BUDGET DISCUSSION for FY 2021
Authority Board Workshop
January 31, 2020
Mission of the Authority is:

“To provide the region with a sufficient, high quality, safe drinking water supply that is reliable, sustainable and protective of our natural resources now and into the future.”

Vision of the Authority is:

“Through cooperation and collaboration the Authority and its members shall create, maintain and expand a sustainable, interconnected regional water supply system.”
FY 2021 Budget documents will be available to the public @ regionalwater.org
Budget Process

- Authority Staff
- Public
- Authority Board
- External Agencies
- Member Staffs
- Member Admin.
- Member BOCCs
Compliance Documents

- Federal Regulations
- Florida Statutes
- Authority Governance
- MWSC
- Bond Documents
- Board Policies
- Guidelines/Procedures
- Standard/General Practice
MWSC Water Allocations
34.7 MGD

Charlotte County
16.1 MGD

Sarasota County
15.06 MGD

North Port
2.865 MGD

DeSoto County
0.675 MGD
Historical Water Use Charge

$\text{$/1,000 Gallons}$

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>$0.74</td>
<td>$0.74</td>
<td>$0.74</td>
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Budget Issues & Priorities

**Budget Issues**
- ✓ Rate model to project revenue/expenditure needs
- ✓ Prioritize funding to maintain infrastructure – R&R Sufficiency Study
- ✓ SWFWMD Cooperative Initiative Funding Projects
- ✓ Emergency Disaster/Relief Reserve

**Fiscal Sustainability**
- ✓ Maintain Bond Ratings at ‘aa’ category or higher
- ✓ Maintain reasonable water rates:
  - Next fiscal year FY 2021
  - Near-term [2-5 years]
  - Long term [5-20 years]
- ✓ Plan for debt reallocations in FY 2022 and FY 2028

**CIP Initiatives**
- ✓ Planning for long term water demands and resiliency
- ✓ Update and Adopt 5-Year CIP and 20-Year Needs Assessment for FY 2021
- ✓ Provide CIP funding for future projects
### Integrated Modeling System

- Real-time, dynamic control panel
- Side-by-side scenario comparisons
- Control key inputs & assumptions
- Capital funding optimization
- Alternative CIP/O&M evaluations

### Monthly Charge in Thousands:

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
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</thead>
<tbody>
<tr>
<td>Charlotte - Base Rate Charge</td>
<td>$780.5</td>
<td>$804.9</td>
<td>$884.4</td>
<td>$823.2</td>
<td>$850.1</td>
<td>$899.8</td>
<td>$1,011.7</td>
<td>$1,108.0</td>
<td>$1,153.3</td>
<td>$1,179.1</td>
<td>$1,227.6</td>
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<tr>
<td>DeSoto - Base Rate Charge</td>
<td>$41.6</td>
<td>$42.6</td>
<td>$46.0</td>
<td>$48.2</td>
<td>$49.1</td>
<td>$51.1</td>
<td>$54.4</td>
<td>$57.1</td>
<td>$59.1</td>
<td>$60.2</td>
<td>$46.4</td>
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<tr>
<td>Sarasota - Base Rate Charge</td>
<td>$999.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,316.7</td>
<td>$1,723.6</td>
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<tr>
<td>North Port - Base Rate Charge</td>
<td>$196.9</td>
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<td>$1,316.7</td>
<td>$305.2</td>
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<td>Manatee - Base Rate Charge</td>
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<td>$1,316.7</td>
<td>$16.6</td>
<td>$4.8</td>
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</tbody>
</table>

### Operating Reserve Balance

- CURRENT PLAN

### Admin. Office Fund Balance

- CURRENT PLAN
- Last Plan

### R&R Fund Balance

- CURRENT PLAN

### System-Wide Benefit CIP Fund Balance

- CURRENT PLAN
- LAST PLAN
R&R SUFFICIENCY STUDY
Per Master Bond Resolution

✓ "Renewal and Replacement Fund Requirement" shall mean, on the date of calculation, an amount of money equal to (1) five percent of the Gross Revenues for the preceding Fiscal Year or (2) such greater or lesser amount as may be certified to the Issuer by Consulting Engineers as an amount appropriate for the purposes of this Resolution

R&R Sufficiency Study

✓ Black & Veatch currently evaluating levels of requirement
✓ Rate model will be updated consistent with R&R Study recommendations
  ▪ As well as all other FY 2021 budgetary requirements
COOPERATIVE INITIATIVE PROJECTS
Regional Water System

Regional Transmission System

- Existing Transmission Mains: 70 Miles
- In Construction: 12 Miles
- Planned Future: 65 Miles
## Cooperative Funding Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>SWFWMD Funding Request</th>
<th>State Funding Request</th>
<th>Authority Funds</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace River Reservoir No. 3 (PR\textsuperscript{3}) Siting and Feasibility Study</td>
<td>$625,000</td>
<td>$1,500,000</td>
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<td>Southern Regional Loop (Segment 2B &amp; 2C) Routing and Feasibility Study</td>
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<td>Regional Loop Phase 3C Routing and Feasibility Study</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$1,375,000</strong></td>
<td><strong>$4,000,000</strong></td>
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EMERGENCY DISASTER/RELIEF RESERVE
## Budget Policies

<table>
<thead>
<tr>
<th>Policy</th>
<th>Last Review</th>
<th>Recommend Review</th>
<th>Consider New Policy</th>
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<tbody>
<tr>
<td>Utility Reserve Fund</td>
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<tr>
<td>Rate Stabilization Account</td>
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<tr>
<td>Renewal and Replacement Fund</td>
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<tr>
<td>Debt Service Coverage</td>
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<tr>
<td>General Fund</td>
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<tr>
<td>Member Contribution</td>
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<td>Customer Planning Assessment</td>
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<tr>
<td>Fees &amp; Charges for New System Connections</td>
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<tr>
<td>Capital Improvement Projects</td>
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<tr>
<td>• New Water Supply Projects</td>
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<tr>
<td>• System-Wide Benefit projects</td>
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<tr>
<td>Emergency/Disaster Relief Reserve</td>
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