FY 2021 Budget Issues

• R&R (Renewal and Replacement) Sufficiency Study Development of Asset Management Plan [Black & Veatch]
  – Develop R&R 5-Year Funding Plan
  – FY 2021 Budget R&R Contribution

• Cooperative Funding Projects Local Match
  – SWFWMD FY 2021 Cooperative Funded Projects
    • Peace River Reservoir No. 3 (PR³) Siting and Feasibility Study
    • Regional Loop 2B & 2C Routing and Feasibility Study
    • Regional Loop 3C Routing and Feasibility Study
  – FY 2021 Budget Customer Planning Assessment

• Disaster Recovery Reserve
  – Establish Disaster Recovery Reserve for hurricane and other natural disasters

• Financial Analysis & Management System Model [Stantec]
  – Water Use Rate for FY 2021 Budget
FY 2021 Budget Issues

R&R SUFFICIENCY
FY 2021 Budget Issues

- Last Peace River Facility expansion placed in-service 2009 – components over 10 years old.
- Evaluated 1,030 assets for physical condition, performance criteria and consequence of failure.
FY 2021 Budget Issues

Over the next 5 years

Financial Forecast*

*All costs are 2020 Dollars and are not inflated
FY 2021 Budget Issues

- Study recommends increasing annual R&R contribution incrementally to $4M over next 5 years (FY 2020 contribution is $2.2M).
- FY 2021 Budget increase to $3M with phased increase through FY2025 to reach $4M annual contribution.
- Develop Strategic Plan element for R&R funding requirement based on the R&R Sufficiency Study updated on 5 year basis.
FY 2021 Budget Issues

COOPERATIVE FUNDING PROJECTS
LOCAL MATCH
FY 2021 Budget Issues

Phase 3C
Peace River Reservoir No. 3
Phase 2B/C
FY 2021 Budget Issues

Peace River Reservoir No. 3 Siting and Feasibility Study:
This project is for siting and feasibility for a third surface water reservoir at the Peace River Water Treatment Facility in DeSoto County. The study evaluates conceptual sizing, siting, mitigation, operational drivers and associated facility requirements, such as raw water pipelines, for a third reservoir and increased river intake capacity for the Peace River Facility.

Phase 3C Integrated Loop Routing and Feasibility:
A feasibility study to evaluate pipeline routing options, infrastructure requirements and the feasibility of extending regional potable water transmission system from Sarasota County to Manatee County.

Southern Regional Loop Phase 2B & 2C Routing and Feasibility:
A feasibility study to evaluate the route options and infrastructure requirements that will enable installation of the southern loop between the Authority’s regional transmission system at Serris Boulevard in Charlotte County and the Carlton Water Treatment Facility in Sarasota County.
The Board authorized submittal of FY 2021 Cooperative Funding Initiative applications to SWFWMD at its meeting on October 2, 2019.

<table>
<thead>
<tr>
<th>Cooperative Funding Project</th>
<th>Authority Funds</th>
<th>SWFWMD Funds (1)</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace River Reservoir No. 3 Siting and Feasibility Study</td>
<td>$0.875 M</td>
<td>$0.625 M</td>
<td>$1.5 M</td>
</tr>
<tr>
<td>Southern Regional Loop (Segments 2B &amp; 2C) Feasibility and Routing Study</td>
<td>$0.200 M</td>
<td>$0.200 M</td>
<td>$0.4 M</td>
</tr>
<tr>
<td>Regional Integrated Loop System Phase 3C Interconnect Routing and Feasibility Study</td>
<td>$0.300 M</td>
<td>$0.300 M</td>
<td>$0.6 M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1.375 M</strong></td>
<td><strong>$1.125 M</strong></td>
<td><strong>$2.5 M</strong></td>
</tr>
</tbody>
</table>

(1) SWFWMD staff evaluation and recommendation to Governing Board for inclusion in the District’s FY 2021 and FY 2022 Budgets.
Customer Planning Assessment:

‘The Master Water Supply Contract provides that Management and Planning Costs of the Authority may be obtained from the Customers in a manner determined by the Authority Board. It is the Authority’s policy that Management and Planning Costs in the Authority’s annual budget shall be proportioned to each Authority Customer proportionate to their respective entity’s population to the region’s total population. (Sarasota County population shall be less the City of North Port population).’
## FY 2021 Budget Issues

### PLANNING ASSESSMENT PROJECT FUNDING [FY 2020 to FY 2022]

<table>
<thead>
<tr>
<th>Project</th>
<th>Authority FY 2020</th>
<th>Authority FY 2021</th>
<th>Authority FY 2022 (est)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace River Reservoir No. 3 (PR^3) Siting and Feasibility Study</td>
<td>$250,000</td>
<td>$375,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Regional Loop 2B &amp; 2C Routing and Feasibility Study</td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>Regional Loop Phase 3C Routing and Feasibility Study</td>
<td>$100,000</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>Polk Regional Water Cooperative Coordination</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Water Advocacy/One Water initiative</td>
<td>$50,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$325,000</strong></td>
<td><strong>$625,000</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>
# FY 2021 Budget Issues

## PLANNING ASSESSMENT for FY 2021

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlotte County</td>
<td>180,843</td>
<td>17.6 %</td>
<td>$109,947</td>
<td>$57,151</td>
</tr>
<tr>
<td>DeSoto County</td>
<td>33,693</td>
<td>3.3 %</td>
<td>$20,484</td>
<td>$10,763</td>
</tr>
<tr>
<td>Manatee County</td>
<td>387,206</td>
<td>37.7 %</td>
<td>$235,410</td>
<td>$122,107</td>
</tr>
<tr>
<td>Sarasota County</td>
<td>352,617</td>
<td>34.3 %</td>
<td>$216,172</td>
<td>$113,897</td>
</tr>
<tr>
<td>City of North Port</td>
<td>73,652</td>
<td>7.1 %</td>
<td>$42,987</td>
<td>$21,082</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,028,011</strong></td>
<td><strong>625,000</strong></td>
<td><strong>625,000</strong></td>
<td><strong>325,000</strong></td>
</tr>
</tbody>
</table>
FY 2021 Budget Issues

DISASTER RECOVERY RESERVE
FY 2021 Budget Issues

Sarasota County: Resolution No. 2017-158
• ‘Sarasota County lies within a coastal zone highly susceptible to hurricane and storm...’
• ‘Fiscal Stabilization Reserve ...for expenditures associated with a major storm or other unforeseen disaster...’

Charlotte County: Fiscal Policy Statement (6.01 Budget and Administrative Services)
• ‘Charlotte County lies within a coastal zone highly susceptible to hurricane and storm.’
• ‘Fiscal Stabilization Reserve ...for expenditures associated with a major storm or other unforeseen disaster...’

Manatee County: FY 2020 Adopted Budget
• ‘As awareness to the increasing concerns to Florida with Category 5 Hurricanes and other natural disasters, the Budget establishes a $6.5 million Disaster Recovery Reserve to be used to rebuild our community in partnership with FEMA and our state.’
## FY 2021 Budget Issues

<table>
<thead>
<tr>
<th>Entity</th>
<th>Formal Policy Target Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarasota County</td>
<td>60 - 90 days of Operating Expenses</td>
</tr>
<tr>
<td>Charlotte County</td>
<td>5% -10% Total Budget</td>
</tr>
<tr>
<td>Manatee County</td>
<td>FY 2020 Budget establishes a $6.5 M Disaster Recovery Reserve</td>
</tr>
</tbody>
</table>
Disaster Recovery Reserve [DRAFT]

The Authority’s service area lies within a coastal zone highly susceptible to hurricane and storm damage. The purpose of the Disaster Recovery Reserve is to ensure funds for the recovery and continued operation during disaster situations such as hurricanes and other weather-related events (as well as other environmental or other natural disasters that cause disruptions of service). It is the goal of the Authority to maintain a balance at the end of each fiscal year of $1 million in the Disaster Recovery Reserve.
FINANCIAL ANALYSIS & MANAGEMENT SYSTEM MODEL
WATER USE RATE FOR FY 2021
- Water Use Rate is charge per 1,000 gallons water delivered and metered.
- Financial analysis recommends FY 2021 Water Use Rate increase of 3¢ per 1,000 Gallons.
- Typical residential user (4,000 gallons per month) equates to 12¢ per month.