

FY 2023 Budget Status Update

Utilities Construction and OM&R Funds

City Council Meeting
July 13, 2022



Punta Gorda

Florida's Harborside Hometown

Utilities Construction Fund

Proforma FY 2023 - 2027

	Proposed FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
Transfer from Utilities OM&R	\$ 2,805,000	\$ 7,490,000	\$ 1,970,000	\$ 3,605,000	\$ 1,920,000
Transfer fr/Wtr System Impacts-Booster Pmps	0	1,650,000	0	0	0
Transfer fr/WW System Impacts-WWTP Exp	500,000	0	0	0	0
Transfer fr/WW System Impacts-Reimb.Loop	350,000	0	0	0	0
Estimated Grants Septic to Sewer	0	0	0	0	2,750,000
Estimated Financing Septic to Sewer	0	0	0	1,000,000	10,286,400
Estimated Financing WWTP Expansion	53,692,000	0	0	0	0
Estimated Financing WTP Filtration	0	17,300,000	0	0	0
TOTAL REVENUES	\$ 57,347,000	\$ 26,440,000	\$ 1,970,000	\$ 4,605,000	\$ 14,956,400
Water Treatment Plant Improvements	\$ 450,000	\$ 20,600,000	\$ 850,000	\$ 2,285,000	\$ 0
Water Distribution System Improv	420,000	3,920,000	220,000	220,000	220,000
Wastewater Collection System Improv	2,200,000	900,000	900,000	900,000	900,000
Wastewater Treatment Plant Improv	54,277,000	1,020,000	0	200,000	800,000
Septic to Sewer Projects	0	0	0	1,000,000	13,036,400
TOTAL EXPENDITURES	\$ 57,347,000	\$ 26,440,000	\$ 1,970,000	\$ 4,605,000	\$ 14,956,400

Utilities Construction Fund

Recurring \$1.12M R&R Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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 2023	FY 2024	FY 2025	FY 2026	FY 2027
FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing							
Administration							
Septic to Sewer (Areas 1)	14,336	300	0	0	0	1,000	13,036
Utility Master Plan Water & Wastewater	300	0	0	0	300	0	0
Wastewater Projects							
Lift Station 30 Gravity Rehab	650	650	0	0	0	0	0
Henry St 14" Force Main Replacement	1,200	1,200	0	0	0	0	0
Riverside Dr Force Main Extension	1,100	1,100	0	0	0	0	0
Henry St 20" Force Main Replacement crossing at I-75	2,250	1,150	1,100	0	0	0	0
Piper Rd Force Main Relocation	200	0	200	0	0	0	0
Wastewater Nutrient Management Plan (Bio Solids)	300	100	0	0	0	200	0
Wastewater Treatment Plant Improvement	78,200	24,008	54,192	0	0	0	0
Wastewater Treatment Plant Tank Coating	1,400	600	0	0	0	0	800
Wastewater Treatment Plant Permit Renewal (FDEP)	85	0	85	0	0	0	0
Wastewater Deep Injection Well Mechanical Integrity Test (MIT)	85	0	0	85	0	0	0
Wastewater Deep Injection Well Permit Renewal	85	0	0	85	0	0	0
Wastewater Master Pump Facility Pumps Upgrade	600	600	0	0	0	0	0
Wastewater Generator Replacement @BPF	350	0	0	350	0	0	0
Wastewater Pond Liner Replacement	500	0	0	500	0	0	0
Wastewater Projects Total	101,641	29,708	55,577	1,020	300	1,200	13,836

Utilities Construction Fund

Water Projects

(in thousands of dollars)

PROJECT IDENTIFICATION	TOTAL PROJECT COST	Prior Years' Funding	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FUNDING SOURCE: Utilities Fund current revenues and Reserves, Grants, Impact Fees, and Financing							
Water Projects							
WTP - Water Hydrobiological Monitoring Plan (HBMP)	100	0	0	0	100	0	0
WTP - R.O Water Use Permit	200	0	0	0	0	200	0
WTP - Carbon Slurry System Replacement	2,300	0	0	0	300	2,000	0
WTP - Hendrickson Dam Inspection Program & Maintenance	90	90	0	0	0	0	0
WTP - Dewatering Sludge Press	600	600	0	0	0	0	0
WTP - 2 MG Storage Tank Baffle Curtain Replacement	500	500	0	0	0	0	0
WTP - Well Remediation	280	80	200	0	0	0	0
WTP - Evaluation/Rehabilitation (Filters, SCU & ALUM Tank)	23,123	5,823	0	17,300	0	0	0
WTP - Burnt Store Rd Booster Station Pipe Riser Repair & Pumps	3,550	0	250	3,300	0	0	0
WTP - RO Brine Disposal Well / Mechanical Integrity Test (MIT)	150	0	0	0	150	0	0
WTP - RO Brine Disposal Well (DIW) / Permit Renewal	85	0	0	0	0	85	0
Water - Taylor Rd Watermain Replacement Upgrade (10" to 12")	3,542	3,542	0	0	0	0	0
Water Tee and Green Water Main Extension	450	450	0	0	0	0	0
Water - Solona Watermain Replacement Upgrade	3,500	200	0	3,300	0	0	0
Water - Bal Harbor Water Main Replacement	600	0	200	400	0	0	0
Water Projects Total	39,070	11,285	650	24,300	550	2,285	0
UTILITIES CONSTRUCTION FUND TOTAL	146,311	40,993	57,347	26,440	1,970	4,605	14,956

Utilities Operations Fund

Proforma FY 2023 - 2027

	Proposed FY 2023	Proforma FY 2024	Proforma FY 2025	Proforma FY 2026	Proforma FY 2027
Operating Revenues	\$ 20,576,730	\$ 20,663,655	\$ 20,741,110	\$ 20,833,110	\$ 20,920,650
Proposed Rate Increases (cumulative)	756,240	1,544,620	2,366,360	3,222,735	4,115,065
Transfers from Water & WW Impacts	499,800	499,800	1,061,050	1,622,550	1,622,550
Annual Assessments - Septic to Sewer	0	0	0	0	350,000
TOTAL REVENUES	\$ 21,832,770	\$ 22,708,075	\$ 24,168,520	\$ 25,678,395	\$ 27,008,265
Operating Expenditures	\$ 16,064,515	\$ 16,041,675	\$ 16,855,070	\$ 17,457,280	\$ 18,084,140
Renewal & Replacement of Infrastructure	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Transfer to Utilities Construction	1,685,000	6,370,000	850,000	2,485,000	800,000
RO Debt Service	999,595	999,595	999,595	999,595	999,595
Transfer to SRF Fund-reserve incr(decr)	1,500,000	1,500,000	1,460,400		
Est. new debt service WWTP Expansion			2,230,000	4,460,400	4,460,400
Est. new debt service WTP Filtration Rehab			778,000	1,556,000	1,556,000
TOTAL EXPENDITURES	\$ 21,369,110	\$ 26,031,270	\$ 24,293,065	\$ 28,078,275	\$ 27,020,135
Beg. Operating Reserve	\$ 8,646,200	\$ 9,109,860	\$ 5,786,665	\$ 5,662,120	\$ 3,262,240
End. Operating Reserve	\$ 9,109,860	\$ 5,786,665	\$ 5,662,120	\$ 3,262,240	\$ 3,250,370
R&R Capital Reserve	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

Utilities Fund

FY 2023 – 2027 Proforma

Revenue Assumptions:

- Proforma shows proposed rate increase of 3.75% FY 2023-2027
- FY 2023-2027 est. 0.5% growth and averages to account for consumption changes due to rainfall and other factors
- FY 2023-2027 Water Impact transfer for partial debt service on RO project
- FY 2025-2027 Wastewater Impact transfer for partial debt service on WWTP expansion project
- FY 2027 Estimated annual assessments for Septic to Sewer project (Area 1)

Utilities Fund

FY 2023 – 2027 Proforma

Expense Assumptions - Personnel:

- Requested (1) Customer Service Representative to assist with processing new meter requests, ownership changes and monitoring AMI; Annual costs \$58,525
- Requested (2) Utilities Maintenance Worker I positions to help with increased workload; Annual costs \$114,230
- Personnel Estimates – 4% merit incr; defined benefit pension flat on Citywide total; defined contribution pension 10% on pensionable wages; health insurance 6% incr; workers comp insurance 10%

Utilities Fund

FY 2023 – 2027 Proforma

Expense Assumptions - Operating:

- Operating Estimates – per departmental request; computer overhead and administration charges 3% incr-final will be determined when all budgets are completed; general liability insurance 5% incr; FY 2024-2027 operating increases 3% except general liability insurance at 5%

- Items of note:
 - electricity based on FPL rate incr 1/1/2022 approx. 15%
 - fuel based on current rates approx. \$5/gallon
 - chemical costs have increased approx. 54%
 - one-time \$36,300 for EPA rule re: Lead and Copper testing
 - treatment & removal of exotic plants at WWTP \$200,000

Utilities Fund

FY 2023 – 2027 Proforma

Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Capital Outlay	TOTAL PROJECT COST	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water Treatment Plant (1621):						
Dump Trailers for Sludge	60	60	0	0	0	0
Portable Generators for Well Pumps 4-6	100	100	0	0	0	0
Communicators, meter, multiplexer, converters, and wireless AP	32	32	0	0	0	0
Replace 2009 Electric Car/Golf Cart	14	0	14	0	0	0
Replace Diesel Rider Mower	24	0	0	24	0	0
Replace 2007 Articulated Loader	110	0	0	0	110	0
Replace 2006 Batwing Mower	17	0	0	0	17	0
Replace 2012 6 x 8 Utility Trailer	2	0	0	0	2	0
Replace 2007 generator	48	0	0	0	48	0
Replace 2016 Tractor	52	0	0	0	0	52
Replace 2016 4 x 4 Pickup Truck	37	0	0	0	0	37
Replace 2019 Hydraulic scarifier	5	0	0	0	0	5
Replace 2014 lift	39	0	0	0	0	39
Replace 2018 utility vehicle	18	0	0	0	0	18
Replace 2008 Carolina Skiff and motor	36	0	0	0	0	36
Pumps, Motors & VFD's	450	50	100	100	100	100

Utilities Fund

FY 2023 – 2027 Proforma

Expense Assumptions – Capital Outlay: per Departmental Requests

(All figures in thousands of dollars)

Capital Outlay	TOTAL PROJECT COST	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water Distribution (1626):						
Replace 2007 Dump Truck	110	0	110	0	0	0
Wastewater Collection (1622):						
Replace 2017 Vacuum Truck	600	600	0	0	0	0
FOG/Linko software	10	10	0	0	0	0
Replace 2008 3/4 ton Diesel utility body Pickup Truck	75	0	75	0	0	0
Replace 2004 Backhoe	70	0	0	70	0	0
Replace 150 KW 2-Axle Generator	86	0	0	0	86	0
Wastewater Treatment Plant (1625):						
Replace 2005 SUV	50	0	50	0	0	0
Wireless AP	6	6	0	0	0	0
Pumps, Motors, Mixers, Blowers, Effluent Pumps	500	100	100	100	100	100
Unspecified Equipment Needs	972	0	16	406	237	313
TOTAL		958	465	700	700	700

Utilities Fund

FY 2023 – 2027 Proforma

Expense Assumptions - Other:

- Continued use of current revenue and operating reserves to fund 5 year CIP
- Estimated Debt Service on Wastewater Treatment Plant expansion – 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)

FLORIDA UTILITIES

Utilities Fund

FY 2023 – 2027 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.
- Results of a pay and classification study, including factors for Florida minimum wage requirements over the next several years
- Concern regarding continued increase in costs due to inflation, supply chain, demand for commodities, fuel prices, etc.
- Uncertainty of economic forecasts

Utilities Fund Considerations

- 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
- Continue to look for grants and alternative financing to extend beyond 20 years for WWTP Expansion project
- 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; possible bank loan for 20 years to extend term will be explored

Utilities Fund Considerations

- Septic to Sewer projects moved out due to current CIP program
- 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
- Continue to pursue grant opportunities and 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

- Recommended addition of the three new positions
- Recommended approval of the five year Utilities CIP
- Recommended the 3.75% rate increase
- Recommended approval of the FY 2023 Utilities operating budget with final updates that may be needed for administrative charges, computer overhead, general liability insurance, and changes that may be needed as a result of pay and classification study