

Toho Water Authority

Capital Improvement Plan (CIP) Submittal

FY2023-2027

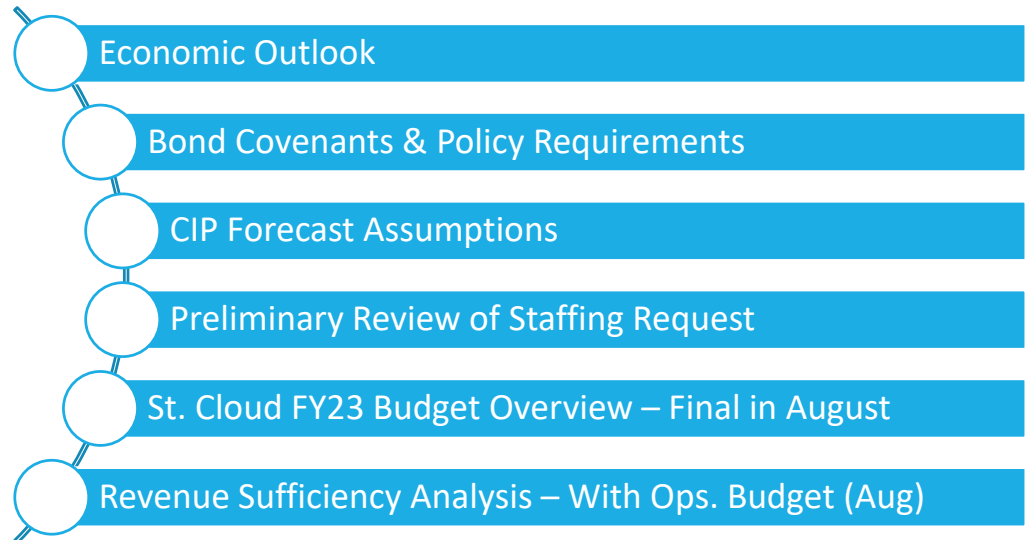


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AGENDA

Toho is responsible for the efficient expenditure of monies received from ratepayers. The Capital Improvement Plan is designed to assist in that function and is developed each year to project what the organization's capital needs will be and how such expenditures will be funded over the next five (5) years.

The Capital Improvement Plan is a listing of capital improvements, together with cost estimates and the proposed method of funding. It doesn't commit Toho to certain expenditures over the next five (5) years.



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Board Action Items

- ☐ Advise and discuss modifications / revisions to the CIP Submittal
 - ☐ Assumptions
 - ☐ Major Projects Priorities
- ☐ Review of Preliminary FY2023 New Personnel Forecast
- ☐ St. Cloud Transition
 - ☐ FY23 Capital Budget
 - ☐ Vacation Accrual Program

Capital Improvement Plan Update

ECONOMIC OUTLOOK



...State & Regional

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth
- Florida's population growth is expected to annually average 1.4% from 2021 through 2026.
- Osceola County is projected to grow by an annual average amount of 2.9% between 2021 & 2026.

	Census 2010	Estimates 2021	Projections		
			2025	2030	2035
Florida	18,801,332	21,898,945	23,164,000	24,471,100	25,520,800
Osceola County	268,685	406,460	463,500	525,500	575,000

Ranking by Population % Change				
		Population		
Rank by County	% Change	2021	2010	
	FLORIDA	16.5%	21,898,945	18,801,332
1	Osceola	51.3%	406,460	268,685
2	St. Johns	50.2%	285,533	190,039
3	Sumter	44.1%	134,593	93,420
4	Walton	41.6%	77,941	55,043
5	Lake	34.7%	400,142	297,047
6	Manatee	27.4%	411,209	322,833
7	Orange	27.2%	1,457,940	1,145,956
8	Nassau	26.9%	93,012	73,314
9	Santa Rosa	26.8%	191,911	151,372
10	Lee	26.5%	782,579	618,754

Ranking by Population # Change				
		Population		
Rank by County	Change	2021	2010	
	FLORIDA	3,097,613	21,898,945	18,801,332
1	Orange	311,984	1,457,940	1,145,956
2	Hillsborough	261,148	1,490,374	1,229,226
3	Miami-Dade	235,482	2,731,939	2,496,457
4	Broward	207,309	1,955,375	1,748,066
5	Palm Beach	182,361	1,502,495	1,320,134
6	Lee	163,825	782,579	618,754
7	Duval	152,546	1,016,809	864,263
8	Polk	146,270	748,365	602,095
9	Osceola	137,775	406,460	268,685
10	Pasco	111,194	575,891	464,697



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Source: Bureau of Economic and Business Research (BEBR)
Florida Population Studies | Volume 54, Bulletin 187, January 2021

Economic Overview

POSITIVE TRENDS

- The State and Regional economy continues to thrive due to declining unemployment rates, strong job growth, and the return of international visitors
- OIA sees increase in international travel numbers for the first time since pandemic began
- Unemployment rate:
 - Florida stands at 3.2% below the national rate
 - Locally, Osceola County is at 3.3%

CHALLENGES

- The National economy remains disrupted due to Covid-19 and supply chain bottlenecks
- Inflationary Risks
- Drastic increases in gas prices
- Uncertain economic response to Fed. Policy actions

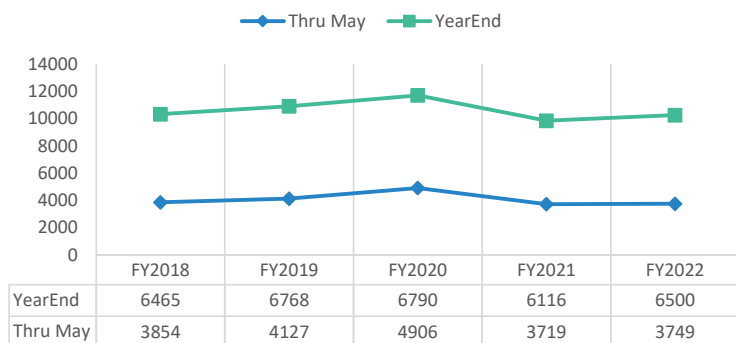


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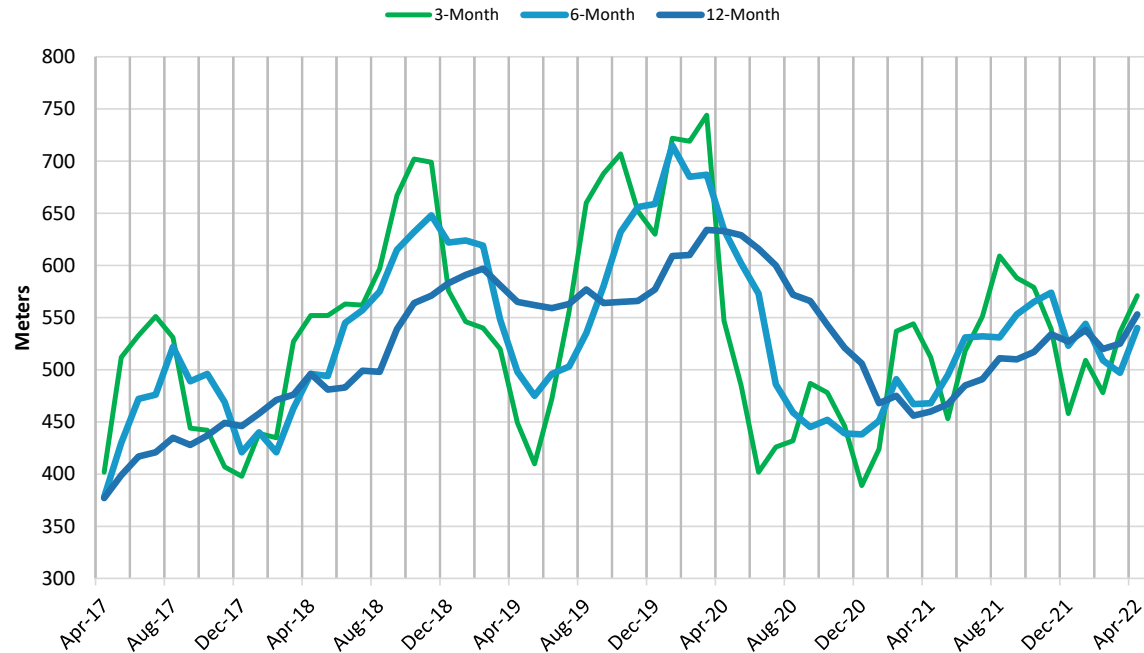
Meter Growth Trends

YEAR OVER YEAR METER SET TRENDS



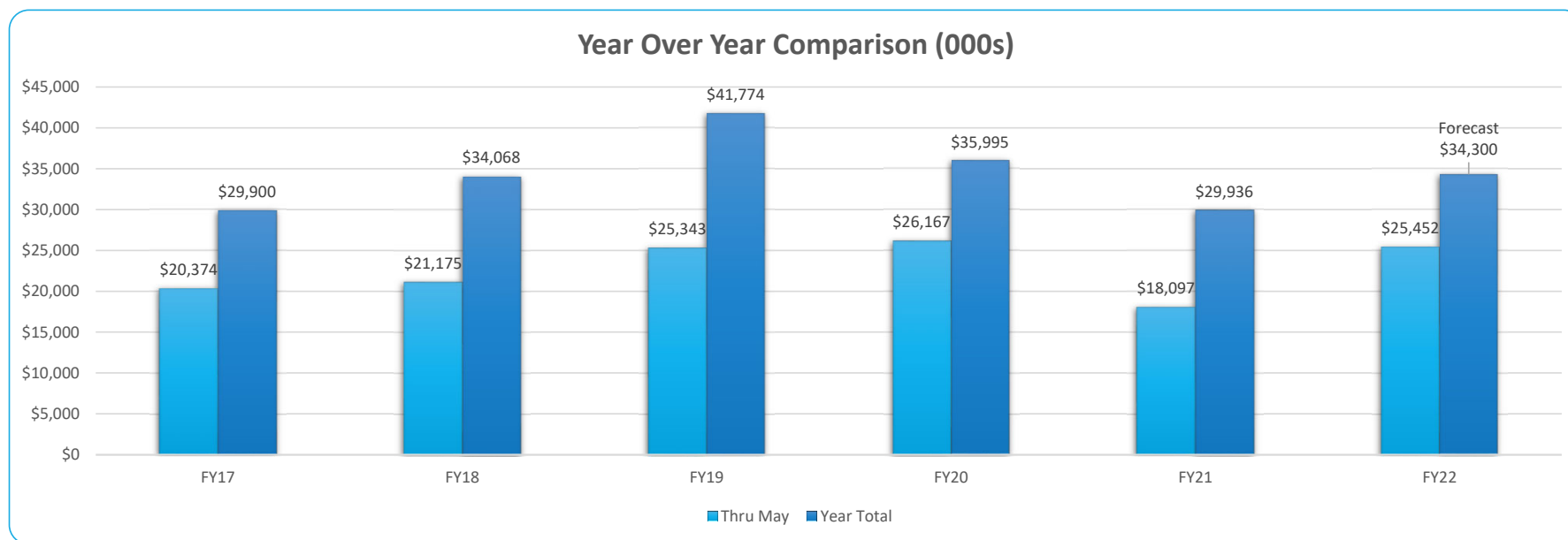
FY22 Year End forecast based on prior 4Y average

3-, 6-, & 12-Month Rolling Average Meter Set Comparison



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System Development Charges Revenue Trends



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Capital Improvement Plan Update

BUDGET ASSUMPTIONS

Key Revenue Growth Assumptions

- The five year growth projection is expected to average 3.1%
- Water conservation programs will continue to depress the average per capita water consumption
- Higher growth rate for reclaimed water customers (8.1%)
- Rate sufficiency analysis to validate assumption

Key Revenue Assumptions					
	2023	2024	2025	2026	2027
Billed Services Growth:					
Water, Wastewater & Irrigation	3.1%	3.1%	3.1%	3.1%	3.1%
Reclaimed Water	8.1%	8.1%	8.1%	8.1%	8.1%
Rate Adjustment *	4.0%	4.0%	4.0%	4.0%	4.0%
Overall Operating Revenue Growth	7.5%	7.3%	7.3%	7.4%	7.4%

Future rate adjustments subject to change based on information from master plan updates, rate consultant study, etc.



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Key Operating Cost Escalation Factors

- Overall five year average rate of expenses is 6.1%
- Pace remains consistent at growth plus inflation

Key Operating Cost Escalation Factors					
	2023	2024	2025	2026	2027
Salary and Wages	6.0%	5.0%	5.0%	5.0%	5.0%
Health Insurance	10.0%	10.0%	10.0%	10.0%	10.0%
Repair & Maintenance	6.0%	6.0%	6.0%	6.0%	6.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%
Petroleum Supplies	5.0%	5.0%	5.0%	5.0%	5.0%
Chemical	5.0%	5.0%	5.0%	5.0%	5.0%
Overall Operating Expense Growth	6.8%	6.0%	5.9%	5.9%	5.9%

**FY2023 0.5% additional salary adjustment added to accommodate the compensation survey results*



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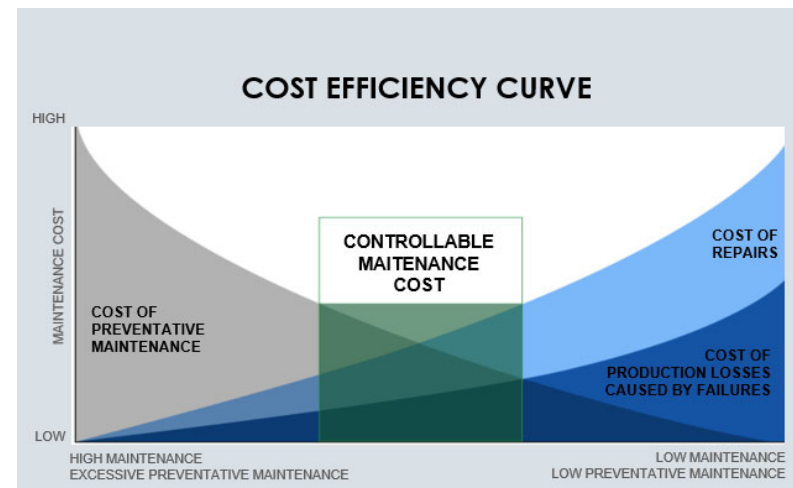
Operating Margin Relationships

Expense Item	If Cost	Operating Margin	Capital Labor & Material Cost May	Service Level Could	Cost in Future Years Could
Maintenance & Repairs Items	Decrease	Increases	Increase	Decrease	Increase
Maintenance & Repairs Items	Increase	Decreases	Decrease	Increase	Decrease

- Maintenance & Repair Inverse Operating Margin Relationship
 - Cost go down – Margin goes up
 - Cost go down – Capital goes up
 - Cost go down – Service Level Could Decrease
- Future year's cost could increase
 - “Pay me now or Pay me Later”
 - Overall net dollar increase



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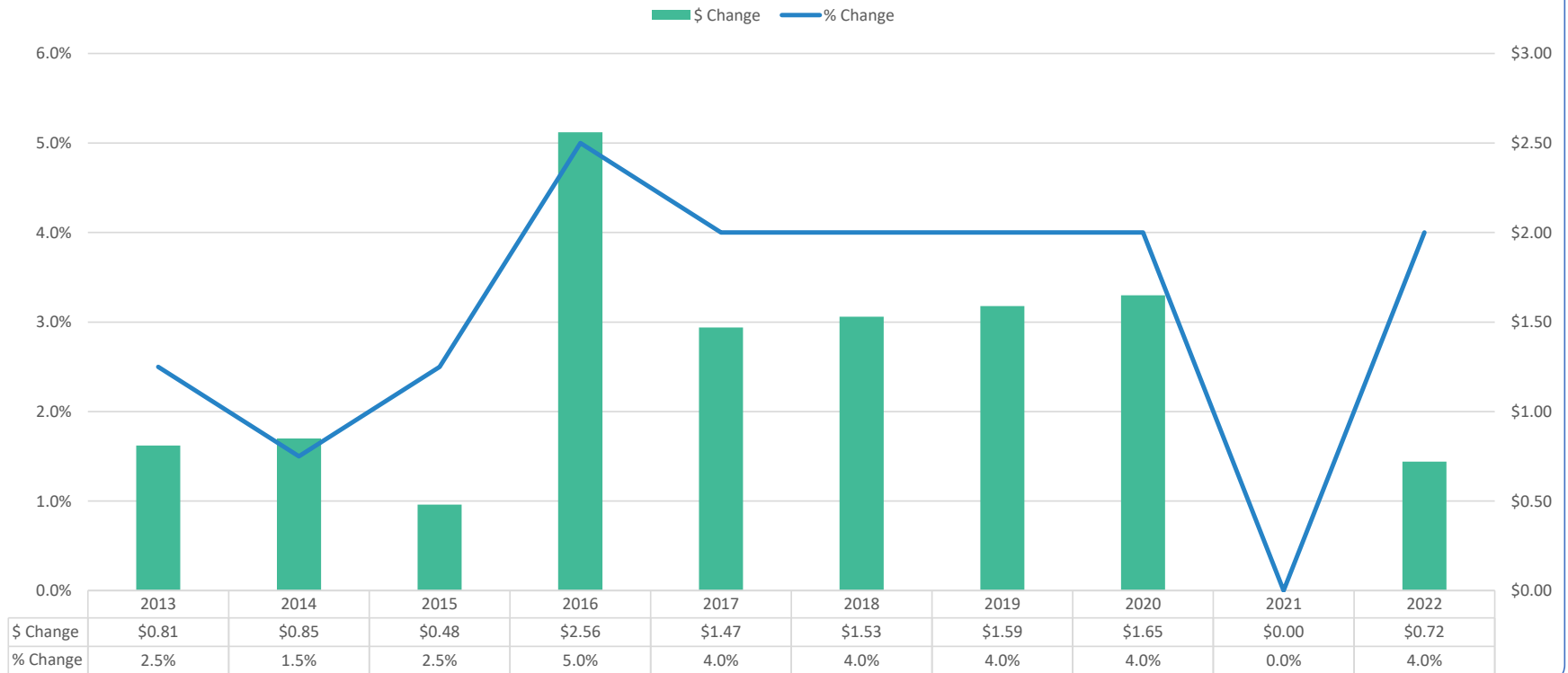


Capital Improvement Plan Update

PROPOSED RATE ADJUSTMENTS



Historical Water & Wastewater Residential Rate % Adjustments



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*Prior to 2013, Toho systems were allocated a certain percentage. Subsequently, rate adjustments were equalized.

FY22 reflects removal of the \$1/mo cross connection control fee.
Added as \$3/mo fee to all irrigation and reuse accounts

Summary of Bill Changes “Typical” Residential Customer

Example Combined Bills for Residential Customers						
	<i>Current</i>	2023	2024	2025	2026	2027
Water and Wastewater @ 4k gallons	\$44.60	\$46.38	\$48.21	\$50.14	\$52.14	54.22
Change		\$1.78	\$1.83	\$1.93	\$2.00	\$2.08
Water and Wastewater @ 4k gallons, Reclaimed Water @ 5k gallons	\$62.27	\$65.93	\$69.72	\$72.39	\$75.19	\$78.02
Change		\$3.66	\$3.79	\$2.67	\$2.80	\$2.83
Water and Wastewater @ 4k gallons, Potable Irrigation @ 5k gallons	\$72.04	\$74.82	\$77.66	\$80.66	\$83.74	\$86.96
Change		\$2.78	\$2.84	\$3.00	\$3.08	\$3.22

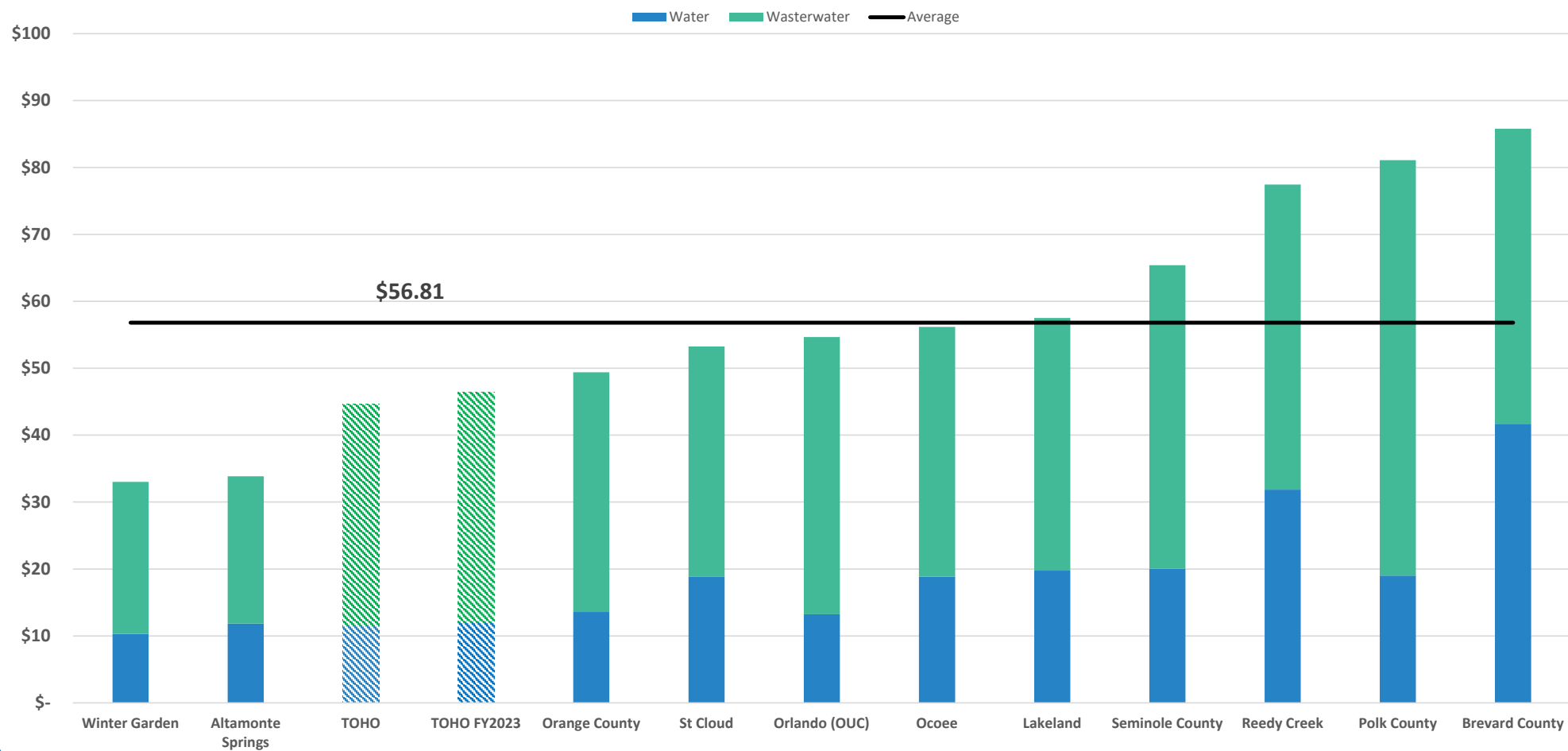


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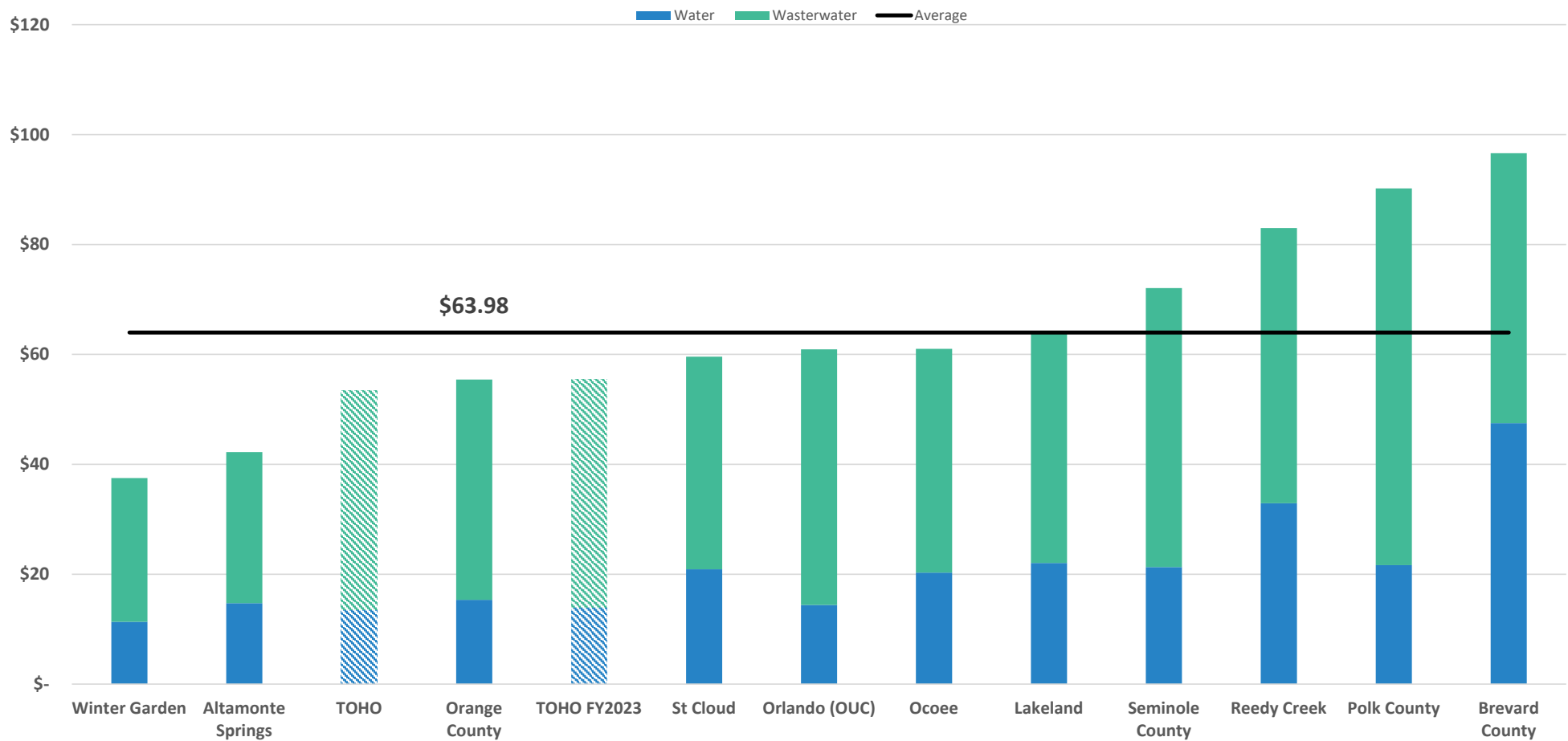
Rate adjustment assumption: 4% Adjustments FY2023 through FY2027

Irrigation and reclaimed water totals include \$3/mo cross connection control fee

FY2022 Combined Bill Comparison: Residential 3/4" Meter & Monthly Usage of 4 kgal



FY2022 Combined Bill Comparison: Residential 3/4" Meter & Monthly Usage of 5 kgal



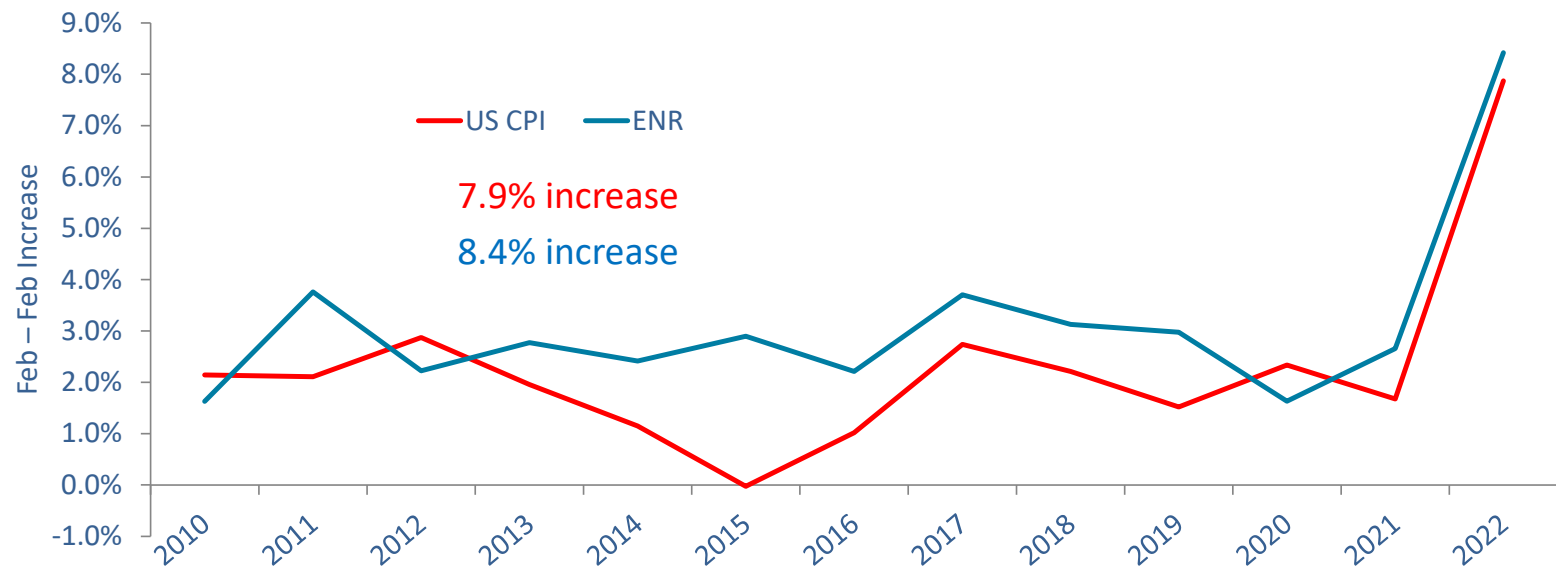
Underlying Assumptions

1. A rate adjustment of 4% was approved by the Board for FY23 and FY24
2. Subsequently, FY25 through FY27 are shown as flat at 4%, however, potentially higher increases may be necessary if inflation is sustained and pace of development continues or increases
3. Annual adjustments are necessary to offset inflation and provide revenue sufficient to cover:
 - a) Operating and Capital expenditures
 - b) Satisfy debt obligations
 - c) Fund required transfers
 - d) Meet financial policy thresholds



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Current Inflation Trends



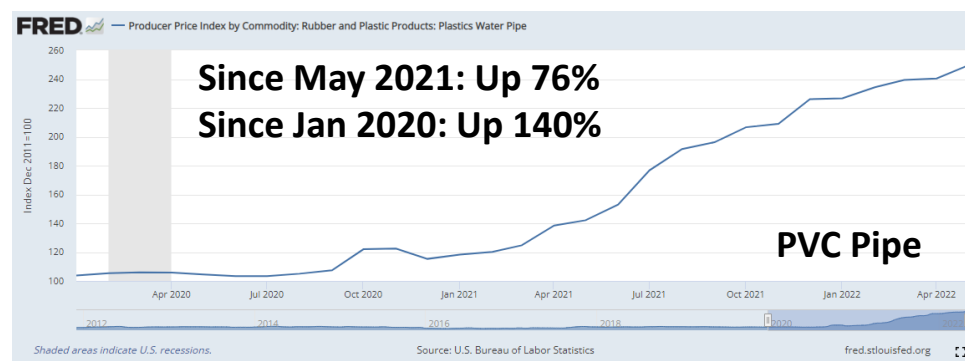
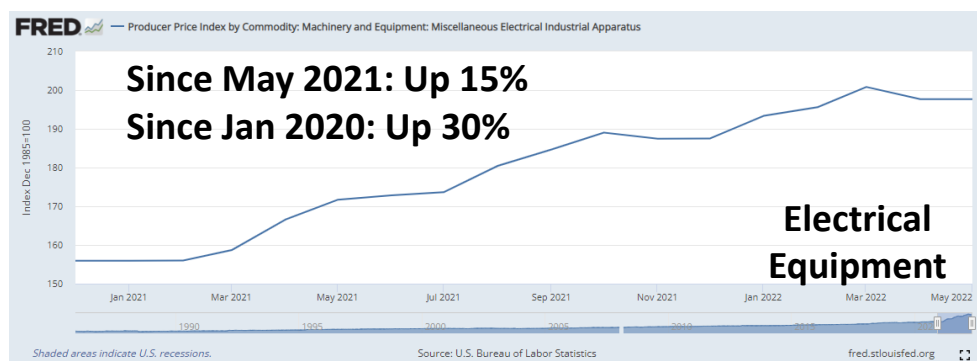
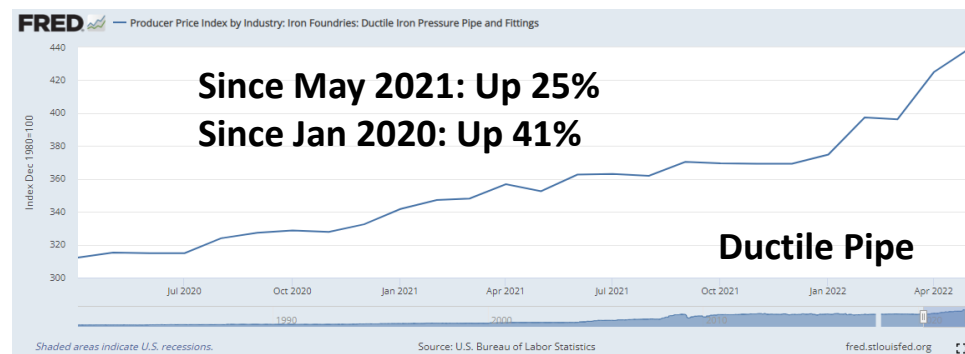
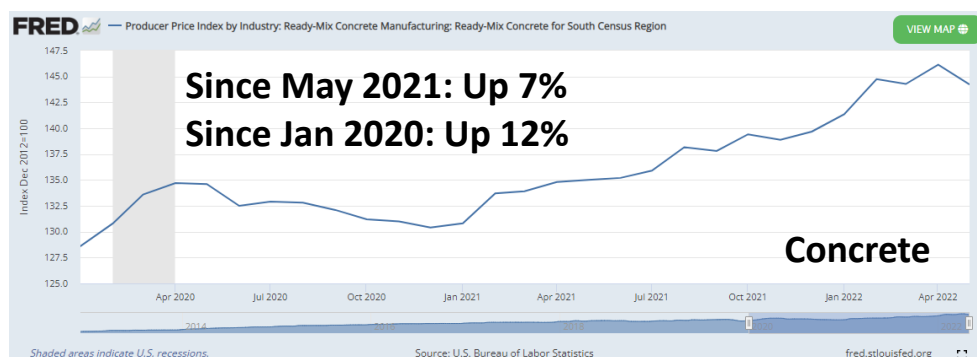
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Data provided by Stantec Consultants

US CPI Source: United States Bureau of Labor Statistics, U.S. Consumer Price Index

ENR Source: Engineering News Record, Construction Cost Index

Water / Wastewater Construction Materials Trends



FY2023 Florida Rate Increases (larger agencies)

- St. Pete - 5% in FY 23 – 7.5% outlook for FY 24 – 26
- OCU - 3%, Plus Commercial Rate Adder (additional 1% in revenue)
- Pinellas County 9.5% increase on sewer (5.5% overall w/s combined)
- Fort Lauderdale - 8.6% water, 7.0% sewer
- Hillsborough County = Was CPI; Now 4% per year through 2025



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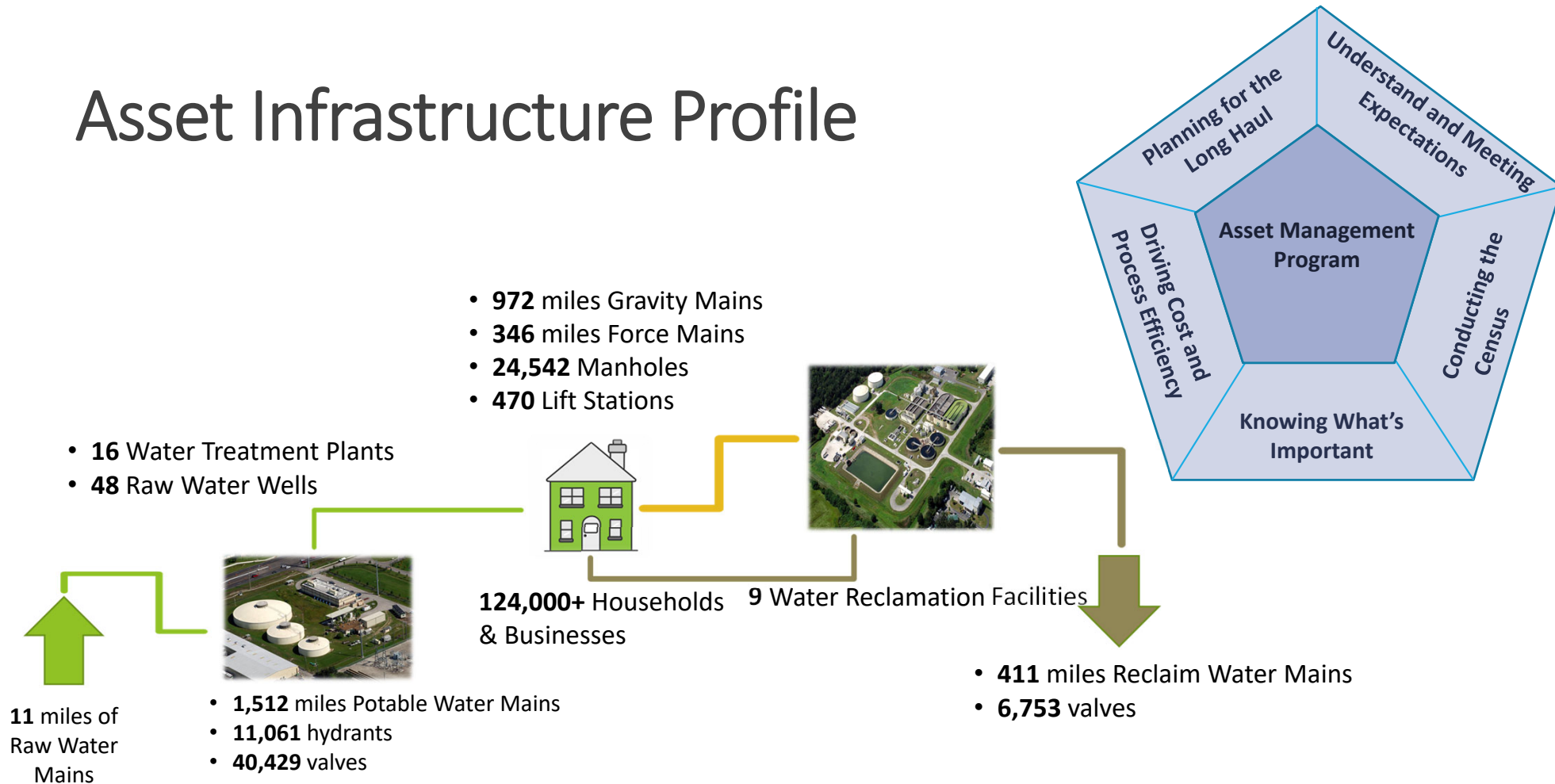
Data provided by Stantec Consultants

Capital Improvement Plan Update

PROPOSED CAPITAL IMPROVEMENT PLAN



Asset Infrastructure Profile



Key Drivers/Significant Implications

- ☐ Regulatory
 - ☐ Basin Management Action Plans driving AWT
- ☐ Growth
- ☐ County Road Program Expansion
- ☐ Inflationary Factors
 - ☐ General inflation
 - ☐ Supply chain impacts amid growth
 - ☐ Localized construction capacity
- ☐ Maintain quality of service



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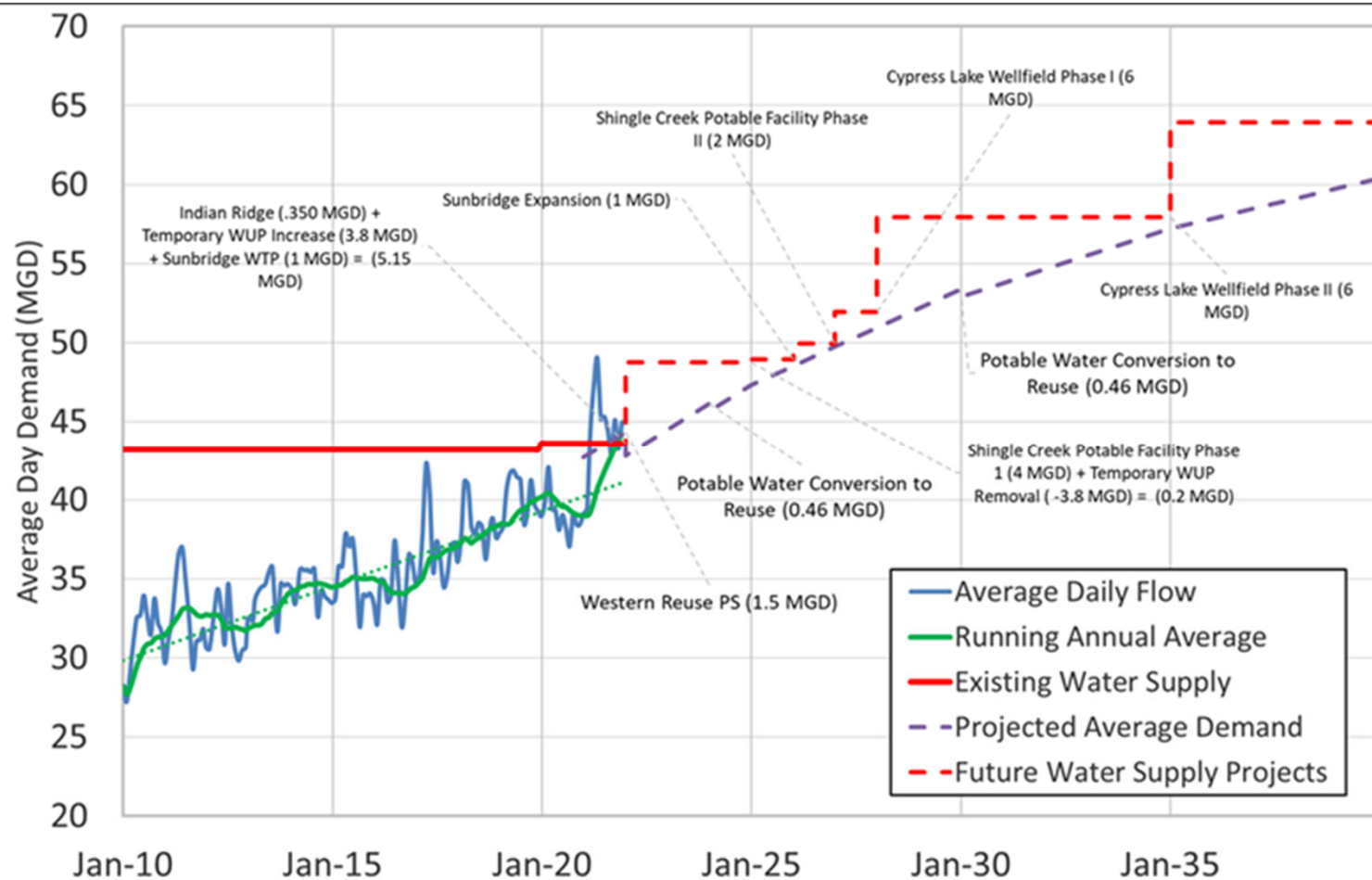
Increased Capital Needs/Activity

<u>Water Supply</u>	<u>Plant Reinvestment/Expansion</u>	<u>Road Projects</u>
<ul style="list-style-type: none">❖ Major Projects<ul style="list-style-type: none">❖ Shingle Creek / 160 acre WTF❖ Toho Reservoir Facilities❖ Sunbridge WTF Expansion / CL Conversion❖ Harmony WTF❖ Poinciana Blvd - Crescent Lakes❖ Cypress Lake	<ul style="list-style-type: none">❖ Significant WRF Expansions and Regulatory Upgrades<ul style="list-style-type: none">❖ South Bermuda❖ Sandhill❖ Sunbridge	<ul style="list-style-type: none">❖ 30" WM Extension – Simpson to Fortune❖ Marigold Ave/Cypress Pkwy Improvements❖ Simpson Rd Ph 2,3,4
Potential cost increases of \$200M +/- depending on level of project expansion and timing		



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Water Demand Projections Versus Water Supply Options

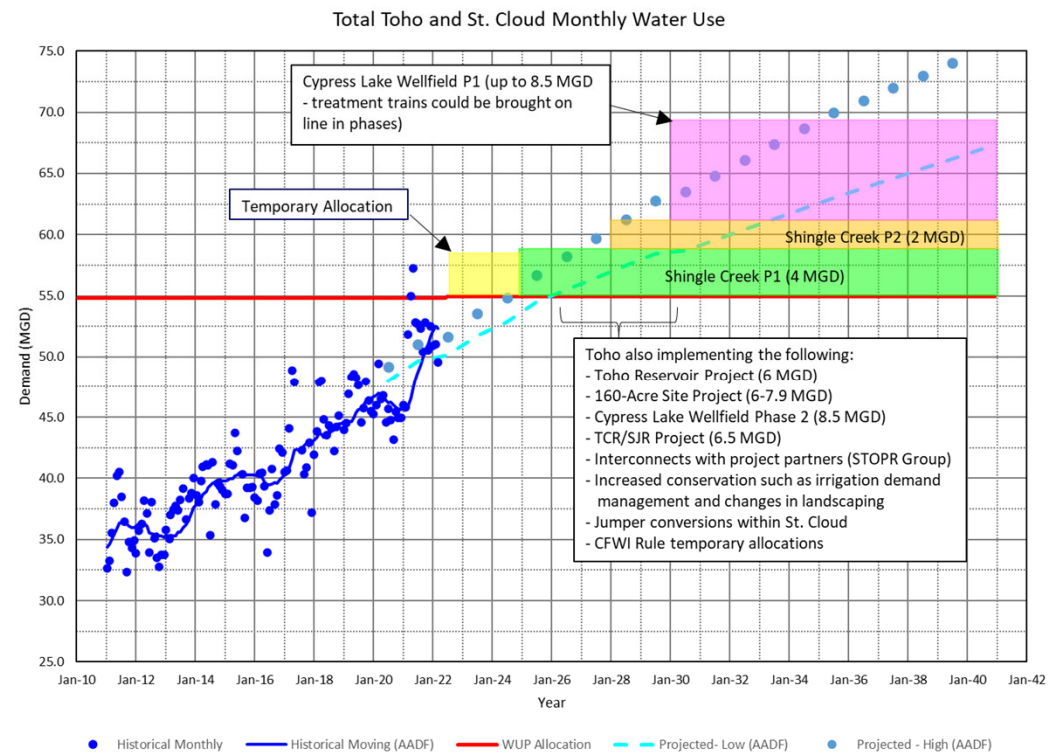


Toho & St. Cloud Water Supply Integration Plan

- Toho's integration with St Cloud benefits both utilities by improving combined average day flow flexibility while aiding in St Cloud's Maximum Day constraints



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Toho Capital Outlay and Fleet FY23-27

Characteristics

- Necessary operational items to maintain and improve service levels
- Annual recurring maintenance and replacement components
- Vehicles scheduled to be replaced or purchased within the fiscal year

Capital Outlay Items
\$63.8 Million

(includes replacement meters, service parts, machines, materials, and various equipment)

New and Replacement Fleet
Vehicles

\$14.8 Million

(replacement schedule criteria based on age, mileage, and costs of maintenance)



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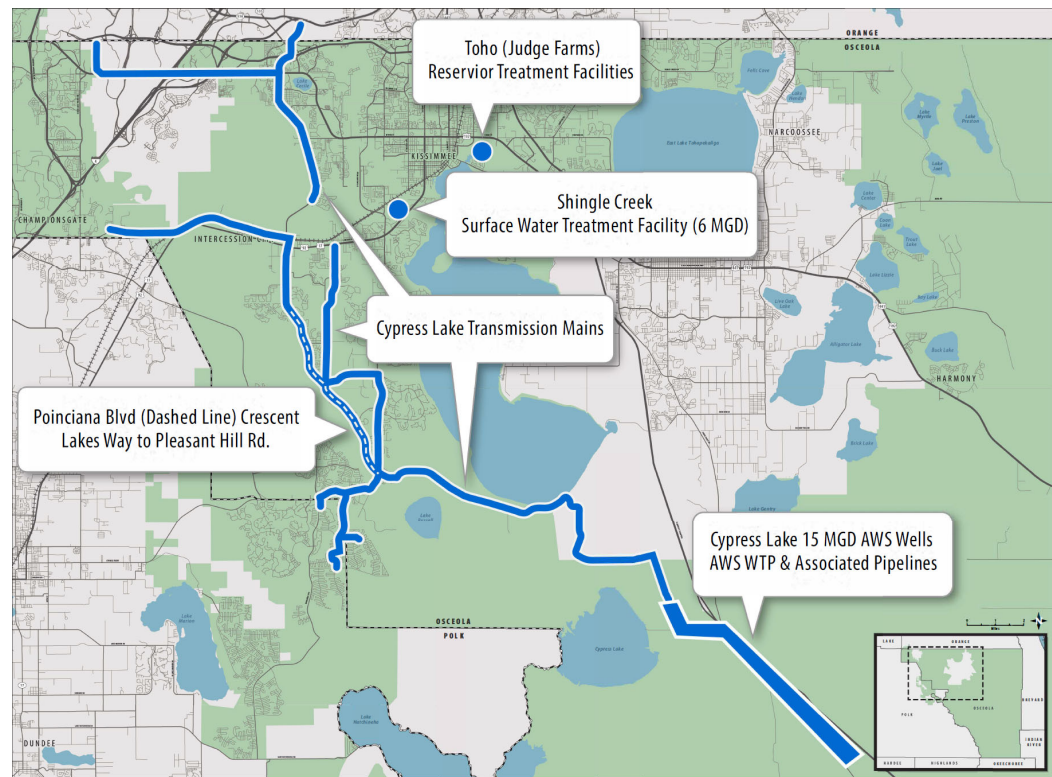
Water Supply Major Projects

The top 5 projects listed in this category represent an estimated \$260 million + out of a total potential water supply investment of \$360 million + over the remainder of this year and the upcoming 5-year planning horizon.

Potential phasing options and cost optimization reviews are underway to optimize these investments.



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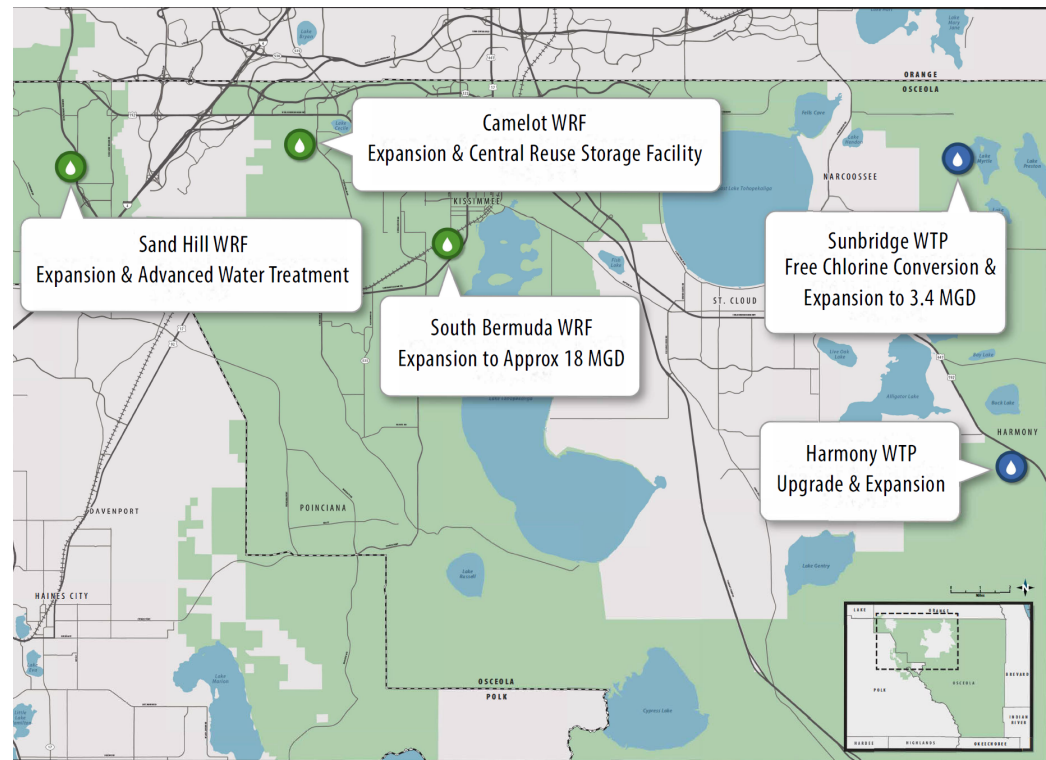
Plant Reinvestment Major Projects

Plant reinvestments are being driven by a combination of growth and strengthening regulations including the basin management action plans which require increased nutrient removal from wastewater treatment facilities. This category represent a potential investment of \$260 million +/- over the remainder of this year and the upcoming 5-year planning horizon.

Potential phasing options and cost optimization reviews are underway to optimize these investments.



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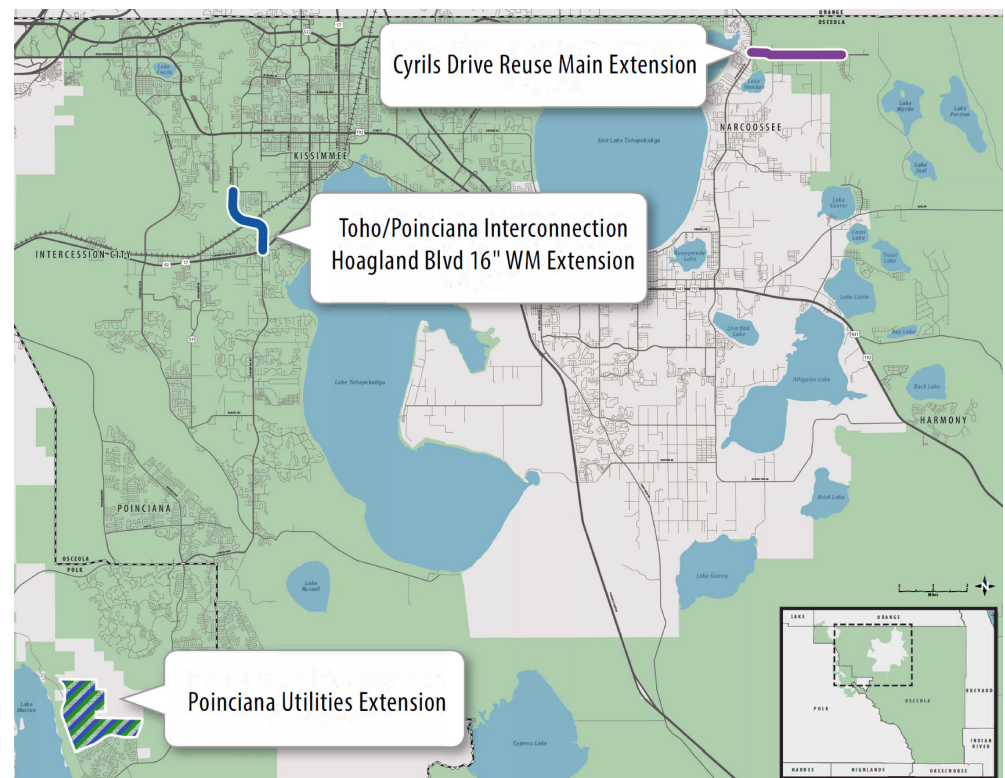
Line Improvements & Extensions

Major Projects

A total of \$60 + million is currently forecasted to be invested during the remainder of this year and the 5-year planning horizon in Line Improvements & Extensions projects.

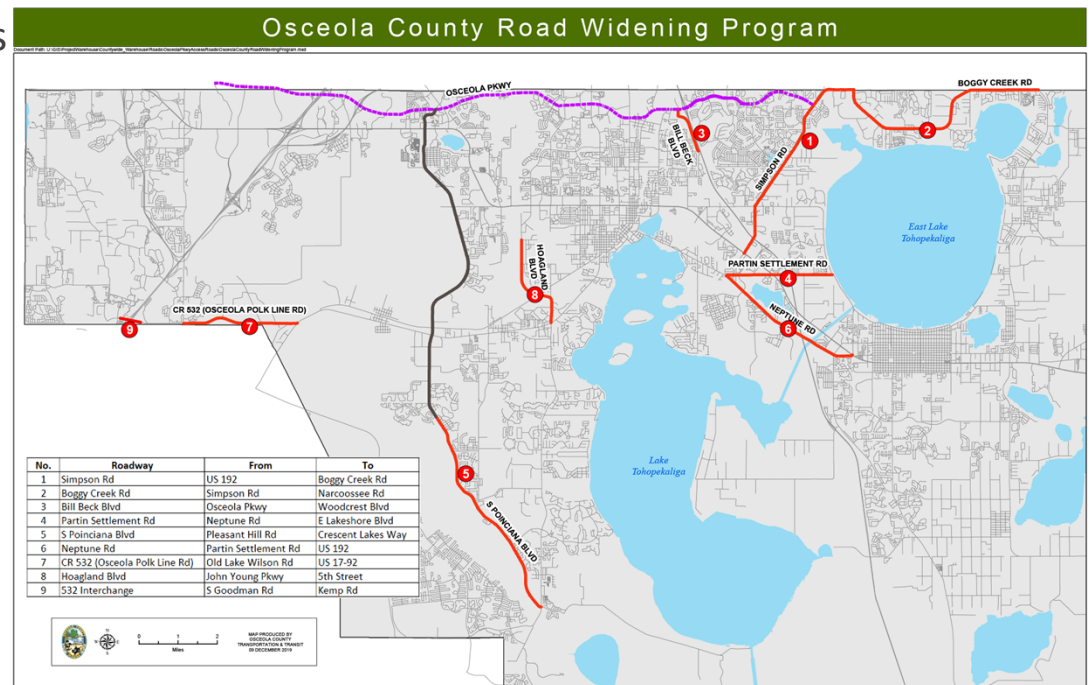


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Osceola County – “Improve Roads Now”

- Sold bonds for road capital investments for \$210 million dollars
 - Access to State & Federal grants of \$67 million
 - Collected \$35.6 million in mobility fees dedicated to road improvements
- County faces \$1.1 billion backlog of road infrastructure projects
- Priority is to relieve congestion, reduce accidents, and make it cost feasible



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Road Projects

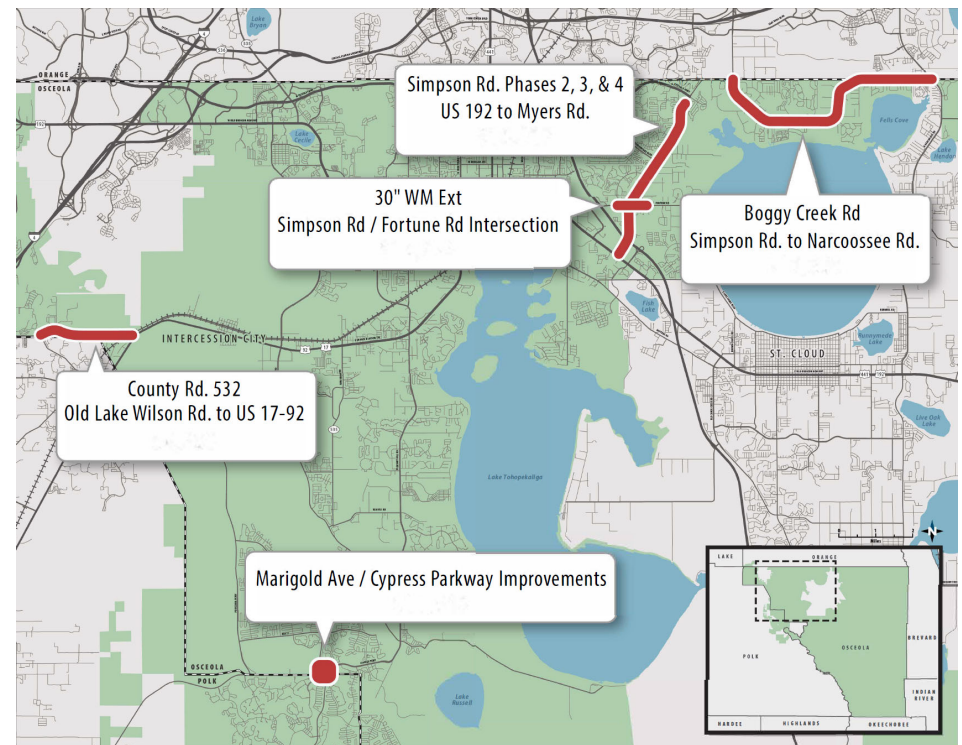
Major Projects

A total of \$75 + million is currently forecasted to be invested in Road projects for the remainder of this year and the upcoming 5-year planning horizon.

Capital road request has increase as state, county, & city projects have accelerated their plans and are forecast to be initiated within the Capital Improvement Plan window. However, construction logistics and supply chain disruptions threaten project schedules. Toho project managers are reviewing the latest project schedules for possible adjustments to this plan.



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Capital Improvement Plan Update

PROPOSED STAFFING ADDITIONS FOR FY2022



Staffing Levels and Forecast FY22 – FY23 (FTEs)

This is a preliminary review of the staffing level adjustments requested by department for the upcoming budget year.

Departments	2022	2023	Total
Operations	194.0	15.0	209.0
Assets & Infrastructure	54.0	7.0	61.0
Stakeholder Services	130.0	4.0	134.0
Business Services	22.0	2.0	24.0
Administration	2.0	0.0	2.0
Communications	3.0	0.0	3.0
Human Resources	15.0	4.0	19.0
Office of the General Counsel	3.0	2.0	5.0
Total	423.0	34.0	457.0



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Staffing Positions Under Review for FY2023 (FTEs)

- Total of 34.0 additional FTEs for FY2023
- Certain Engineering and Operations positions will be capitalized based on specific funded capital projects
- Various positions are intended to offset cost of existing contracts and professional services

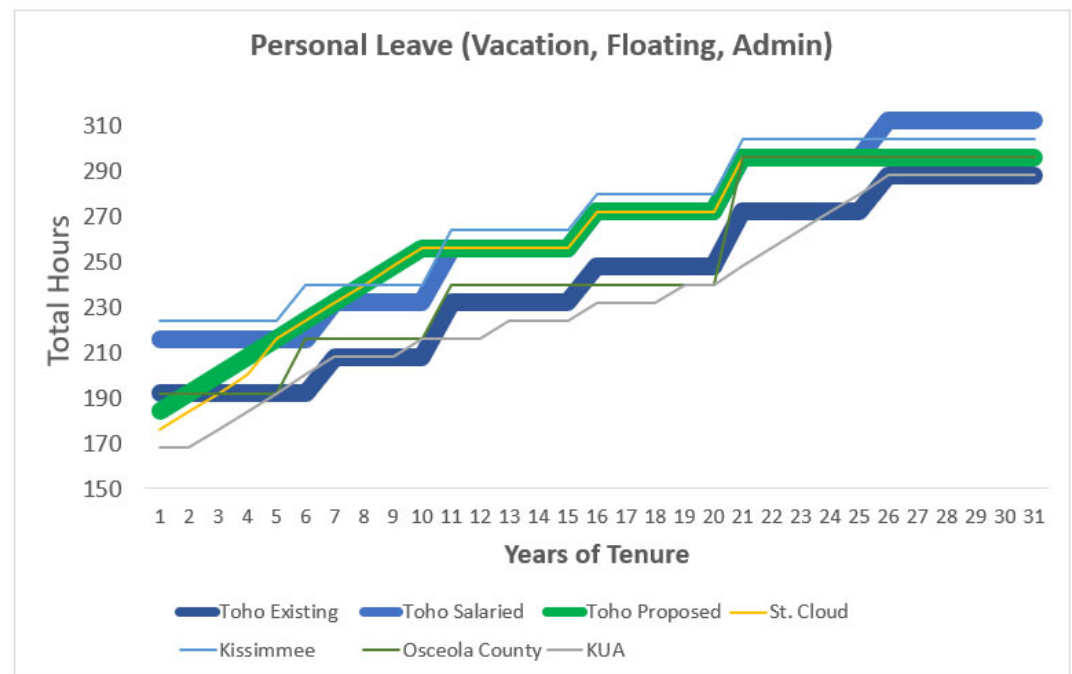
Department Division	Position Title	FTE
Business Services	Accounting Technician I	1.0
Business Services	Senior Procurement Analyst	1.0
Engineering Services	Building Inspector	1.0
Engineering Services	Construction Inspector I	3.0
Engineering Services	Construction Inspector II	1.0
Engineering Services	Permit Coordinator	2.0
Environmental Services Laboratory	Senior Chemist	1.0
Human Resources	Human Resources Specialist	1.0
Human Resources	Intern (6 - Part time)	3.0
Information Technology	GIS Technician III	1.0
Information Technology	IT Support Specialist II	1.0
Information Technology	Sr. Software Developer (System Admin)	1.0
Office of the General Counsel	Paralegal	1.0
Office of the General Counsel	Staff Attorney	1.0
Operations Field Services	Utility Worker - Hydrant Repair	1.0
Operations Field Services	Utility Worker	4.0
Operations Field Services	Utility Worker - CCTV	4.0
Operations Field Services	Utility Worker- Sewer Cleaning	2.0
Operations Maintenance	Facility Maintenance Technician II	1.0
Operations Maintenance	Systems Mechanics Lift Stations	2.0
Operations WRF	ActiFlo Drinking Water/Wastewater Operator-B	1.0



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Vacation Program Shift

- Adjustments to various personal leave policies
 - Adopt St. Cloud accrual rates (slight differences Year 1 to 3)
 - Add Juneteenth holiday
 - Reduce floating holidays from 3 to 1
 - Eliminate separate salaried admin. Leave
 - St. Cloud hourly staff – neutral
 - Toho hourly staff – benefit 8 to 32 hours
 - Targeted adjustments to address negative impacts
 - Toho salaried staff 0-2 & 25+ years
 - St. Cloud salaried staff
 - Increase vacation cash out requirement to 120 hours



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Capital Improvement Plan Update

FY23 BUDGET – ST. CLOUD TRANSITION

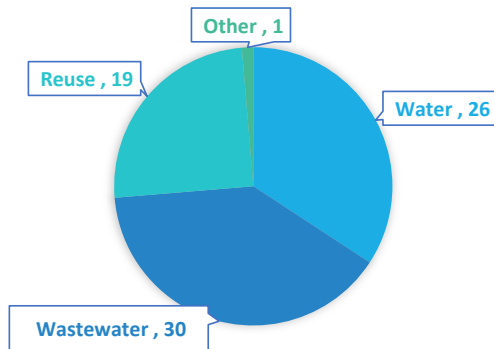


St. Cloud FY23 Capital Budget Overview

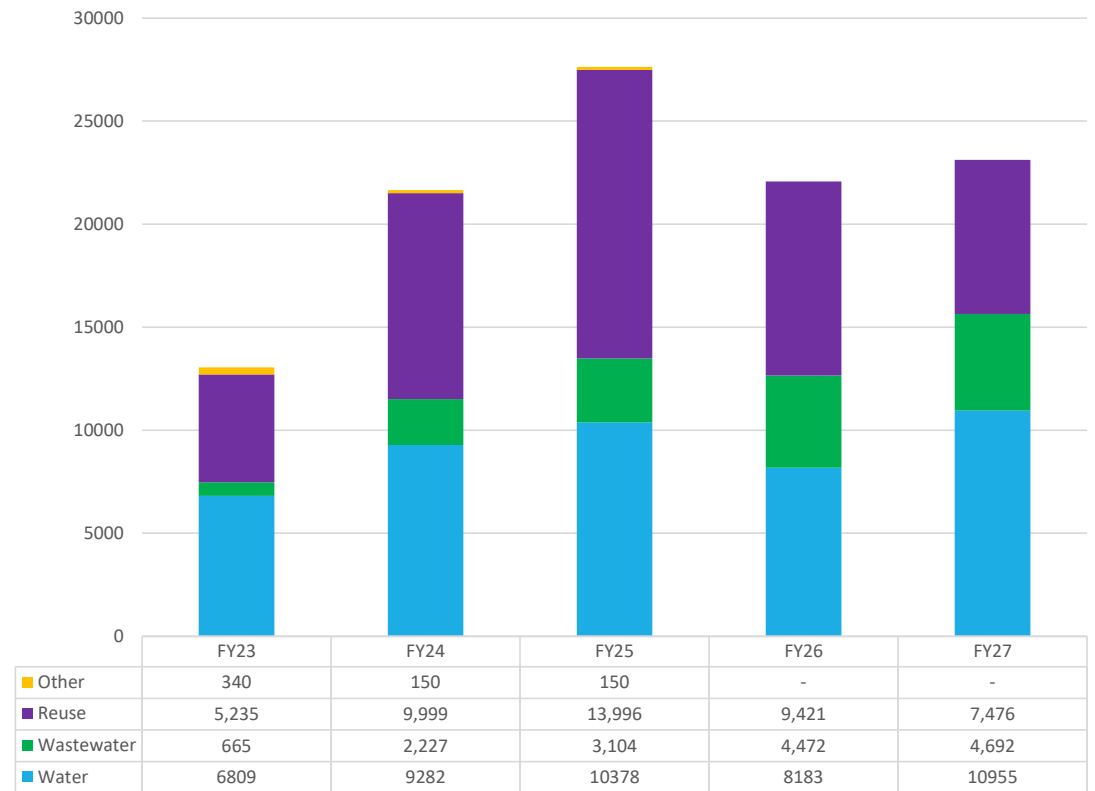
Characteristics

- Have significant cost or value
- Along with infrastructure, improvements, and expansions/extensions, plan includes equipment installations and replacements, and repairs
- Constitute a considerable amount of the overall total five-year CIP

FY23-27 # OF PROJECTS



St. Cloud Proposed FY23-27 Capital Budget (000s)



Next Steps

Strategic Plan

- Board Approved
- COMPLETE

Capital Improvement Plan

Workshop #1

- Preliminary Overview

Capital Improvement Plan Workshop #2

- August 10 Board Meeting
- Financial Planning

Operating Budget Workshop

- August 17
- Consolidate St. Cloud FY23 Budget

Adopt Budget and Rate Resolutions

- September 2022

Questions



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Toho Water Authority

Capital Improvement Plan (CIP) Submittal

**FY2023-2027
Financial Planning**

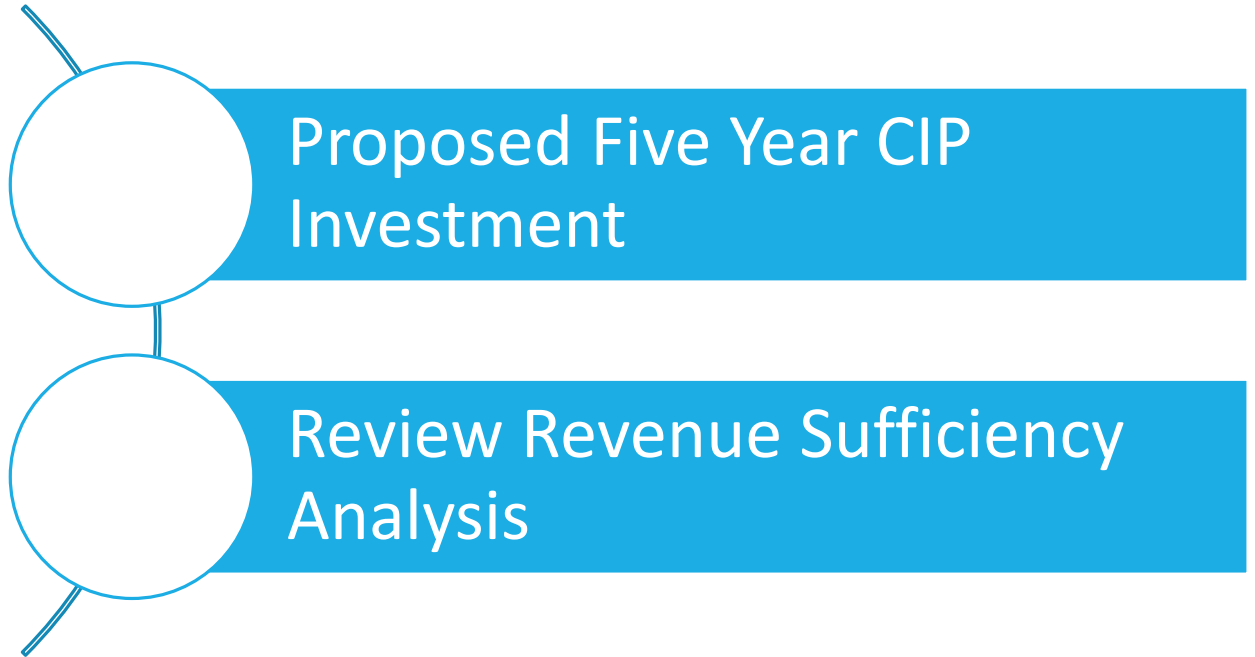


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Board Action Items

- ☐ Advise and discuss modifications
 - ☐ Revisions to the CIP Submittals
 - ☐ Assumptions
 - ☐ Major Projects Priorities
- ☐ Revenue Sufficiency Analysis

Capital Improvement Plan Update

PROPOSED FIVE YEAR CIP INVESTMENT

Total Capital Investment Program Overview

- Total five-year capital expenditures forecast - \$785.3million (FY23-FY27);
 - Operating Fund
 - System Development Fund
 - WIFIA Loan
 - Bond reserves & proceeds

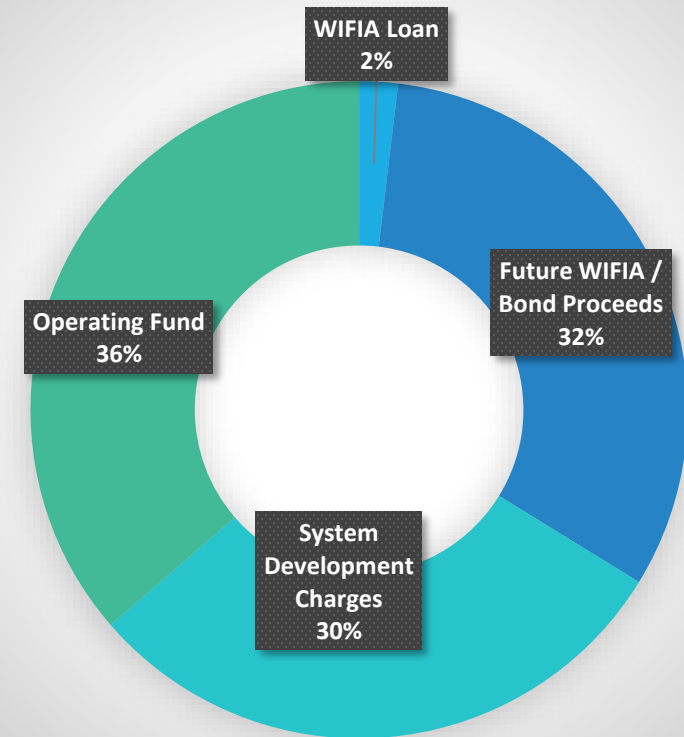
Sources of Funding (in 000's)						
Fund Source	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Operating (New & R&R)	\$69,894	\$62,968	\$44,032	\$48,873	\$59,761	\$285,528
System Development	62,336	83,464	31,907	28,456	28,326	234,489
Existing WIFIA Loan	6,576	8,361	0	0	0	14,937
Future WIFIA/Bond Proceeds	45	56,628	126,730	65,099	1,832	250,334
Total	\$138,851	\$211,422	\$202,669	\$142,427	\$89,919	\$785,288

Based on a capital execution rate starting at 80% in FY 23 increasing to 100% by FY 27



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Sources of Funds



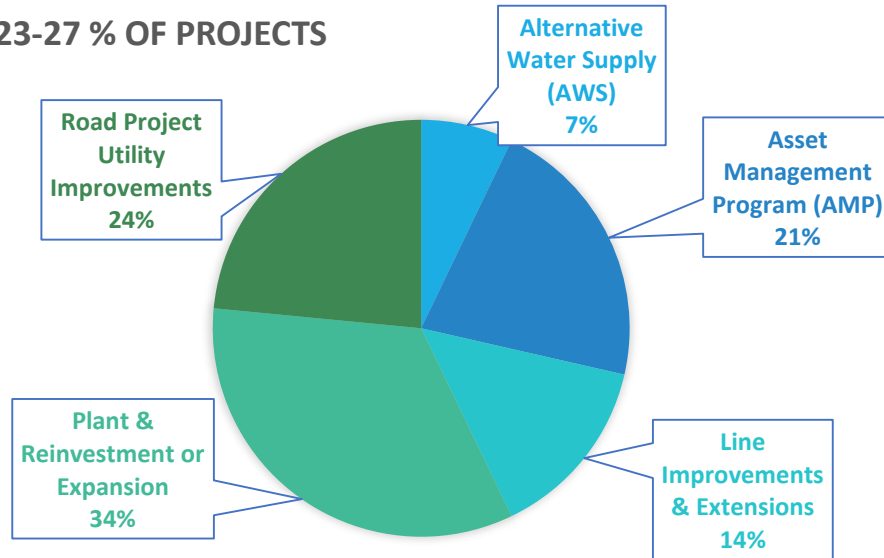
Toho Major Projects

Major Capital Planned Investments

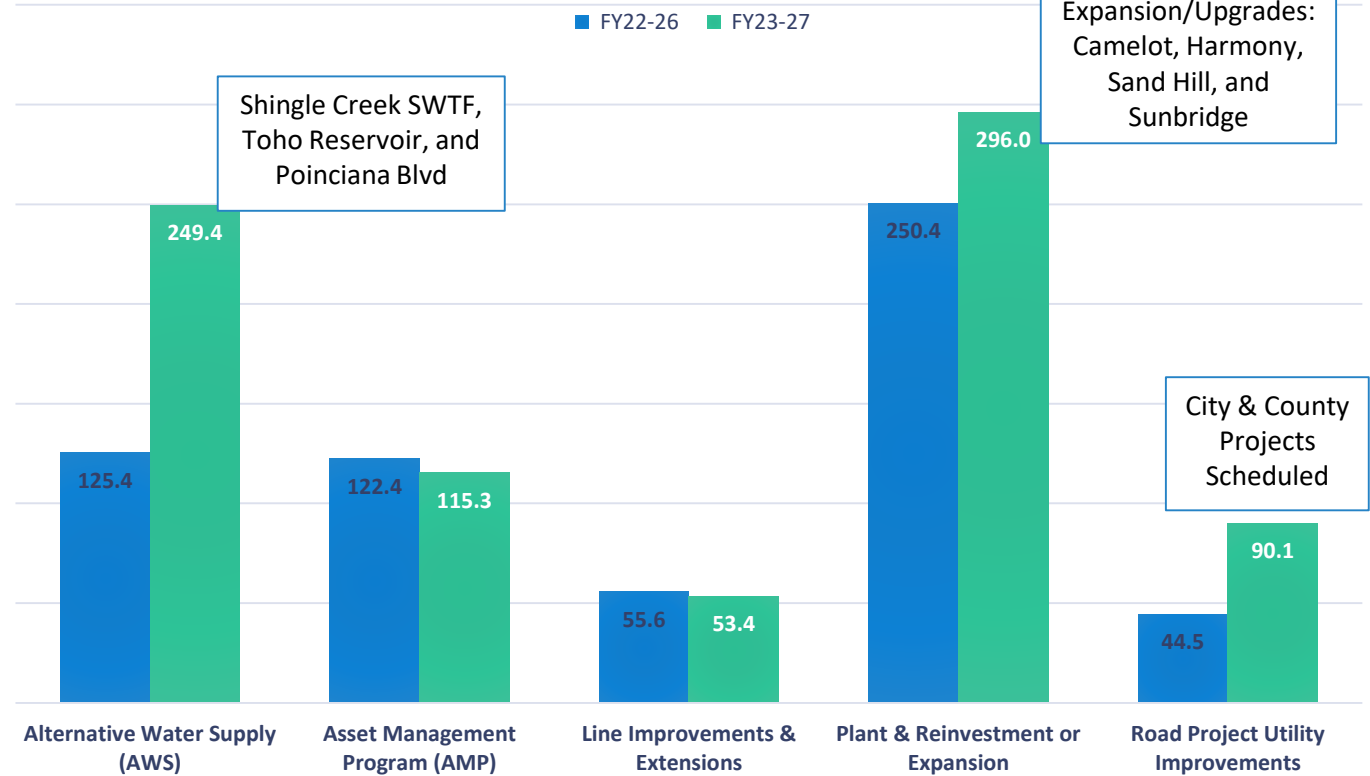
Characteristics

- Total of \$804.3M in project costs; 104 total number of projects
- Constitute a considerable amount of the overall total five-year CIP

FY23-27 % OF PROJECTS



Comparison: Prior Year vs. Proposed (000s)



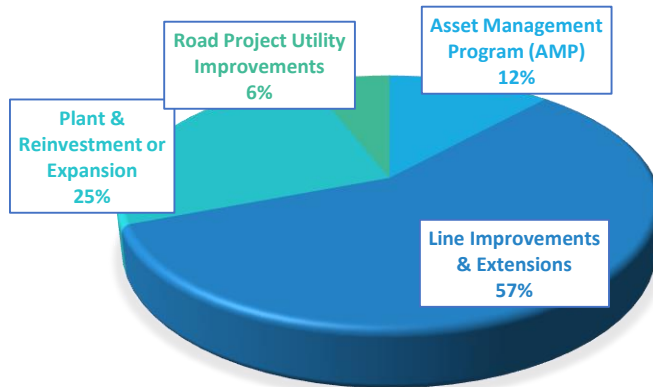
St. Cloud Major Projects

Major Capital Planned Investments

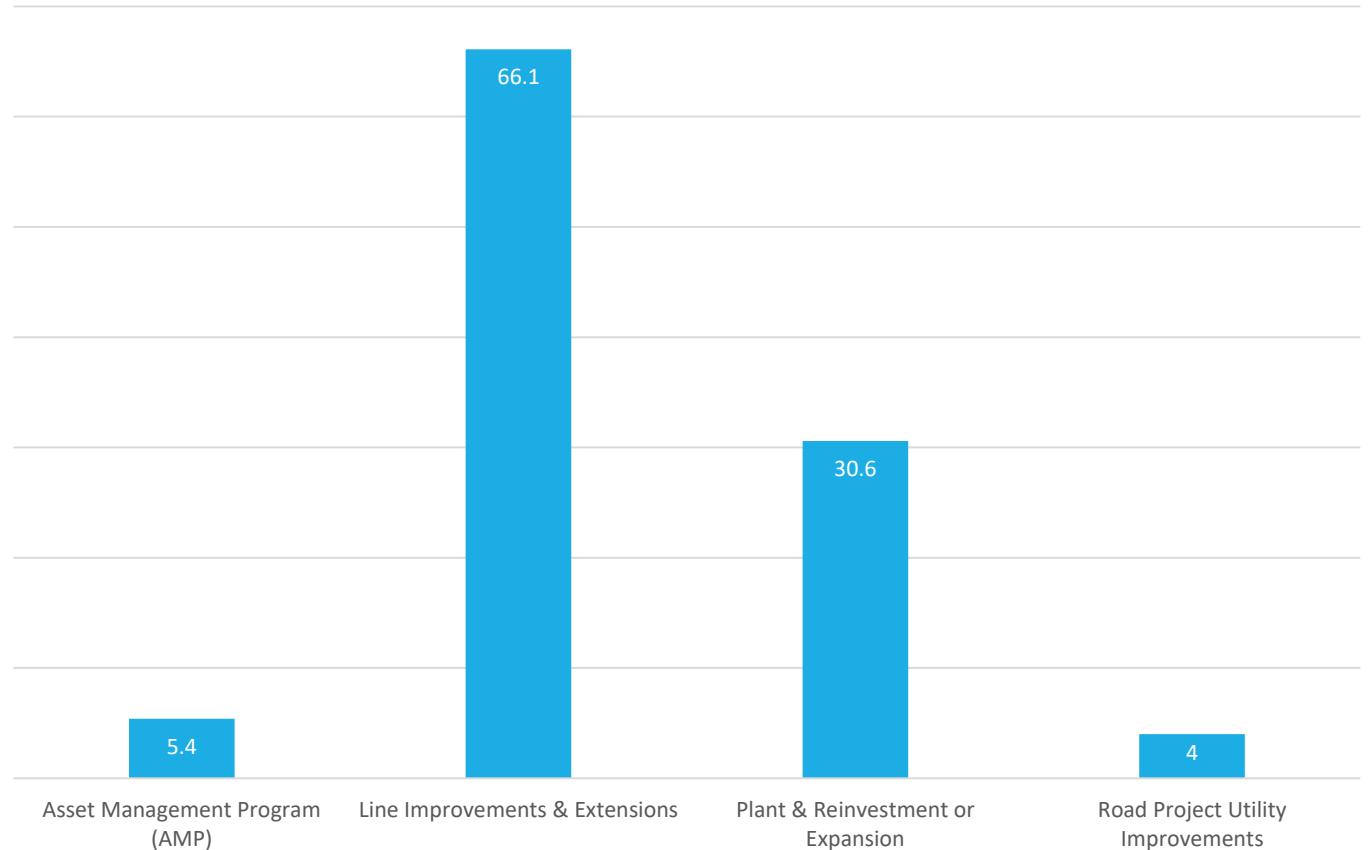
Characteristics

- Total of \$106.2M in project costs; 68 total number of projects
- Capital plan includes infrastructure, improvements, expansions/extensions, equipment installations, replacements and repairs

FY23-27 % OF PROJECTS



St. Cloud Proposed FY23-27 Capital Budget (000s)



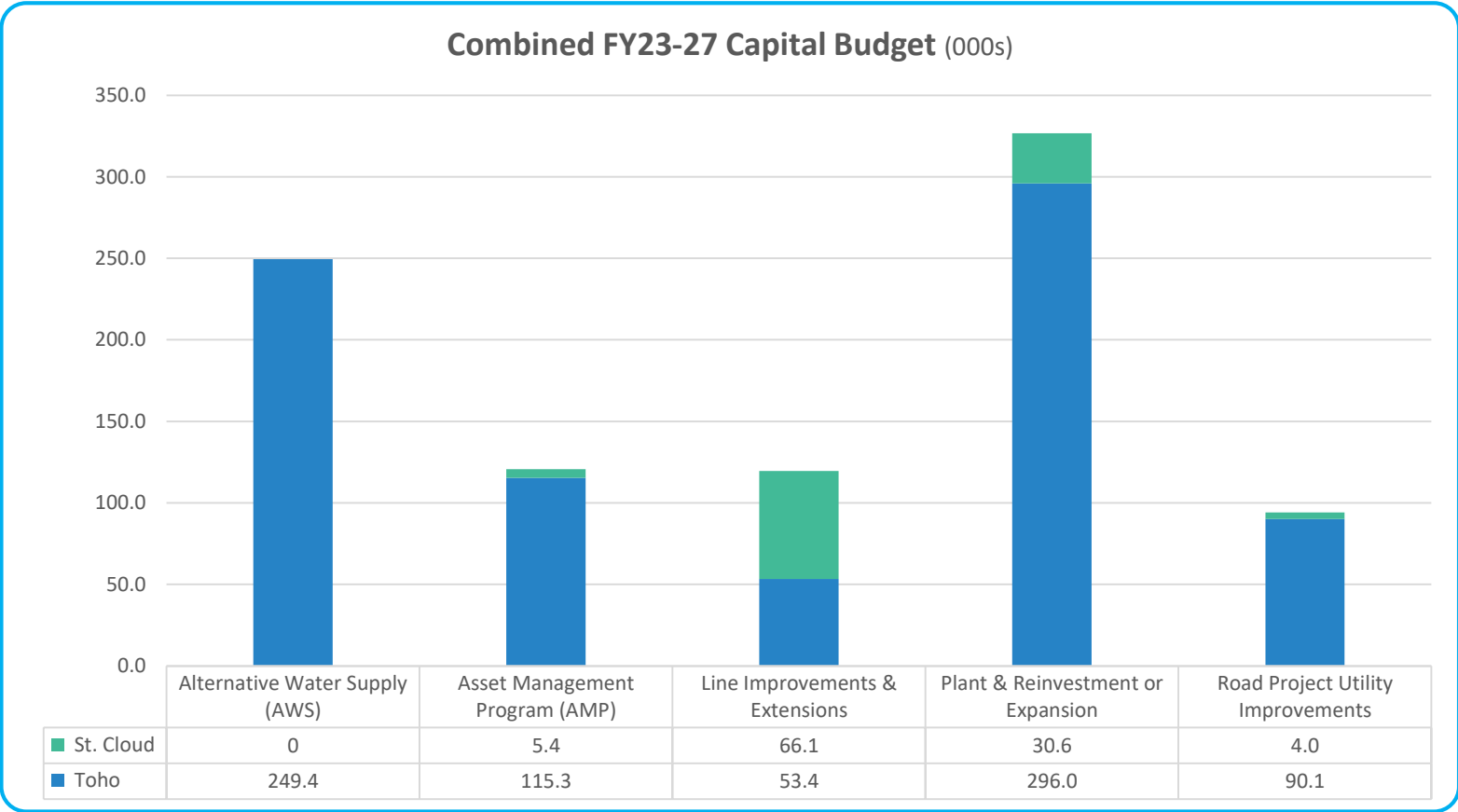
Toho & St. Cloud Combined

Major Capital Planned Investments

Characteristics

- Water Supply and Plant Reinvestment/Expansion are indicative of water supply and demand needs
- Integration improves combined average day flow flexibility and aids constraints

	FY23	FY24	FY25	FY26	FY27	Total
St. Cloud	\$ 19.9	\$ 26.1	\$ 20.7	\$ 21.7	\$ 17.9	\$ 106.2
Toho	\$ 154.7	\$ 230.1	\$ 210.2	\$ 135.3	\$ 74.1	\$ 804.3
	\$ 174.6	\$ 256.1	\$ 230.9	\$ 156.9	\$ 92.0	\$ 910.5





Revenue Sufficiency Analysis



Key Planning Considerations

Capital Budget Execution

- Baseline Forecast

Fiscal Year	FY 23	FY 24	FY 25	FY 26	FY 27
Execution %	80%	85%	90%	95%	100%

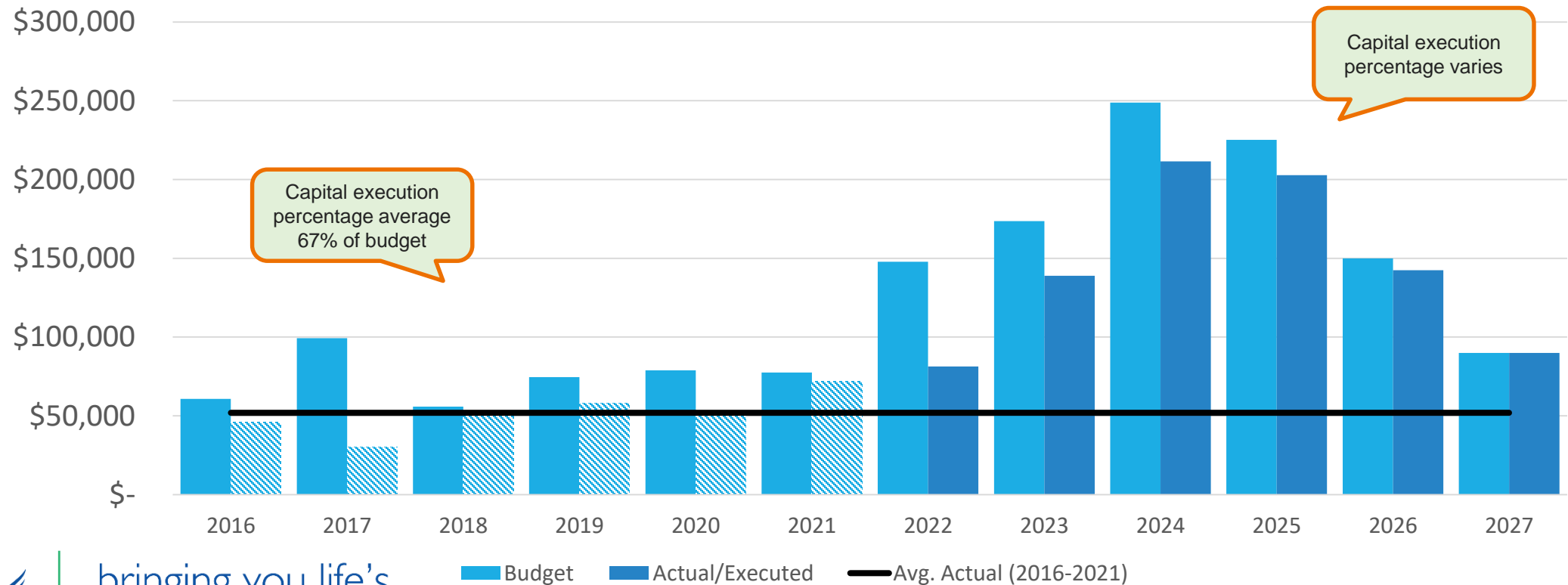
Other Factors

- Days Cash on Hand
- Debt Service Coverage Ratios
- System Development Charge Revenues



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Capital Spending (000's)



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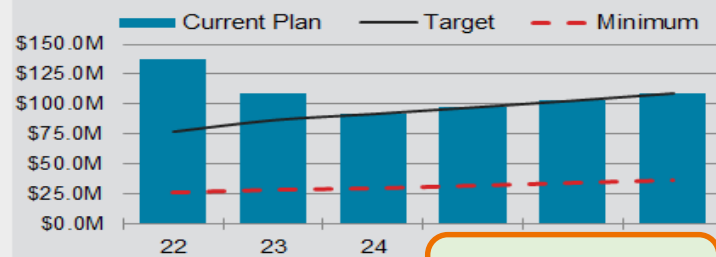
Baseline Financial Management Plan

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water Rate Plan	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Sewer Rate Plan	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Reclaimed Rate Plan	0.00%	12.70%	12.00%	15.50%	11.50%	11.00%
All-In DSC with PILOT	2.24	2.11	2.28	2.16	2.15	2.43
Days Cash on Hand	652	457	365	365	365	365
Reclaimed as % of Irrigation	64.4%	68.7%	73.1%	80.0%	85.0%	
Total Residential Bill Last Plan	\$44.60	\$46.38	\$48.21	\$50.14	\$52.14	\$54.22
		\$46.46	\$48.33	\$49.82	\$51.36	\$0.00

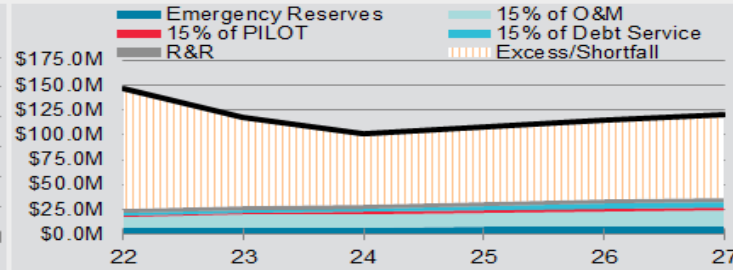
Days Cash on Hand maintains above 300 days of O&M

Projected debt coverage ratios exceed 2.00x Net Revenue by FY26

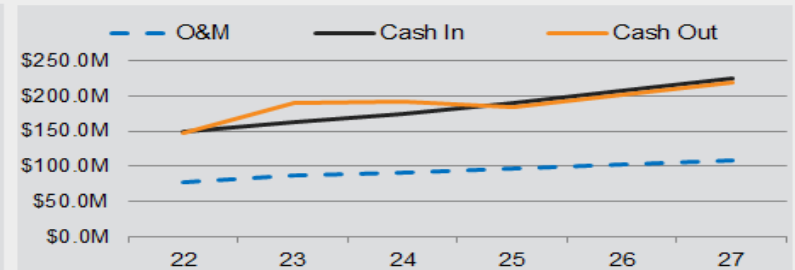
Operating Fund



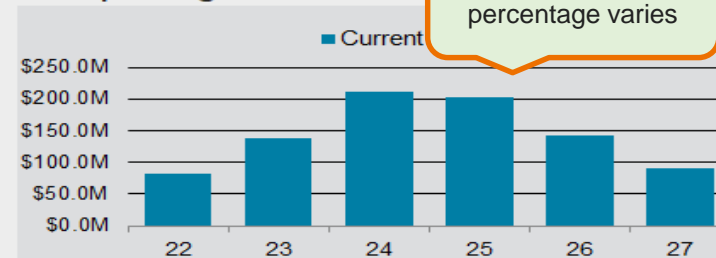
Total Reserves



Revenues vs. Expenses

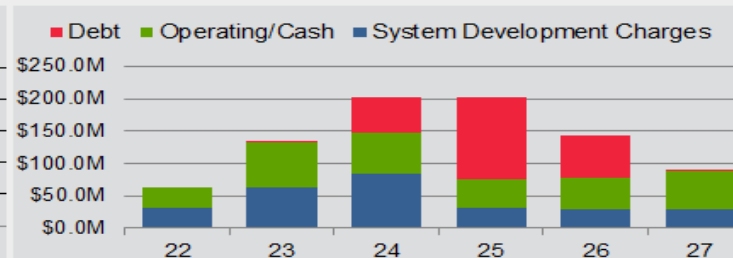


CIP Spending

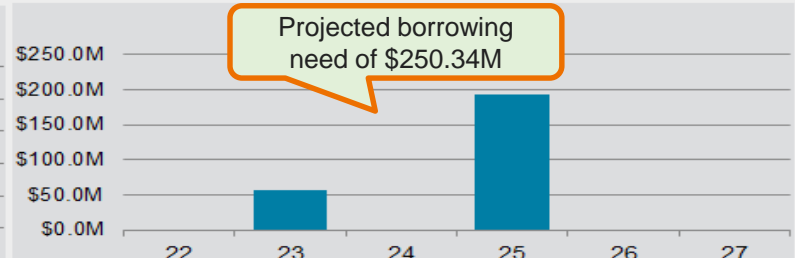


Capital execution percentage varies

CIP Funding



Borrowing



Projected borrowing need of \$250.34M

Summary of Results

Current Rate Plan: 4.0% FY23 - FY27

Debt Service Coverage Projection*

Scenario	Debt Funding (FY 23)	Debt Funding (FY 25)	Days Cash on Hand (FY 24)	FY 2023	FY 2025	FY 2027
115% Baseline Financial Management Plan	\$117.4M	\$273.4M	365	1.95	1.79	1.97
Baseline Financial Management Plan	\$56.7M	\$193.7M	365	2.11	2.16	2.43
Alt. Baseline (reduced days cash on hand FY24-FY27)	\$40.0M	\$188.1M	304	2.16	2.24	2.52
85% Baseline Financial Management Plan	\$81.1K	\$129.0M	370	2.29	2.66	3.05

* Debt Service Coverage Ratio includes required transfers and PILOT

Summary of Results

Alternative Baseline Financial Management Plans

				Debt Service Coverage Projection*		
Scenario	Debt Funding (FY 23)	Debt Funding (FY 24)	Days Cash on Hand (FY 24)	FY 2023	FY 2025	FY 2027
4.0% FY23 - FY24; 5% FY25 – FY27	\$56.7M	\$186.2M	365	2.11	2.24	2.64
4.0% FY23; 5% FY24 – FY27	\$54.9M	\$181.9M	365	2.12	2.33	2.74

* Debt Service Coverage Ratio includes required transfers and PILOT

Next Steps

Strategic Plan

- Board Approved
- **COMPLETE**

Capital Improvement Plan

Workshop #1

- Preliminary Overview
- **COMPLETE**

Capital Improvement Plan

Workshop #2

- August 10 Board Meeting
- Financial Planning
- **COMPLETE**

Operating Budget Workshop

- August 17
- Consolidate St. Cloud FY23 Budget

Adopt Budget and Rate Resolutions

- September 2022

Toho Water Authority

Capital Improvement Plan (CIP) Submittal

FY2023-2027



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Toho Water Authority

Operating Budget Submittal

FY2023 Workshop



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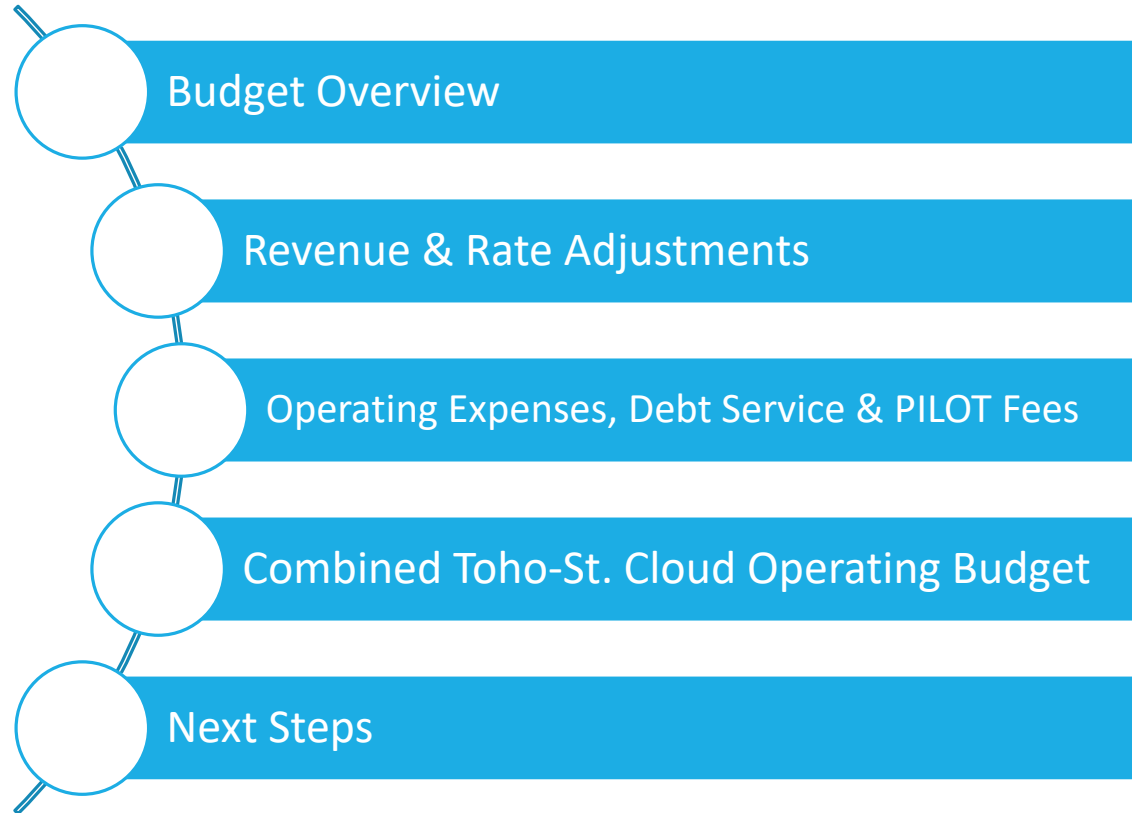
AGENDA

The Operating Budget process begins in February when department managers prepare budget documents to submit their preliminary requests to division directors. The managers use a zero-based budgeting method in which each budgeted expense line item is justified by an explanation. These requests take into account routine operating costs, personnel changes, and previously unidentified issues.

Major capital purchases and projects as well as new personnel requests are identified and presented to the Board during the capital budget workshop and are reintroduced in the proposed Annual Operating Budget for consideration by the Board.



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Board Action Items

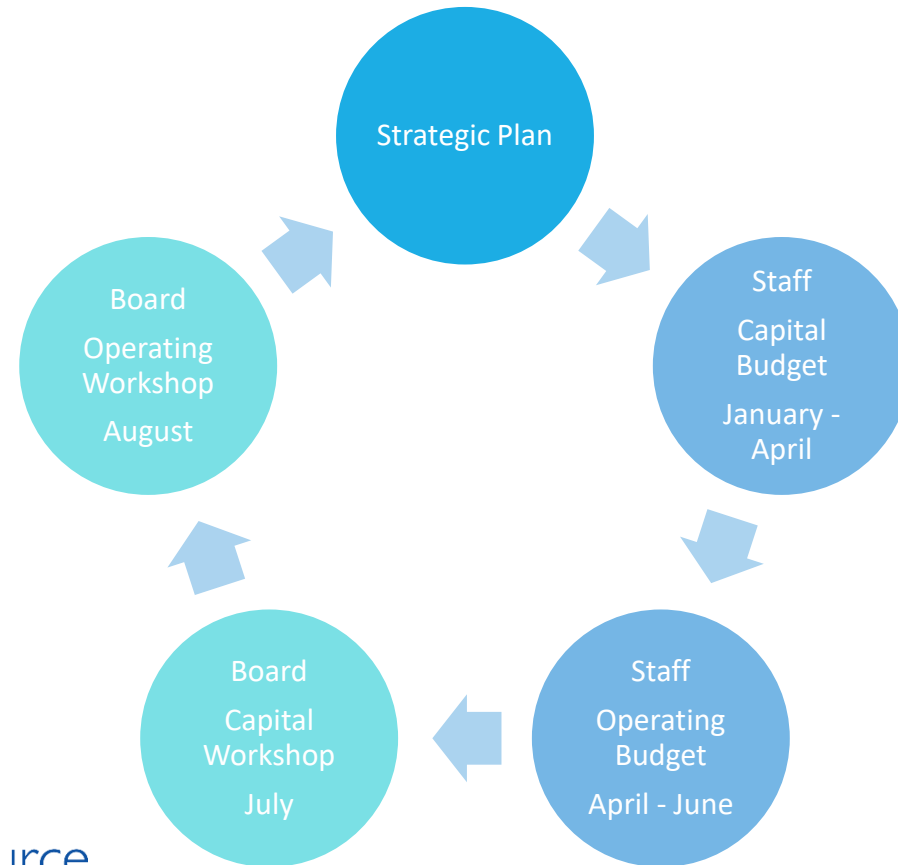
Review and advise of changes and/or revisions

- ☐ Revenue Projections / Approach
- ☐ Personnel Budget
- ☐ Operating & Maintenance Budget
- ☐ Sponsorship Allocation

Subsequent to action items, will incorporate changes into the budget resolution for adoption at next Board meeting September 14, 2022

Budget Overview (Toho Only)

Budget Process



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Key Financial Policies – Reserves & Transfers

Required Reserves	2022	2023	Policy
Minimum Operating	\$ 8.1M	\$ 8.8M	4 weeks of budgeted O&M, debt service, PILOT expenses
Minimum Capital	15.8M	17.2M	15% of budgeted O&M, debt service, PILOT expenses
Renewal & Replacement	3.5M	3.6M	Annually adjusted by the ENR Construction Cost Index
Total Policy Reserves	\$27.4M	\$29.6M	

Required Transfers	2022	2023	Policy
Payment in Lieu of Taxes	\$12.0M	\$13.4M	12% of Toho I rate & rent revenue
Renewal & Replacement	17.4M	18.2M	Average five-year depreciated asset value divided by the average useful life of the fixed assets
Total Required Transfers	\$29.4M	\$31.6M	

2023 Annual Budget Summary

	<u>Request</u>
Operating Revenue	\$ 162,936
Personnel and Operating Expenses	<u>81,831</u>
Net available for debt service	81,105
Debt Service	17,660
<i>Debt Service Coverage (4.04x in 2022 Budget)</i>	4.51x
PILOT (Payments in Lieu of Taxes) Fees	13,412
(COK \$9.1M/County \$4.3M)	
Renewal & Replacement Transfer	18,181
<i>Debt Service Coverage, after required transfers</i>	2.72x
<i>(2.12x in 2022 Budget)</i>	
Net Revenues after Debt Service & Transfers	<u>\$ 31,852</u>

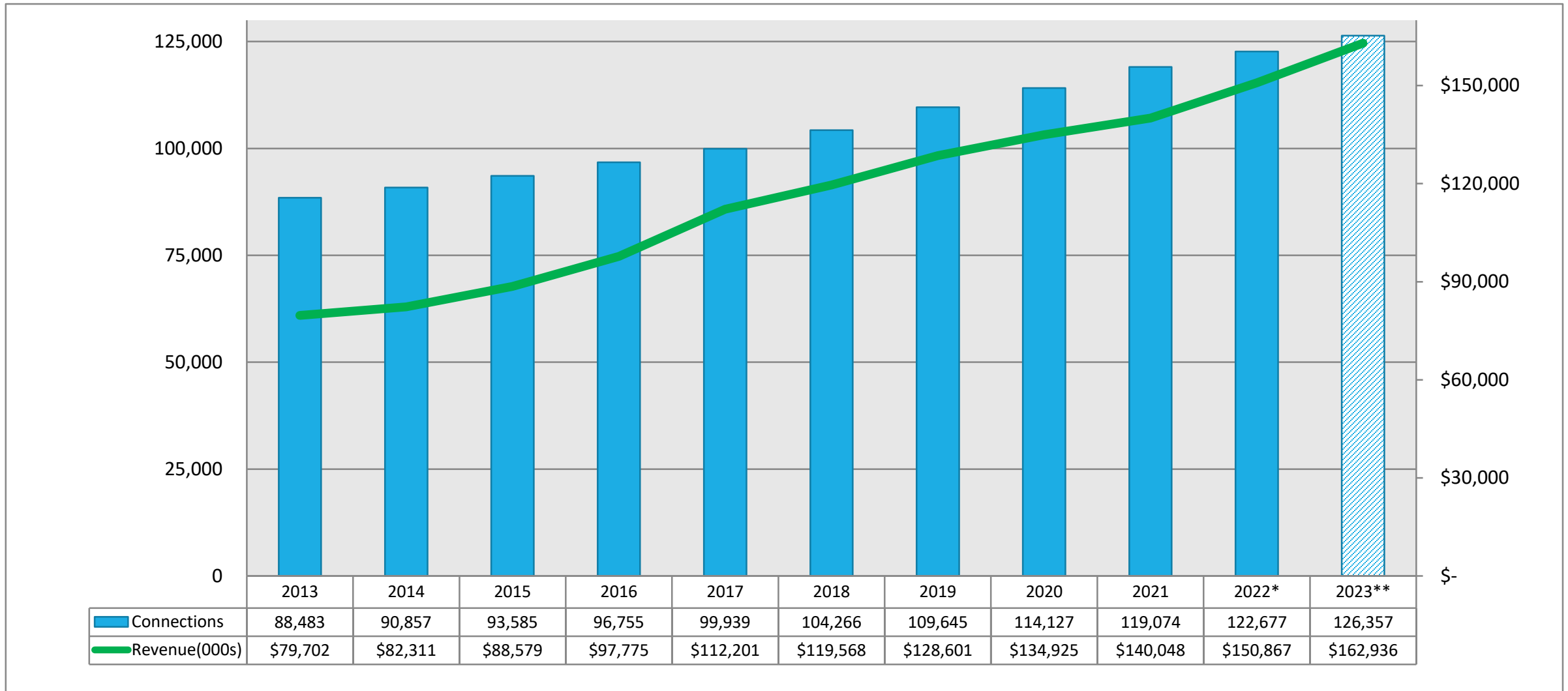
Revenue & Rate Adjustments (Toho Only)

Rate Adjustments – Historical & Projected

	2021	2022	2023	2024	2025	2026	2027
One rate over 4 years	0.0%	4.0%	4.0%	4.0% Planned	4.0% to 5.0% Est.	4.0% to 5.0% Est.	4.0% to 5.0% Est.

- Water, Irrigation, Wastewater, Reclaimed Water
 - No increase in FY2021
 - 4% across the board rate adjustment approved through FY24
 - Inflationary drivers could impact FY24 and beyond
- Irrigation rates
 - Reclaimed water currently 65% for potable irrigation
 - 70% in FY2024; subject to adjustment beyond
- Other fees
 - Consider adjustment of miscellaneous fees in FY 2023 (not adjusted since 2012)

10-Year Customer & Revenue Growth

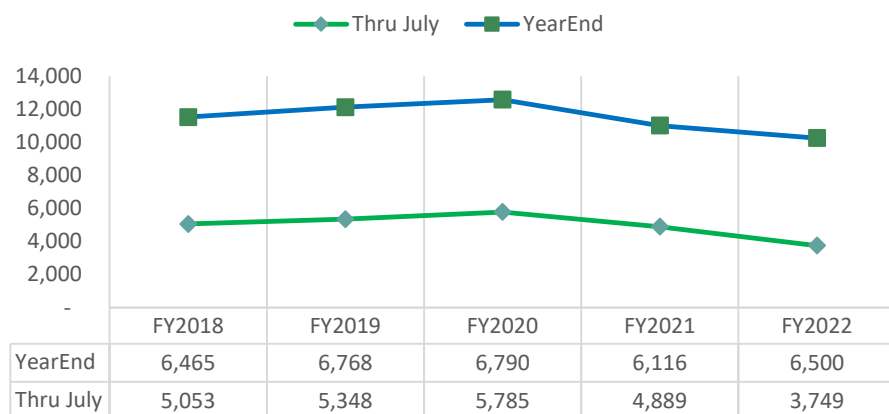


**Connection count is through July in FY22; revenues assume straight line projection*

***FY23 connections reflect 3% increase from FY22 projection; revenues based on FY23 budget request*

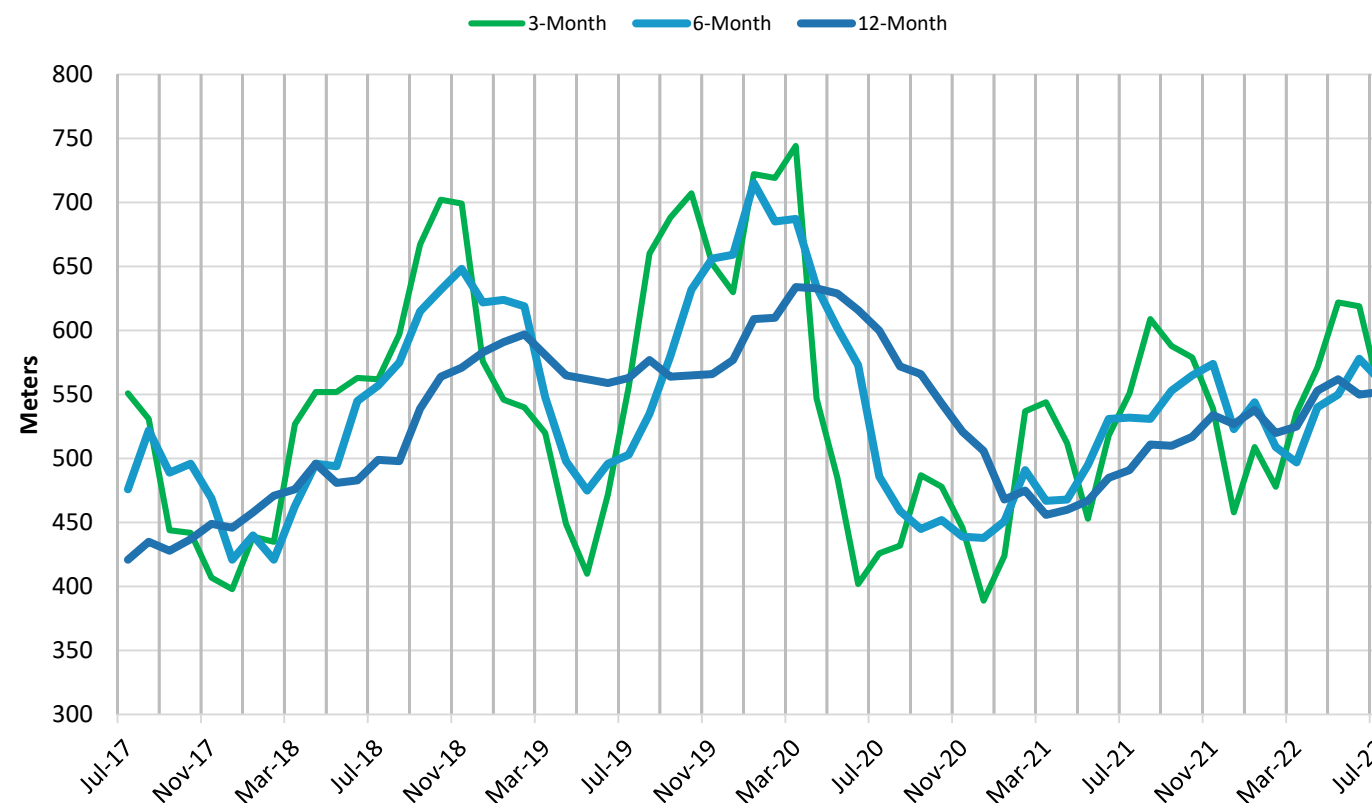
Meter Growth Trends

YEAR OVER YEAR METER SET TRENDS



FY22 Year End forecast based on prior 4Y average

3-, 6-, & 12-Month Rolling Average Meter Set Comparison



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Toho Operating Revenues – 4% Rate Adjustment

☐ Toho Total Request:
\$163M

☐ Up by \$11.8M or 7.8%
from FY22 Estimate

☐ Up by \$13.5M or 9.0%
from FY22 Budget

☐ Drivers:

☐ Implementation of 3-
year rate plan

☐ Expected continued
growth

Water Sales

Wastewater Sales

Reclaimed Water Sales

Other Operating Revenues

Tap Fees

Miscellaneous Revenues

Investment Income

Total

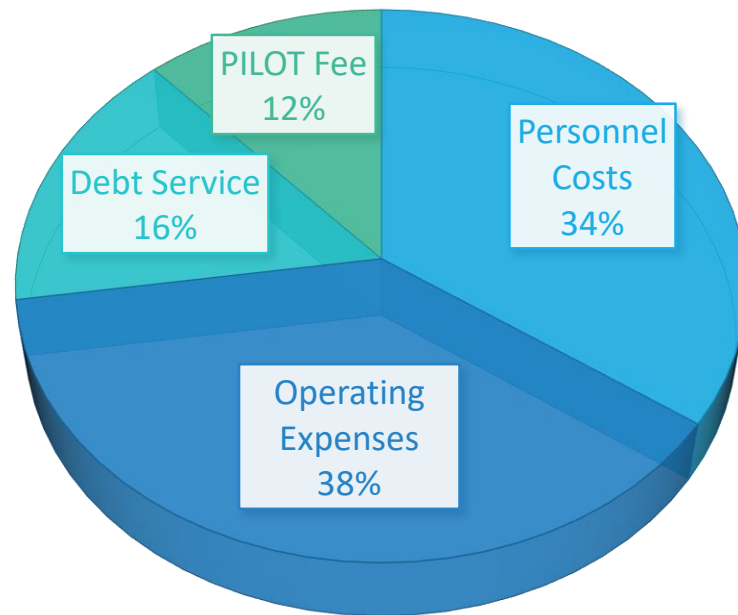
2023 Request	2022 Estimate			2022 Budget		
	Total	\$ Change	% Change	Total	\$ Change	% Change
43,662	40,950	2,712	6.6%	41,125	2,537	6.2%
91,030	83,675	7,355	8.8%	81,938	9,092	11.1%
17,015	16,083	932	5.8%	16,443	572	3.5%
4,506	4,005	501	12.5%	3,342	1,164	34.8%
3,121	3,020	101	3.3%	2,800	321	11.5%
1,502	1,867	(365)	-19.6%	1,816	(314)	-17.3%
2,100	1,577	523	33.2%	2,000	100	5.0%
162,936	151,177	11,759	7.8%	149,464	13,472	9.0%



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Operating Expenses, Debt Service & PILOT Fee (Toho Only)

Projected 2023 Revenue Requirement

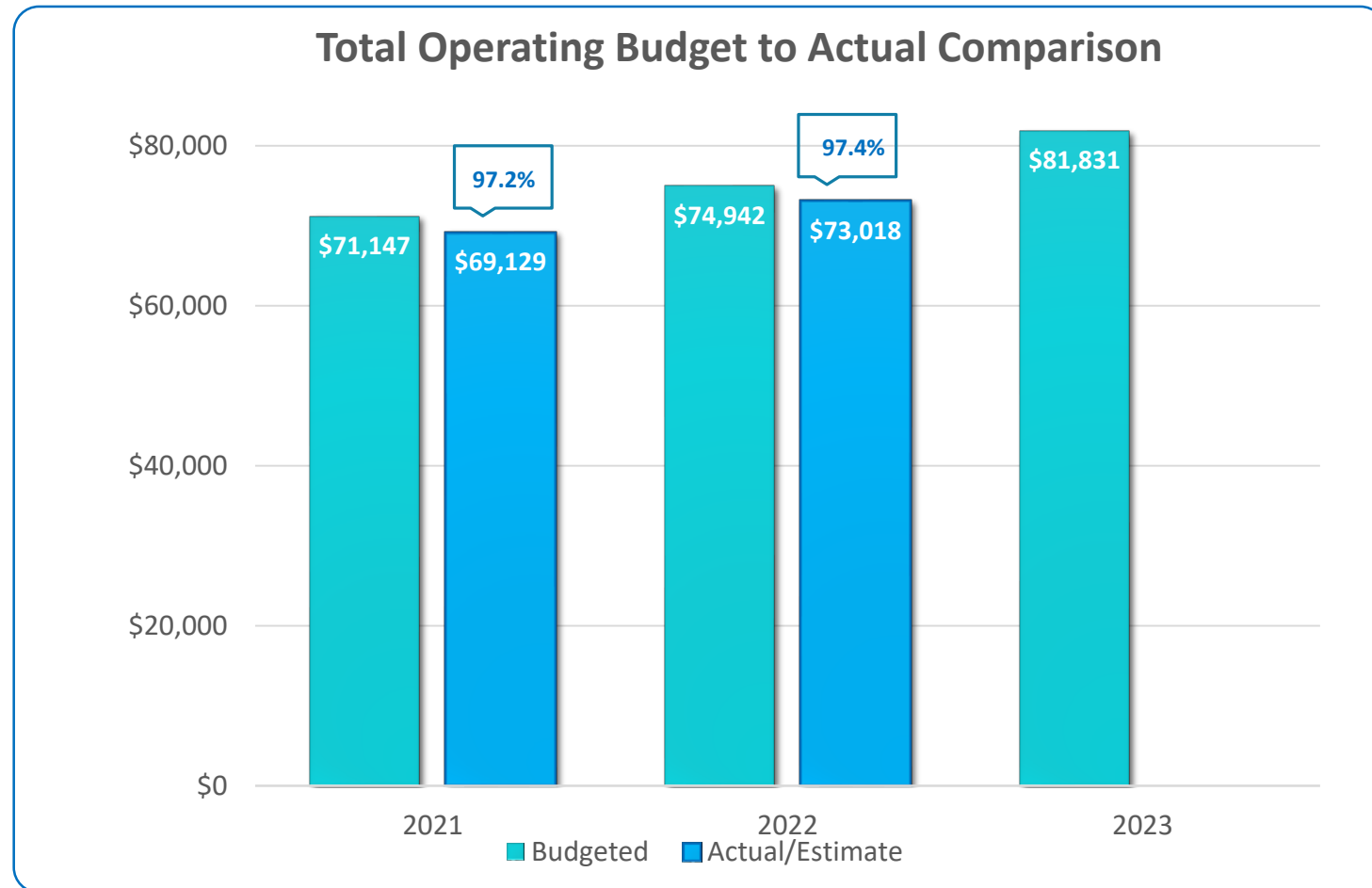


Personnel Costs	\$38,232
Operating Expenses	43,599
Total Expenses	\$81,831
Debt Service	17,660
PILOT Fee	13,412



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Operating Expense Comparison to Budget



Operating Margin Historical Trend & Forecast

- ☐ Over the last 5-years
 - ☐ Budgeted operating margin averaged 50.5%
 - ☐ Actual operating margin averaged 51.5%
- ☐ Fiscal Year 2023 operating margin is forecast to budgeted at 47.4%

<i>Budgeted (in 000's)</i>	2018	2019	2020	2021	2022	2023
Gross Operating Revenues	\$120,363	\$129,532	\$129,532	\$138,721	\$149,494	\$162,936
Operating Expenses	60,718	62,784	62,784	68,157	74,942	81,831
Net Revenues	\$59,645	\$66,748	\$66,748	\$70,564	\$74,552	\$81,105
Operating Margin	49.6%	51.5%	51.5%	50.9%	49.9%	49.8%

<i>Actuals (in 000's)</i>	2018	2019	2020	2021	2022*
Gross Operating Revenues	\$112,113	\$132,277	\$134,935	\$142,735	\$156,822
Operating Expenses	56,359	61,625	66,861	69,129	74,959
Net Revenues	\$55,754	\$70,652	\$68,074	\$73,606	\$81,863
Operating Margin	49.7%	53.4%	50.4%	51.6%	52.2%

**Estimate*



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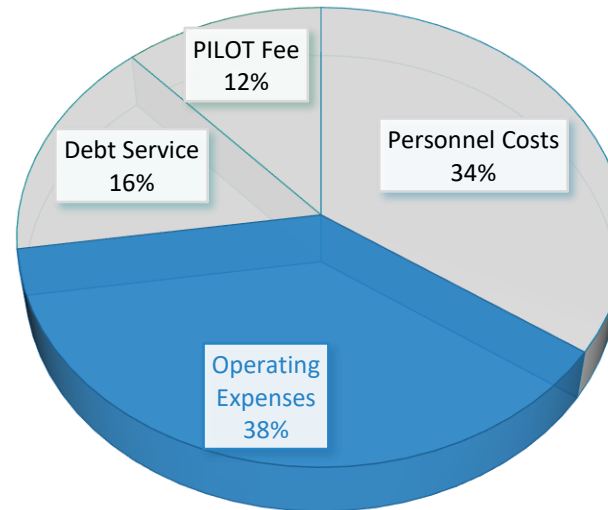
(in thousands)

**2023
Request**

\$43,599

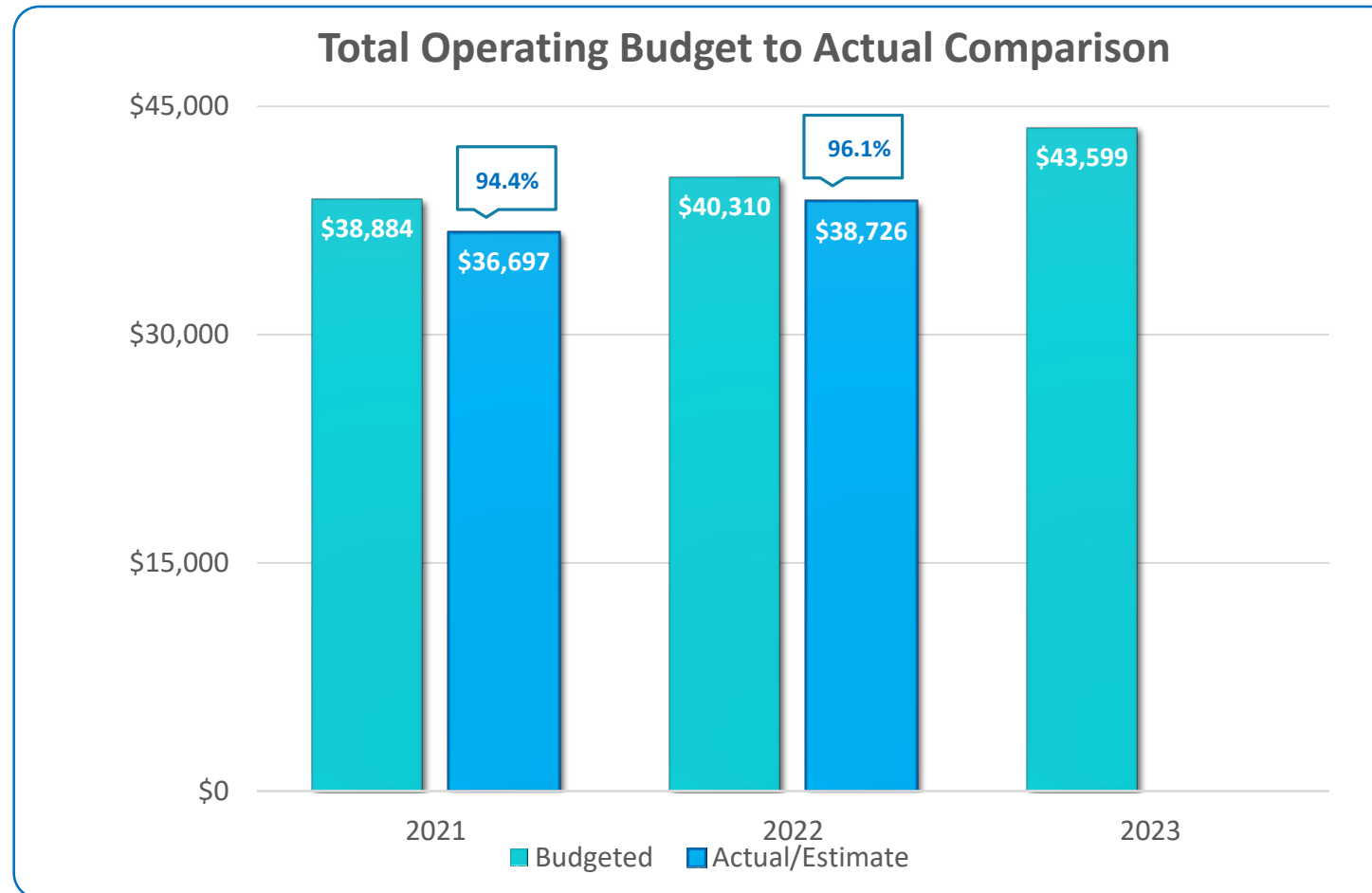
Proposed Non Personnel Operating Budget

Non-Personnel Operating Budget



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Operating and Maintenance Comparison to Budget



Toho Operating Expenses – Request to Estimate/Budget

☐ Expenses projected to be:

☐ Up \$4.9M or 12.6% over FY22 Estimate

☐ Up \$3.3M or 8.2% over FY22 Budget

Contracted Services
Other Maintenance
Utilities
Other Operating Costs
Other Supplies
Chemicals
Auto Maintenance
Gas & Oil
Travel & Training

Total

Toho FY23 Request	2022 Estimate			2022 Budget		
	Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
11,128	9,744	1,384	14.2%	10,781	347	3.2%
8,484	8,042	442	5.5%	8,473	11	0.1%
8,552	7,818	734	9.4%	7,198	1,354	18.8%
6,292	5,786	506	8.7%	6,006	286	4.8%
3,176	2,669	507	19.0%	2,943	233	7.9%
3,523	2,387	1,136	47.6%	2,400	1,123	46.8%
1,018	1,055	(37)	-3.5%	1,239	(221)	-17.8%
850	832	18	2.2%	700	150	21.4%
576	393	183	46.6%	570	6	1.1%
43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Toho Operating Expenses – Contract Services

☐ Expenses projected to be:

☐ Up \$347k or 3.2% over FY22 Budget

☐ Key Drivers:

- ☐ Ongoing asset management planning
- ☐ Inflationary factors
- ☐ Vendor price increases for various services such as testing, processing and disposal of biosolids
- ☐ Cross connection backflow services

	Toho FY23 Request	2022 Estimate			2022 Budget		
		Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
Contracted Services	11,128	9,744	1,384	14.2%	10,781	347	3.2%
Other Maintenance	8,484	8,042	442	5.5%	8,473	11	0.1%
Utilities	8,552	7,818	734	9.4%	7,198	1,354	18.8%
Other Operating Costs	6,292	5,786	506	8.7%	6,006	286	4.8%
Other Supplies	3,176	2,669	507	19.0%	2,943	233	7.9%
Chemicals	3,523	2,387	1,136	47.6%	2,400	1,123	46.8%
Auto Maintenance	1,018	1,055	(37)	-3.5%	1,239	(221)	-17.8%
Gas & Oil	850	832	18	2.2%	700	150	21.4%
Travel & Training	576	393	183	46.6%	570	6	1.1%
Total	43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Toho Operating Expenses – Other Maintenance

☐ Expenses projected to be:

- ☐ Up slightly by \$1k or 0.1% over FY22 Budget
- ☐ Up by \$442k or 5.5% over FY22 Estimate
- ☐ Key Drivers:
 - ☐ Inflationary factors
 - ☐ Chemical supplies for valve repairs budgeted separately
 - ☐ Various reductions to Corrective Maintenance based on FY22 usage

	Toho FY23 Request	2022 Estimate			2022 Budget		
		Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
Contracted Services	11,128	9,744	1,384	14.2%	10,781	347	3.2%
Other Maintenance	8,484	8,042	442	5.5%	8,473	11	0.1%
Utilities	8,552	7,818	734	9.4%	7,198	1,354	18.8%
Other Operating Costs	6,292	5,786	506	8.7%	6,006	286	4.8%
Other Supplies	3,176	2,669	507	19.0%	2,943	233	7.9%
Chemicals	3,523	2,387	1,136	47.6%	2,400	1,123	46.8%
Auto Maintenance	1,018	1,055	(37)	-3.5%	1,239	(221)	-17.8%
Gas & Oil	850	832	18	2.2%	700	150	21.4%
Travel & Training	576	393	183	46.6%	570	6	1.1%
Total	43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Toho Operating Expenses – Other Operating Costs & Supplies

☐ Expenses projected to be:

☐ Up by \$519k or 5.8% over FY22 Budget

☐ Up by \$1.0M or 12% over FY22 Estimate

☐ Key Drivers:

☐ Increased efforts in customer education & outreach and promotional events & sponsorships

☐ Software expenses increased based on renewal schedule

☐ Increases to equipment and MOT rentals

	Toho FY23 Request	2022 Estimate			2022 Budget		
		Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
Contracted Services	11,128	9,744	1,384	14.2%	10,781	347	3.2%
Other Maintenance	8,484	8,042	442	5.5%	8,473	11	0.1%
Utilities	8,552	7,818	734	9.4%	7,198	1,354	18.8%
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Travel & Training	576	393	183	46.6%	570	6	1.1%
Total	43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Toho Operating Expenses – Utilities, Chemicals, Auto Maintenance, Gas & Oil

☐ Expenses projected to be:

- ☐ Up by \$2.4M or 20.9% over FY22 Budget
- ☐ Up by \$1.9M or 15.3% over FY22 Estimate
- ☐ Key Drivers:
 - ☐ Inflationary increases over current spend
 - ☐ Compliance drivers associated with TTHM compliance

	Toho FY23 Request	2022 Estimate			2022 Budget		
		Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
Contracted Services	11,128	9,744	1,384	14.2%	10,781	347	3.2%
Other Maintenance	8,484	8,042	442	5.5%	8,473	11	0.1%
Utilities	8,552	7,818	734	9.4%	7,198	1,354	18.8%
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Travel & Training	576	393	183	46.6%	570	6	1.1%
Total	43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Toho Operating Expenses – Travel and Training

☐ Expenses projected to be:

☐ Up by \$6k or 1.1% over FY22 Budget

☐ Up by \$183k or 46.6% over FY22 Estimate

☐ Key Drivers:

☐ FY23 Estimated travel and training anticipated to be closer to FY22 Budget

☐ Continued increase of post-COVID travel and training

☐ Development of leadership/supervisory development program

	Toho FY23 Request	2022 Estimate			2022 Budget		
		Total	% Δ	\$ Δ	Total	% Δ	\$ Δ
Contracted Services	11,128	9,744	1,384	14.2%	10,781	347	3.2%
Other Maintenance	8,484	8,042	442	5.5%	8,473	11	0.1%
Utilities	8,552	7,818	734	9.4%	7,198	1,354	18.8%
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Travel & Training	576	393	183	46.6%	570	6	1.1%
Total	43,599	38,726	4,873	12.6%	40,310	3,289	8.2%



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Community Support Budget Update FY22 Sponsorships

Promotional Events & Sponsorships FY23 Request = \$188,400

- ☐ FY22 Budget \$124k
- ☐ \$1/per water account
- ☐ Increase due to St. Cloud Integration Environmental/Conservation Education efforts

Toho Assistance Program (TAP) FY23 Budget Request = \$150,000

- ☐ FY23 Budget \$150,000
- ☐ Actual through 8/15 - \$56.4k
- ☐ \$150,000 Budgeted in FY22
 - ☐ \$50K in matching funds

Promotional Events & Sponsorships

Fiscal Year	Sponsorship Budget	Actual YTD*
2022	\$124k	\$116.5k
2023	\$188k	

Toho Assistance Program (TAP)

Fiscal Year	Original Budget	Adjusted Budget	Actual/ Estimate
2022	\$50k	\$150k	\$99.9k
2023	\$150k	\$150k	



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*Through August 11, 2022

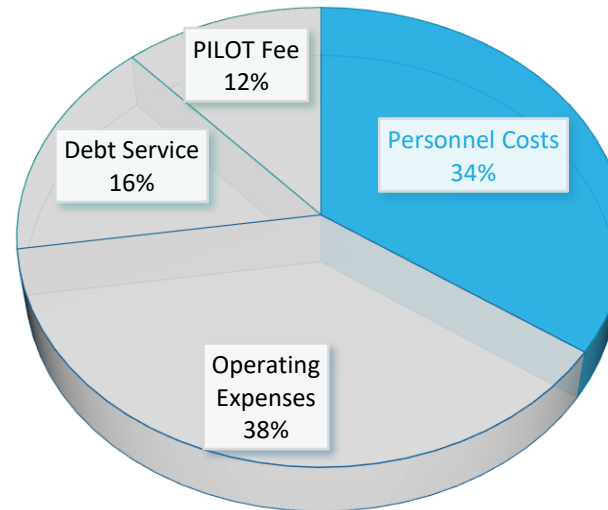
(in thousands)

**2023
Request**

\$38,232

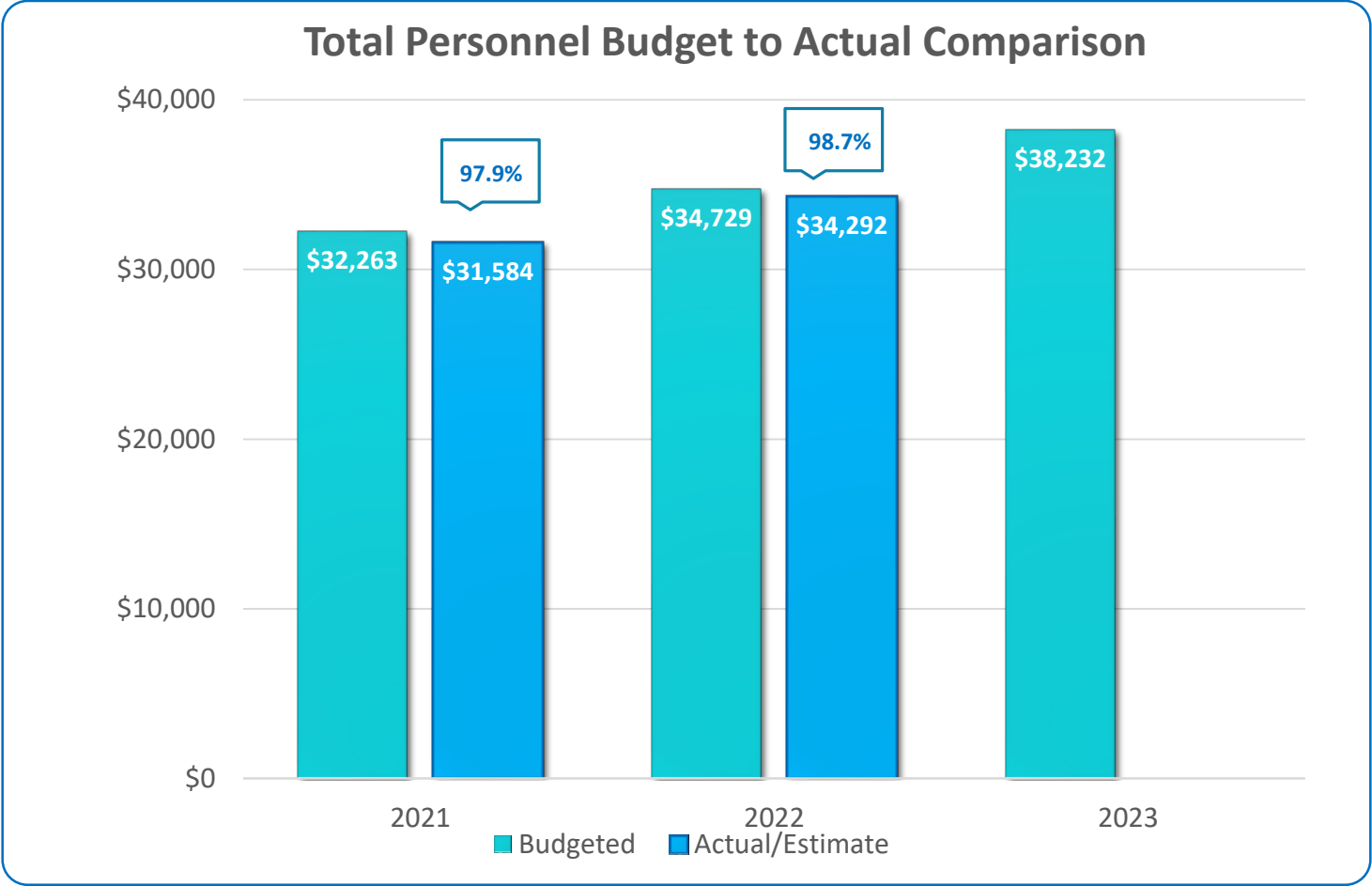
Proposed Personnel Operating Budget

Personnel Operating Budget



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Toho Personnel Operating Expense Comparison to Budget



Personnel Overview- Adjustments

☐ Budget Adjusted Proposal - Personnel Expenses

- ☐ Revised proposed new positions = 32.5 including interns & PT Staff Attorney
 - ☐ Reduction of Paralegal from Capital workshop
- ☐ New positions assumed to take 4 months to fill (average)
- ☐ Assumed vacancy rate of 7% at \$45k salary
- ☐ OT cost increase by 3.5% or \$57k of FY22 Budget mainly due to staffing adjustments to Business Services and Stakeholder Services.
- ☐ Pay Adjustment Provision
 - ☐ COLA/Merit – 4.0%
 - ☐ Other Miscellaneous Adjustments - 0.5%

☐ Hard to Fill and High-Turnover Positions

- ☐ Seeing increased turnover of newly licensed positions
- ☐ Continued recruiting challenges in certain positions (engineers)
- ☐ Targeted review of these positions
- ☐ Budget strategy – include allowance? return mid-year for adjustment?

Toho Personnel Costs

☐ Personnel Cost projected to be:

- ☐ Up by 11.5% or \$3.9M over FY22 Estimate
- ☐ Up by 10.3% or \$3.6M over FY22 Budget

☐ Key Drivers:

- ☐ New Positions
- ☐ Merit & Across the Board adjustments

Salaries and Wages - Regular Pay
 Salaries and Wages - Other Pay
 Salaries and Wages - Overtime Pay
 Subtotal - Salaries and Wages

FICA
 Retirement Contributions
 Life and Health Insurance
 Workers' Compensation
 Unemployment Compensation
 Subtotal - Fringe Benefits

Total

2023 Request	2022 Estimate			2022 Budget		
	Total	\$ Change	% Change	Total	\$ Change	% Change
24,338	21,629	4,159	19.2%	21,725	4,063	18.7%
677	846	(169)	-20.0%	815	(138)	-16.9%
1,684	1,635	49	3.0%	1,627	57	3.5%
26,699	24,110	4,039	16.8%	24,167	3,982	16.5%
2,042	1,776	339	19.1%	1,786	329	18.4%
2,840	2,739	101	3.7%	2,793	47	1.7%
6,479	5,566	913	16.4%	5,678	801	14.1%
172	101	71	70.3%	233	(61)	-26.2%
0	0	0	0.0%	0	0	0.0%
11,533	10,182	1,424	14.0%	10,490	1,116	10.6%
38,232	34,292	3,940	11.5%	34,657	3,575	10.3%



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Total Authority Positions FY2020-FY2023

- SIGNIFICANT CHANGES -

☐ Organizational structural change

☐ Stakeholder Services

- ☐ Information Technology
- ☐ Customer Service
- ☐ Organizational Development
- ☐ Environmental Services

☐ Vacancy Allowance

- ☐ Applied to current vacant & new positions
- ☐ Assumed between four to six months of vacant status

Departments	2022	2023	Total
Operations	194.0	15.0	209.0
Assets & Infrastructure	54.0	7.0	61.0
Stakeholder Services	130.0	4.0	134.0
Business Services	22.0	2.0	24.0
Administration	2.0	0.0	2.0
Communications	3.0	0.0	3.0
Human Resources	15.0	4.0	19.0
Office of the General Counsel	3.0	0.5	0.5
Total	423.0	32.5	455.5



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Requested Personnel Additions – FY23

	Request
Toho Request New Positions	1,448,811
Less Capitalized Labor	(194,642)
Less Partial New Position Budget Impact	(418,390)
Net New Position Budget Impact	835,779

New Postions Requested	Department Division	Budget Impact
Accounting Technician I	Business Services	35,353
Senior Procurement Analyst	Business Services	60,464
Building Inspector	Engineering Services	40,925
Construction Inspector I (3)	Engineering Services	142,128
Construction Inspector II	Engineering Services	52,232
Permit Coordinator (2)	Engineering Services	45,120
Senior Chemist	Environmental Services Laboratory	52,232
Human Resources Specialist	Human Resources	45,120
Intern (6 - Part time)	Human Resources	101,007
GIS Technician III	Information Technology	57,585
IT Support Specialist II	Information Technology	66,440
Sr. Software Developer (System Admin)	Information Technology	89,037
Staff Attorney	Office of the General Counsel	96,000
Utility Worker - CCTV (4)	Operations Field Services	141,411
Utility Worker - Hydrant Repair	Operations Field Services	35,353
Utility Worker (4)	Operations Field Services	141,411
Utility Worker- Sewer Cleaning (2)	Operations Field Services	70,705
Facility Maintenance Technician II	Operations Maintenance	42,971
Systems Mechanics Lift Stations (2)	Operations Maintenance	85,941
ActiFlo Drinking Water/Wastewater Operator-B	Operations WRF	47,376
Total Budget Impact		1,448,811

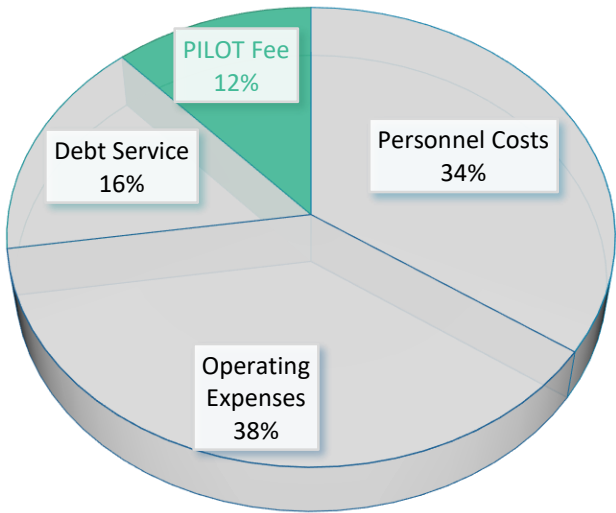
(in thousands)

2023
Request

PILOT Fees

\$13,412

PILOT Fees



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Payment in Lieu of Taxes (PILOT) Historical & Forecast

	2018	2019	2020	2021	2022	2023
PILOT Budget	\$10,046	\$10,865	\$11,546	\$11,273	\$12,034	\$13,412
PILOT Actual/Estimate	9,990	10,800	10,851	11,574	12,310	
Variance	\$56	\$65	\$560	(\$301)	(\$276)	

- Over the 5-Year period from 2019-2023 (Including 2022 Estimate) the average annual variance from budget to actual/estimate is \$21k
- PILOT for FY23 is forecasted to be \$13.4M



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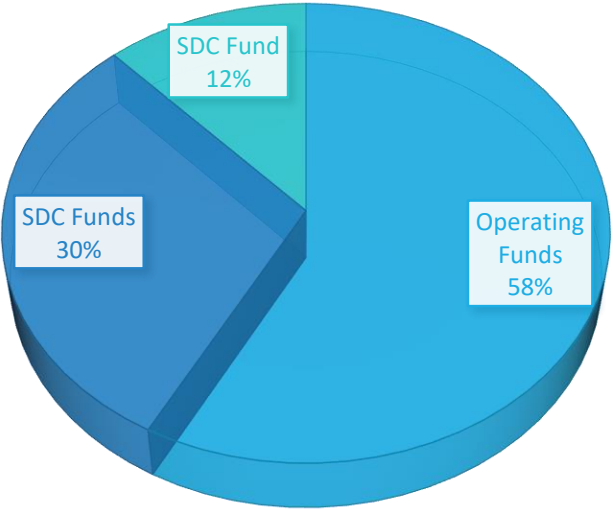
(in thousands)

2023
Request

\$115,213

Total Operating Capital
Includes St. Cloud FY23 Capital Requests

Capital



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Capital Outlay and Capital Project Request

(In thousands)				
Budgeted Operating Capital	Water SDC	Wastewater SDC	Capitalized Labor	Total Request
\$112,182	\$58,505	\$23,062	\$3,031	\$193,748

It is assumed that the Authority will experience a 80% expenditure rate on budgeted Capital Outlay for Fiscal Year 2023.

Capitalized labor includes Field Services, Lift Station rehab crew, Capital Inspectors, and Engineers.



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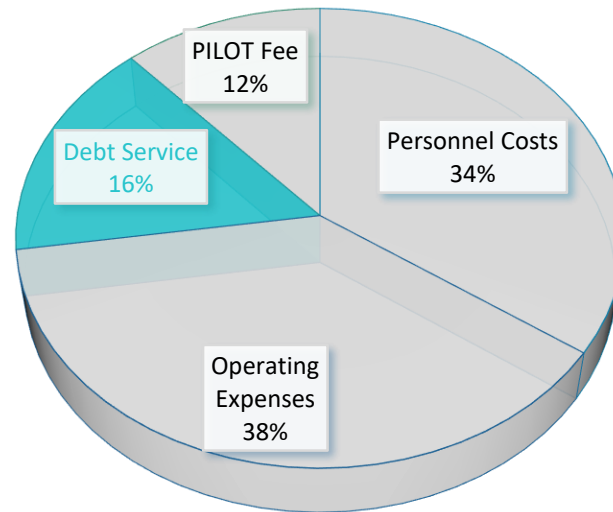
(in thousands)

**2023
Request**

\$17,660

Debt Service

Debt Service



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Outstanding Debt

Current Authority Outstanding Debt

(In thousands)

Revenue Bonds & Notes (in 000's)	Amount Issued	Current Outstanding	Interest	Structure	Purpose of Issue
Series 2009 Note	\$16,000	\$8,615	3.63%	Fixed	Admin Building & Construction
Series 2010 Note	10,000	924	3.77%	Fixed	Capital Improvements
Series 2011A Bond	93,495	630	3.00%-5.75%	Fixed	Refund Bonds (Series 2007)
Series 2016 Bond	173,605	169,185	2.00%-5.00%	Fixed	Refund portion 2011A & 2012 Capital Improvements
Series 2020	38,160	38,160	1.00%-4.00%	Fixed	Short-term funding for WIFIA designated projects – matures 2025
Series 2021 Note	14,305	14,305	1.08%	Fixed	Refund Bonds (Series 2003 A&B)
Total		\$231,819			

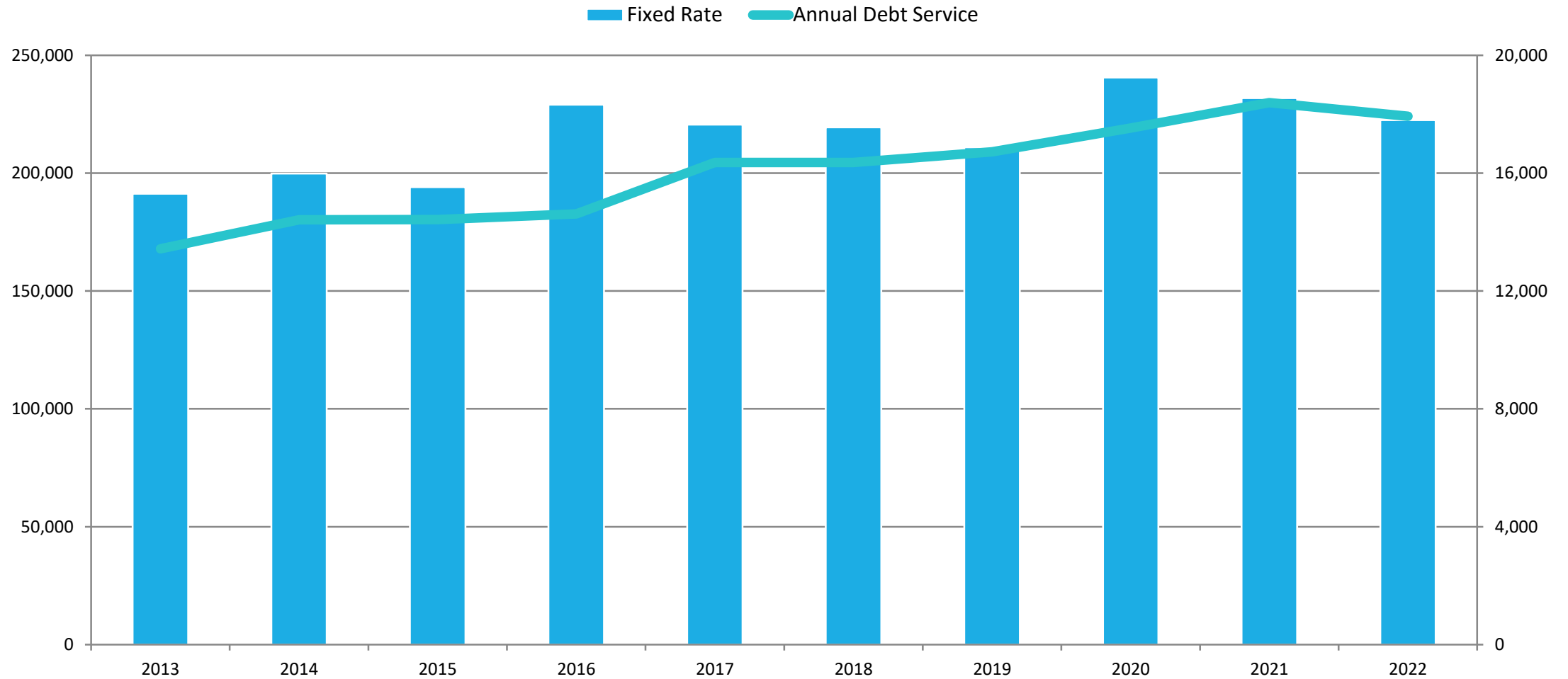


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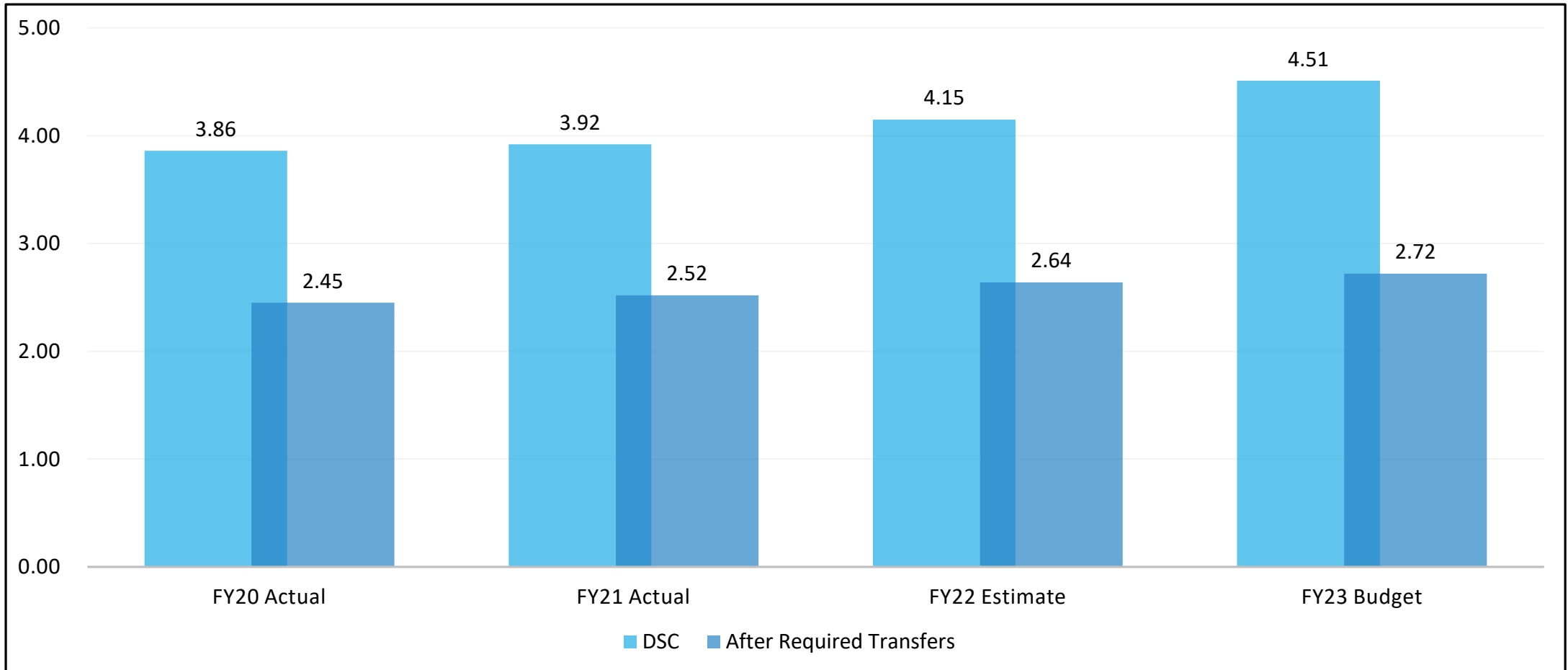
Debt – \$232M | Annual Debt Service – \$17.9M

Historical Outstanding Debt

(In 000s)



Debt Service Coverage – Historical & Projected Update



Combined Toho-St. Cloud Operating Budget

Toho & St. Cloud Combined Revenue Summary – 2023 Request

	Toho	St Cloud	Combined
	2023 Request	2023 Request	2023 Request
Water Sales	43,662	10,413	54,075
Wastewater Sales	91,030	16,322	107,352
Reclaimed Water Sales	17,015	2,247	19,262
Other Operating Revenues	4,506	630	5,136
Tap Fees	3,121	2,223	5,344
Miscellaneous Revenues	1,502	730	2,232
Investment Income	2,100		2,100
Total	162,936	32,565	195,501

St. Cloud Operating Expenses – Request to Estimate/Budget

- ☐ Expenses projected to be:
 - ☐ Up \$827k or 7.4% over FY22 Budget
 - ☐ Personnel Budget \$7.5M - No new positions
 - ☐ Total Operating Expense \$19.5M

	STC FY23 Request	FY22 Budget		
		Total	\$ Δ	% Δ
Contracted Services	3,325	3,578	(253)	-7.1%
Other Maintenance	1,384	1,614	(230)	-14.3%
Utilities	1,846	1,422	424	29.8%
Other Operating Costs	828	674	154	22.8%
Other Supplies	1,677	1,364	313	22.9%
Chemicals	2,101	1,906	195	10.2%
Auto Maintenance	304	268	36	13.4%
Gas & Oil	409	226	183	81.0%
Travel & Training	135	130	5	3.8%
Total	12,009	11,182	827	7.4%



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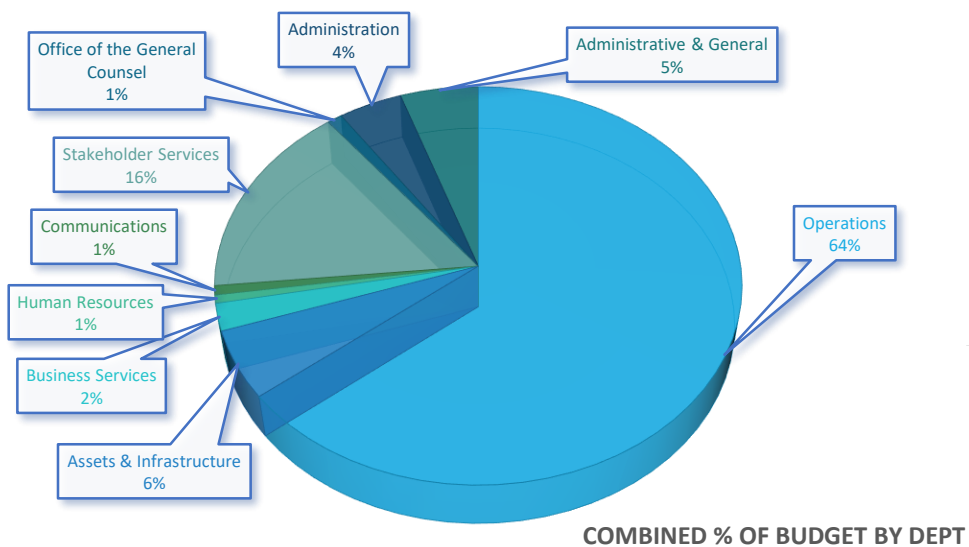
Combined Operating Expenses by Department

Total FY23 Operating Budget request \$55.6M

Toho = \$43.6M

St. Cloud = \$12.0M

64% of total combined budget attributed to Operations followed by Stakeholder Services at 16%



Operations

Assets & Infrastructure

Business Services

Human Resources

Communications

Stakeholder Services

Office of the General Counsel

Administration

Administrative & General

Operating Budget		
Toho	STC	Combined
27,447	8,337	35,785
3,049	0	3,049
1,221	0	1,221
367	0	367
396	20	416
7,725	1,169	8,894
505	55	560
447	1,945	2,392
2,441	483	2,925
43,599	12,010	55,609

Toho & St. Cloud Combined Personnel Costs Summary – 2023 Request

	Toho	St. Cloud	Combined
	2023 Request	2023 Request	2023 Request
Salaries and Wages - Regular Pay	24,338	4,597	28,935
Salaries and Wages - Other Pay	677	18	695
Salaries and Wages - Overtime Pay	1,684	246	1,930
Subtotal - Salaries and Wages	26,699	4,861	31,560
FICA	2,042	371	2,413
Retirement Contributions	2,840	799	3,639
Life and Health Insurance	6,479	1,229	7,708
Workers' Compensation	172	101	273
Unemployment Compensation	0	19	19
Subtotal - Fringe Benefits	11,533	2,519	14,052
Total	38,232	7,380	45,612

Combined 2023 Annual Budget Summary

	<u>Request</u>
Operating Revenue	\$ 195,501
Personnel and Operating Expenses	<u>101,221</u>
Net available for debt service	94,280
Debt Service	18,560
<i>Debt Service Coverage</i>	<i>5.08x</i>
PILOT (Payments in Lieu of Taxes) Fees	16,892
(COK \$9.1M/County \$4.3M/St. Cloud \$3.5M)	
Renewal & Replacement Transfer	22,481[*]
<i>*includes \$4.3M for St. Cloud</i>	
<i>Debt Service Coverage, after required transfers</i>	<i>2.96x</i>
Net Revenues after Debt Service & Transfers	<u>\$ 36,347</u>

Closing

Operating Budget Priorities and Risks

- Ongoing economic uncertainty
 - Implications of potential recession and growth slowdown
 - Inflation uncertainty
- Integration of St. Cloud
- Ongoing delivery of asset and master planning efforts
- Evolving legislative and regulatory pressures and associated cost impacts
 - CFWI water supply limitations and conservation requirements
 - Biosolids rule
 - Water quality rule (focus on asset management and SSOs)
 - Basin management action plans



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Next Steps

Strategic Plan

- Board Approved
- **COMPLETE**

Capital Improvement Plan

Workshop #1

- Preliminary Overview
- **COMPLETE**

Capital Improvement Plan Workshop #2

- August 10 Board Meeting
- Financial Planning
- **COMPLETE**

Operating Budget Workshop

- August 17
- Consolidate St. Cloud FY23 Budget
- **COMPLETE**

Adopt Budget and Rate Resolutions

- September 2022

Questions



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Tohopekaliga Water Authority
Summary of the 2023 Operating Budget
For the period covering October 1, 2022 through September 30, 2023

	2023 Budget
<i>(Presented in thousands)</i>	
Operating Revenue	\$195,501
Personnel and Operating Expenses	101,221
Net available for debt service	94,280
Debt Service	18,560
<i>Debt Service Coverage</i>	<i>5.08x</i>
 PILOT (Payments in Lieu of Taxes) Fees	 16,892
 Renewal & Replacement Transfer	 22,481
<i>Debt Service Coverage, after required transfers</i>	<i>2.96x</i>
 Net Revenues after Debt Service & Transfers	 \$36,347

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
Water Plants		
1300	BVL Old GST Repair	120,000
1100	HMI upgrades (bar screen, grit, disk filter, reuse) (EU)	100,000
1400	Huron Well 2 Inspection & Rehab & Duke Power Re-route	80,000
1100	NW WTP Chlorine Tank & Skid Replacement	70,000
1100	North Bermuda HSP 3 & 6 VFD	60,000
1100	Backflow Preventer Repairs (WA2204) (EU)	55,000
1400	Huron Well 5-2 inspection & Rehab (Rollover to FY23)	50,000
1100	North Bermuda Well 6 - Inspection & Rehab	30,000
1100	SW WTP Well 1 & 2 - Inspection & Rehab	30,000
1400	Chlorine Bulk Tanks - Peabody WTP	25,000
1100	Parkway Chlorine Bulk tanks	25,000
1400	Skid and Tank Replacement Peabody, Bellalago, & Huron	15,000
	Sub Total - Water Treatment Plants	\$660,000
Water Reclamation Facilities		
- South Bermuda		
1110	Large Portable Generator	125,000
1110	Sample Cart	12,000
- Parkway		
1111	Mechanical Screen at Headworks Parkway	250,000
1111	Hypochlorite Storage Tanks (2) Parkway	100,000
1111	Spare Aerator Motor and Gearbox (Rollover to FY23)	70,500
- Sandhill		
1112	Large Portable Generator	125,000
1112	Sodium Hypochlorite Structure	75,000
1112	Check Valves for Effluent Transfer Pumps	42,000
1112	HMI Screen for Polyblend	8,000
- Camelot		
1113	Repave Entrance Road Camelot	60,000
1113	Valve Actuator Replacement	56,000
1113	Camelot WRF Sludge Tanks Refurbish	40,000
1113	Camelot WRF CCC U/V Shade balls (Rollover to FY23)	18,000
- Harmony		
1210	Sludge Transfer Pump	20,000
- Cypress West		
1410	Anoxic Mixers (4) Cypress West	100,000
1410	Actuator Valves for Influent Slide Gate	100,000
1410	Grit Supernatant Pumps (2)	27,600
1410	Replace Lighting Units on Various Buildings	18,000
- Lake Marion		
1412	RIB Berm Restoration	150,000
1412	Plant Forklift	75,000
1412	Mower Deck Lake Marion	40,000
1412	Transfer Pump Motor	15,000

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
Maintenance		
1145	Master Lift Station # 57: Pump Replacement	240,000
1145	Replacement Pumps for Lift Station #72	60,000
1145	Pump Replacement	24,000
1245	Pump Replacement	24,000
1345	Pump Replacement	24,000
1445	Pump Replacement	24,000
1445	Spare Pump Lift Station #67	21,000
1445	Spare Pump Lift Station #94	21,000
1145	Laser Shaft Alignment system	15,000
1145	Wet Well Coating, Risers, Pipes, Valves, Pump Bases	9,350
1245	Wet Well Coating, Risers, Pipes, Valves, Pump Bases	9,350
1345	Wet Well Coating, Risers, Pipes, Valves, Pump Bases	9,350
1445	Wet Well Coating, Risers, Pipes, Valves, Pump Bases	9,350
	Sub Total - Maintenance	<u>\$490,400</u>
SCADA Support		
1144	Radio Transmission Units (RTUs) including Spares	75,000
1444	SCADA Equipment	40,000
1444	Radio Transmission Units (RTUs) including Spares	37,500
1144	SCADA - Wireless Network Bridges & Radios	20,000
1244	Radio Transmission Units (RTUs) including Spares	15,000
1144	SCADA - Network Switch	12,000
1344	Radio Transmission Units (RTUs) Including Spares	10,000
	Sub Total - SCADA Support	<u>\$209,500</u>
Support Service		
1146	Actuators for Stoneybrook (9)	\$75,000
1146	Stoneybrook Master Flow Meter	\$27,000
		<u>\$102,000</u>
Transmission & Distribution		
1125	New Water Services & Taps	75,000
1425	New Water Services & Taps	50,000
1125	R&R Water Distribution System	45,000
1125	Wire Tracer Replacements	30,000
1425	Fire Hydrants	30,000
1125	Fire Hydrants	25,000
1325	Fire Hydrants	20,000
1425	R&R Water Distribution System	18,000

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
Transmission & Distribution - Cont.		
1125	Mudhog Pump	16,000
1325	R&R Water Distribution System	12,000
	Sub Total - Transmission & Distribution	<u>\$321,000</u>
Sewer Collection		
1135	New Sewer Service	65,000
1435	New Sewer Service	50,000
1435	R/R Wastewater Collection System	30,000
1235	New Sewer Service	20,000
1135	R/R Wastewater Collection System	20,000
1335	R/R Wastewater Collection System	20,000
1335	New Sewer Service	5,000
	Sub Total - Sewer Collection	<u>\$210,000</u>
	Total Operations & Treatment	<u><u>\$3,520,000</u></u>
Business Services		
3000	Organization Vehicles	2,835,000
3000	Organization Vehicles (EU)	1,380,000
3000	Yard Dog 1110 WRF S Bermuda	130,000
3000	WS380 - Mini Backhoe Field Services	75,000
3000	WS382 - Mini Backhoe Field Services	75,000
3000	WS321 - Bush Hog Mower Support Services	35,000
	Sub Total - Business Services	<u>\$4,530,000</u>
Information Technology		
6020	Data Center Hyperconverged Cloud Infrastructure	500,000
6020	IT-DR Project/Cloud Infrastruc (122062)	482,641
6020	Microsoft 365 Implementation	450,000
6020	CIS Version 4 Upgrade	338,800
6020	IT-Kiosk-AdminBuild&PoincianaA (122028)	200,000
6020	Record Drawings - GIS Integration (EU)	150,000
6020	Trimble Catalyst Handhelds	140,000
6020	IT-CS Engagement Software (120009)	127,520
6020	Agenda Package Software	80,000
6020	IT-Dialer/IVR Enhancement (121077)	75,000
6020	Organization Computers	75,000
6020	Training Room Video Upgrade	75,000
6020	IT-Inventory Control Automatio (121076)	50,000
	Sub Total - Information Technology	<u>\$2,743,961</u>
Environmental Services - Cross Connection		
6033	Cross Connection Control Backflow Units	\$2,050,000
Environmental Services - Laboratory		
6034	Fume Hoods	48,000
6034	Canopy Hoods (2)	15,000
6034	Sample Incubators #7	15,000
	Sub Total - Laboratory	<u>\$78,000</u>

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
Customer Service		
6040	New & Replacement Meters and MTUs	3,500,000
6040	New Meter Install (WA2201) (EU)	750,000
6040	Reuse Meters Install (RW2201) (EU)	525,000
6040	AMI Data Collector Units (DCUs)	78,000
6040	Motorola Radios	13,200
	Sub Total - Customer Service	<u>\$4,866,200</u>
Administration		
9000	Capital associated with Personnel Additions PLACEHOLDER	1,117,500
9000	ARCH Flash protection program	300,000
9000	KNOX BOX purchase and install	54,000
9000	ODL - Innovations Programming	50,000
	Sub Total - Administration	<u>\$1,521,500</u>
	Total Administrative Support Services	<u><u>\$15,789,661</u></u>
Operating Fund - Projects		
2000	WIFIA - Accelerated Gravity Sewer Rehabilitation Program	6,010,000
1411	Walnut WRF Decommissioning (421010)	5,445,000
1125	Simpson - Ph 2/3/4 North (317001)	4,500,000
2000	West Reuse SRF (EU)	4,000,000
1110	South Bermuda WRF Expansion (122054)	4,000,000
1135	I/I Rehab	3,250,000
1200	Harmony WTP Upgrade&Expansion (222002)	3,107,000
1125	Simpson Road Ph 2/3/4 South Imp (322006)	2,500,000
1125	NeoVation Way Utility Relocation and Extension	2,478,000
1100	Hydrogen Sulfide Removal Syste (122025)	2,440,000
1435	I/I Rehab	2,250,000
1111	PW WRK Sand Filter Replacement (120034)	2,213,914
1135	LS 57 Parallel FMs	1,750,000
1125	Simpson Road Widening PH 1 Proj (121066)	1,648,000
1125	Lake Wilson Rd Improvements - Polk County	1,530,000
2000	20" Connection-Cntr Lk to Jck Brck Rd & Sunbridge (EU)	1,500,000
2000	Facilities Master Plan Implemenation	1,500,000
1135	Force Main Rehab Program	1,500,000
2000	SSWWTF Reuse Storage Pond Expansion (EU)	1,425,160
1100	BVL WTP Upgrade (322002)	1,283,000
1145	Lift Station Rehab	1,275,000
2000	30"WMEExtSimpsonRdFortuneInters (122002)	1,255,051
1125	Partin Settlement Widening (122040)	1,200,000
2000	Hkry Tr Rd 16" Main (Twn Lk Blvd-IB Mem Hwy) (EU)	1,139,760
2000	CL WTP and Other (EU)	1,123,077
1125	532-OldLakeWilson-US1792-Cty(122003)	1,100,000

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
<i>Operating Fund Projects - Cont.</i>		
1335	I/I Rehab	1,100,000
1125	NeptuneRdPartinSettlementUS192 (122036)	1,100,000
2000	20" RM CP Pkwy - Nept Rd&Tohoqua Blvd (EU)	1,000,000
1135	WIFIA LS35 PH1 Gravity Sewer (122071)	975,000
1335	Reaves Rd FM Replacement (422014)	900,000
2000	Nept Rd W/WW/Reuse Util Reloc-county (EU)	899,855
1425	Poinciana Blvd. (Crscnt Lks Wy-Plsnt Hill)-County	807,477
2000	WTP#4 Transmission South/East (EU)	772,800
1445	Lift Station Rehab	765,000
1125	CarrollStJYP-MichiganAve (121007)	648,105
2000	16" RM Old Hkry Tr Rd (Hkry Tr ES to 10th) (EU)	637,140
1111	Parkway WRF-Lined Pond Replace (122038)	636,000
2000	Richard McLaughlin (North Bermuda) WTP Improvements	606,000
1125	Potable Service Connections	594,000
1125	Galvanized 2" WM - Lavon - Palm US192 & Oak St	571,000
2000	Old Hkry Tr Rd 16" Main (Nolte-HkryTr-Center Lk) (EU)	569,880
2000	Nolte Road BPS (Center Lake) (EU)	534,930
2000	Pine Lake Estates WM Replc (EU)	524,000
1125	W.OakSt-JYP Intersection-City (121052)	524,000
1145	Bypass Pumps for 11 Stations (122008)	516,175
2000	16" RM 10th St (Old Hkry Tr Rd to Narcsee Rd) (EU)	505,050
1125	Pleasant Hill Rd 16" WM Ext (422019)	500,000
2000	Collection & Distribution PMO (122011)	500,000
2000	WTP#4 Repl MEX expansion 9 to 12 MGD (EU)	500,000
2000	MarigoldCypressParkwayImprov (422004)	500,000
2000	Misc. Sewer Lining (WW2205) (EU)	490,000
2000	Misc. Lift Station Repair/Replace (WW2202) (EU)	484,800
2000	CL Transmission Segment 19c - GIR (EU)	475,800
2000	Partin Settlement Util Reloc-county (EU)	474,109
1135	WIFIA Formosa Gardens GS Rehab (121056)	473,890
1425	Potable Service Connections	470,000
2000	CL Transmission Segment 19b - GIR (EU)	420,900
1125	Celebration LS1111 (121099)	400,000
1125	Sherwood/Celebration/Monter WM (122062)	389,245
2000	SunbridgeWTPFreeChlorineConver (122058)	344,197
1135	WIFIA LS 18 Scotts Blvd GS Reh (121085)	322,840
1146	Generator - Champions Gate Pump Station	300,000
2000	Screwpress upgrade (EU)	300,000
2000	Sunset Dr Sewer Replacement	300,000
1100	Parkway Well 3 Generator	300,000
2000	Misc Line Extensions (WA2202) (EU)	290,000
1135	Mystic Dunes ARV Odor Control	281,000
2000	16" RM Old Hkry Tr Rd (Nolte Rd to Hkry Tree ES) (EU)	269,360
1345	Lift Station Rehab	255,000

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
<i>Operating Fund Projects - Cont.</i>		
1125	Orange Blossom Trail & Osceola Pkwy Traffic Signals - FDOT	250,000
1112	RIB Refurbishing (Additional) - Sandhill WRF	250,000
1125	Columbia Ave Improvements - City of Kissimmee	208,000
1135	BoggyCreekSimpsonNarcoosseeCty (122007)	207,407
1144	SCADA/Engineering Project (120082)	204,927
1125	Shady Lane Widening (121043)	200,371
1144	SCADA upgrade (EU)	200,000
2000	Biosolids Dewatering & Processing	200,000
2000	Toho Interconnect (Cyrils) (EU)	200,000
2000	Toho Interconnect (Tohoqua) (EU)	200,000
1125	OBT&OsceolaPkwyTrafficSignals (122037)	200,000
1125	Woodside Apartments Drainage Improvements - COK	200,000
1125	Cantebury Water Main Ext (122081)	184,000
2000	FM Pine Tree Rd to Southside WWTP (Grn Island) (EU)	160,000
2000	Reuse pump station PLC/VFD upgrade (EU)	150,000
2000	SSWWTF Add Bar Screen (EU)	150,000
2000	NEBS Capacity Increase (Center Lake) (EU)	130,140
1325	Galvanized WM - Intercession City - South US 1792	111,000
1445	Easement Purchase in Poinciana (422002)	100,000
1135	Vac Truck Dump Sites (122061)	100,000
1400	Water Treatment Plant Demolition	100,000
2000	Misc. Line Extensions (WW2101) (EU)	100,000
2000	Misc. Water System Repairs (WA2203) (EU)	100,000
2000	Reuse System Line Ext (RW2202) (EU)	100,000
1125	US 17-92 & Pleasant Hill Rd Intersection Improvements-FDOT	100,000
2000	16" WM Jack & Bore @ Ruby St (121001)	93,000
1325	Potable Service Connections	91,000
1135	Thacker Ave Extension (Ball Park to Osceola Pkwy) - COK	90,000
1125	Connect Kissimmee Project - City of Kissimmee	80,000
1100	BVLBlvd-OsceolaPkwy&TrottersCi (318003)	75,000
1135	Air Release Valve Maintenance Program	75,000
1435	Air Release Valve Maintenance Program	75,000
1144	SCADA Equipment	60,000
1425	Water Age Looping Project	50,000
2000	Upgrade existing Toho intercnt at RemingtonPS Rd (EU)	50,000
2000	Underwood Sewer Rehab (EU)	48,000
2000	US192 Crossing Crawford Rehab (EU)	48,000
2000	Misc. Reuse System Repairs (RW2203) (EU)	37,000
2000	Telemetry Installation (WW2204) (EU)	28,000
1125	Mann Street Roadway Improvements - City of Kissimmee	26,600
1335	Air Release Valve Maintenance Program	25,000
2000	Turnpike Interchange Imp-WM Adj (EU)	24,000
2000	New Service Laterals (WW2203) (EU)	16,000
1435	Manhole Raising Program	10,000
	Sub Total - Operating Fund Expenditures	<u>\$90,757,960</u>

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
Water System Development Fund Projects		
	Harmony WTP Upgrade&Expansion (222002)	20,218,000
	Judge Farms Reservoir & Impoun (113032)	17,000,000
	Shingle Creek SWTF (121069)	6,079,000
	30"WMExtSimpsonRdFortuneInters (122002)	2,911,416
	Poinciana Blvd. (Crscnt Lks Wy-Plsnt Hill)-County	2,392,523
	Poinciana Utilities Extension	1,500,000
	Cyrils Drive Reuse Main Extension (122014)	1,343,000
	Camelot WRF Exp & Effl Storage (120006)	1,250,000
	24"WM Ex-Westside-Bella Cita (117003)	1,200,000
	SB-Parkway Reuse Interconnect (122070)	1,000,000
	SunbridgeWTPFreeChlorineConver (122058)	655,803
	Cypress Lake Transmission Mains	569,742
	Toho/Poinciana Interconnection - Hoagland Blvd 16" WM Ext	500,000
	Misc Extensions in Unserved Areas	500,000
	BoggyCreekSimpsonNarcoosseeCty (122007)	444,444
	Northwest WTP Storage Expansion-MP Project	300,000
	Pleasant Hill Rd 16" WM Ext (422019)	250,000
	NeoVation Way Utility Relocation and Extension	167,000
	16" WM Jack & Bore @ Ruby St (121001)	124,000
	Kindred Reuse Main Upsizing	100,000
		<u>\$58,504,928</u>
Sewer System Development Fund Projects		
	Sunbridge WRF	12,363,000
	Harmony WRF Rerate/Expansion (222003)	2,900,000
	Poinciana Utilities Extension	1,500,000
	Cyrils Drive Reuse Main Extension (122014)	1,343,000
	Camelot WRF Exp & Effl Storage (120006)	1,250,000
	SB-Parkway Reuse Interconnect (122070)	1,000,000
	South Bermuda WRF Expansion (122054)	1,000,000
	30"WMExtSimpsonRdFortuneInters (122002)	733,533
	NeoVation Way Utility Relocation and Extension	501,000
	Expansion-LS06-Add4th Pump&VFD (118024)	223,006
	BoggyCreekSimpsonNarcoosseeCty (122007)	148,149
	Kindred Reuse Main Upsizing	100,000
		<u>\$23,061,688</u>

TOHOPEKALIGA WATER AUTHORITY

2023 ANNUAL BUDGET

SCHEDULE 5
CAPITAL EXPENDITURES

Division Number	Description	Budgeted Amount
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Operating Capital Expenditures	\$110,067,621
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Water Development Fund	58,504,928
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Sewer Development Fund	23,061,688
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Capitalized Labor	2,942,168
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Total Capital Projects and Expenditures	<u><u>\$194,576,405</u></u>
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