

PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY
BOARD OF DIRECTORS MEETING
April 3, 2024

TENTATIVE BUDGET
ITEM 2

**Resolution 2024-06 ‘Resolution Setting Forth Preliminary
Schedules of Rates, Fees and Charges for FY 2025’**

Presenter -

Mike Coates, Executive Director

Recommended Action -

Motion to approve Resolution 2024-06 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2025’.

Resolution 2024-06 formalizes the Board’s adoption of the Tentative Budget for FY 2025 and establishes its intent to set rates, fees and charges based upon the tentative budget. A public hearing is scheduled at which time the Board will adopt the final schedule of rates, fees and charges for FY 2025 during a regularly scheduled meeting on August 7, 2024.

Attachments:

Resolution 2024-06 ‘Resolution Setting Forth Preliminary Schedules of Rates, Fees and Charges for FY 2025’

PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY

Resolution 2024-06

**RESOLUTION SETTING FORTH PRELIMINARY SCHEDULES
OF RATES, FEES AND CHARGES FOR FY 2025**

The Peace River Manasota Regional Water Supply Authority, created pursuant to Chapter 373.1962, Florida Statutes, subsequently reenacted as Section 373.713, Florida Statutes, and Interlocal agreement pursuant to Chapter 163.01, *et seq.*, Florida Statutes, in lawful session and in regular order of business properly presented, finds that:

WHEREAS, the Second Amended Interlocal Agreement Creating the Peace River Manasota Regional Water Supply Authority entered into on October 5, 2005 provides that:

'The Authority shall establish a tentative budget no later than May 15, for the ensuing Contract Year. The tentative budget shall include all anticipated expenditures of the Authority for its projects and activities for the ensuing Contract Year, including Operating and Maintenance Cost, Management and Planning Costs, and Debt Service Cost. As part of the budget process, the Authority shall adopt rates, fees, and charges to generate sufficient revenue to pay all budgeted expenditures on a water user basis for Authority Water Supply Facilities. Membership fees and rates shall be established annually and adopted by resolution at the time of budget adoption.' and

WHEREAS, the Authority has entered into the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract with Charlotte County, DeSoto County, Manatee County, Sarasota County, and with the City of North Port on October 5, 2005 (as amended August 5, 2015) for the purpose of supplying water produced by the Authority from the Peace River Facility and new water supply sources; and

WHEREAS, the Master Water Supply Contract provides that:

'In conjunction with the Authority's annual budget development and adoption process, the Authority shall fix a Water Rate consisting of the Base Rate Charge (adjusted as necessary for customer financing), DeSoto Payment, and Water Use Charge to be paid on a monthly basis by the Customers for water furnished by the Authority. The rates are not subject to the supervision or regulation by any other commission, board, bureau, agency or other political subdivision or agency of the county or state.' and

WHEREAS, the Authority Board of Directors adopted the Tentative Budget for FY 2025 at their regularly scheduled meeting on April 3, 2024.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The Peace River Manasota Regional Water Supply Authority does hereby set forth preliminary schedules establishing rates, fees and charges for the period beginning October 1, 2024 through September 30, 2025 attached hereto as Exhibit A.

Section 2. Conservation Charge for Exceedance.

In the event a Customer, other than an ‘Exclusive Provider Customer’ as defined in the Master Water Supply Contract, should receive delivery of water in excess of their respective water allocation (as adjusted by New Water Supply Demand and/or Redistribution Pool) provided in the Master Water Supply Contract for the period beginning October 1, 2024 through September 30, 2025, the exceeding Customer shall pay an additional charge, Conservation Charge for Exceedance, derived as follows unless the exceedance is the result of an emergency transfer as determined by the Authority Board, in which case no additional charge shall be placed upon the excess water usage occasioned by the emergency.

The Conservation Charge for Exceedance shall be based solely on Annual Average Day (AAD) Water Allocation set forth in Exhibit B of the Master Water Supply Contract (the Conservation Charge for Exceedance does not apply to the Peak Month Average Day and the Maximum Day Water Allocations if exceeded). Delivery of water shall be as recorded by the Authority’s meters at the points of connection between the Authority transmission system and the distribution system of the customer.

Exceedance of AAD for Fiscal Year	Conservation Rate Calculation
1 st Exceedance	<u>No penalty.</u> Customer liable only for the Base Rate Charge set by resolution plus Water Use Charge set by resolution for their actual metered water usage. The Authority shall assist the customer in the performance of a water audit of its water system and implementation of audit recommendations.
2 nd Exceedance	Customer liable for the Base Rate Charge set by resolution plus <u>125% of the Redistribution Pool Water Base Rate Charge for water delivered in exceedance of Water Allocation</u> plus Water Use Charge set by resolution for their actual metered water usage.
3 rd Exceedance	Customer liable for the Base Rate Charge set by resolution plus <u>150% of the Redistribution Pool Water Base Rate Charge for water delivered in exceedance of Water Allocation</u> plus Water Use Charge set by resolution for their actual metered water usage.
4 th and all Subsequence Exceedances	Customer liable for the Base Rate Charge set by resolution plus <u>200% of the Redistribution Pool Water Base Rate Charge for water delivered in exceedance of Water Allocation</u> and Water Use Charge set by resolution for their actual metered water usage.

The Conservation Charge for Exceedance is progressive and penalty for exceedance is applied in subsequent fiscal years as provided above. The exceedances do not need to be in consecutive years and the number of exceedances does not reset each year. The Conservation Charge for Exceedance is not applicable to an Exclusive Provider Customer.

The additional revenue received from such exceedance will, at the discretion of the Authority Board, be applied to the funding for management and planning as provided in section 17 of the MWSC for future water supply development.

Done at Port Charlotte, Florida this Third day of April 2024.

Attest:

Peace River Manasota
Regional Water Supply Authority

Mike Coates
Executive Director

Commissioner Elton Langford
Chairman

Approved as to Form:

Douglas Manson
General Counsel for Peace River Manasota
Regional Water Supply Authority

**Peace River Manasota Regional Water Supply Authority
FY 2025 Tentative Budget**

WATER RATE [Authority Customers]

10/01/2024 to 09/30/2025

Total Monthly Water Charge to Customers [Charge per Month]		Monthly Charge = Base Rate Charge + (Water Use Charge x Actual Water Delivered)
Base Rate Charge [Annual costs to be allocated]	Totals	
Other Rate Related Expenditures		
Fixed O & M Cost Component	14,772,491	
Contribution to R & R Reserve	4,500,000	
Transfer to CIP (PR ³)	-	
Contingencies	500,000	
Transfer to Utility Reserve Fund	260,000	
Transfer to Disaster Recovery Reserve	750,000	
Transfer to Administrative Fund	911,890	
Projected Interest Earned	(40,000)	
Transfer from Rate Stabilization Reserve	(500,000)	
Funds Brought Forward	(2,000,000)	
Sub-Total Other Rate Related Expenditures	\$ 19,154,379	
Water Purchase	0	
Total Other Rate Related Expenditures	\$ 19,154,379	
Debt Service Cost		
2014 Bonds	2,795,750	
2015 Bonds	2,528,000	
2020 Bonds	4,794,050	
Total Debt Service	\$ 10,117,800	
Debt Service Coverage Payments	\$ 1,517,670	
Debt Service Contributions		
	\$ -	
County Payments		
DeSoto Payment	796,000	
Total County Payments	\$ 796,000	
System-Wide CIP Contribution		
Transfer out to CIP	930,411	
Total Base Rate Charge	\$ 32,516,260	

**Peace River Manasota Regional Water Supply Authority
FY 2025 Tentative Budget**

Annual Base Rate Charge By Customer										
	Total	Other Rate Related Expenditures	2014B Bonds	2015 Bonds	2020 Bonds	Debt Service Coverage Payment	DeSoto Payment	System-Wide CIP Contribution	Pool Water Redistribution	
Charlotte County	12,250,493	8,887,190	734,164	600,653	907,611	336,364	369,326	431,689	(16,504)	
DeSoto County	729,257	372,600	22,925	181,510	33,444	35,682	15,484	18,099	49,513	
Manatee County	-	-	-	-	-	-	-	-	0	
Sarasota County	16,684,981	8,313,111	1,748,742	1,745,837	3,162,470	998,557	345,469	403,804	(33,009)	
City of North Port	2,851,529	1,581,478	289,919	-	690,524	147,067	65,722	76,819	0	
Total	\$ 32,516,260	\$ 19,154,379	\$ 2,795,750	\$ 2,528,000	\$ 4,794,050	\$ 1,517,670	\$ 796,000	\$ 930,411	\$ (0)	

Monthly Base Rate Charge By Customer	
Charlotte County	1,020,874
DeSoto County	60,771
Manatee County	-
Sarasota County	1,390,415
City of North Port	237,627
Total	\$ 2,709,688

Water Use Charge	
[Charge per 1,000 gallons]	Total
Water Use Rate Charge	\$1.13

Master Water Supply Contract Water Allocation	
Million Gallons Per Day [MGD]	Annual Average Daily [MGD]
Charlotte County	16.100
DeSoto County	0.675
Manatee County	0.000
Sarasota County	15.060
City of North Port	2.865
Total	34.700

**Peace River Manasota Regional Water Supply Authority
FY 2025 Tentative Budget**

MEMBER FEE

10/01/2024 to 09/30/2025

Contribution Amount to be Derived				
		Totals		
Administrative Office Authority Support	\$	607,926		
Projected Interest Earned	\$	-		
Rental Income	\$	(101,238)		
Amount to be Derived	\$	506,688		
Population Basis				
		*Population 12/19/2023	% of Total Population	
Charlotte County		204,126	17.90%	
DeSoto County		32,566	2.86%	
Manatee County		439,566	38.54%	
Sarasota County		464,223	40.70%	
Total		1,140,481	100.00%	
Weighted Contribution				
		Base Contribution	Pro Rated Share	
Charlotte County	\$	63,336	\$ 45,344	\$ 108,680
DeSoto County	\$	63,336	\$ 7,234	\$ 70,570
Manatee County	\$	63,336	\$ 97,644	\$ 160,980
Sarasota County	\$	63,336	\$ 103,122	\$ 166,458
Total Weighted Contribution				\$ 506,688

Member Contribution Formula:

Base Contribution = 1/2 amount to be derived divided by 4

Pro rated share = 1/2 amount to be derived times % of Population

* Source: 'Florida Estimates of Population 2023' [Bureau of Economic and Business Research; University of Florida, December 19, 2023]

**Peace River Manasota Regional Water Supply Authority
FY 2025 Tentative Budget**

PLANNING ASSESSMENT
10/01/2024 to 09/30/2025

Planning Assessments				
[Annual costs to be allocated]				
	Total	Planning Assessment Allocation (1)		
		MWSC Modifications	Polk Regional Water Cooperative Coordinating Committee	Regional Water Supply Feasibility Planning
Charlotte County	85,017	8,949	4,475	71,593
DeSoto County	13,563	1,428	714	11,422
Manatee County	183,075	19,271	9,636	154,169
Sarasota County	157,297	16,558	8,279	132,460
City of North Port	36,048	3,795	1,897	30,356
Total	\$ 475,000	\$ 50,000	\$ 25,000	\$ 400,000

- (1) Planning Assessment invoiced on October 1, 2019.
(2) Planning Assessment Allocation Pro-Rata Population.

Population		
	*Population 12/19/2023	Population [Percentage]
Charlotte County	204,126	17.90%
DeSoto County	32,566	2.86%
Manatee County	439,566	38.54%
Sarasota County	377,671	33.12%
City of North Port	86,552	7.59%
Total	1,140,481	100.00%

* Source: 'Florida Estimates of Population 2023' [Bureau of Economic and Business Research; University of Florida, December 19, 2023]

**Peace River Manasota Regional Water Supply Authority
FY 2025 Tentative Budget**

INTERCONNECT WATER CHARGE [GOVERNMENT RATE]

10/01/2024 to 09/30/2025

Water Charge to Municipalities Interconnected to Regional Transmission System		
[Charge per 1,000 Gallons]		
Water Rate		
[Charge per 1,000 Gallons]		
	\$3.30	Water Rate Charge in \$/1,000 gallons metered water delivery for cumulative delivery to all interconnects up to quantity identified as 'Available from Pool' in the Redistribution Pool for the current fiscal year.
	\$6.60	Water Rate Charge in \$/1,000 gallons metered water delivery for cumulative delivery to all interconnects in excess of the quantity identified as 'Available from Pool' in the Redistribution Pool for the current fiscal year.

Revenue received from these water sales will, at the discretion of the Authority Board, be applied as a credit toward the obligations of the Authority Customers apportioned to each of their allocations to the 'Available from Pool' in the Redistribution Pool for the current fiscal year. Water rate for emergency use unless Interlocal Agreement provides alternative water rate.