

FY 2022 Budget Status Update

Utilities Construction and OM&R Funds

City Council Meeting
July 7, 2021



Punta Gorda

Florida's Harborside Hometown

Utilities Construction Fund Proforma FY 2022 - 2026

| | Proposed FY 2022 | Proforma FY 2023 | Proforma FY 2024 | Proforma FY 2025 | Proforma FY 2026 |
|---------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Transfer from Utilities OM&R | \$ 6,620,000 | \$ 2,055,000 | \$ 5,955,000 | \$ 2,740,000 | \$ 2,820,000 |
| Transfer fr/Wtr System Impacts-Tee & Green | 250,000 | | | | |
| Transfer fr/Wtr System Impacts-Booster Pmps | | | 1,650,000 | | |
| Transfer fr/WW System Impacts-WWTP Exp | 500,000 | 500,000 | | | |
| Transfer fr/WW System Impacts-Reimb.Loop | 350,000 | 350,000 | | | |
| Estimated Grants Septic to Sewer | | 2,750,000 | | | 2,492,500 |
| Estimated Financing Septic to Sewer | 1,000,000 | 10,286,400 | | 300,000 | 10,145,100 |
| Estimated Financing WWTP Expansion | 19,500,000 | 15,500,000 | | | |
| Estimated Financing WTP Filtration | | 17,300,000 | | | |
| TOTAL REVENUES | \$ 28,220,000 | \$ 48,741,400 | \$ 7,605,000 | \$ 3,040,000 | \$ 15,457,600 |
| Water Treatment Plant Improvements | \$ 4,600,000 | \$ 17,300,000 | \$ 3,300,000 | \$ 1,435,000 | \$ 200,000 |
| Water Distribution System Improv | 520,000 | 320,000 | 3,320,000 | 320,000 | 920,000 |
| Wastewater Collection System Improv | 900,000 | 2,000,000 | 900,000 | 900,000 | 900,000 |
| Wastewater Treatment Plant Improv | 21,200,000 | 16,085,000 | 85,000 | 85,000 | 800,000 |
| Septic to Sewer Projects | 1,000,000 | 13,036,400 | | 300,000 | 12,637,600 |
| TOTAL EXPENDITURES | \$ 28,220,000 | \$ 48,741,400 | \$ 7,605,000 | \$ 3,040,000 | \$ 15,457,600 |

Utilities Construction Fund

Recurring \$1.12M R&R Projects

(in thousands of dollars)

| PROJECT IDENTIFICATION | TOTAL PROJECT COST | Prior Years' Funding | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|--------------------------------------------------------------------------------------------------|--------------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| FUNDING SOURCE: Utilities Fund current revenue of \$1.12M per policy for R&R Projects | | | | | | | |
| Water System Utility Relocation Misc. Projects | 100 | Annual | 20 | 20 | 20 | 20 | 20 |
| Watermain Renewal/Replacement Projects | 500 | Annual | 100 | 100 | 100 | 100 | 100 |
| Watermain Valve Projects | 500 | Annual | 100 | 100 | 100 | 100 | 100 |
| Wastewater Gravity Sewer Replacement Projects | 750 | Annual | 150 | 150 | 150 | 150 | 150 |
| Wastewater Lift Station Renewal/Replacement Projects | 1,000 | Annual | 200 | 200 | 200 | 200 | 200 |
| Wastewater Inflow Abatement - Rehabilitation Structures | 1,000 | Annual | 200 | 200 | 200 | 200 | 200 |
| Wastewater Force Main Renewal/Replacement Projects | 1,750 | Annual | 350 | 350 | 350 | 350 | 350 |
| R&R Projects Total | 5,600 | 0 | 1,120 | 1,120 | 1,120 | 1,120 | 1,120 |



Utilities Construction Fund

Wastewater Projects

(in thousands of dollars)

| PROJECT IDENTIFICATION | TOTAL PROJECT COST | Prior Years' Funding | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------------------------------------------------------------------------------|--------------------|----------------------|---------------|---------------|-----------|------------|---------------|
| FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing | | | | | | | |
| Administration | | | | | | | |
| Septic to Sewer (Areas 1) | 14,336 | 300 | 1,000 | 13,036 | 0 | 0 | 0 |
| Septic to Sewer (Areas 2) | 12,938 | 0 | 0 | 0 | 0 | 300 | 12,638 |
| Wastewater Projects | | | | | | | |
| Wastewater Treatment Plant Tank Coating | 1,930 | 530 | 600 | 0 | 0 | 0 | 800 |
| Wastewater Treatment Plant Permit Renewal (FDEP) | 85 | 0 | 0 | 85 | 0 | 0 | 0 |
| Wastewater Deep Injection Well Mechanical Integrity Test (MIT) | 85 | 0 | 0 | 0 | 85 | 0 | 0 |
| Wastewater Deep Injection Well Permit Renewal | 170 | 85 | 0 | 0 | 0 | 85 | 0 |
| Wastewater Treatment Plant Improvement | 40,008 | 4,008 | 20,000 | 16,000 | 0 | 0 | 0 |
| Wastewater Master Pump Facility Upgrade | 600 | 0 | 600 | 0 | 0 | 0 | 0 |
| Wastewater Henry St 20" Force Main Replacement crossing at I-75 | 2,250 | 1,150 | 0 | 1,100 | 0 | 0 | 0 |
| Henry St 14" Force Main Replacement | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Riverside Dr Force Main Extension | 1,100 | 1,100 | 0 | 0 | 0 | 0 | 0 |
| Wastewater Projects Total | 74,702 | 7,173 | 22,200 | 30,221 | 85 | 385 | 13,438 |

Utilities Construction Fund

Water Projects

(in thousands of dollars)

| PROJECT IDENTIFICATION | TOTAL PROJECT COST | Prior Years' Funding | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------------------------------------------------------------------------------|--------------------|----------------------|---------------|---------------|--------------|--------------|---------------|
| FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing | | | | | | | |
| Water Projects | | | | | | | |
| WTP - Hendrickson Dam Inspection Program & Maintenance | CO | 90 | 0 | 0 | 0 | 0 | 0 |
| WTP - R.O Water Use Permit | 432 | 232 | 0 | 0 | 0 | 0 | 200 |
| WTP - Evaluation/Rehabilitation (Filters, SCU & ALUM Tank) | 23,123 | 2,323 | 3,500 | 17,300 | 0 | 0 | 0 |
| WTP - MFL Evaluation and Recovery Plan | 600 | 100 | 100 | 100 | 100 | 100 | 100 |
| WTP - Burnt Store Rd Booster Station | 3,300 | 0 | 0 | 0 | 3,300 | 0 | 0 |
| WTP - RO Brine Disposal Well / Mechanical Integrity Test (MIT) | 215 | 65 | 0 | 0 | 0 | 150 | 0 |
| WTP - RO Brine Disposal Well (DIW) / Permit Renewal | 145 | 60 | 0 | 0 | 0 | 85 | 0 |
| WTP - Water Hydrobiological Monitoring Plan (HBMP) | 100 | 0 | 0 | 0 | 0 | 100 | 0 |
| WTP - Carbon Slurry System Replacement | 1,100 | 0 | 0 | 0 | 0 | 1,100 | 0 |
| WTP - Dewatering Sludge Press | 600 | 0 | 600 | 0 | 0 | 0 | 0 |
| WTP - 2 MG Storage Tank Baffle Curtain Replacement | 500 | 0 | 500 | 0 | 0 | 0 | 0 |
| Water - Taylor Rd Watermain Replacement Upgrade (10" to 12") | 3,250 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water - Solona Watermain Replacement Upgrade | 3,200 | 200 | 0 | 0 | 3,000 | 0 | 0 |
| Water Tee and Green Water Main Extension | 250 | 50 | 200 | 0 | 0 | 0 | 0 |
| Water - Bal Harbor Water Main Replacement | 600 | 0 | 0 | 0 | 0 | 0 | 600 |
| Water Projects Total | 37,415 | 3,120 | 4,900 | 17,400 | 6,400 | 1,535 | 900 |
| UTILITIES CONSTRUCTION FUND TOTAL | 117,717 | 10,293 | 28,220 | 48,741 | 7,605 | 3,040 | 15,458 |

Utilities Operations Fund

Proforma FY 2022 - 2026

| | Proposed FY 2022 | Proforma FY 2023 | Proforma FY 2024 | Proforma FY 2025 | Proforma FY 2026 |
|----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating Revenues | \$ 19,665,690 | \$ 19,772,785 | \$ 19,865,400 | \$ 19,953,525 | \$ 20,042,170 |
| Proposed Rate Increases | 384,170 | 777,940 | 777,940 | 777,940 | 777,940 |
| Transfers from Water & WW Impacts | 499,800 | 499,800 | 1,032,800 | 1,565,800 | 1,565,800 |
| Increase in WW billings Septic to Sewer | | | | 151,700 | 151,700 |
| Annual Assessments - Septic to Sewer | | 167,500 | 167,500 | 167,500 | 327,500 |
| TOTAL REVENUES | \$ 20,549,660 | \$ 21,218,025 | \$ 21,843,640 | \$ 22,616,465 | \$ 22,865,110 |
| Operating Expenditures | \$ 14,614,585 | \$ 15,132,595 | \$ 15,671,775 | \$ 16,233,085 | \$ 16,817,530 |
| Renewal & Replacement of Infrastructure | 1,120,000 | 1,120,000 | 1,120,000 | 1,120,000 | 1,120,000 |
| Transfer to Utilities Construction | 5,500,000 | 935,000 | 4,835,000 | 1,620,000 | 1,700,000 |
| RO Debt Service | 999,595 | 999,595 | 999,595 | 999,595 | 999,595 |
| Transfer to SRF Fund-reserve incr(decr) | 500,000 | 800,000 | 832,000 | | |
| Est. new debt service WWTP Expansion | | | 1,066,000 | 2,132,000 | 2,132,000 |
| Est. new debt service Septic to Sewer-Area 1 | | | 171,500 | 343,000 | 343,000 |
| Est. new debt service WTP Filtration Rehab | | | 773,000 | 1,545,000 | 1,545,000 |
| TOTAL EXPENDITURES | \$ 22,734,180 | \$ 18,987,190 | \$ 25,468,870 | \$ 23,992,680 | \$ 24,657,125 |
| Beg. Operating Reserve | \$ 8,284,281 | \$ 6,099,761 | \$ 8,330,596 | \$ 4,705,366 | \$ 3,329,151 |
| End. Operating Reserve | \$ 6,099,761 | \$ 8,330,596 | \$ 4,705,366 | \$ 3,329,151 | \$ 1,537,136 |
| R&R Capital Reserve | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 |

Utilities Fund

FY 2022 – 2026 Proforma

Revenue Assumptions:

- Proforma shows proposed rate increase of 2% in FY 2022 and FY 2023
- FY 2022-2026 est. 0.5% growth and averages to account for consumption changes due to rainfall and other factors; FY 2025-2026 additional wastewater revenues from septic to sewer conversion customers
- FY 2022-2026 Water Impact transfer for partial debt service on RO project

Utilities Fund

FY 2022 – 2026 Proforma

Revenue Assumptions:

- FY 2024-2026 Wastewater Impact transfer for partial debt service on WWTP expansion project
- FY 2023-2026 Estimated annual assessments for Septic to Sewer projects (Areas 1 and 2)



Utilities Fund

FY 2022 – 2026 Proforma

Expense Assumptions:

- Requested (1) AMI Technician to assist with troubles shooting of AMI system along with day to day work orders to better serve both the City required functions and customer requests; Annual costs \$59,000 and one-time for vehicle \$28,000; Staff recommends adding position – July 2021, funds are available in current budget due to staff turnover
- Personnel – 4% merit incr; defined benefit pension flat on Citywide total; defined contribution pension 10% on pensionable wages; health insurance 4.4% incr; workers comp insurance 10%; FY 2023-2026 health insurance 6%

Utilities Fund

FY 2022 – 2026 Proforma

Expense Assumptions:

- Operating – per departmental request; increase computer overhead per IT budget increases as approved by Council; general liability insurance 7.5% incr.; 3% increase in administration charges – final will be determined when all budgets are completed; FY 2023-2026 operating increases 3% except general liability insurance at 5%
- Capital Outlay – per Departmental Requests

| Capital Outlay | TOTAL PROJECT COST | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|--------------------------------------------------------------------|--------------------|---------|---------|---------|---------|---------|
| Water Treatment Plant (1621): | | | | | | |
| (4) Portables Generators for RO Wells - new equip | 30 | 30 | 0 | 0 | 0 | 0 |
| Replacement A/C unit in electrical room | 5 | 5 | 0 | 0 | 0 | 0 |
| Replace 2001 Vactor Truck with small sport utility vehicle | 28 | 28 | 0 | 0 | 0 | 0 |
| Replace 2007 Mini Excavator Track | 34 | 34 | 0 | 0 | 0 | 0 |
| Replace 2006 6x4 Dump Truck | 90 | 0 | 90 | 0 | 0 | 0 |
| Replace 2006 Batwing Mower | 17 | 0 | 17 | 0 | 0 | 0 |
| Replace 2009 Electric Car/Golf Cart with All terrain vehicle | 10 | 0 | 10 | 0 | 0 | 0 |
| Replace 2012 6 x 8 Utility Trailer | 14 | 0 | 14 | 0 | 0 | 0 |
| Replace 2008 Conventional Cab 2 Door Dump Truck | 68 | 0 | 0 | 0 | 68 | 0 |
| Replace 2007 Articulated Loader | 120 | 0 | 0 | 0 | 0 | 120 |
| Replace 2016 4 x 4 Pickup Truck | 32 | 0 | 0 | 0 | 0 | 32 |
| Pumps, Motors & VFD's | 501 | 109 | 100 | 100 | 92 | 100 |
| Water Distribution (1626): | | | | | | |
| New small pickup (for AML technician position if approved) | 28 | 28 | 0 | 0 | 0 | 0 |
| Replace 2006 Sport Utility Vehicle with full size, crew cab pickup | 33 | 33 | 0 | 0 | 0 | 0 |
| Replace 2007 Dump Truck | 80 | 0 | 95 | 0 | 0 | 0 |
| Wastewater Collection (1622): | | | | | | |
| Cable Locator & Xmitter, Lights, Load Bank Tester | 15 | 15 | 0 | 0 | 0 | 0 |
| Replace 2008 3/4 ton Diesel utility body Pickup Truck | 65 | 65 | 0 | 0 | 0 | 0 |
| Replace 2006 4x4 Diesel 3/4 ton Pickup Truck | 45 | 0 | 45 | 0 | 0 | 0 |
| Replace 2004 Backhoe | 80 | 0 | 0 | 80 | 0 | 0 |
| Replace 2007 Mini Excavator | 40 | 0 | 0 | 0 | 40 | 0 |
| Replace 2017 Vacuum Truck | 400 | 0 | 0 | 0 | 400 | 0 |
| Wastewater Treatment Plant (1625): | | | | | | |
| Pumps, Motors, Mixers, Blowers, Effluent Pumps | 522 | 122 | 100 | 100 | 100 | 100 |
| Flow meter, raw sampler | 15 | 15 | 0 | 0 | 0 | 0 |
| Replace 2001 Batwing Mower | 20 | 20 | 0 | 0 | 0 | 0 |
| Replace 2006 Batwing Rotary Mower | 20 | 20 | 0 | 0 | 0 | 0 |
| Replace 2006 Sludge Vacuum Spreader | 160 | 160 | 0 | 0 | 0 | 0 |
| Replace 2005 SUV | 50 | 0 | 50 | 0 | 0 | 0 |
| Replace All Terrain Vehicle | 16 | 16 | 0 | 0 | 0 | 0 |
| Unspecified Equipment Needs | 947 | 0 | 179 | 420 | 0 | 348 |
| TOTAL | | 700 | 700 | 700 | 700 | 700 |

Utilities Fund

FY 2022 – 2026 Proforma

Expense Assumptions:

- Continued use of current revenue and operating reserves to fund 5 year CIP
- Estimated Debt Service on Wastewater Treatment Plant expansion and Septic to Sewer projects – State Revolving Funds (SRF)
- Estimated Debt Service for Water Treatment Plant Filtration project – Bank financing
- Assumes increase required for SRF loan reserves (usually 1 years estimated payments)

Utilities Fund

FY 2022 – 2026 Proforma

Reserve Assumptions:

- Maintain minimum \$3.1 million op. reserve
- Maintain \$1.5 million R&R capital reserve (previously established for bonded debt covenant)



Utilities Fund Considerations

- Volatility of water and wastewater revenues – rainfall, drought conditions, watering restrictions, economic conditions, etc.
- Assumptions of financing WWTP Expansion project dependent on use of current revenues and reserves through full design and engineering phase and financing through State Revolving Fund for 20 years, low interest rates
- Review of WTP Filtration project on-going for an alternative
- Assumptions of financing WTP Filtration project dependent on use of current revenues and reserves through full design and engineering phase and financing through bank for 15 years, low interest rates

Utilities Fund Considerations

- Assumptions of financing Septic to Sewer projects dependent on estimated grant revenues of 25%, 20 year assessments on all lots in each area, new billing revenues for occupied lots, use of wastewater impact fees, and debt service ratios that may be required by financing entity
- Septic to Sewer construction moved out a year to allow time needed for community outreach and assessment process
- Septic to Sewer system to be installed to be determined by engineer recommendations
- Continue to pursue opportunities with Charlotte County to add these areas to their master plan for possible road and drainage funding to be contributed to project

Utilities Fund Utility Advisory Board

- Concurred with Staff's recommendation for a 2% rate increase
- Concurred with Staff's recommendation for approval of addition of an AMI Technician position to start mid-year FY 2021

