Wellness Ridge Community Development District

IRRIGATION WATER RATE STUDY

DRAFT REPORT

SEPTEMBER 2025

WILLDAN

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September 8, 2025

Mr. George Flint, Wellness Ridge CDD District Manager
Governmental Management Services - Central Florida, LLC
219 East Livingston Street
Orlando, Florida 32801

Subject: Irrigation Rate Study (DRAFT)

Dear Mr. Flint,

WILLDAN FINANCIAL SERVICES is pleased to submit the Irrigation Rate Study (Study) to Wellness Ridge Community Development District (District) for your consideration. Willdan has completed the Study of the District's Irrigation rates and charges as well as the development of five-year projected operating results. A summary of the analyses, assumptions, and conclusions are set forth in this Study.

We appreciate the opportunity to be of service to the District in this matter. In addition, we would like to thank you and the other members of the District staff for the valuable assistance and cooperation provided during the preparation of the Study. We look forward to collaborating with you on future projects and continuing a successful professional relationship.

Respectfully Yours,

WILLDAN FINANCIAL SERVICES

Tara Hollis

Tara Hollis, CPA, CVA, MBA
Principal Consultant

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Section 1 - Introduction

1.1. General

Wellness Ridge Community Development District (the "District") retained Willdan Financial Services ("Willdan") to prepare an irrigation rate study (the "Study") to develop irrigation monthly user rates as well as miscellaneous charges for the irrigation system. As part of this Study, Willdan was to prepare a cost-of-service analysis of the irrigation system (the "Utility") that is currently under construction in the District. Properties within the District currently receive irrigation water service from the City of Clermont. However, once the District's irrigation system is complete, properties within the District will be provided with irrigation water service from the District. It is anticipated that the new District irrigation system will be in operation by November 1, 2025. This report details the results of the analyses for the forecast period, fiscal year (FY) 2026 through FY 2030 (the "Projection Period"), the results of which are presented in this Study Report.

1.2. Goals and Objectives

Prior to commencement of this Study, Willdan met with the District's staff to discuss and identify the goals and objectives of the Study and to review a preliminary data request. The primary goals and objectives of the Study are to develop monthly rates for the District's Irrigation System based on full cost recovery principals that result in: (i) water conservation in compliance with the District's Consumptive Use Permit (CUP); (ii) just and equitable rates; (iii) operating revenues sufficient to meet the projected fiscal requirements of the irrigation system; and (iv) are administratively compatible and publicly understandable.

The Study, to the extent practical, utilizes a cost-of-service approach to establish user rates and charges based on the needs of the community and the Utility. The Study, pursuant to available data: (i) identifies the number of customers and associated service characteristics; (ii) delineates fiscal requirements by rate and functional activity; and (iii) identifies the appropriate levels of rates and charges based on the assumed Test Year ending September 30, 2026.

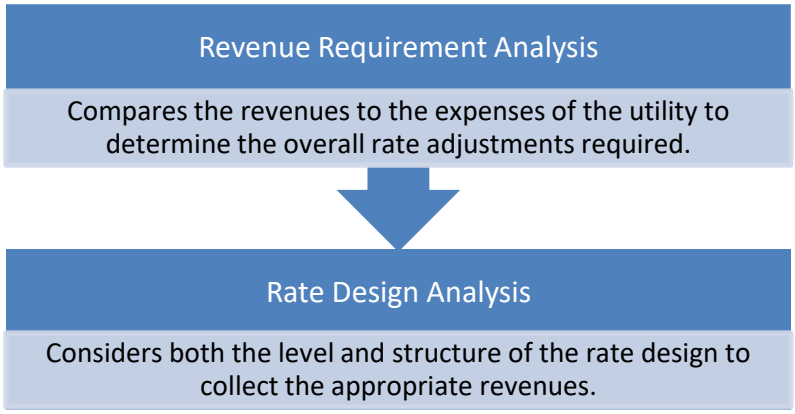
1.3. Overview of the Rate Study Process

The Study develops an irrigation financial plan for the upcoming 5-year planning period and includes the development of rates through a cost-of-service and rate design analysis. Utility rates must be set at a level such that operating, maintenance, debt and capital expenses are funded with the revenues received from customers. This is a significant point, as insufficient revenues can lead to unacceptable service levels and inadequately maintained facilities. Therefore, a rate study typically consists of the following interrelated components:

- **Financial Planning/Revenue Requirement Analysis**: Creates a five-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement

and replacement activities, debt financing, and retirement of outstanding debt. In addition, the plan should fund and maintain appropriate reserve balances based on industry standards, as well as the Utility Systems' fiscal policies and specific needs.

- **Rate Design**: Develops an equitable fixed/variable schedule of rates for the Utility System's customer base. The balance of fixed and variable charges considers the need for a stable revenue source (the fixed charge) and the variable component of the rate structure such that customers placing higher costs on the system (through higher water use) incur a higher bill reflective of their capacity impact on the system.



This Study utilizes generally accepted ratemaking principles and standards established by industry experts such as the American Water Works Association (AWWA) in its "M1 - Principles of Water Rates Fees and Charges". The principles established by this entity is used as a guideline in the development of the proposed rates for irrigation.

1.4. Computer Rate Model

In addressing the Study needs, a Microsoft Excel-based comprehensive rate model was developed and utilized. The computer rate model has the capability to analyze and project the salient attributes and criteria associated with the review and development of comprehensive rates, including but not limited to customer statistics, operating and capital budgets, fiscal requirements, proforma statements, and utility fund balances. The computer model is a dynamic tool that was also used to identify the effects of various alternatives with respect to changes in fiscal requirements, customer growth, rate structure modifications, and rate adjustments on user rates and operating results.

1.5. Report Layout

This Rate Study presents an overview of the rate-making concepts employed in the development of the analysis contained herein. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed

exhibits are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Rate Study. The report is organized as follows:

Section 1 – Introduction

Section 2 – Overview of Utility Rate-Making Principles, Processes, and Issues

Section 3 – Customer Statistics

Section 4 – Fiscal Requirements

Section 5 – Rate Structure Design and Adjustments

Section 6 – Projected Operating Results and Proposed Rates

Section 7 – Miscellaneous Charges

Section 8 – Findings, Conclusions, and Recommendations

Exhibits

1.6. Reliance on Data

During the course of this project, the District (and/or its representatives) provided Willdan with a variety of technical information, including current and projected cost data. We relied on this data in collaboration with the District on the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. The results of our recommendations for optimum rate strategies are based on this information, however; there will be differences between actual and projected data, as they are based on the best available data and assumptions at the time of analysis.

Section 2 - Overview of Utility Rate-Making Principles, Processes, and Issues

2.1. Introduction

The Rate Study utilized generally accepted rate-making principles which resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the Utility and 2) meet the rate design goals of the Utility. A discussion of some of the key principles of rate-making, and how the processes employed herein are guided by those principles, is presented below.

2.2. Discussion of General Rate-Making Principles

While the individual rates for utility systems may vary based on a variety of factors, the development of rates should, for the most part, be consistent with general rate-making principles set forth in utility rate-making practice and literature. The principle by which rate practitioners are guided is that rates designed for any utility should strike a reasonable balance between several key principles. In general, rates designed should:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the Utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to each customer class;
- Be easy to understand by customers; and
- Be easy to administer by the Utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements, and how those revenue requirements translate into the rate design alternatives which most closely meet the specific objectives of the individual utility under the circumstances in which the utility operates.

2.3. Revenue Sufficiency Process

In order to develop rates and charges which generate sufficient revenue to meet the fiscal requirements of the utility, a determination of the annual rate-revenue required must be completed. This rate-revenue, combined with other sources of funds, is evaluated to determine whether the total revenue is sufficient to meet those fiscal requirements. This process is typically referred to as a Revenue Sufficiency Analysis.

The process employed in the Revenue Sufficiency Analysis results in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), debt service expense (including a provision for debt service coverage), transfers out and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue

requirements are then compared to the total sources of funds during each year of the Projection Period to determine the adequacy of projected revenues to recover projected revenue requirements. To the extent that the existing revenue stream is not sufficient to meet the annual revenue requirements of the system, a series of rate revenue increases are calculated which would be required in order to provide sufficient revenue to meet those expenditure needs.

Section 3 - Customer Statistics

3.1. General

The purpose of this Study is to establish an equitable and financially sustainable rate structure for the District's irrigation services. The analysis is designed to ensure that user charges recover the full cost of providing service, meet projected revenue requirements, and allocate costs fairly among customer classifications in accordance with industry standards and applicable statutory provisions. The methodology relies on documented historical usage, projected demand patterns, and the District's planned service area buildout.

This Study is founded on a comprehensive evaluation of the District's current and anticipated customer base, along with associated usage characteristics. Based on the approved development plan, the District will provide irrigation services primarily to Single-Family Residential Dwellings (SFD) and Townhome (TH) properties. The SFD classification comprises five standard lot sizes, defined by front footage, while the TH classification comprises two standard lot sizes. Irrigation service will also be extended to the Homeowners' Association (HOA) and common areas.

Metered usage data for existing customers was obtained from the City of Clermont. Upon commissioning of the District's irrigation system, these customers will be transferred to the District's service area. Historical metered and billable flows for this customer base serve as the primary determinants in developing monthly user rates and charges, and they establish the foundation for forecasting future irrigation system revenues.

The customer and flow analysis presented herein is limited to classifications directly impacted by the proposed rates, namely, general service (retail) irrigation customers currently subject to charges for such service. For the purposes of this Study, these customers and their associated demand volumes represent the revenue-generating base upon which the proposed rate structure is applied.

3.2. Customer Billing Analysis

For the purposes of this study, irrigation usage records were compiled for each existing customer meter for the period from May 2024 through May 2025. The billing data was analyzed to assess the composition of the existing customer base and to identify representative usage patterns across classifications.

In addition to the historical consumption review, District staff and the Utility Engineer prepared projections of average irrigation demand based on the typical irrigable square footage associated with each parcel type and lot size. These projections reflect the District's development plan and CUP allowances and were refined through discussions with District staff and the Utility System Engineering team to ensure accuracy and applicability to planned service conditions. These

projections are based on the District's CUP allowances being approved at a minimum of 93,492,764 gallons per year and are exclusive of any customer swap agreements.

Based on these inputs, the irrigation system is expected to provide service to the following identifiable customer classifications:

- Single-Family Residential
  - SFD 60
  - SFD 50
  - SFD 41 FL
  - SFD 40 RL
  - SFD 32 RL
- Townhomes
  - TH 25 RL
  - TH 22
- Non-Residential HOA/Common Areas

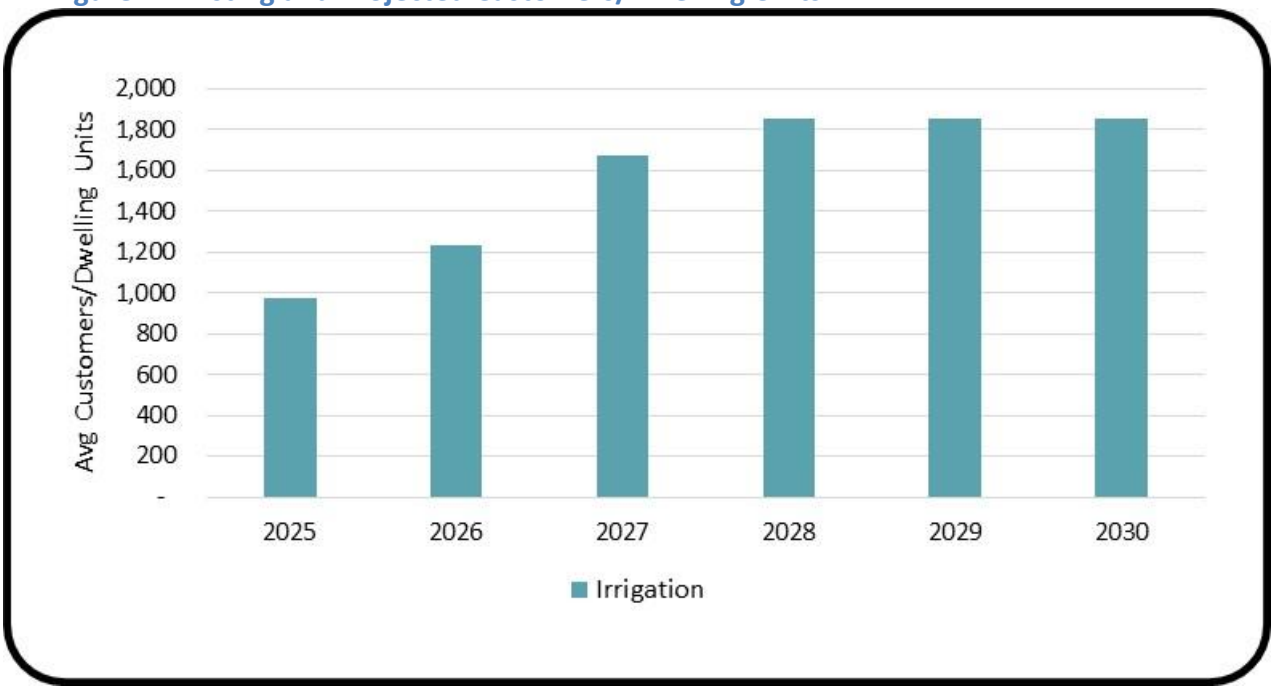
Each customer classification exhibits consistent physical and usage characteristics that form the basis for an equitable allocation of system costs. Under the current system configuration, SFD parcels are projected to be individually metered, while TH parcels will be master-metered with an assigned number of dwelling units per master meter for billing purposes.

3.2.1 Customer Accounts and Dwelling Units

For the District's irrigation system, a customer account represents a connection to the system, irrespective of meter size. For each account, the number of dwelling units receiving irrigation service through that connection is also identified.

Historical customer data was analyzed to establish growth trends for each customer classification. These trends were then applied to project the average number of accounts and dwelling units by customer type for the Test Year and for each subsequent year of the Projection Period. The existing and projected average customer accounts are summarized in **Figure 1**.

Figure 1. Existing and Projected Customers/Dwelling Units



The District has experienced positive customer growth. For the projection period, the District anticipates an average of approximately 45 new home connections per month, continuing through buildout, which is projected to occur in FY 2028. Based on current economic indicators in the southeastern real estate market, recent development activity within the District, and discussions with District staff regarding anticipated construction schedules, the projected rate of growth is consistent with recent historical trends observed in the District's customer data and is considered a reasonable basis for long-term financial and operational planning.

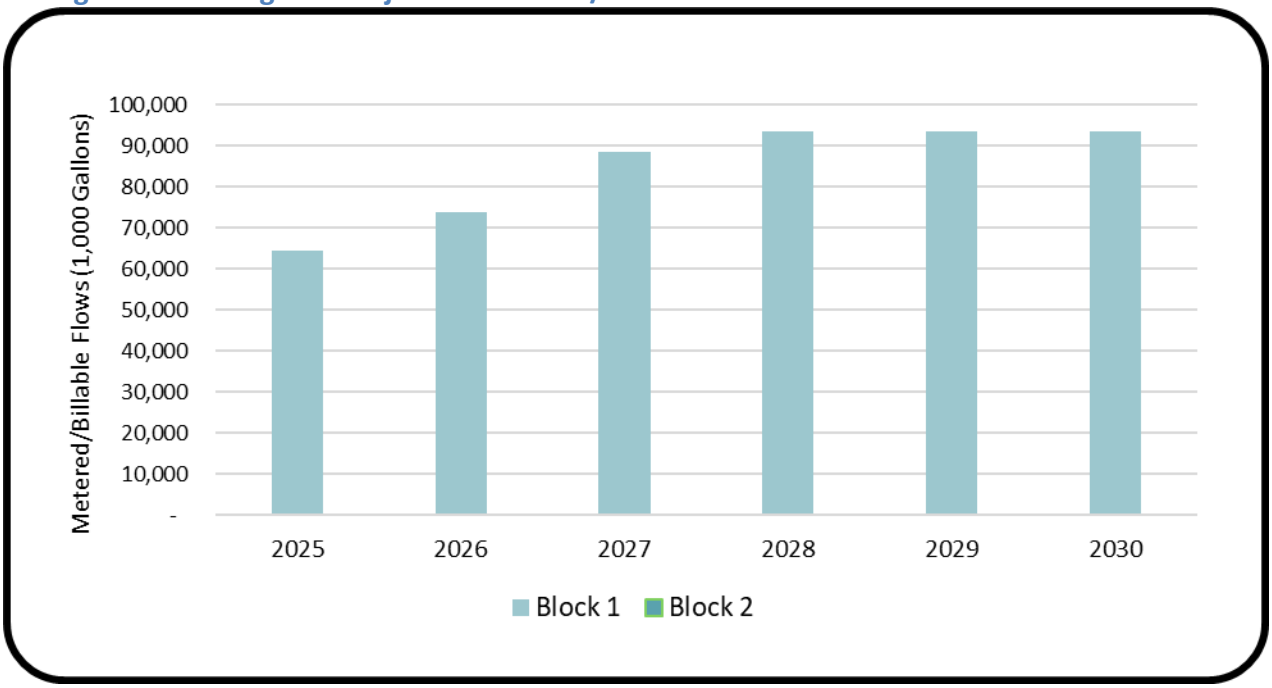
These assumptions are embedded in the rate study's financial projections and are reflected in the customer counts illustrated in the preceding graph.

3.3. Metered/Billable Flow Projections

The customer and billing data, combined with calculated irrigable areas by parcel type, formed the basis for determining total metered flow and allocating that flow among the various customer classifications and lot types. This analysis was used to estimate the average flow per customer or lot rounded to the nearest 100 gallons.

Historical trends indicate that these statistical relationships should remain relatively stable from year to year. Accordingly, the results of this analysis are considered reliable indicators for projecting future customer usage. The projected revenue-generating irrigation flows are presented in **Figure 2**. Note, for purposes of this analysis and rate design, it is assumed that all flows will be in Block 1, with Block 1 limits being set at the level of the proposed CUP allowances.

Figure 2. Existing and Projected Metered/Billable Flows



3.3.1 Summary of Customer Analysis

Historical billing data and information from the Utility Engineer was analyzed to identify growth trends and to forecast future system customers. Forecasting both the number of customer accounts/dwelling units and the associated metered/billable flows is essential, as these are the primary components used to estimate annual revenues for each year of the projection period.

The projected customer accounts and corresponding billable flows are detailed in **Table 1**. These projections serve as a key input to the revenue calculations and financial forecasts presented in the subsequent sections of this report.

Table 1. Projected Customers and Metered/Billable Flows

Description	Projected for Fiscal Year					
	2025	2026	2027	2028	2029	2030
AVERAGE CUSTOMERS/DWELLING UNITS						
SFD 60	53	72	100	108	108	108
SFD 50	336	472	646	684	684	684
SFD 41 FL	84	129	198	221	221	221
SFD 40 RL	108	133	163	169	169	169
SFD 32 RL	149	163	203	228	228	228
TH 25 RL	98	98	98	98	98	98
TH 22	141	161	262	343	343	343
Common Areas	1	1	1	1	1	1
Total Average Customers (Dwelling Units)	**970**	**1,229**	**1,671**	**1,852**	**1,852**	**1,852**
BILLABLE FLOW (1,000 Gallons)						
Block 1 **(1)**	64,624.80	67,826.00	88,468.80	93,496.80	93,496.80	93,496.80
Block 2 **(1)**	-	-	-	-	-	-
Total	**64,624.80**	**67,826.00**	**88,468.80**	**93,496.80**	**93,496.80**	**93,496.80**

Note: (1) See Section 5 of the report for block allowances per customer/lot type. Based on 11 months of operations in FY 2026.

Section 4 - Fiscal Requirements

4.1. General

Fiscal requirements can generally be separated into three primary categories consisting of: (i) operating and maintenance expenses (O&M); (ii) debt service; and (iii) other needs and transfers. O&M expenses consist of those reoccurring expenses associated with labor, materials, supplies, services, etc. that are required to manage and operate the system while maintaining a dependable and desirable level of service. O&M expenses consisting primarily of labor, materials, supplies, utilities, and contract services are directly related to the level of service provided to customers and therefore, are appropriately recovered through the user rates and charges. Debt service is the principal and interest on bonds, loans, or other debt instruments and pledged security of the debt instruments and is allocated to the net rate requirement together with other sources of payments based on the pledged security of the debt instrument. Other needs and transfers, also referred to as below-the-line-items, include expenses and costs not associated with O&M expenses or debt service and can include such items as capital needs from rates, transfers in lieu of taxes, Renewal and Replacement requirements and/or other funding per covenants in resolutions adopted pursuant to outstanding bond issues.

The fiscal requirements of the utility system to be recovered through the monthly irrigation rates consist of the net amount of O&M expenses and other requirements after deduction of other budgeted non-user rate revenue sources. The net fiscal requirements, which are the fiscal requirements less non-user rate revenue sources such as interest income, transfers from other accounts, and miscellaneous charges, associated with the Test Year were identified using a budget developed by District staff for Fiscal Year 2026. For purposes of this Study, the Test Year is assumed to be FY 2026 with rates proposed for FY 2026 through FY 2030 (the "Projection Period").

The Test Year net fiscal requirements were developed with consideration of: (1) findings on existing and projected customers and development; (2) analysis of past and current O&M expenses for similarly sized systems, (3) necessary transfers; and (4) conversations with District staff.

The development of the net revenue requirements associated with the Budget, as adjusted, is summarized in **Exhibit 1** at the end of this Report.

4.2. Projected Fiscal Requirements

The projected Test Year revenue requirements, as well as the requirements for the remaining years of the Projection Period are estimated by utilizing the adjusted Budget as a basis and making annual escalation adjustments for each line-item in accordance with historical cost

escalation trends, as well as assumed future activities and events that may impact the utility system. Such projections include increasing applicable O&M expenses by inflationary and/or customer growth factors depending upon the nature of the expense, utilizing actual debt service requirements as provided in the applicable debt service schedules if any, using capital outlay estimates as provided by the District, and tying non-operating transfers to revenues or O&M expenses as applicable.

Projections of the net fiscal rate requirements for fiscal years 2027 through 2030 reflect the anticipated impacts of inflation and increases in labor and supply costs. To address these items subject to changes, escalation factors were developed and applied for each adjusted budget line item as shown on **Exhibit 1**. This process results in fiscal requirements that reasonably reflect probable future expenditures. The Test Year revenue requirements that are used for developing the user rates proposed herein are provided in **Table 2**.

Table 2. Test Year Revenue Requirements: FY 2026

Description	Amount
Expenses	
Operating and Maintenance Costs	$ 231,734
Transfer to Capital Reserves	20,000
Gross Revenue Requirement	**$ 251,734**
Less: Other Revenues	-
Net Revenue Requirement	**$ 251,734**
Add: Contingency Adjustments	$ 25,173
Adjusted Net Revenue Requirement	**$ 276,907**

In the preparation of this Study, certain assumptions were made with respect to conditions which may occur in the future. While it is believed that the assumptions are reasonable for the purpose of this Study, they are dependent upon future events and actual conditions may differ from those assumed. In addition to the projections, estimates, and studies, certain information and assumptions provided or prepared by others have been used and relied upon. While believed to be reasonable for the purpose of this Study, no further assurances with respect thereto are offered, other than for the purpose of this Report. To the extent that actual conditions differ from those assumed herein or from information or assumptions provided or prepared by others, the actual results will vary from those estimated and projected herein. Such projections are, therefore, subject to adjustment and there are no assurances that the projections will be realized.

The principal considerations and assumptions used in projecting the operating results include the following:

1. Projected Fiscal Requirements for the 5-year projection period are based on proposed FY 2026 budget developed by District staff with adjustments as appropriate based on historic trends and discussions with District Staff. These requirements include escalation factors for customer growth, inflation, labor, supply costs, etc. These escalation factors were applied at a detailed level to obtain the net fiscal requirements and proforma presented at the end of this Study. In general:

    a. The Rate Revenue/Customer Growth Factor has been applied to revenues for the projection period.

    b. The Labor Escalator, which is higher than general inflation due to a combination of anticipated benefit and merit adjustments, has been applied to employee costs for the projection period.

    c. Certain O&M costs, such as chemical, gas/oil, etc., anticipated to grow according to customer growth and inflation, were escalated using the Customer Growth/Inflation Factor.

    d. Other O&M costs, such as professional services and auditing, were escalated using the General Inflation escalator.

    e. Supplies and the repair and maintenance portion of O&M costs were escalated by the Supplies/Repairs & Maintenance escalator.

2. Reserves, or working capital, are funds set aside for cash flow requirements, financial needs, capital project funding, or to comply with legal/debt service covenants. Maintaining adequate reserves is an important consideration in developing a long-term financial management plan for utility/enterprise funds. These reserves act as a margin or buffer in order to meet short-term cash flow requirements of the fund/utility while minimizing the risk associated with financial obligations, operational costs, and capital requirements in the event that near-term events differ from the budgeted expectations. For the purposes of these projections, the Utility System is targeting to maintain a minimum reserve fund of 90-days cash on hand to cover operating expenses.

3. Additionally, the District is targeting a capital reserve fund balance of $650,000 at the end of the first 10 years of operation of the irrigation system. In order to minimize initial rates at the start-up of the irrigation system, the projections include phasing-in transfers to the capital reserve fund in the first few years of operation to allow for additional customer connections to come online. The projections include an initial transfer in FY 2026 of $20,000 increasing to $80,000 per year by FY 2030.

Section 5 - Rate Structure Design and Adjustments

5.1. General

Rate structure design represents that portion of the Study whereby the rate and charge components for each customer class are established to provide for equitable recovery of the net fiscal requirements consistent with the previously discussed criteria together with the regulatory guidelines/policies of the District and the State of Florida.

Cost of service principles suggest that the fixed costs associated with the net fiscal requirements be recovered through the fixed rate component (Base Charge), whereas variable costs be recovered through the Usage Rates. However, with fixed costs far exceeding 50 percent of the total costs and community standards suggesting that the costs for basic services be maintained at minimum levels, it is not always practical to set the Base Charge on the relation of fixed and variable costs. Prudent practice suggests that certain levels of the fixed costs can be equitably recovered through the variable component (Usage Rates).

Additionally, local government policies suggest that the rate structure components to the extent possible and practical should be:

- Administratively simple, understandable, and easily implemented;
- Equitable among customer classes, taking into consideration the cost of service for each individual customer class;
- Designed to encourage the most efficient use of the District's assets and other resources and discourage unnecessary or wasteful use of service and commodity;
- In compliance with applicable requirements of local, state, and federal regulatory authorities that have jurisdiction; and
- In compliance with all applicable statutory requirements.

Several other considerations that have an effect on the designs of the rate structure components are: (i) revenue stability; (ii) revenue sufficiency; (iii) satisfaction of applicable debt covenants, if any; (iv) historical rate structures; and (v) the policies of those responsible for the management and operation of the District and its capital facilities.

5.2. Cost Component Allocations

In order to design rates to recover expenses on a cost basis, it is necessary to further allocate system costs to the various rate structure components proposed herein. The irrigation utility costs are commonly classified into two categories for generally accepted ratemaking purposes.

These cost categories include 1) availability costs (i.e., fixed or capacity-related costs); and 2) variable or flow-related costs. A general basis for the assignment of the net revenue requirements is as follows:

1. Availability Costs (Monthly Base Charge) - The costs incurred to establish a state of readiness to serve and maintain an irrigation system capable of meeting the total combined capacity demands of the customers. Such costs are generally fixed in nature and typically include portions of the operating expenses (especially labor costs), certain capital expenditures, and other costs that do not vary materially with the quantity of flow or cannot be designated specifically as variable costs. These costs may also be related to contractual obligations such as debt service payments that must be fulfilled whether or not the system operates.

2. Variable Costs (Usage Rates) - Those costs that vary substantially or directly with the amount of service provided. Common variable costs include flow or service-related items such as chemicals, electricity, maintenance, and certain other portions of the budgeted operating expenses.

The rate category criteria described above are generally applied to the individual cost items in the budgeted revenue requirements in order to allocate the costs to each rate component. These allocations are then utilized as a basis to further develop the user rates and charges.

It should be noted that strict allocations pursuant to the cost criteria or rate components can often result in an unreasonably high monthly base charge since many of the utility costs are inherently fixed in nature. Therefore, in designing the utility rates, certain considerations are made with regard to ratemaking allocations in order to more uniformly provide reasonable and acceptable levels for each rate component.

While providing for such considerations may result in rate components that vary from the strict cost of service application, the objectives of cost recovery and equity are maintained. The other ratemaking considerations are detailed in the rate calculation sections later in the Report.

The allocation of the net revenue requirements to the rate/cost components is summarized in **Table 3**.

Table 3. Allocation of Revenue Requirements

Rate/Cost Component	Amount
Availability Component (Monthly Base Charge)	$ 110,763
Volume Component (Usage Charge)	166,144
Total Fiscal Requirements	$ 276,907

Summary of Customer Analysis

As previously described, the historical billing data was utilized to estimate growth trends that are used to project the system customers in the future. A projection of future customers and metered flows is necessary since these are the primary components utilized in estimating the revenues each year of the Projection Period. The projected customer accounts and billable flows, after taking into account the rate structure modifications described in this section, were provided previously in **Table 2**.

5.3. Rate Design

5.3.1 General

Historical billing data and data provided by the Utility Engineer was analyzed to identify growth trends and to forecast future system customers. Forecasting both the number of customer accounts/dwelling units and the associated metered/billable flows is essential, as these are the primary components used to estimate annual revenues for each year of the projection period.

This section includes the development of cost-of-service rates to go into effect once the District irrigation system is in operation, which is assumed to be on or before November 1, 2025.

The proposed irrigation rates are comprised of two rate components consisting of a monthly service availability charge and volumetric rates. The proposed monthly service availability charge is based on the customer type and the volumetric rates are charged per 1,000 gallons of metered usage. As previously addressed, this type of rate structure meets the District's objectives and provides a reasonable allocation of the cost among the various customer classes pursuant to the demand and usage characteristics determined for each customer type and lot size.

The methodology used to calculate the rates proposed herein involves identifying the test year rate determinants and then allocating the net fiscal requirements based on the appropriate rate determinant.

5.3.2 Rate Components

The base charge for irrigation service will be established as a flat rate per dwelling unit for Single-Family Residential Dwelling (SFD) customers. For Townhome (TH) customers, the base charge will be assessed as a fraction of a dwelling unit (0.25 per dwelling unit), reflecting typical multi-family billing practices where individual units have lower irrigation demand compared to single-family lots. This approach ensures that charges are proportionate to the anticipated usage for each customer type while maintaining consistency and equity across the system.

In addition to the base charge, customers will incur charges based on actual irrigation water usage, measured through metered flows. The combination of the flat base rate and the volumetric usage charge ensures that each customer contributes fairly to the fixed costs of

maintaining the system while also paying proportionally for the water they use. This rate structure promotes equity among customer classes and provides an incentive for efficient water use, particularly for customers with larger irrigable areas or higher consumption.

To encourage responsible irrigation practices, maintain equity among customers, and comply with the irrigation usage allowances in the District's CUP, irrigation block allowances are recommended based on lot size. Each property will receive a set volume of water specifically for irrigation, scaled to the size of the lot. Larger lots require more water to maintain landscaping, while smaller lots require less. Allocating irrigation water proportionally encourages efficient outdoor water use, accommodates different property types, and helps align overall demand with conservation goals and regulatory limits. Additional measures may be required if customers exceed the CUP limitations.

The proposed block allowances are presented in **Table 4**, with all usage rounded to the nearest 100-gallon increment. As Townhomes will be provided service through master-metered connections with the bill being allocated to all dwelling units on the master-meter, the usage allowances for TH parcels will be the standard for all TH dwelling units regardless of lot size. The proposed usage block allowances have been developed based on information provided by the Utility Engineer.

Table 4. Retail Irrigation Proposed Block Allowances

Customer Type / Lot Size	Block 1	Block 2
Single-Family Residential (SFR) per Dwelling Unit		
SFD 60	0 - 4,300	Above 4,300
SFD 50	0 - 3,300	Above 3,300
SFD 41 FL	0 - 2,700	Above 2,700
SFD 40 RL	0 - 2,600	Above 2,600
SFD 32 RL	0 - 2,400	Above 2,400
Townhomes (TH) per Dwelling Unit		
TH 25 RL	0 - 1,500	Above 1,500
TH 22	0 - 1,500	Above 1,500
Non-Residential		
Common Areas	All Flow	N/A
Note: (1) Master-Metered connection Block Allowance are multiplied by number of dwelling units per master-metered connection.		

5.4. Test Year Rate Determinants

The level of rates and charges for each component of the irrigation rate structure requires identification of determinants associated with each rate structure component and customer class/lot size. This was accomplished by utilizing customer characteristics and the rate structure usage allowances discussed previously. The determinants developed for this Study, and discussed below, are based on consideration of: (i) the number of accounts; (ii) the inclining block

criteria; (iii) elasticity of demand/reliability considerations; and (iv) billable flows identified for the Test Year. For this analysis, the Test Year is assumed to be FY 2026.

Customer Base Charge Determinants – Determinants for the Customer Base Charge consist of the average number of accounts and dwelling units for the Test Year. The accumulation of the accounts shown in **Table 5** below as adjusted for customer growth.

Volumetric Rate Determinants – The rate determinants utilized in the development of the volumetric rates, pursuant to the methodology previously discussed, consists of the amount of billable irrigation flow as adjusted to account for: (i) the inclining block rates (the rate determinant factor) and (ii) anticipated elasticity resulting from the rate structure modifications and rate adjustments (the reliability factor). More specifically, the incremental factors represent the degree of increase applied to the initial block (Block 1) resulting in the monetary amount associated with each successive block. The reliability factor provides for certain uncertainties with regard to actual events given the anticipated reaction of customers to rate structure modifications and adjustments, along with unknown future weather conditions.

The inclining block determinant and block criteria discussed above, along with the flows identified in the billing the customer analysis, were used in the development of the billable flow determinants shown in **Table 5** as detailed in **Exhibit 2**. Note: the Volumetric Flow Determinants have been adjusted based on a November 1, 2025 start date to reflect 11 months of usage for the Test Year. They have also been adjusted to account for a reliability factor to be used for rate design purposes.

Table 5. Test Year Rate Determinants

Description	Determinants
Customer Charge Determinants	
Single-Family Residential	969
Townhomes	65
Non-Residential (HOA/Common Areas)	1
Total Customer Charge Determinants	**1,034.75**
Volumetric Rate Determinants (1,000 gallons)	
Block 1	65,112.96
Block 2	-
Total Volumetric Rate Determinants	**65,112.96**

The rate design and resulting rate recommendations are summarized in **Table 6** as detailed in **Exhibit 3** at the end of this Report.

Table 6. Rate Design

Description	Base	Usage
Total Fiscal Requirements	$ 110,763	$ 166,144
Total Determinants	1,034.75	65,112.96
Rate Per Determinant	**$ 9.74**	**$ 2.56**

5.5. Annual Rate Adjustments

In order to avoid negative cash flow and keep pace with inflation, as well as growing costs on items such as fuel, chemicals, labor, etc., it is recommended that the District implement an annual indexing of its rates and charges. Willdan has included annual rate adjustments for inflation in the amount of 3.5% per year throughout the Projection Period beginning in Fiscal Year 2027 after implementing the initial rates and charges in Fiscal Year 2026.

Section 6 - Projected Operating Results and Proposed Rates

6.1. General

Willdan has developed an interactive computer model for the District that incorporates the Test Year and Proforma fiscal requirements of the utility, fund balance operating policies, and customer accounts and usage characteristics. This model was used to develop the proposed rates discussed herein.

6.2. Summary Revenues and Proforma Operating Results

As discussed in the previous section, irrigation rates have been developed for the District. The results discussed in Section 6 assume that the District will begin charging irrigation rates effective November 1, 2025. The results of implementing the initial rates and charges, as well as the annual adjustments of 3.5% per year thereafter, are shown on **Table 7** below as detailed in **Exhibit 4**. The results demonstrate that the proposed rates and charges along with the other system revenues and estimated future rate adjustments are anticipated to be sufficient to satisfy the projected revenue requirements and capital needs of the irrigation utility system.

Table 7. Projected Operating Results

Description	For the Fiscal Year Ended September 30,				
	2026	2027	2028	2029	2030
Annual Rate Adjustments	N/A	3.50%	3.50%	3.50%	3.50%
Operating Revenues					
Charges for Services	$ 284,512	$ 403,907	$ 446,591	$ 462,686	$ 478,997
Other Revenues	-	1,050	2,020	3,070	4,300
Total Operating Revenues	284,512	404,957	448,611	465,756	483,297
Operating Expenses					
Operating and Maintenance Costs	231,734	317,248	354,012	366,755	379,957
Transfer to Capital Reserves	20,000	25,000	50,000	75,000	80,000
Total Operating Expenses	251,734	342,248	404,012	441,755	459,957
Net Income (Loss)	32,778	62,709	44,599	24,001	23,340
Fund Balance					
Unrestricted	$ 32,778	$ 95,487	$ 140,086	$ 164,087	$ 187,427
Capital Reserve	20,000	45,000	95,000	170,000	250,000
Total Fund Balances	$ 52,778	$ 140,487	$ 235,086	$ 334,087	$ 437,427
Days Cash on Hand	52	110	144	163	180

6.3. Proposed Rates

Based on the proposed rate structure and rate adjustments discussed in the previous section of this Report, the recommended rate structure and rates for FY 2026 through FY 2030 are shown in **Table 8**.

Table 8. Projected Irrigation Rates

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Base Charge (per customer/dwelling unit)					
SFD 60	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
SFD 50	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
SFD 41 FL	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
SFD 40 RL	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
SFD 32 RL	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
TH 25 RL	$ 2.44	$ 2.52	$ 2.61	$ 2.70	$ 2.80
TH 22	$ 2.44	$ 2.52	$ 2.61	$ 2.70	$ 2.80
Common Areas	$ 9.74	$ 10.08	$ 10.43	$ 10.80	$ 11.18
Usage Charge Per 1,000 Gallons (Per Customer Dwelling Unit/Lot Size):					
Block 1	$ 2.56	$ 2.65	$ 2.74	$ 2.84	$ 2.94
Block 2	$ 6.40	$ 6.63	$ 6.85	$ 7.10	$ 7.35

6.4. Typical Bills

To illustrate the application of the proposed rates and charges, typical monthly irrigation bills have been calculated for representative customer types as shown in **Exhibit 5**. These examples incorporate both the fixed base charge determined per dwelling unit or fractional dwelling unit, depending on the customer classification and the volumetric usage charge based on metered consumption within the applicable block allowance. For each example, usage will be assumed at varying levels (i.e., below, at, and above the assigned block allowance) to demonstrate the impact of consumption patterns on total charges. By presenting these scenarios for different lot sizes and customer classes, the District can clearly show how the rate structure functions, the cost implications of higher usage, and the financial incentives for customers to maintain irrigation within the allocated allowances. Additionally, the fees that would be charged by the City of Clermont are also included for comparison purposes. It is our understanding that the City of Clermont plans to increase its current irrigation rates by 3.0% effective October 1, 2025. The Clermont typical bills shown in **Exhibit 5** include the 3.0% increase to the rates.

Section 7 - Miscellaneous Charges

7.1. Introduction

A utility system provides a wide range of operating services that are generally categorized as either benefiting users' system wide, or individually. System wide services include the operations, customer services, maintenance, repairs and refurbishment of facilities that are directly related to water delivery, including associated administration and billing, whereas, individual services consist of those activities directly benefiting an individual customer, such as application for services, meter installation, turn-offs, turn-ons, private fire protection, etc. This Report will focus on those services and costs associated with individual services, which are referred to as Miscellaneous Charges. It should be noted that impact fees for material utility expansion, capital improvements, or contributions, such as transmission line extensions, and similar items should not be confused with the miscellaneous cost recovery charges which are the subject of this Study.

Miscellaneous Charges can be further categorized as being associated with connection services, customer services, or certain extraordinary utility services (cost recovery mechanisms). Connection services, as the name implies, are associated with activities directly related to the interconnection of the customer's facilities to the Utility's facilities. Customer services relate to services requiring District personnel to review activities or make site visits for the purpose of identifying or resolving requests by customers. Extraordinary utility services consist of selected one time, temporary or special services that involve commodity or capacity related services of the Utility.

The primary purpose for these subcategories is for proper cost identification and allocation. Generally, a utility does not maintain separate cost records for each individual event as such activity would not be prudent or cost effective. For the purpose of costing standard activities for each event, costs are identified and accumulated based on allocation of average labor, equipment, and materials.

7.2. General

A variety of miscellaneous charges in the water utility industry include collection and delinquency charges, service turn-off and turn-on charges, various service application fees, line tapping charges, meter set charges, and jobbing and merchandise sales. When special charges are used, the District should coordinate these rates and charges with its customer service personnel. Procedures must be developed to ensure that the customer has advance warning about requests that will trigger a charge. Billing procedures must be in place to properly account for special charges. Customer service personnel must have all the necessary information available, so they can explain the intent and circumstances to which each charge applies. Information

preparedness will minimize the perception that these charges are punitive and will enhance the District's effort to promote customer support.

7.3. Preliminary Charges

7.3.1 Preliminary Charges

For the purpose of this Report, a Preliminary Charge is defined as a charge to account for costs incurred at the time of an initial connection. Such a charge would enable the District to assess individual customers at the time of connection.

7.3.2 Preliminary Charge Recommendations

Application Fee

An application fee is a one-time charge that customers pay when applying for a new service connection or account. This fee typically covers administrative costs associated with processing the application, verifying customer information, setting up the account, and sometimes conducting an initial site inspection. Willdan recommends the charge for this service is $50.00 for developers and $25.00 for a customer.

Meter Installation/Initial Connection Charge

A Meter Installation/Initial Connection Charge is defined as a charge assessed to customers for installation and service initiation at a location where service did not exist previously. Willdan recommends that the charge for a 3/4" meter be $650.00, a 1" meter be $850.00 and meters above 1" would be charged at the actual cost.

7.4. Service Charges

7.4.1 Service Charges

For the purpose of this Report, a Service Charge is defined as a charge that the District assesses the customer for different types of service-related testing or interruptions in service that require some kind of action from the District.

7.4.2 Service Charge Recommendations

Connection/Disconnection of Service

The Connection of Service Charge is defined as a charge levied for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer requested disconnection. The Disconnection of Service is defined as a charge levied for a customer-requested disconnection of service. Willdan recommends that the District charge $135.00 per occurrence.

After Hours Connection/Reconnection of Service

An After-Hours Connection of Service charge is defined as a premium above the normal Connection of Service charge for the transfer of service to a new customer account at a previously served location, or reconnection of a service subsequent to a customer requested disconnection that occurs between 3:30 p.m. through 10:00 p.m. After 10:00 PM the service will be restored the following day. Willdan recommends that the District charge $295.00 per occurrence.

Meter Re-Read / Leak Inspection Fee

Irrigation bill complaints that are not resolved by telephone may necessitate that a meter be reread or that the customer's service line be inspected for leaks. If the matter is not resolved to the customer's satisfaction, the meter may be removed and tested at the request of a customer. A fee is typically implemented to assess the customer for charges incurred when sending staff to a site at the request of a customer to reread the meter or perform a leak inspection, and no problem can be found. A fee may be charged when a customer requests a special meter reading or asks that a meter be reread though, in the opinion of the District, no reading is warranted. This charge not only enables the District to recover the cost of service but also prevents customers from abusing the opportunity to dispute meter readings. Willdan recommends the District charge a fee of $140.00.

Meter Accuracy Test Fee (Meter Bench Test)

A meter accuracy test occurs when a customer calls and requests that their water meter be tested for registering inaccurately as identified in the District's current Uniform Service Policy. The charge is designed to recover administrative and labor costs associated with the service call, while also covering the costs associated with meter replacement and testing services. In this situation, the meter must be removed, and a new meter must be installed while the old meter is taken in for testing. Industry standards and benchmarking show that results in this area are rarely in favor of the customer requesting the test; therefore, Willdan recommends that in situations where the customer is requesting an accuracy test for their meter, that the customer is assessed $380.00 plus the actual cost for the testing facility, mileage to and from the testing facility, and materials and that payment be made before the services are rendered. If the results of the accuracy test determine that the meter is damaged or gives inaccurate readings, the customer would be reimbursed for these services.

Missing or Damaged Equipment Fees

Missing or Damaged Equipment Fees refer to charges imposed on customers when utility-owned equipment, such as water meters, meter lids, backflow preventers, or other infrastructure, is lost, tampered with, or damaged. These fees help cover the cost of replacing or repairing the equipment to ensure continued service and system integrity. Willdan proposes the District

charges $20.00 for a padlock, and $20.00 for a locking device. Meters are charged at cost, $30.00 for a meter box lid replacement, $155.00 for a full meter box replacement and $500.00 for a hydrant meter replacement.

7.5. Administrative Charges

7.5.1 Administrative Charges

For the purpose of this Report, an Administrative Charge is defined as a charge that the District assesses the customer for different types of services related to account transactions that require additional administrative efforts or in some cases cost the District additional money.

7.5.2 Administrative Charge Recommendations

Late Payment Fee

The Late Payment Charge is a charge assessed to customers for delinquent bill payments. This charge is used as an incentive for prompt payment and recognizes the time value of money and other added costs. Willdan recommends the District charge a minimum of $15.00 or 1.5% of the late balance, whichever is greater.

Returned Check Charge

The Returned Check Charge is controlled by Florida Statutes 832.07 and 832.08, which describe this charge as a fixed fee dependent upon the face amount of the check. This fee occurs when a check is not honored by the customer's bank regardless of the reason. This charge reflects the added cost to the District for processing a returned check. Willdan proposes the charge for a check returned with a face value of $50.00 or less be $25.00. For checks greater than $50.00 but less than $300.00 the charge is $30.00. For checks exceeding $300.00 the charge is the greater amount of $40.00 or 5% of the face value of the check.

Illegal Water Use

Illegal water use charges are charges levied to individuals found to be using water illegally and are intended as a punitive fee. This charge is a base charge that does not include fees assessed to the customer for actual water consumption. Willdan proposes the District charge $980.00 for a first offense of illegal water use, and a $2,000.00 fee for repeat offenders. After the fine is assessed, users will also be charged for the consumption that occurred illegally on the regular rate and charge basis.

Recommendations

Charge recommendations for Preliminary Charges, Service Charges, and Administrative Charges can be found in **Table 9**.

Table 9. Proposed Miscellaneous Service Charges

Description	Proposed Charge
PRELIMINARY CHARGES	
Application Fee	
Developer/Builder	$ 50.00
Customer	$ 25.00
Meter Installation/Service Initiation Charge	
Residential Irrigation Service 3/4" Meter	$ 650.00
Residential Irrigation Service 1" Meter	$ 850.00
Commercial and all other sizes	At Cost
SERVICE CHARGES	
Connection/Disconnection of Service	$ 135.00
After Hours Connection/Reconnection of Service	$ 295.00
Meter Re-read / Leak Inspection Fee	$ 140.00
Meter Accuracy Test Fee	$ 380.00 + Cost
Missing or Damaged Equipment Fees	
Padlock	$ 20.00
Locking Device	$ 20.00
Meter, any other than hydrant	At Cost
Meter Box - Lid Replacement	$ 30.00
Meter Box - Full Replacement	$ 155.00
Hydrant Meter	$ 500.00
ADMINISTRATIVE CHARGES	
Late Payment Charge (1)	$ 15.00
Returned Check Fee (2)	
Face Amount <= $50	$ 25.00
Face Amount > $50 and <= $300	$ 30.00
Face Amount > $300	$ 40.00
Face Amount > $800	5% of face value of check
Illegal Water Use (Fine plus actual usage)	
First Offense	$ 980.00
Repeat Offense	$ 2,000.00

Notes:

(1) Greater of fixed fee or 1.5% of unpaid balance.

(2) As per FL Statutes 832.07 and 832.08.

7.6. Miscellaneous Charge Findings, Conclusions, and Recommendations

7.6.1 Findings and Conclusions

During the course of the Study, it was observed that:

1. The District should adopt a comprehensive list of miscellaneous charges and
2. The proposed miscellaneous charges are reasonable.

7.6.2 Recommendations

Based upon the reviews, analyses and assumptions developed and discussed throughout the Report, and the resulting conclusions provided above, it is respectfully recommended that the District:

1. Adopt the miscellaneous charges proposed herein, as shown on **Table 9**, with an effective date of November 1, 2025; and
2. Adopt provisions for a comprehensive review of the miscellaneous charges every five (5) years, or whenever significant changes occur in costs, utility regulations, technical aspects, or the method of delivery of utility services.

Section 8 - Findings, Conclusions, and Recommendations

8.1. General

In the development of the proposed user rates and charges, certain historical reviews and analyses have been performed, together with the application of assumptions based on prudent financial, operational, and ratemaking relationships. The cost criteria and customer usage characteristics associated with general ratemaking procedures are representative of averages and are not intended as indicators of any individual customer.

In the preparation of the Study, certain assumptions have been made with respect to conditions that may occur in the future. While it is believed that these assumptions are reasonable for the purpose of this Study, they are dependent upon future events and actual conditions may differ from those assumed. In addition, the Study has used and relied upon certain information that was provided by other parties not associated with Willdan. Such information includes, among other things, the District's proposed CUP gallonage limit request, initial operating expense projections, customer phasing and absorption information, periodic reports, and other information and data provided by the District, developers, and other sources. While the sources are believed to be reliable, there has been no independent verification of the information, and no assurances are offered with respect thereto. To the extent that future conditions differ from those assumed herein or provided by others, the actual results may vary from those projected.

8.2. Findings and Conclusions

As previously addressed, the main purpose of this Study is to develop irrigation rates for the District's Utility that promote water resource conservation. Additionally, this Study developed a five-year proforma operating analysis to determine what additional rate adjustments, if any, are necessary to meet the budgeted and/or projected financial needs in future years. This Report is the result of the collaborative efforts of representatives from both the District and Willdan. The District staff were diligent and cooperative in their efforts to ensure the availability and quality of source data on financial and operating matters. Based on the reviews, analyses and assumptions discussed herein, it is concluded that:

1. The proposed user rates and charges are anticipated to generate sufficient revenues to meet the revenue requirements of the system based upon the projected expenditures, transfers, customers, and billable flows estimated for the Projection Period. The proposed rate adjustments are based on an assumed implementation beginning on November 1, 2025. These rates are shown on **Table 8**.

2. The proposed miscellaneous charge adjustments have been developed based on a build-up method which includes time and materials costs of providing each service. The

proposed Miscellaneous charge adjustments shown on **Table 9** are projected to be implemented on November 1, 2025.

3. The economic conditions affecting the nation in recent years have had a significant impact on housing markets throughout the southeast region. Changes in the market for new housing have a direct impact on the customer growth of utility systems providing service within those markets. The continued economic changes make it increasingly difficult to forecast financial expectations, both in the short run and particularly over a 5-year Projection Period as developed in this Report. As such, it would be prudent management practice to readdress the analyses developed herein on an annual basis in order to determine if the major assumptions and projections should be revised.

8.3. Recommendations

Based upon the reviews, analyses and assumptions developed and discussed throughout the Report, generally accepted principles of ratemaking, requirements of Florida Statutes, and consideration of community standards, it is recommended that the District:

1. Adopt the proposed monthly user rates effective November 1, 2025;
2. Adopt the proposed miscellaneous charges shown on **Table 9** effective November 1, 2025
3. Adopt the proposed schedule of annual rate adjustments for fiscal years 2027 through 2030 of 3.50% for irrigation;
4. Perform an irrigation revenue sufficiency evaluation on a minimum of a bi-annual basis to assess the overall impacts of the District's water conservation efforts and continue to ensure adequate operating revenues; and
5. Adopt provisions for a comprehensive review of the irrigation rate structure and rates a minimum of every 5 years, or whenever significant changes occur in costs, debt service, utility regulations, technical aspects, customer demand characteristics, or the method of delivery of utility services.

The expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historical data or projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed fees and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

Exhibits

WELLNESS RIDGE CDD, FL

IRRIGATION SYSTEM

REVENUES AND EXPENSES - IRRIGATION

Exhibit 1

Acct	Description	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
	REVENUES					
100	Irrigation Sales	$ 284,512	$ 403,907	$ 446,591	$ 462,686	$ 478,997
105	Developer Contribution	$ -	$ -	$ -	$ -	$ -
	TOTAL REVENUES	**$ 284,512**	**$ 403,907**	**$ 446,591**	**$ 462,686**	**$ 478,997**
	GROWTH ASSUMPTIONS - REVENUES					
100	**Irrigation Sales**					
	Irrigation Sales	0.0%	3.5%	3.5%	3.5%	3.5%
	Irrigation Sales	0.00%	0.00%	0.00%	0.00%	0.00%
	OPERATING EXPENSES					
	Operating	$ 231,734	$ 317,248	$ 354,012	$ 366,755	$ 379,957
	TOTAL OPERATING EXPENSES	**$ 231,734**	**$ 317,248**	**$ 354,012**	**$ 366,755**	**$ 379,957**
					103.60%	103.60%
	CAPITAL OUTLAY					
	Operating	$ -	$ -	$ -	$ -	$ -
	TOTAL CAPITAL OUTLAY	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	DEBT SERVICE					
	Existing Debt	$ -	$ -	$ -	$ -	$ -
	New Debt	$ -	$ -	$ -	$ -	$ -
	TOTAL DEBT SERVICE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	TRANSFERS/CONTINGENCIES					
	Transfer Out	$ 20,000	$ 25,000	$ 50,000	$ 75,000	$ 80,000
	Transfer In	$ -	$ -	$ -	$ -	$ -
	TOTAL TRANSFERS/CONTINGENCIES	**$ (20,000)**	**$ (25,000)**	**$ (50,000)**	**$ (75,000)**	**$ (80,000)**
	NET EXPENSES	**$ 251,734**	**$ 342,248**	**$ 404,012**	**$ 441,755**	**$ 459,957**

WELLNESS RIDGE CDD, FL
IRRIGATION SYSTEM
REVENUES AND EXPENSES - IRRIGATION

Exhibit 1

Acct	Description	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
OPERATING						
200	Program Management	$ 8,800	$ 9,984	$ 10,383	$ 10,798	$ 11,230
205	Billing Support	$ 38,000	$ 51,223	$ 56,183	$ 58,430	$ 60,767
210	Dedicated Phone Line	$ 550	$ 621	$ 643	$ 666	$ 689
215	Supplies - Billing sheets, envelopes, postage	$ 20,279	$ 27,225	$ 29,725	$ 30,765	$ 31,842
220	Administrative Expenses	$ 2,292	$ 2,588	$ 2,679	$ 2,773	$ 2,870
225	Weekly Inspections - System Operation	$ 57,813	$ 83,923	$ 100,022	$ 103,523	$ 107,146
230	Maintenance and Repair	$ 17,733	$ 23,807	$ 25,993	$ 26,903	$ 27,845
235	Repair and Maintenance Materials	$ 6,089	$ 8,175	$ 8,926	$ 9,238	$ 9,561
240	Engineering Support	$ 4,400	$ 4,968	$ 5,142	$ 5,322	$ 5,508
245	Electric	$ 43,845	$ 58,863	$ 64,269	$ 66,518	$ 68,846
250	Annual Cellular Cost for Meter	$ 14,646	$ 19,663	$ 21,469	$ 22,220	$ 22,998
255	Reserve	$ 20,000	$ 25,000	$ 50,000	$ 75,000	$ 80,000
260	Insurance	$ 7,308	$ 8,251	$ 8,540	$ 8,839	$ 9,148
265	Management Fee	$ 9,979	$ 17,957	$ 20,038	$ 20,760	$ 21,507
	Total Personnel	$ -	$ -	$ -	$ -	$ -
	Total Operating	$ 231,734	$ 317,248	$ 354,012	$ 366,755	$ 379,957
	Total Debt Service	$ -	$ -	$ -	$ -	$ -
	Total Capital Outlay	$ -	$ -	$ -	$ -	$ -
	Total Transfers	$ 20,000	$ 25,000	$ 50,000	$ 75,000	$ 80,000
	Total Operating	**$ 251,734**	**$ 342,248**	**$ 404,012**	**$ 441,755**	**$ 459,957**
	Check	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**
IRRIGATION DEBT SERVICE						
	Irrigation Debt Service					
	New Debt	$ -	$ -	$ -	$ -	$ -
	Total Irrigation Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

WELLNESS RIDGE CDD, FL
IRRIGATION SYSTEM
REVENUES AND EXPENSES - IRRIGATION

Exhibit 1

Acct	Description	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
	GROWTH ASSUMPTIONS - EXPENSES					
OPERATING						
200	Program Management	4.0%	4.0%	4.0%	4.0%	4.0%
205	Billing Support	18.5%	23.6%	9.7%	4.0%	4.0%
210	Dedicated Phone Line	3.5%	3.5%	3.5%	3.5%	3.5%
215	Supplies - Billing sheets, envelopes, postage	18.0%	23.1%	9.2%	3.5%	3.5%
220	Administrative Expenses	3.5%	3.5%	3.5%	3.5%	3.5%
225	Weekly Inspections - System Operation	18.0%	33.1%	19.2%	3.5%	3.5%
230	Maintenance and Repair	18.0%	23.1%	9.2%	3.5%	3.5%
235	Repair and Maintenance Materials	18.0%	23.1%	9.2%	3.5%	3.5%
240	Engineering Support	3.5%	3.5%	3.5%	3.5%	3.5%
245	Electric	18.0%	23.1%	9.2%	3.5%	3.5%
250	Annual Cellular Cost for Meter	18.0%	23.1%	9.2%	3.5%	3.5%
255	Reserve	14.5%	19.6%	5.7%	0.0%	0.0%
260	Insurance	3.5%	3.5%	3.5%	3.5%	3.5%
265	Management Fee	4.5%	6.0%	6.0%	6.0%	6.0%
0	0					
0	Total Personnel					
0	Total Operating					
0	Total Debt Service					
0	Total Capital Outlay					
0	Total Transfers					
0						
0	**Total Operating**					
0						
0						

WELLNESS RIDGE CDD, FL

IRRIGATION SYSTEM

DETERMINANTS - ACCOUNTS and FLOW

Exhibit 2

Line	Description	Rate Design			
		Determinant 2026	Reliability Factor	Weighting Factor	Total
	ACCOUNTS/DWELLING UNITS (Per Month)				
	Accounts/Dwelling Units:				
1	SFD 60	72.00	1.00	1.0000	72.00
2	SFD 50	472.00	1.00	1.0000	472.00
3	SFD 41 FL	129.00	1.00	1.0000	129.00
4	SFD 40 RL	133.00	1.00	1.0000	133.00
5	SFD 32 RL	163.00	1.00	1.0000	163.00
6	TH 25 RL	98.00	1.00	0.2500	24.50
7	TH 22	161.00	1.00	0.2500	40.25
8	Common Areas	1.00	1.00	1.0000	1.00
9	**Total Accounts/Dwelling Units:**	**1,229.00**			**1,034.75**
	USAGE				
	Usage (1,000 gallons):				
10	Tier 1	67,826.00	0.96	1.0000	65,112.96
11	Tier 2	-	0.96	2.5000	-
12	**Total Usage (1,000 gallons):**	**67,826.00**			**65,112.96**

WELLNESS RIDGE CDD, FL
IRRIGATION SYSTEM
IRRIGATION RATE DESIGN

Exhibit 3

Line	Description	Percent Allocation	Proposed Rate Year 2026
1	**Annual Revenue Requirement**		**$ 251,734**
2	Unrestricted Reserve Fund Balance Adjustment (5%)		12,587
3	Contingency (5%)		12,587
4	**Total Annual Revenue Requirement**		**$ 276,907**
5	Allocation to Base Charge	40.00%	$ 110,763
6	Allocation to Usage Charge	60.00%	$ 166,144
	Base Charge Determinants		
7	**Average Monthly Accounts:**		1,035
	Calculated Fixed Monthly Cost Per Account/ERC:		
8	Revenue Reqmt. Allocation to Fixed Costs		$ 110,763
9	Plus: System Allocation Adjustment		-
10	Plus: Other Adjustment		-
11	Subtotal Base Charge Revenue Requirement		$ 110,763
12	Average Monthly Accounts		1,035
13	Monthly Fixed Cost Per Account/ERC		**$ 9.74**
14	**Proposed Base Charge:**		**$ 9.74**
15	**Base Charges Revenues:**		$ 110,863
	Revenue Recovery Analysis:		
16	Allocated Fixed Costs		$ 110,763
17	Less Base Charge Revenues		$ 110,863
18	Amount Over/(Under) Allocation		$ 100
19	Reallocation To/(From) Volumetric		$ (100)

WELLNESS RIDGE CDD, FL
IRRIGATION SYSTEM
IRRIGATION RATE DESIGN

Exhibit 3

Line	Description	Percent Allocation	Proposed Rate Year 2026
	Usage Rate Determinants		
20	**Total Billed Flows (kGal):**		**65,113**
	Calculation of Usage Rates		
	Volumetric Charge Revenue Requirement:		
21	Allocated Volumetric Costs (Revenue Reqmt)		$ 166,144
22	Plus: Minimum Charge Rev. Rqmt. Unrecovered		(100)
23	Plus: System Allocation Adjustment		-
	One Time Planning Adjustment		
24	**Total Rev. Reqmt to be Recovered in the Volumetric Rate Component**		$ 166,044
25	Total Estimated Billable Usage Determinants		**65,113**
26	Calculated Rate Per 1,000 Gal		**$ 2.56**
27	**Irrigation Volumetric Rate:**		**$ 2.56**
28	**Total Revenues From Volumetric Rates:**		$ 166,689.18
	Revenue Recovery Analysis:		
29	Customer Charge Component Revenue		$ -
30	Base Charge Component Revenue		110,863
31	Usage Charge Component Revenue		166,689
32	**Total Irrigation System Revenues**		**$ 277,552**
33	**Less: Total TY Rev. Rqmt**		$ 276,907
34	**IRRIGATION SYSTEM REVENUE REQUIREMENT OVER/(UNDER) RECOVERY**		$ 645

WELLNESS RIDGE CDD, FL

IRRIGATION SYSTEM

PROJECTED OPERATING RESULTS - IRRIGATION

Exhibit 4

Line	Description	Proposed 2026	Projected for Fiscal Year Ending September 30, 2027	2028	2029	2030
	REVENUES					
	Operating Revenues					
1	Irrigation Service Charges	$ 284,512	$ 403,907	$ 446,591	$ 462,686	$ 478,997
2	Percentage Revenue Adjustment	0.00%	3.50%	3.50%	3.50%	3.50%
	Volumetric Charge - Percentage Rate Adjustment	0.00%	3.50%	3.50%	3.50%	3.50%
	Other Operating Revenues					
3	Capacity Fees	$ 0	$ 0	$ 0	$ 0	$ 0
4	Miscellaneous Revenues	0	0	0	0	0
	Other Non-Operating Revenues					
5	Interest	$ 0	$ 1,050	$ 2,020	$ 3,070	$ 4,300
6	**Total Revenues**	**$ 284,512**	**$ 404,957**	**$ 448,611**	**$ 465,756**	**$ 483,297**
	Current Expenses					
7	Operating	$ 231,734	$ 317,248	$ 354,012	$ 366,755	$ 379,957
8	**Total Current Expenses**	**$ 231,734**	**$ 317,248**	**$ 354,012**	**$ 366,755**	**$ 379,957**
9	**Net Results of Operations**	**$ 52,778**	**$ 87,709**	**$ 94,599**	**$ 99,001**	**$ 103,340**
10	Capital Outlay	-	-	-	-	-
11	Transfers In	-	-	-	-	-
12	Transfers Out	(20,000)	(25,000)	(50,000)	(75,000)	(80,000)
13	**Net Results**	**$ 32,778**	**$ 62,709**	**$ 44,599**	**$ 24,001**	**$ 23,340**
	RESERVE FUND BALANCE ACTIVITY					
	O&M Fund Balance (501)					
14	Beginning Fund Balance	$ -	$ 32,778	$ 95,487	$ 140,086	$ 164,087
15	Deposit/(Withdrawal) from Operations	32,778	62,709	44,599	24,001	23,340
16	Transfer from/(to) Capital Fund	-	-	-	-	-
17	**Ending Fund Balance**	**$ 32,778**	**$ 95,487**	**$ 140,086**	**$ 164,087**	**$ 187,427**
18	**Targeted Fund Balance**	**$ 57,140**	**$ 78,226**	**$ 87,291**	**$ 90,433**	**$ 93,688**
19	**Variance**	**$ (24,362)**	**$ 17,261**	**$ 52,795**	**$ 73,654**	**$ 93,739**
20	**Days Cash on Hand**	**52**	**110**	**144**	**163**	**180**
21	**Targeted Days Cash on Hand**	**90**	**90**	**90**	**90**	**90**
	Capital Reserve (502)					
22	Beginning Fund Balance	$ -	$ 20,000	$ 45,000	$ 95,000	$ 170,000
23	Transfer from/(to) O&M Fund	20,000	25,000	50,000	75,000	80,000
24	Capital Projects From Capital Improvement Plan	-	-	-	-	-
25	**Ending Fund Balance**	**$ 20,000**	**$ 45,000**	**$ 95,000**	**$ 170,000**	**$ 250,000**
26	**Total Fund Balance**	**$ 52,778**	**$ 140,487**	**$ 235,086**	**$ 334,087**	**$ 437,427**

WELLNESS RIDGE CDD, FL

IRRIGATION SYSTEM

TYPICAL MONTHLY BILL

Exhibit 5

Line	Customer Type	Gallons	Monthly Charges		Difference	
			FY 2026 Clermont	FY 2026 Wellness Ridge CDD	$ Amount	Percent
	SFD 60					
1	All	0	$ 9.99	$ 9.74	$ (0.25)	-2.50%
2	All	1,000	$ 12.60	$ 12.30	$ (0.30)	-2.38%
3	All	2,000	$ 15.21	$ 14.86	$ (0.35)	-2.30%
4	All	3,000	$ 17.82	$ 17.42	$ (0.40)	-2.24%
5	All	4,000	$ 20.43	$ 19.98	$ (0.45)	-2.20%
6	All	4,300	$ 21.21	$ 20.75	$ (0.47)	-2.19%
7	All	5,000	$ 23.04	$ 25.23	$ 2.19	9.50%
	SFD 50					
8	All	0	$ 9.99	$ 9.74	$ (0.25)	-2.50%
9	All	1,000	$ 12.60	$ 12.30	$ (0.30)	-2.38%
10	All	2,000	$ 15.21	$ 14.86	$ (0.35)	-2.30%
11	All	3,000	$ 17.82	$ 17.42	$ (0.40)	-2.24%
12	All	3,300	$ 18.60	$ 18.19	$ (0.42)	-2.23%
13	All	4,000	$ 20.43	$ 22.67	$ 2.24	10.95%
14	All	5,000	$ 23.04	$ 29.07	$ 6.03	26.16%
	SFD 41 FL					
15	All	0	$ 9.99	$ 9.74	$ (0.25)	-2.50%
16	All	1,000	$ 12.60	$ 12.30	$ (0.30)	-2.38%
17	All	2,000	$ 15.21	$ 14.86	$ (0.35)	-2.30%
18	All	2,700	$ 17.04	$ 16.65	$ (0.38)	-2.26%
19	All	3,000	$ 17.82	$ 18.57	$ 0.75	4.22%
20	All	4,000	$ 20.43	$ 24.97	$ 4.54	22.23%
21	All	5,000	$ 23.04	$ 31.37	$ 8.33	36.16%
	SFD 40 RL					
22	All	0	$ 9.99	$ 9.74	$ (0.25)	-2.50%
23	All	1,000	$ 12.60	$ 12.30	$ (0.30)	-2.38%
24	All	2,000	$ 15.21	$ 14.86	$ (0.35)	-2.30%
25	All	2,600	$ 16.78	$ 16.40	$ (0.38)	-2.27%
26	All	3,000	$ 17.82	$ 18.96	$ 1.14	6.37%
27	All	4,000	$ 20.43	$ 25.36	$ 4.93	24.11%
28	All	5,000	$ 23.04	$ 31.76	$ 8.72	37.83%

WELLNESS RIDGE CDD, FL

IRRIGATION SYSTEM

TYPICAL MONTHLY BILL

Exhibit 5

Line	Customer Type	Gallons	Monthly Charges		Difference	
			FY 2026 Clermont	FY 2026 Wellness Ridge CDD	$ Amount	Percent
	SFD 32 RL					
29	All	0	$ 9.99	$ 9.74	$ (0.25)	-2.50%
30	All	1,000	$ 12.60	$ 12.30	$ (0.30)	-2.38%
31	All	2,000	$ 15.21	$ 14.86	$ (0.35)	-2.30%
32	All	2,400	$ 16.25	$ 15.88	$ (0.37)	-2.28%
33	All	3,000	$ 17.82	$ 19.72	$ 1.90	10.68%
34	All	4,000	$ 20.43	$ 26.12	$ 5.69	27.87%
35	All	5,000	$ 23.04	$ 32.52	$ 9.48	41.16%
	Multi-Unit	**TH 22 & TH 25 RL - 66 units**				
36	All	0	$ 9.99	$ 160.71	$ 150.72	1508.71%
37	All	25,000	$ 96.54	$ 224.71	$ 128.17	132.76%
38	All	50,000	$ 226.09	$ 288.71	$ 62.62	27.70%
39	All	75,000	$ 362.84	$ 352.71	$ (10.13)	-2.79%
40	All	99,000	$ 494.12	$ 414.15	$ (79.97)	-16.18%
41	All	125,000	$ 636.34	$ 580.55	$ (55.79)	-8.77%
42	All	150,000	$ 773.09	$ 740.55	$ (32.54)	-4.21%
43	All	175,000	$ 909.84	$ 900.55	$ (9.29)	-1.02%
44	All	200,000	$ 1,046.59	$ 1,060.55	$ 13.96	1.33%
45	All	225,000	$ 1,183.34	$ 1,220.55	$ 37.21	3.14%
46	All	250,000	$ 1,320.09	$ 1,380.55	$ 60.46	4.58%
47	All	275,000	$ 1,456.84	$ 1,540.55	$ 83.71	5.75%
48	All	300,000	$ 1,593.59	$ 1,700.55	$ 106.96	6.71%
49	All	325,000	$ 1,730.34	$ 1,860.55	$ 130.21	7.53%
50	All	350,000	$ 1,867.09	$ 2,020.55	$ 153.46	8.22%
51	All	375,000	$ 2,003.84	$ 2,180.55	$ 176.71	8.82%

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