatment	100.00%	0.00%	0.00%	4,500,000	0	4,500,000	0	4,500,000	0	0	0	0	4,500,000
10	Backwash Ponds	Treatment	0.00%	0.00%	100.00%	2,200,000	0	2,200,000	0	0	0	0	2,200,000	0	2,200,000
11	Lamella Tube Replacements	Treatment	0.00%	0.00%	100.00%	700,000	0	700,000	0	0	0	0	700,000	0	700,000
12	Granular Activated Carbon Replacement	Treatment	0.00%	0.00%	100.00%	2,500,000	0	2,500,000	0	0	0	0	2,500,000	0	2,500,000
13	SWTP Lake Washington Roof Replacement	Treatment	0.00%	0.00%	100.00%	183,143	0	183,143	0	0	0	0	183,143	0	183,143
14	ROWTP - Odor Control System	Treatment	0.00%	50.00%	50.00%	695,293	0	695,293	347,646	0	0	0	347,646	0	695,293
15	Well Nos. 1 and 2 Generator and Electrical	Supply	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
16	Well Nos. 1 and 2 Replacement Pumps and Variable Frequency Drives	Supply	0.00%	0.00%	100.00%	5,500,000	0	5,500,000	0	0	0	0	5,500,000	0	5,500,000
17	Construct 2 Million Gallon Ground Storage Tank and Pump Station at Hibiscus	Storage	0.00%	50.00%	50.00%	9,800,000	0	9,800,000	0	0	4,900,000	0	4,900,000	0	9,800,000
18	Water Production Facility Improvements	Treatment	0.00%	84.40%	15.60%	23,988,417	0	23,988,417	20,246,224	0	0	0	3,742,193	0	23,988,417
19	Well Nos. 7, 8 and 9	Supply	100.00%	0.00%	0.00%	16,600,000	0	16,600,000	0	16,600,000	0	0	0	0	16,600,000
20	Canova Booster Station VFDs	Transmission	0.00%	0.00%	100.00%	827,083	0	827,083	0	0	0	0	827,083	0	827,083
21	RO Concentrate Disposal Well	Treatment	100.00%	0.00%	0.00%	2,524,800	0	2,524,800	0	2,524,800	0	0	0	0	2,524,800
22	**Subtotal Water Production Improvements**					$171,670,078	$0	$171,670,078	$29,238,742	$111,739,933	$4,900,000	$0	$25,791,403	$0	$171,670,078
	Water Distribution System Improvements														
23	Relocate 20" Water Main - Airport	T&D	0.00%	0.00%	100.00%	$1,724,037	$0	$1,724,037	$0	$0	$0	$0	$1,724,037	$0	$1,724,037
24	2.4.6" Water Lines	T&D	0.00%	0.00%	100.00%	6,074,739	0	6,074,739	0	0	0	0	6,074,739	0	6,074,739
25	Fire Hydrant Exercise and Inspection	Other	0.00%	0.00%	100.00%	1,660,000	0	1,660,000	0	0	0	0	1,660,000	0	1,660,000
26	Valve Exercise and Inspection	Other	0.00%	0.00%	100.00%	1,213,625	0	1,213,625	0	0	0	0	1,213,625	0	1,213,625
27	Inspect Large Diameter Transmission Water Lines	T&D	0.00%	0.00%	100.00%	300,000	0	300,000	0	0	0	0	300,000	0	300,000
28	FDOT Drainage Project A1A Utility Relocations	T&D	0.00%	0.00%	100.00%	600,000	0	600,000	0	0	0	0	600,000	0	600,000
29	Isolation Valves - Various Locations	T&D	0.00%	0.00%	100.00%	1,100,000	0	1,100,000	0	0	0	0	1,100,000	0	1,100,000
30	Pine Lake Mobile Homes - Upsize	T&D	0.00%	0.00%	100.00%	3,342,500	0	3,342,500	0	0	0	0	3,342,500	0	3,342,500
31	Downtown New Haven - Water Main	T&D	0.00%	0.00%	100.00%	1,361,916	0	1,361,916	0	0	0	0	1,361,916	0	1,361,916
32	Turtlemound/North Drive Utility Upgrade	T&D	100.00%	0.00%	0.00%	952,200	0	952,200	0	0	0	344,672	0	607,528	952,200
33	New Water Main - WTP to System	T&D	0.00%	100.00%	0.00%	19,645,227	0	19,645,227	0	0	7,111,079	0	0	12,534,148	19,645,227
34	8" Water Main Replacement on Aurora Road East of US1 to Pineapple	T&D	0.00%	0.00%	100.00%	1,600,000	0	1,600,000	0	0	0	0	1,600,000	0	1,600,000
35	Water Main Replacements in Lamplighter	T&D	0.00%	0.00%	100.00%	1,150,000	0	1,150,000	0	0	0	0	1,150,000	0	1,150,000
36	Lead and Copper Service Line Replacement Program	T&D	0.00%	0.00%	100.00%	3,000,000	0	3,000,000	0	0	0	0	3,000,000	0	3,000,000
37	Water Main - West of I-95	T&D	100.00%	0.00%	0.00%	4,400,000	0	4,400,000	0	0	0	1,592,689	0	2,807,311	4,400,000
38	Construct Satellite Beach Water Main Replacement	T&D	0.00%	0.00%	100.00%	3,103,937	0	3,103,937	0	0	0	0	3,103,937	0	3,103,937
39	Desoto Parkway 12" Water Main	T&D	0.00%	0.00%	100.00%	2,241,832	0	2,241,832	0	0	0	0	2,241,832	0	2,241,832
40	Water Mian Replacements - Various Locations	T&D	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
41	**Subtotal Water Distribution System Improvements**					$54,470,012	$0	$54,470,012	$0	$0	$7,111,079	$1,937,362	$29,472,586	$15,948,986	$54,470,012

Table 2
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Water Capital Improvement Program By Function

Line No.	Project Description	Type	Purpose: Expansion	Purpose: Existing New	Purpose: Existing Replace	2025 - 2030 Estimated Capital Cost [1]	Adjustments [2]	Net Amount For Future Expenditures	Functional Category [3]: Supply and Treatment Existing	Supply and Treatment Expansion	Storage, Pumping & Transmission Existing	Storage, Pumping & Transmission Expansion	Renewal & Replacement	Distribution/ Other	Total
	Other Water & Sewer Improvements & Facility Maintenance Projects at Water and Sewer Buildings														
42	Public Works Security Upgrades	Other	0.00%	100.00%	0.00%	$37,332	$0	$37,332	$0	$0	$0	$0	$0	$37,332	$37,332
43	Enterprise Asset Management Software	Other	0.00%	100.00%	0.00%	669,681	0	669,681	0	0	0	0	0	669,681	669,681
44	EECBG Electric Trucks and Charging St.	Other	0.00%	100.00%	0.00%	73,065	(73,065)	0	0	0	0	0	0	0	0
45	RO Potable Biproduct Disposal Permit	Other	0.00%	100.00%	0.00%	200,000	0	200,000	0	0	0	0	0	200,000	200,000
46	Water Treatment Plant Master Plan	Other	0.00%	100.00%	0.00%	100,000	0	100,000	0	0	0	0	0	100,000	100,000
47	FY23 Large Transmission Pipe Inspection	Other	0.00%	100.00%	0.00%	100,000	0	100,000	0	0	0	0	0	100,000	100,000
48	Pole Barn Metal Post Repair	Other	0.00%	100.00%	0.00%	10,000	0	10,000	0	0	0	0	0	10,000	10,000
49	ROWTP Wellfield Modeling	Other	0.00%	100.00%	0.00%	150,000	0	150,000	0	0	0	0	0	150,000	150,000
50	Risk and Resiliency Assessment	Other	0.00%	100.00%	0.00%	50,000	0	50,000	0	0	0	0	0	50,000	50,000
51	Lead and Copper Plan	Other	0.00%	100.00%	0.00%	1,175,000	0	1,175,000	0	0	0	0	0	1,175,000	1,175,000
52	Rate and Bond Study	Other	0.00%	100.00%	0.00%	62,500	0	62,500	0	0	0	0	0	62,500	62,500
53	Harper Road Gate 2 Replacement	Other	0.00%	100.00%	0.00%	50,000	0	50,000	0	0	0	0	0	50,000	50,000
54	Gate System and Call Boxes	Other	0.00%	100.00%	0.00%	175,000	0	175,000	0	0	0	0	0	175,000	175,000
55	Harper Road Carports	Other	0.00%	100.00%	0.00%	75,000	0	75,000	0	0	0	0	0	75,000	75,000
56	Update Consumptive Use Permit	Other	0.00%	100.00%	0.00%	350,000	0	350,000	0	0	0	0	0	350,000	350,000
57	**Subtotal Other Water & Sewer Improvements & Facility Maintenance Projects at Water and Sewer Buildings**					$3,277,578	($73,065)	$3,204,513	$0	$0	$0	$0	$0	$3,204,513	$3,204,513
	Other Capital Improvements / Departmental Capital Outlay														
58	Utilities Administration	Other	0.00%	0.00%	100.00%	$27,950	$0	$27,950	$0	$0	$0	$0	$27,950	$0	$27,950
59	Utilities Operations	Other	0.00%	0.00%	100.00%	136,670	0	136,670	0	0	0	0	136,670	0	136,670
60	Meter Services	Other	0.00%	0.00%	100.00%	201,690	0	201,690	0	0	0	0	201,690	0	201,690
61	Water Production	Treatment	0.00%	0.00%	100.00%	4,395,732	0	4,395,732	0	0	0	0	4,395,732	0	4,395,732
62	Water Distribution	T&D	0.00%	0.00%	100.00%	2,158,582	0	2,158,582	0	0	0	0	2,158,582	0	2,158,582
63	Environmental Community Outreach	Other	0.00%	0.00%	100.00%	21,000	0	21,000	0	0	0	0	21,000	0	21,000
64	Allowance for Departmental Capital Outlay	Other	0.00%	0.00%	100.00%	675,000	0	675,000	0	0	0	0	675,000	0	675,000
65	**Subtotal Other Capital Improvements / Departmental Capital Outlay**					$7,616,624	$0	$7,616,624	$0	$0	$0	$0	$7,616,624	$0	$7,616,624
66	**Water System Capital Projects**					$237,034,293	($73,065)	$236,961,228	$29,238,742	$111,739,933	$12,011,079	$1,937,362	$62,880,613	$19,153,499	$236,961,228
67	**PERCENT OF TOTAL**							100.00%	12.34%	47.16%	5.07%	0.82%	26.54%	8.08%	100.00%

Footnotes:

[1] Amounts shown reflect the Multi-Year Capital Program as provided by the City.

[2] Downward adjustments reflect projects: i) anticipated to be funded by grants as identified by the City; ii) recognized in the existing assets summary to be consistent with existing capacity assumptions; or iii) not considered applicable to the fee determination process.

[3] Assets are categorized based on information provided by the City.

Table 3
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Wastewater Capital Improvement Program By Function

Line No.	Project Description	Type	Purpose: Expansion	Purpose: Existing New	Purpose: Existing Replace	2025 - 2030 Estimated Capital Cost [1]	Adjustments [2]	Net Amount For Future Expenditures	Functional Category [3]: Wastewater Treatment Existing	Wastewater Treatment Expansion	Transmission Existing	Transmission Expansion	Renewal & Replacement	Collection/ Other	Total
	Wastewater Collection System Improvements														
1	Sewer Force Main - LS#11 to MHL#153	T&C	0.00%	0.00%	100.00%	$621,450	$0	$621,450	$0	$0	$0	$0	$621,450	$0	$621,450
2	Lift Station #35 Rehabilitation	T&C	0.00%	0.00%	100.00%	372,380	0	372,380	0	0	0	0	372,380	0	372,380
3	Rehabilitate Sanitary Sewer Manholes in Various Easements	Collection	0.00%	0.00%	100.00%	170,862	0	170,862	0	0	0	0	170,862	0	170,862
4	Rehabilitate Sanitary Sewer Manholes in Various Easements	Collection	0.00%	0.00%	100.00%	5,289,138	0	5,289,138	0	0	0	0	5,289,138	0	5,289,138
5	Lift Stations #38/#40 Force Mains	T&C	0.00%	0.00%	100.00%	541,938	0	541,938	0	0	0	0	541,938	0	541,938
6	Lift Station #33 Renovation	T&C	10.00%	0.00%	90.00%	2,211,660	0	2,211,660	0	0	0	62,077	1,990,494	159,090	2,211,660
7	Lift Station #40 Rehabilitation	T&C	0.00%	0.00%	100.00%	580,834	0	580,834	0	0	0	0	580,834	0	580,834
8	FY23 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	179,669	0	179,669	0	0	0	0	179,669	0	179,669
9	FY24 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	359,616	0	359,616	0	0	0	0	359,616	0	359,616
10	FY25 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	521,838	0	521,838	0	0	0	0	521,838	0	521,838
11	FY26 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
12	FY27 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
13	FY28 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
14	FY29 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
15	FY30 Rehab Sewer Lines	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
16	Offsite Sewer Force Main - West of I-95	Transmission	100.00%	0.00%	0.00%	803,895	0	803,895	0	0	0	0	0	803,895	803,895
17	Sewer Force Main - LS#46 to MHL#2559	Transmission	0.00%	0.00%	100.00%	28,195	0	28,195	0	0	0	0	28,195	0	28,195
18	Lift Station #17 Replacement	T&C	0.00%	0.00%	100.00%	669,080	0	669,080	0	0	0	0	669,080	0	669,080
19	FY23 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	428,223	0	428,223	0	0	0	0	428,223	0	428,223
20	FY24 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	67,803	0	67,803	0	0	0	0	67,803	0	67,803
21	FY25 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
22	FY26 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
23	FY27 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
24	FY28 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
25	FY29 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
26	FY30 Rehab Sewer Laterals	Collection	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
27	FY26 Inflow and Infiltration Annual Study	Other	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
28	FY27 Inflow and Infiltration Annual Study	Other	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
29	FY28 Inflow and Infiltration Annual Study	Other	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
30	FY29 Inflow and Infiltration Annual Study	Other	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
31	FY30 Inflow and Infiltration Annual Study	Other	0.00%	0.00%	100.00%	500,000	0	500,000	0	0	0	0	500,000	0	500,000
32	Design & Construct New Western Force Main to D. B. Lee WRF	Transmission	0.00%	100.00%	0.00%	12,785,451	0	12,785,451	0	0	0	0	0	12,785,451	12,785,451
33	Lift Station #63 Sewer Force Main	T&C	0.00%	100.00%	0.00%	1,316,096	0	1,316,096	0	0	369,400	0	0	946,697	1,316,096
34	Inverted Siphon Elimination	T&C	25.00%	75.00%	0.00%	4,393,519	0	4,393,519	0	0	924,874	308,291	0	3,160,354	4,393,519
35	Lift Station #12 Replace Cement Force Main	T&C	0.00%	0.00%	100.00%	1,100,000	0	1,100,000	0	0	0	0	1,100,000	0	1,100,000
36	Replace Deteriorated Iron Force Main at Lift Station #21	T&C	0.00%	0.00%	100.00%	1,010,000	0	1,010,000	0	0	0	0	1,010,000	0	1,010,000
37	Install New Force Main from Lift Station #6 to New Western Force Main	T&C	0.00%	100.00%	0.00%	11,026,490	0	11,026,490	0	0	3,094,896	0	0	7,931,594	11,026,490
38	New Force Main from Lift Station #23 to new Croton Western Force Main	T&C	0.00%	100.00%	0.00%	4,400,000	0	4,400,000	0	0	1,234,984	0	0	3,165,016	4,400,000
39	Add 6" Force Main to Lift Station #86	T&C	0.00%	0.00%	100.00%	63,073	0	63,073	0	0	0	0	63,073	0	63,073
40	Replace Deteriorated Cast Iron Force Main at Lift Station #26 (Pineapple Avenue)	T&C	0.00%	0.00%	100.00%	1,300,000	0	1,300,000	0	0	0	0	1,300,000	0	1,300,000
41	Upsize new Forcemain on Eau Gallie Blvd. from 8" to 12"	T&C	100.00%	0.00%	0.00%	1,875,000	0	1,875,000	0	0	0	526,272	0	1,348,728	1,875,000
42	Replace Deteriorated Iron Force Main at Lift Station #37 (Babcock) North of Railroad Tracks to Manhole #5220	T&C	0.00%	0.00%	100.00%	610,000	0	610,000	0	0	0	0	610,000	0	610,000
43	Replace Deteriorated Asbestos Cement Force Main at Lift Station #03	T&C	0.00%	0.00%	100.00%	250,000	0	250,000	0	0	0	0	250,000	0	250,000
44	Replace 9,000' of Deteriorated Cast Iron Force Main at Lift Station #29	T&C	0.00%	0.00%	100.00%	2,500,000	0	2,500,000	0	0	0	0	2,500,000	0	2,500,000
45	Rehab Force Mains Various	T&C	0.00%	0.00%	100.00%	1,000,000	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000
46	**Subtotal Wastewater Collection System Improvements**					$66,976,211	$0	$66,976,211	$0	$0	$5,624,155	$896,640	$30,154,594	$30,300,823	$66,976,211
	Water Reclamation Improvements														
47	FEMA Generators LS 37,39,48,49,53 (WS Funding)	T&C	0.00%	0.00%	100.00%	$293,434	($220,098)	$73,336	$0	$0	$0	$0	$73,336	$0	$73,336
48	Facility Improvements at Grant Street to Include Flow Equalization, Modern Grit Handling Equipment, Rehabilitation of Influent Station, Headworks Facility &	Treatment	0.00%	100.00%	0.00%	43,736,862	(18,562,362)	25,174,500	25,174,500	0	0	0	0	0	25,174,500
49	Phase II Reuse Expansion at Grant Street	Treatment	50.00%	50.00%	0.00%	5,450,000	0	5,450,000	2,725,000	2,725,000	0	0	0	0	5,450,000
50	Biosolid Process Improvements	Treatment	0.00%	50.00%	50.00%	27,514,024	(2,686,291)	24,827,733	12,413,867	0	0	0	12,413,867	0	24,827,733
51	DB Lee Study Process, Odor, Corrosion	Other	0.00%	100.00%	0.00%	200,000	0	200,000	0	0	0	0	0	200,000	200,000
52	Operating Permit Renewal (WRFs)	Other	0.00%	100.00%	0.00%	150,000	0	150,000	0	0	0	0	0	150,000	150,000
53	DB Lee WRF - Sewer and Drainage Lines	Treatment	100.00%	0.00%	0.00%	500,000	0	500,000	0	500,000	0	0	0	0	500,000
54	DB Lee Process, Pipe & Control Imp.	Treatment	0.00%	25.00%	75.00%	23,100,000	0	23,100,000	5,775,000	0	0	0	17,325,000	0	23,100,000
55	Grant Street WRF Injection Well Permit	Other	0.00%	100.00%	0.00%	50,000	0	50,000	0	0	0	0	0	50,000	50,000
56	New Class 1 Injection Well	Treatment	0.00%	100.00%	0.00%	17,758,002	0	17,758,002	17,758,002	0	0	0	0	0	17,758,002
57	DB Lee Clarifier #3 Emergency Repair	Treatment	0.00%	0.00%	100.00%	1,230,000	0	1,230,000	0	0	0	0	1,230,000	0	1,230,000
58	Grant Street Reuse System Pump Upgrade	Treatment	0.00%	0.00%	100.00%	350,000	0	350,000	0	0	0	0	350,000	0	350,000
59	Grant Street Mechanical Bar Screens	Treatment	0.00%	0.00%	100.00%	1,260,000	0	1,260,000	0	0	0	0	1,260,000	0	1,260,000
60	Replacement of Two (2) and Add One (1) Mechanical Bar Screen At DB Lee Water Reclamation Facility (WRF)	Treatment	0.00%	0.00%	100.00%	2,100,000	0	2,100,000	0	0	0	0	2,100,000	0	2,100,000
61	Mechanical Integrity Test/Inspection for the Grant Street Injection Well System (March 2029)	Treatment	0.00%	0.00%	100.00%	300,000	0	300,000	0	0	0	0	300,000	0	300,000
62	Secondary Effluent Pump Station Rehabilitation and Expansion at both Water Reclamation Facilities	Treatment	0.00%	0.00%	100.00%	5,500,000	0	5,500,000	0	0	0	0	5,500,000	0	5,500,000
63	DB Lee Headworks Rehabilitation and Expansion/Stormwater Ditch Piping	Treatment	0.00%	0.00%	100.00%	16,500,000	0	16,500,000	0	0	0	0	16,500,000	0	16,500,000
64	Grant Street Facility Improvements including Trickling Filter Process Demolition and Storage Pond Return Station	Treatment	0.00%	50.00%	50.00%	8,800,000	0	8,800,000	4,400,000	0	0	0	4,400,000	0	8,800,000
65	Inspection of Transmission Mains	Treatment	0.00%	0.00%	100.00%	300,000	0	300,000	0	0	0	0	300,000	0	300,000
66	Upgrade Fiber Comms between WRFs	Treatment	0.00%	100.00%	0.00%	500,000	0	500,000	500,000	0	0	0	0	0	500,000
67	Rehabilitate Carousel Process including Rehabilitate Basin, Two Clarifiers, and Splitter Box to include Anoxic Tank at Grant Street Water Reclamation Facility	Treatment	0.00%	0.00%	100.00%	5,500,000	0	5,500,000	0	0	0	0	5,500,000	0	5,500,000
68	**Subtotal Water Reclamation Improvements**					$161,092,322	($21,468,751)	$139,623,571	$68,746,368	$3,225,000	$0	$0	$67,252,203	$400,000	$139,623,571

Table 3
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Wastewater Capital Improvement Program By Function

Line No.	Project Description	Type	Purpose			2025 - 2030 Estimated Capital Cost [1]	Adjustments [2]	Net Amount For Future Expenditures	Functional Category [3]						
			Expansion	Existing New	Existing Replace				Wastewater Treatment Existing	Wastewater Treatment Expansion	Transmission Existing	Transmission Expansion	Renewal & Replacement	Collection/ Other	Total
	Lift Station Operations Improvements														
69	Lift Station #42 Rehabilitation	T&C	0.00%	0.00%	100.00%	$1,195,054	$0	$1,195,054	$0	$0	$0	$0	$1,195,054	$0	$1,195,054
70	Rehabilitate Lift Station #55 (2900 Stewart Road)	T&C	0.00%	0.00%	100.00%	1,100,000	0	1,100,000	0	0	0	0	1,100,000	0	1,100,000
71	Replacement of Lift Station #23 (Mosswood)	T&C	0.00%	0.00%	100.00%	3,000,000	0	3,000,000	0	0	0	0	3,000,000	0	3,000,000
72	Lift Station #44 Rehabilitation	T&C	0.00%	0.00%	100.00%	3,500,000	0	3,500,000	0	0	0	0	3,500,000	0	3,500,000
73	Rehabilitate Lift Station #36 (1062 Sarno Road)	T&C	0.00%	0.00%	100.00%	1,310,000	0	1,310,000	0	0	0	0	1,310,000	0	1,310,000
74	Rehabilitate Lift Station #56 (1233 Sarno Road)	T&C	0.00%	0.00%	100.00%	1,290,000	0	1,290,000	0	0	0	0	1,290,000	0	1,290,000
75	Design and Construct New Western Lift (John Rodes/Ellis)	T&C	100.00%	0.00%	0.00%	3,875,000	0	3,875,000	0	0	0	1,087,628	0	2,787,372	3,875,000
76	**Subtotal Lift Station Operations Improvements**					$15,270,054	$0	$15,270,054	$0	$0	$0	$1,087,628	$11,395,054	$2,787,372	$15,270,054
	Reclaimed Water Distribution Improvements														
77	Commodore Blvd Utilities Upgrade	Other	0.00%	0.00%	100.00%	$250,000	$0	$250,000	$0	$0	$0	$0	$250,000	$0	$250,000
78	8" Reclaimed - Wickham/Parkway/EFSC	Other	100.00%	0.00%	0.00%	1,600,000	0	1,600,000	0	0	0	0	0	1,600,000	1,600,000
79	Construct 12" Reclaimed Water Main from Florida Avenue along Country Club to Edgewood Ave (PG-2) Phase 2	Treatment	100.00%	0.00%	0.00%	2,544,748	0	2,544,748	0	2,544,748	0	0	0	0	2,544,748
80	Construct 10" Reclaimed Water Main Parkway from Croton Road to Wickham Road (PD-4)	Other	100.00%	0.00%	0.00%	1,199,387	0	1,199,387	0	0	0	0	0	1,199,387	1,199,387
81	Construct 12" Reclaimed Water Main from Florida Avenue along Country Club to Edgewood Ave (PG-2) Phase 2	Treatment	100.00%	0.00%	0.00%	1,650,000	0	1,650,000	0	1,650,000	0	0	0	0	1,650,000
82	Construct Loop on Nasa Blvd from General Aviation to Harper Rd.	Treatment	100.00%	0.00%	0.00%	2,200,000	0	2,200,000	0	2,200,000	0	0	0	0	2,200,000
83	8" Reclaimed - Pirate/Lipscomb/Babcock	Other	100.00%	0.00%	0.00%	160,000	0	160,000	0	0	0	0	0	160,000	160,000
84	6" Reclaimed - Melbourne Sq Mall	Other	0.00%	0.00%	100.00%	200,000	0	200,000	0	0	0	0	200,000	0	200,000
85	**Subtotal Reclaimed Water Distribution Improvements**					$9,804,134	$0	$9,804,134	$0	$6,394,748	$0	$0	$450,000	$2,959,387	$9,804,134
	Other Water & Sewer Improvements & Facility Maintenance Projects at Water and Sewer Buildings														
86	Public Works Security Upgrades	Other	0.00%	100.00%	0.00%	$37,332	$0	$37,332	$0	$0	$0	$0	$0	$37,332	$37,332
87	Enterprise Asset Management Software	Other	0.00%	100.00%	0.00%	669,681	0	669,681	0	0	0	0	0	669,681	669,681
88	WRF Evaluation and Master Plan	Other	0.00%	100.00%	0.00%	500,000	0	500,000	0	0	0	0	0	500,000	500,000
89	EECBG Electric Trucks and Charging St.	Other	0.00%	100.00%	0.00%	73,065	(73,065)	0	0	0	0	0	0	0	0
90	Pole Barn Metal Post Repair	Other	0.00%	100.00%	0.00%	10,000	0	10,000	0	0	0	0	0	10,000	10,000
91	Risk and Resiliency Assessment	Other	0.00%	100.00%	0.00%	50,000	0	50,000	0	0	0	0	0	50,000	50,000
92	Lead and Copper Plan	Other	0.00%	100.00%	0.00%	1,175,000	0	1,175,000	0	0	0	0	0	1,175,000	1,175,000
93	Rate and Bond Study	Other	0.00%	100.00%	0.00%	62,500	0	62,500	0	0	0	0	0	62,500	62,500
94	Harper Road Gate 2 Replacement	Other	0.00%	100.00%	0.00%	50,000	0	50,000	0	0	0	0	0	50,000	50,000
95	Gate System and Call Boxes	Other	0.00%	100.00%	0.00%	175,000	0	175,000	0	0	0	0	0	175,000	175,000
96	Harper Road Carports	Other	0.00%	100.00%	0.00%	75,000	0	75,000	0	0	0	0	0	75,000	75,000
97	**Subtotal Other Water & Sewer Improvements & Facility Maintenance Projects at Water and Sewer Buildings**					$2,877,578	($73,065)	$2,804,513	$0	$0	$0	$0	$0	$2,804,513	$2,804,513
	Other Capital Improvements / Departmental Capital Outlay														
98	Utilities Administration	Other	0.00%	100.00%	0.00%	$27,950	$0	$27,950	$0	$0	$0	$0	$0	$27,950	$27,950
99	Utilities Operations	Other	0.00%	100.00%	0.00%	136,670	0	136,670	0	0	0	0	0	136,670	136,670
100	Meter Services	Other	0.00%	100.00%	0.00%	201,690	0	201,690	0	0	0	0	0	201,690	201,690
101	Environmental Community Outreach	Other	0.00%	100.00%	0.00%	21,000	0	21,000	0	0	0	0	0	21,000	21,000
102	Wastewater Collection	Collection	0.00%	100.00%	0.00%	2,227,819	0	2,227,819	0	0	0	0	0	2,227,819	2,227,819
103	Lift Station Operations	Collection	0.00%	100.00%	0.00%	1,413,200	0	1,413,200	0	0	0	0	0	1,413,200	1,413,200
104	Water Reclamation	Treatment	0.00%	100.00%	0.00%	4,248,767	0	4,248,767	4,248,767	0	0	0	0	0	4,248,767
105	Reclaimed Water Distribution	Collection	0.00%	100.00%	0.00%	516,090	0	516,090	0	0	0	0	0	516,090	516,090
106	Allowance for Departmental Capital Outlay	Other	0.00%	100.00%	0.00%	675,000	0	675,000	0	0	0	0	0	675,000	675,000
107	**Subtotal Other Capital Improvements / Departmental Capital Outlay**					$9,468,185	$0	$9,468,185	$4,248,767	$0	$0	$0	$0	$5,219,419	$9,468,185
108	**TOTAL WASTEWATER PROJECTS**					$265,488,484	($21,541,816)	$243,946,668	$72,995,135	$9,619,748	$5,624,155	$1,984,268	$109,251,850	$44,471,513	$243,946,668
109	**PERCENT OF TOTAL**							100.00%	29.92%	3.94%	2.31%	0.81%	44.79%	18.23%	100.00%

Footnotes:

[1] Amounts shown reflect the Multi-Year Capital Program as provided by the City.

[2] Downward adjustments reflect projects: i) anticipated to be funded by grants as identified by the City; ii) recognized in the existing assets summary to be consistent with existing capacity assumptions; or iii) renewal and replacement projects not considered applicable to the fee determination process.

[3] Assets are categorized based on information provided by the City.

Table 4
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Summary of Water and Wastewater Treatment Capacity

Line No.	Description	Amounts
	Water System:	
	Plant Capacity	
1	John A. Buckley SWTP (MDG) (AADF)	18.000
2	Joe Mullins RO WTP (MGD) (AADF)	5.000
3	Expansion of Joe Mullins RO WTP (MGD) (AADF)	5.000
4	Total Capacity (MDG) (AADF)	28.000
	Plant Flows	
5	Existing Average Daily Flow for FY 2020 - 2024 (MGD) [1]	17.371
	Available Plant Capacity for New Growth	
6	Total Capacity (MDG) (AADF)	28.000
7	Existing Average Daily Flow (MGD) (AADF)	(17.371)
8	Capacity Available for New Growth (MGD) (AADF)	10.629
9	Percentage of Plant Capacity	37.96%
	Wastewater System:	
	Plant Capacity	
10	David B. Lee WRF (MGD) (AADF)	7.000
11	Grant Street WRF (MGD) (AADF)	5.500
12	Total Capacity (MDG) (AADF)	12.500
	Plant Flows	
13	Existing Average Daily Flow for FY 2020 - 2024 (MGD) [1]	9.982
	Available Plant Capacity for New Growth	
14	Total Capacity (MDG) (AADF)	12.500
15	Existing Average Daily Flow (MGD) (AADF)	(9.982)
16	Capacity Available for New Growth (MGD) (AADF)	2.518
17	Percentage of Plant Capacity	20.14%

Footnotes:

[1] Amounts shown based on historical treatment data as provided by the City.

Table 5
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Design of Water Impact Fee

Line No.	Description	Amount
	Total Estimated Cost of Water Production and Treatment Facilities:	
1	Existing Facilities [1]	$135,309,985
2	Additional Financing Costs [2]	$14,499,105
3	Additional Costs Capitalized - CIP [3]	140,978,675
4	Less Recognition of Retirements [4]	(26,909,132)
5	Less Receipt of Grant Funds [5]	(257,316)
6	Subtotal Water Production and Treatment Facilities	$263,621,317
7	Existing and Planned Permitted Capacity of Plant Facilities (MGD) (AADF) [6]	28.000
8	Existing Average Daily Flow (MGD) (AADF) [7]	17.371
9	Dwelling Unit Factor - (GPD) (ADF) [8]	240.0
10	Estimated Dwelling Units to be Served by Existing and Planned Facilities	116,667
11	Percent Remaining Capacity of Facilities	37.96%
12	Allocation of Facilities to Incremental Growth	$100,068,832
13	Rate per Dwelling Unit of Water Production and Treatment Facilities	$2,259.61
	Primary Transmission System:	
14	Existing Facilities [9]	$41,149,855
15	Additional Financing Costs [2]	$3,206,763
16	Additional Costs Capitalized - CIP [10]	13,948,441
17	Less Receipt of Grant Funds [5]	0
18	Total Primary Transmission Facility Costs	$58,305,059
19	Estimated Dwelling Units served by Transmission Facilities [11]	116,667
20	Rate per Dwelling Unit of Primary Transmission Facilities	$499.75
21	**Total Calculated Combined Rate per Dwelling Unit**	**$2,759.36**
22	**Rounded Rate per Dwelling Unit**	**$2,755.00**
23	Cost Per Gallon	$11.48
24	Existing Rate per Gallon	$6.42
25	Existing Rate per Dwelling Unit	$1,540.00
26	Proposed Increase / (Decrease)	$1,215.00

AADF = Average Annual Daily Flow
GPD = Gallons per Day

Footnotes continued on the following page.

Table 5
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Design of Water Impact Fee

Footnotes:

[1] Amount based on Table 1 and reflects water production and treatment assets currently in service.

[2] Reflects the average (50%) interest costs on the water system expansion-related portion of outstanding bonds as of September 30, 2025.

[3] Amount derived from Table 2 and reflects the planned upgrades to the existing water production and treatment facilities and is net of anticipated grant funding.

[4] Retirement adjustment made to account for new reverse osmosis treatment capacity replacing water treatment assets.

[5] Total cost of facilities is reduced by grants and other outside funding sources, if any, as provided by the City.

[6] Amount reflects the maximum design capacity of the existing facilities and is shown in detail as follows:

Description	Plant Capacity
Existing Plant Capacity (MDG) (AADF)	23.000
Capacity to Be Added During Forecast Period: 2025 - 2030 (MGD-AADF)	5.000
Total Capacity (MDG) (AADF)	28.000

[7] Amount reflects the average daily flow for provided historical flow data for Fiscal Years October 2019 through September 2024.

[8] Amount reflects the City's level of service provided for a residential dwelling unit.

[9] Amount based on Table 1 and reflects water transmission assets currently in service.

[10] Amount derived from Table 2 and reflects the planned upgrades to the existing water transmission system.

[11] Amount assumes transmission capacity is consistent with the existing and estimated future water treatment capacity.

Table 6
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Design of Wastewater Impact Fee

Line No.	Description	Amount
	Total Estimated Cost of Wastewater Treatment and Disposal Facilities:	
1	Installed Cost - Existing Facilities [1]	$102,514,925
2	Additional Financing Costs [2]	$4,245,996
3	Additional Costs Capitalized - CIP [3]	82,614,883
4	Less Receipt of Grant Funds [4]	(1,764,176)
5	Subtotal Wastewater Treatment and Disposal Facilities	$187,611,628
6	Existing Permitted Capacity of Plant Facilities (MGD) (AADF) [5]	12.500
7	Existing Average Daily Flow (MGD) (AADF) [6]	9.982
8	Dwelling Unit Factor - (GPD) (ADF) [7]	240.0
9	Estimated Dwelling Units Permitted to be Served by Existing Facilities	52,083
10	Percent Remaining Capacity of Existing Facilities	20.14%
11	Allocation of Existing Facilities to Incremental Growth	$37,793,986
12	Rate per Dwelling Unit of Wastewater Treatment and Disposal Facilities	$3,602.14
	Primary Transmission System:	
13	Existing Facilities [8]	$21,631,087
14	Additional Financing Costs [2]	$667,398
15	Additional Costs Capitalized - CIP [9]	7,608,423
16	Less Receipt of Grant Funds [4]	(417,570)
17	Total Primary Transmission Facility Costs	$29,489,338
18	Estimated Dwelling Units served by Transmission Facilities [10]	52,083
19	Net Rate per Dwelling Unit of Primary Transmission Facilities	$566.19
20	**Total Calculated Combined Rate per Dwelling Unit**	**$4,168.33**
21	**Rounded Rate per Dwelling Unit**	**$4,165.00**
22	Cost Per Gallon	$17.35
23	Existing Rate per Gallon	$9.21
24	Existing Rate per Dwelling Unit	$2,210.00
25	Proposed Increase / (Decrease)	$1,955.00

ADF = Average Daily Flow
GPD = Gallons per Day

Footnotes continued on the following page.

Table 6
City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Design of Wastewater Impact Fee

Footnotes:

[1] Amount based on Table 1 and reflects wastewater treatment and disposal assets currently in service.

[2] Reflects the average (50%) interest costs on the wastewater system expansion-related portion of outstanding bonds as of September 30, 2025.

[3] Amount derived from Table 3 and reflects the planned upgrades to the existing wastewater treatment and disposal facilities and is net of anticipated grant funding.

[4] Total cost of facilities is reduced by grants and other outside funding sources, if any, as provided by the City.

[5] Amount reflects the maximum design capacity of the existing facilities and is shown in detail as follows:

Description	Plant Capacity
Plant Capacity (MDG) (AADF)	12.500
Capacity to Be Added During Forecast Period: 2025 - 2030 (MGD-AADF)	0.000
Total Capacity (MDG) (AADF)	12.500

[6] Amount reflects the average daily flow for provided historical flow data for Fiscal Years October 2019 through September 2024.

[7] Amount reflects the City's level of service provided for a residential dwelling unit.

[8] Amount based on Table 1 and reflects wastewater transmission assets currently in service.

[9] Amount derived from Table 3 and reflects the planned upgrades to the existing wastewater transmission system.

[10] Amount assumes transmission capacity is consistent with the existing and estimated future wastewater treatment capacity.

Table 7

City of Melbourne, Florida
Water and Wastewater Impact Fee Study

Comparison of System Development Impact Fees Per ERU For Water and Wastewater Service [1]

Line No.	Description	Residential 5/8" x 3/4" Meter Water	Wastewater	Combined
	City of Melbourne			
1	Existing Fees	$1,540	$2,210	$3,750
2	Proposed Fees	$2,755	$4,165	$6,920
	Florida Utilities: Located in Brevard County:			
3	Brevard County	$1,903	$2,257	$4,160
4	City of Cocoa	$1,750	$3,325	$5,075
5	City of Cocoa Beach	$1,750	$2,200	$3,950
6	City of Palm Bay	$2,049	$3,300	$5,349
7	City of Titusville	$1,970	$2,190	$4,160
8	City of West Melbourne	$4,576	$3,000	$7,576
	Other Florida Utilities:			
9	City of Daytona Beach	$1,736	$2,814	$4,550
10	City of Edgewater	$1,920	$4,460	$6,380
11	Fort Pierce Utilities Authority	$1,850	$2,850	$4,700
12	Indian River County	$1,463	$2,624	$4,087
13	Village of Indiantown	$2,790	$1,500	$4,290
14	Martin County	$1,710	$2,100	$3,810
15	New Smyrna Beach Utilities Commission	$1,485	$1,445	$2,930
16	City of Ormond Beach	$2,333	$3,577	$5,910
17	City of Port St. Lucie	$4,925	$3,250	$8,175
18	St. Lucie County	$3,773	$3,425	$7,198
19	St. Lucie West Services District	$2,390	$1,930	$4,320
20	City of Stuart	$1,933	$2,092	$4,025
21	City of Vero Beach	$1,499	$2,290	$3,789
22	**All Other Florida Utilities Average**	$2,306	$2,665	$4,970

Footnotes:
[1] Amounts shown reflect charges in effect in May of 2025.