

Peace River/Manasota Regional Water Supply Authority

Financial Planning and Rate Consulting Services

--- The Decision Support Process ---



*Presentation to the Board
April 7, 2010*

The Issues

- **Long term financial plan**
 - **Projected revenues & expenses**
 - **Capital projects and borrowing requirements**
 - **Reserve balances**
 - **Annual rate adjustments and customer impacts**

FAMS-XL[©]

- FAMS-XL[©] is our dynamic financial planning and decision support model
- It integrates the capital and financial planning processes
- How FAMS-XL[©] works



FOR EACH YEAR IN THE PLANNING PERIOD,
THE FOLLOWING ANALYTICAL PROCESS
IS CARRIED OUT....

*Interactive Modeling
Process FAMS-XL[©]*



*BUSINESS
PLAN*

- √ *Historical Financial Data*
- √ *Economic Assumptions*
- √ *Capital & Operating Plans*
- √ *Policy Considerations*
- √ *Regulatory Requirements*

- *Revenue Projections*
- *Operating Costs*
- *Borrowing Requirements*
- *Rate Requirements*
- *Customer Impact*

Interactive Work Sessions

- **The FAMS-XL© model is up-and-running**
- **A simple graphical interface monitors key financial parameters**
- **Provides instantaneous feedback for scenarios and what-if analyses**

Interactive Work Sessions (Cont'd)

- **Provides a clear vision as to the future consequences of decision alternatives**
 - **To the Authority, and**
 - **To the members/customer**
- **It is an open process with all stakeholders**
- **It is a solution based process**
- **It fosters consensus**

Preliminary Results

Factors Significantly Affecting Financial Plan and Rates

- **Debt service on 2010 Revenue Bonds**
 - **Regional Expansion Program**
 - Refunding of Bond Anticipation Note
 - Allocation based upon MWSC
 - **Regional Integrated Loop System**
 - Phase 1 (Subject to negotiation)
 - Phase 2 (Allocation 100% to North Port)
 - Phase 3 (Allocation 100% to Sarasota)
 - **1991 Facilities Rebuilding**
 - Allocation based upon 1991 Cost Center Allocation, Or
 - Allocation based upon Total Current Water Supply Allocation

Key Assumptions/Policies

- **Working Capital Reserves**
 - **Equal to three months of Authority Expenses:**
 - **O&M Expenses, Debt Service, R&R Contribution, Contingencies, County Payments, and GAP Plan Water Purchases**
- **Drop off in growth and its effects upon water demand projections and revenues**

Review of Preliminary Results

Results Are Preliminary

- **FY 2011 Budget is forthcoming**
- **Updates to future water demands are forthcoming**
- **Results of analysis will change as new information is integrated**

Scenario 1.A

**Assumes 1991 Facilities Rehab Debt
Service Allocated Based Upon 1991 Cost
Center Water Supply Allocation**

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

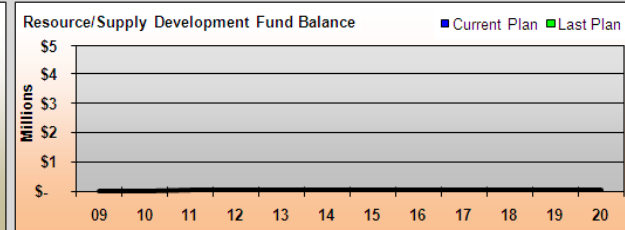
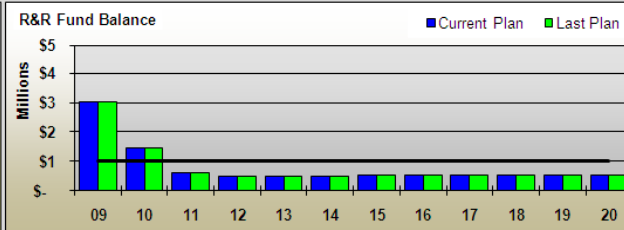
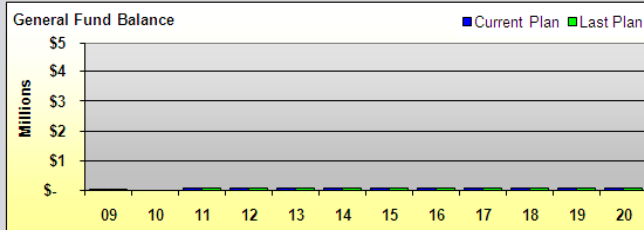
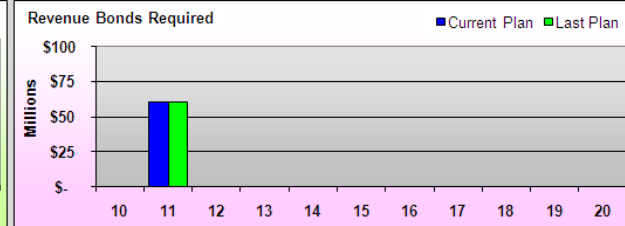
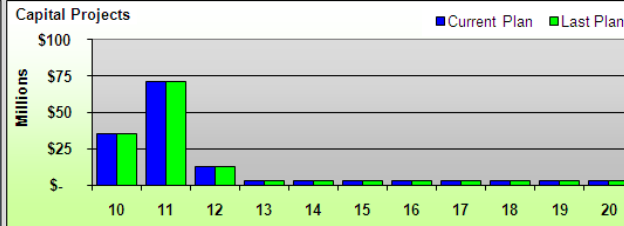
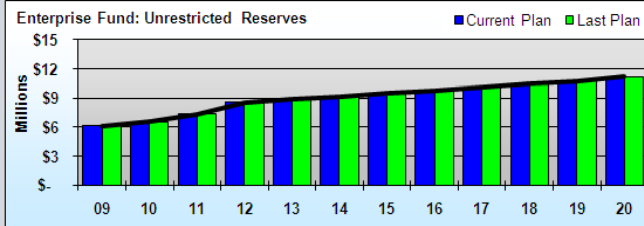
PEACE RIVER / MANASOTA REGIONAL WATER SUPPLY AUTHORITY (FLORIDA)

SAVE CALC

Check \$ -

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
Usage Charge - \$ / TGAL	\$ 0.72	\$ 0.76	\$ 0.83	\$ 0.88	\$ 0.95	\$ 1.02	\$ 1.07	\$ 1.12	\$ 1.18	\$ 1.23	\$ 1.30	
Last Plan	\$ 0.72	\$ 0.76	\$ 0.83	\$ 0.88	\$ 0.95	\$ 1.02	\$ 1.07	\$ 1.12	\$ 1.18	\$ 1.23	\$ 1.30	
Monthly Charge in Thousands												
Charlotte Fixed Charge	\$ 755.9	\$ 799.8	\$ 896.1	\$ 899.6	\$ 903.9	\$ 914.1	\$ 936.5	\$ 958.3	\$ 981.8	\$ 1,006.7	\$ 1,033.1	
Last Plan	\$ 755.9	\$ 799.8	\$ 896.1	\$ 899.6	\$ 903.9	\$ 914.1	\$ 936.5	\$ 958.3	\$ 981.8	\$ 1,006.7	\$ 1,033.1	
DeSoto Fixed Charge	\$ 39.7	\$ 41.1	\$ 42.5	\$ 42.6	\$ 42.8	\$ 43.2	\$ 44.2	\$ 45.1	\$ 46.1	\$ 47.1	\$ 48.2	
Last Plan	\$ 39.7	\$ 41.1	\$ 42.5	\$ 42.6	\$ 42.8	\$ 43.2	\$ 44.2	\$ 45.1	\$ 46.1	\$ 47.1	\$ 48.2	
Sarasota Fixed Charge	\$ 729.2	\$ 869.3	\$ 1,047.3	\$ 1,050.1	\$ 1,053.7	\$ 1,062.2	\$ 1,080.5	\$ 1,098.5	\$ 1,117.7	\$ 1,138.2	\$ 1,159.9	
Last Plan	\$ 729.2	\$ 869.3	\$ 1,047.3	\$ 1,050.1	\$ 1,053.7	\$ 1,062.2	\$ 1,080.5	\$ 1,098.5	\$ 1,117.7	\$ 1,138.2	\$ 1,159.9	
North Port Fixed Charge	\$ 126.7	\$ 148.5	\$ 237.4	\$ 238.0	\$ 238.8	\$ 240.5	\$ 244.2	\$ 247.9	\$ 251.9	\$ 256.1	\$ 260.5	
Last Plan	\$ 126.7	\$ 148.5	\$ 237.4	\$ 238.0	\$ 238.8	\$ 240.5	\$ 244.2	\$ 247.9	\$ 251.9	\$ 256.1	\$ 260.5	
Manatee Fixed Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Last Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rate Covenant Test	1.15	1.54	1.54	1.45	1.43	1.43	1.44	1.45	1.46	1.47	1.48	1.49
Last Plan	1.54	1.54	1.45	1.43	1.43	1.44	1.45	1.46	1.47	1.48	1.49	
CIP Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Working Capital Reserve %	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
Fixed Costs Alloc. To Usage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

REP In	
RRD Ph I	NO
Facilities	1991
Int. Earn	0.50%
Pool	NO
CIP-Trans	YES



1991 Facilities Rehab Debt Allocated based upon 1991 Cost Center Water Supply Allocation

Scenario 1.B

**Assumes 1991 Facilities Rehab Debt
Service Allocated Based Upon Total
Current Water Supply Allocation**

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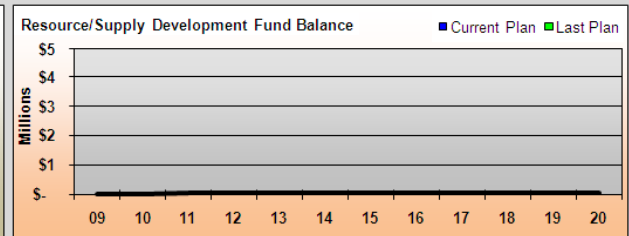
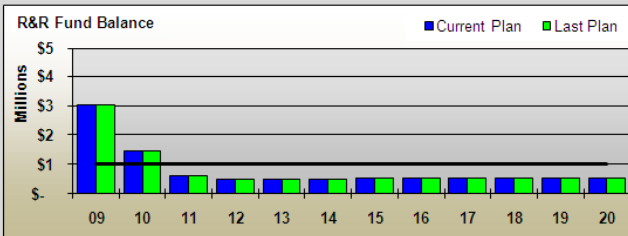
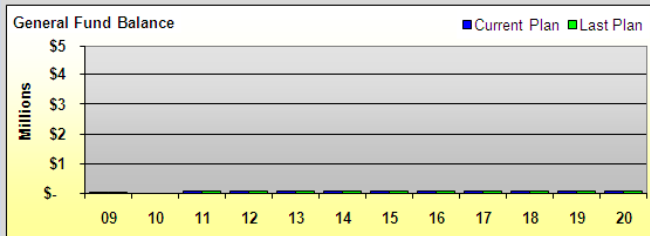
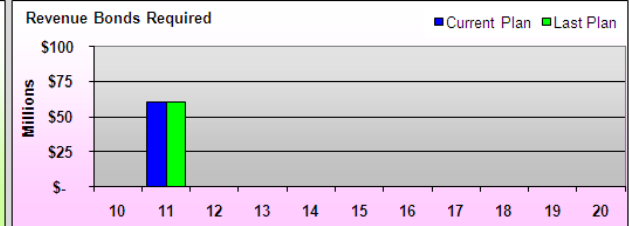
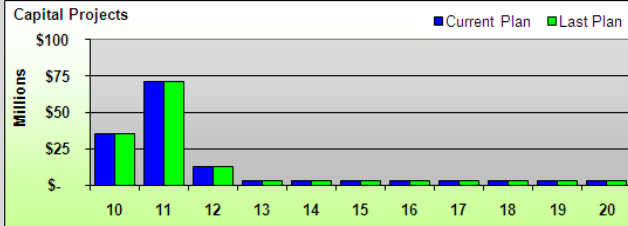
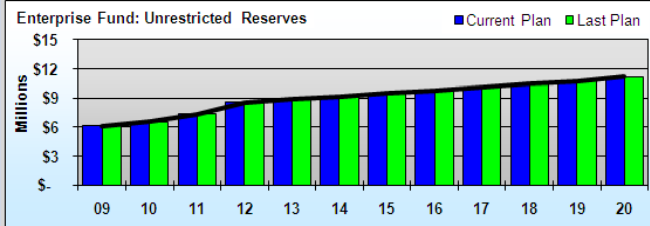
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Monthly Charge in Thousands												
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Last Plan	\$ 755.9	\$ 799.8	\$ 896.1	\$ 899.6	\$ 903.9	\$ 914.1	\$ 936.5	\$ 958.3	\$ 981.8	\$ 1,006.7	\$ 1,033.1	
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RRD Ph I	
Facilities	NO
Int. Earn	Current
Pool	0.50%
CIP-Trans	NO
	YES



1991 Facilities Rehab Debt Allocated based upon Total Current Water Supply Allocation

Discussion

