

****Change, Updated Slide 5,
Added Slide 6, 5/16/2023****

UTILITY QUARTERLY FINANCIAL UPDATE

May 16, 2023



CHARLOTTE COUNTY
FLORIDA

Topics of Discussion

- Rate Model Update
- Ackerman Funding

Rate Model Update

- Raftelis scheduled to present at June 20, 2023 BCC Monthly Workshop
- Analysis to be incorporated into future Feasibility Report

Principal Cost Drivers

- Increased Plant Expansion construction costs
- Limited availability of State Revolving Fund loans
- Peace River expansion projects
- Supply chain issues affecting availability of equipment, supplies and materials
- Significant impacts of inflation
- Updated personnel needs as result of recent manpower study
- Hurricane Ian's impact - Capital and operating losses

Ackerman Septic to Sewer Project

- MSBU construction project estimate has increased from \$40.7M to \$60.6M (up 48.81%)
- Current Project funding includes;
 - MSBU Assessments
 - MSBU Base Rate Subsidy (5 yrs.)
 - Water & Wastewater Connection Fee Funds
 - Renewal & Replacement Fund
 - Federal and State Appropriations
 - Unapproved Connection Grant(s)
- Unidentified funding balance of \$10.4M

Ackerman S2S Subsidy Recommendations

1. BP Settlement
2. Grants and appropriations
 - RESTORE
 - ARPA
3. MSBU Assessments (Set new Max Rate or extend term)
4. Utility Rate Revenues (Utility rate payers)
5. General Fund/Ad Valorem (Everyone pays)
6. Combination of Option 1, 2, 3, 4 and/or 5

Ackerman S2S Subsidy – Amended Assessment

- \$19.87M estimated project cost increase
- \$10.35M estimated MSBU portion of project cost increase
 - Remaining \$9.5M are costs allocated to CCU capital funds
- Based on 1,760 ERUs, an increase of \$6,319 per ERU is required
 - Assumes 5% statutory reduction and 2% collection fees
 - Brings the total assessment (asmt.) per ERU from \$11,500 up to \$17,819
- Two options to achieve the assessment shortfall
 1. Increase the annual asmt. from \$575 up to approx. \$947 for remaining 17 years
 - Based on total count of 1,760 ERUs
 2. Extend the asmt. term from 20 years up to 31 years at the current \$575/year

A stylized graphic featuring a yellow sun with rays, a green leaf, and a light blue leaf, all overlapping. The word "Questions?" is written in a blue, sans-serif font across the center of the graphic.

Questions?



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