



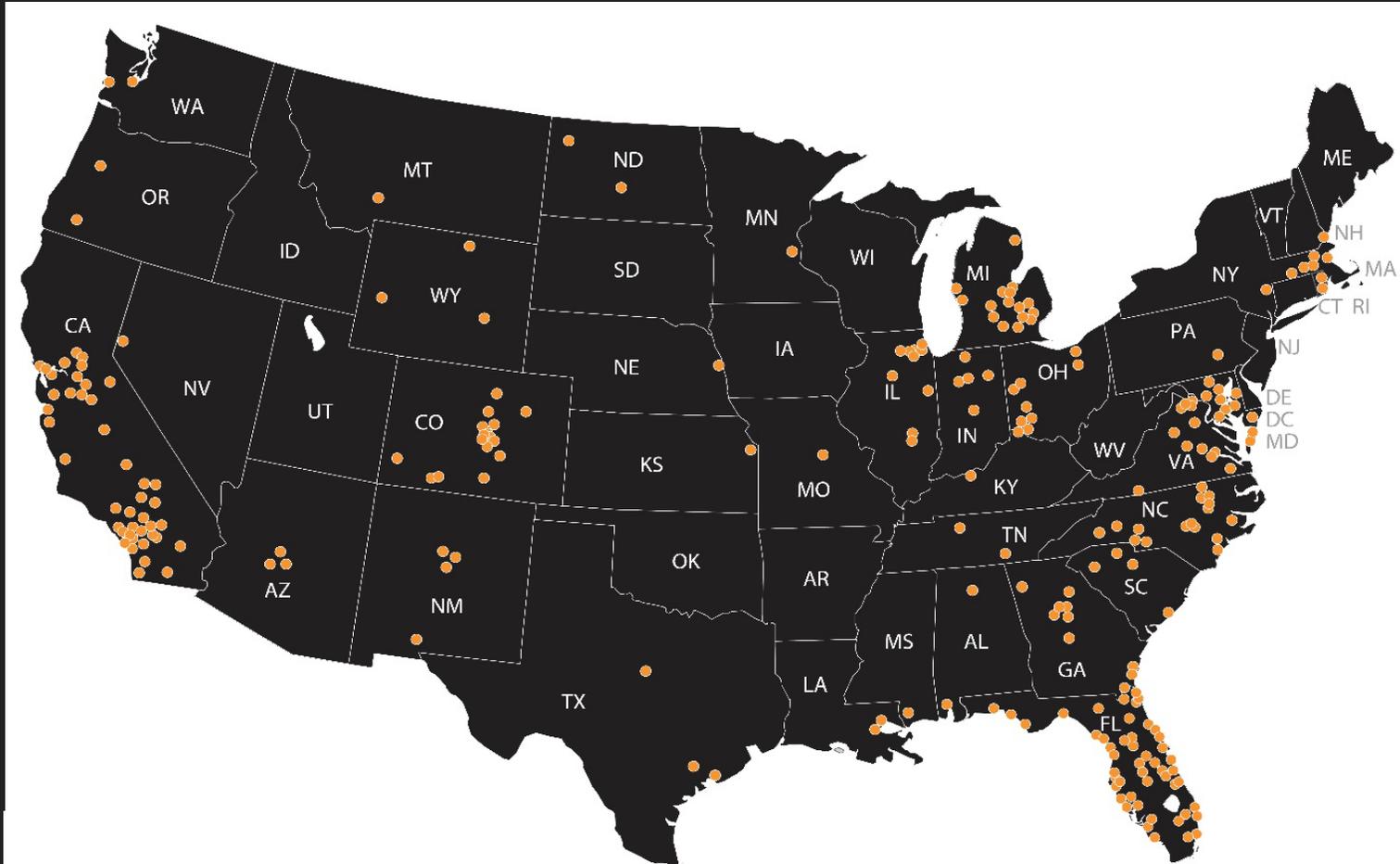
City of Clearwater Utility Revenue Sufficiency Overview

National Financial Consulting Practice



>375

Communities we have served, accounting for 20+% of the US population!



135+

Communities in Florida

400+

Combined years of **experience**

1.5K+

Studies in the last 10 years

35+

Specialists in utility & general fund financial management

>550

Utilities in our **benchmarking** database

\$4B+

Debt supported in past five years

City's Financial Management Consultants Since 2003

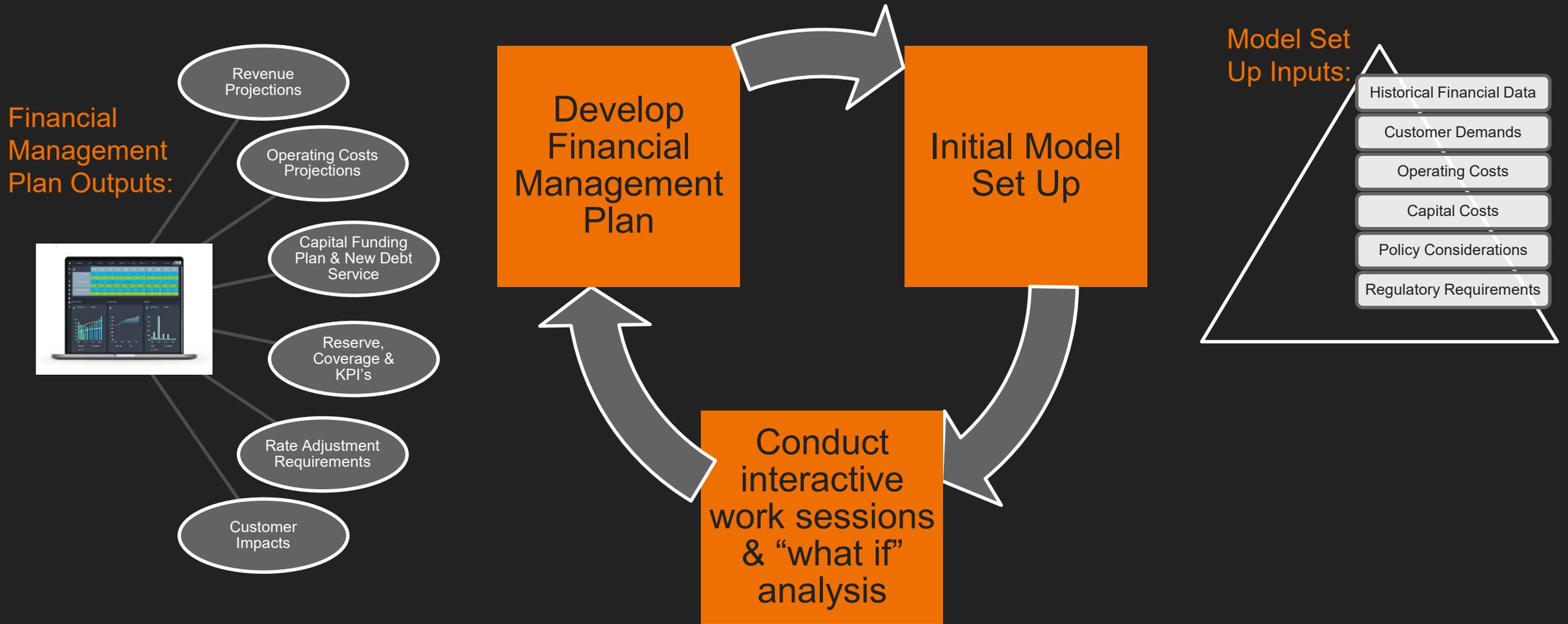
ALL SERVICES PROVIDED TO CITY

Water & Sewer Revenue Sufficiency Analysis
Solid Waste Revenue Sufficiency Analysis
Stormwater Revenue Sufficiency Analysis
General Fund Financial Sustainability Analysis
Water & Sewer Rate Structure Evaluations
Water & Sewer Impact Fee Studies
Septic to Sewer Expansion Analysis
Reclaimed Water Metering & Pricing Study
Cooperative Funding Analysis
Bulk Rate Analysis (Reclaimed Water)





The Annual Revenue Sufficiency Analysis Process





City of Clearwater FY 2022 Stormwater RSA Update



Key Preliminary Assumptions

\$300K

**Garage Svc
cost cuts
thru FY 27**

\$8.1M*

**Early
Retirement of
Series 2013**

100%

**Cash Funding of
CIP (incl. vehicles)**

\$9.6M**

**Annual CIP
execution thru
FY 27**

\$0****

**Regulatory
costs**

* Series 2013 was retired on November 1, 2021. Series 2014 was also retired ahead of schedule on November 1, 2019.

** \$12.8M annual CIP execution in FY 28 thru FY 32.

*** Staff is keen to possible costs driven by regulation. However, estimated costs are not easily quantifiable. As such they are not reflected in the analysis.



Historical Rate Adjustments

Adjustments previously approved
by Council and in effect



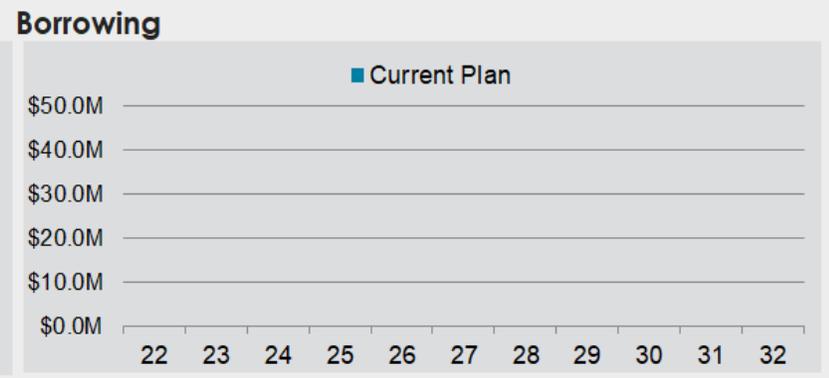
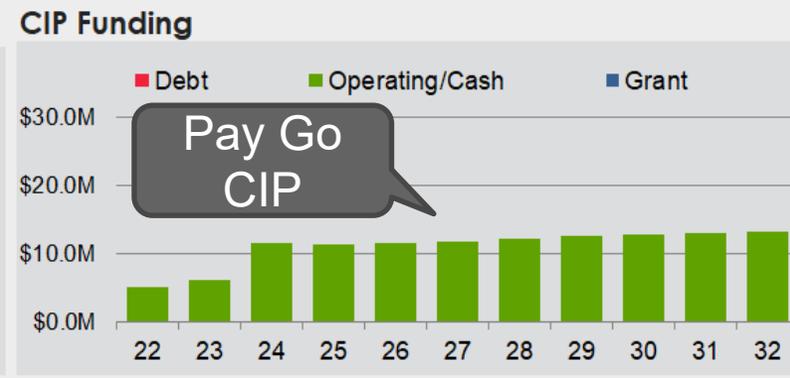
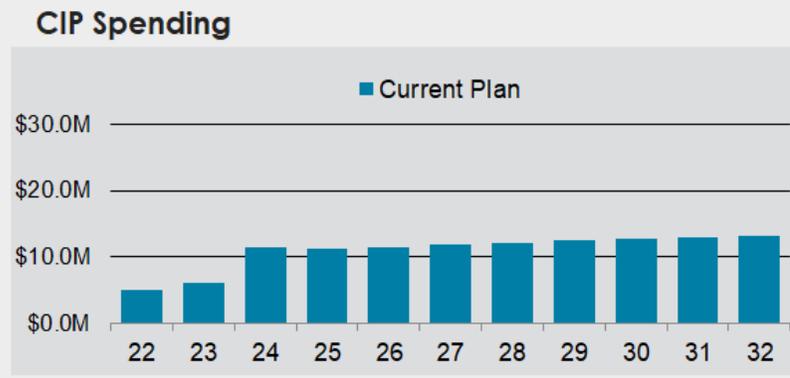
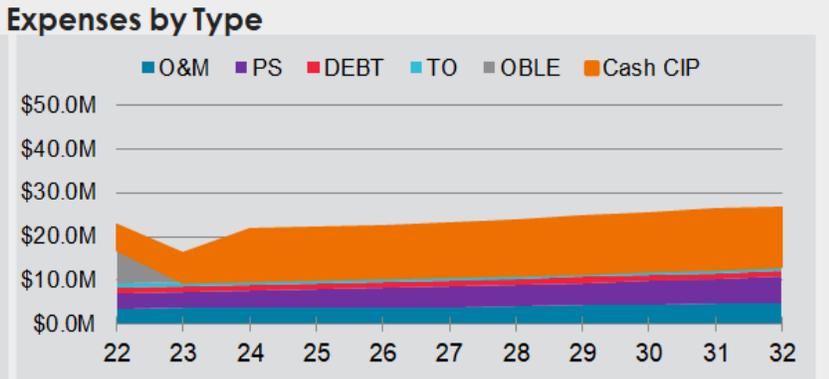
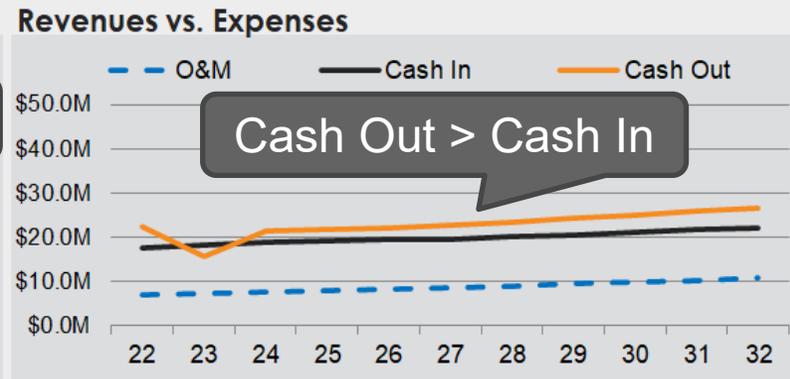
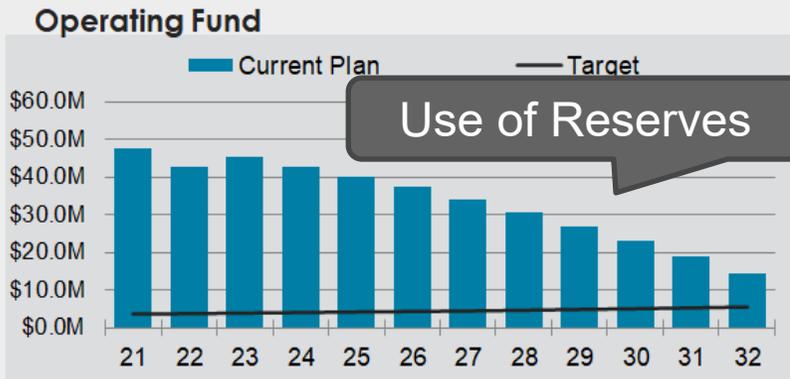
	FY 18	FY 19	FY 20	FY 21	FY 22
Stormwater	0.50%	0.50%	-8.50%	0.00%	0.00%

Grant funding
and budget
efficiencies



Pressure to bridge cash in and cash out

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2023	FY 2028
Stormwater Rate Plan	0.00%	1.75%	1.75%	1.75%	1.75%	1.75%	3.00%	3.00%	3.00%	3.00%	3.00%	9.03%	26.42%
Senior-Lien DSC	7.92	8.28	8.39	8.32	8.31	8.20	8.32	8.28	8.29	8.31	8.31		
Fixed Charge Stormwater Bill	\$13.40	\$13.64	\$13.87	\$14.11	\$14.36	\$14.61	\$15.05	\$15.50	\$15.97	\$16.45	\$16.94		

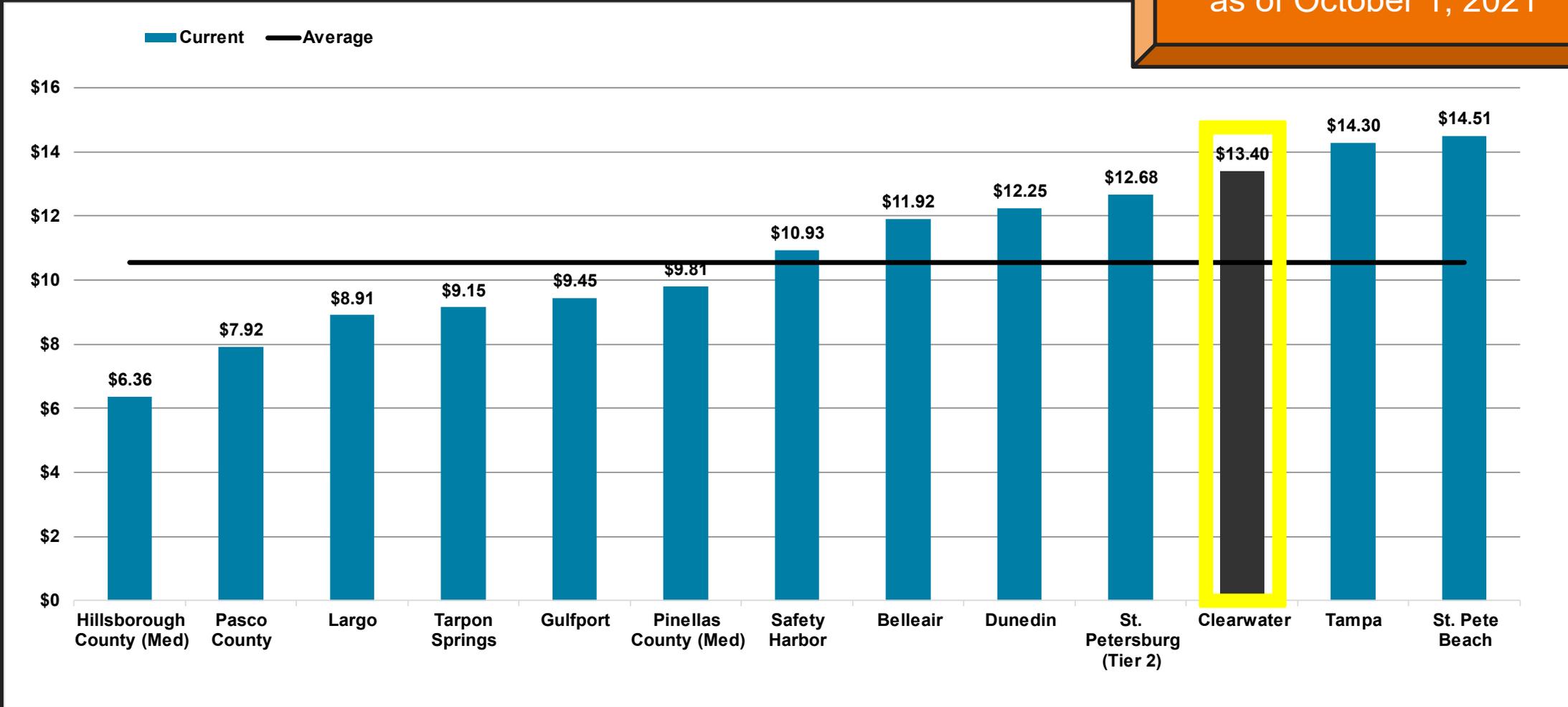




FY 2022 Monthly Stormwater Rate Survey*

*Rates for 1 ERU in effect as of October 1, 2021

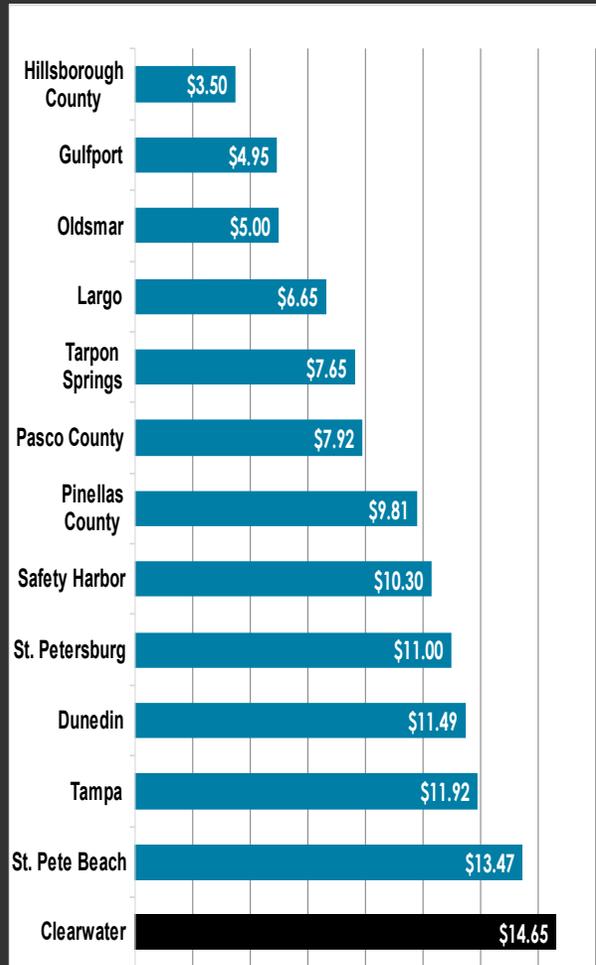
CITY OF CLEARWATER STORMWATER RSA UPDATE





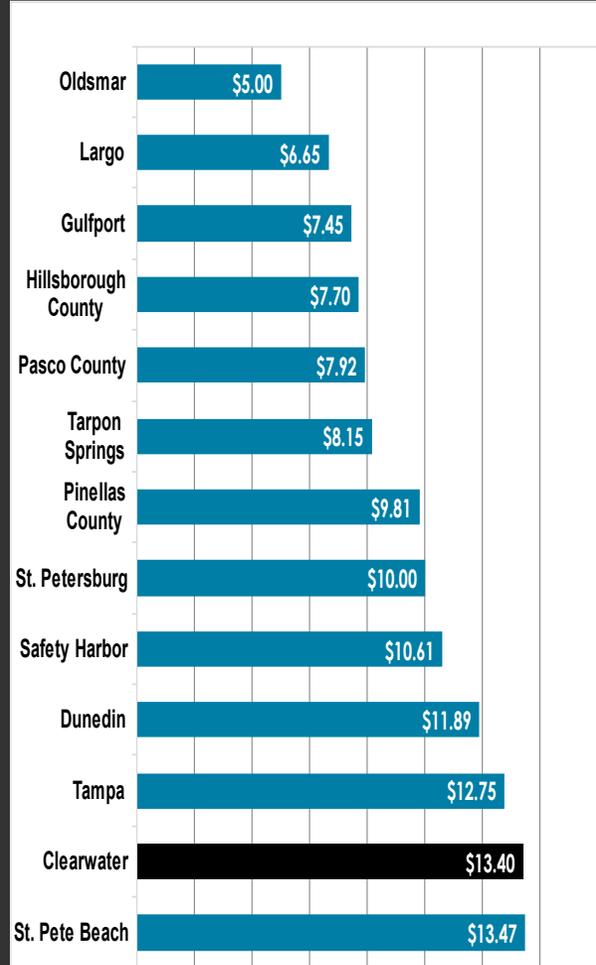
Historical Stormwater Rate Per ERU Surveys

FY 2019



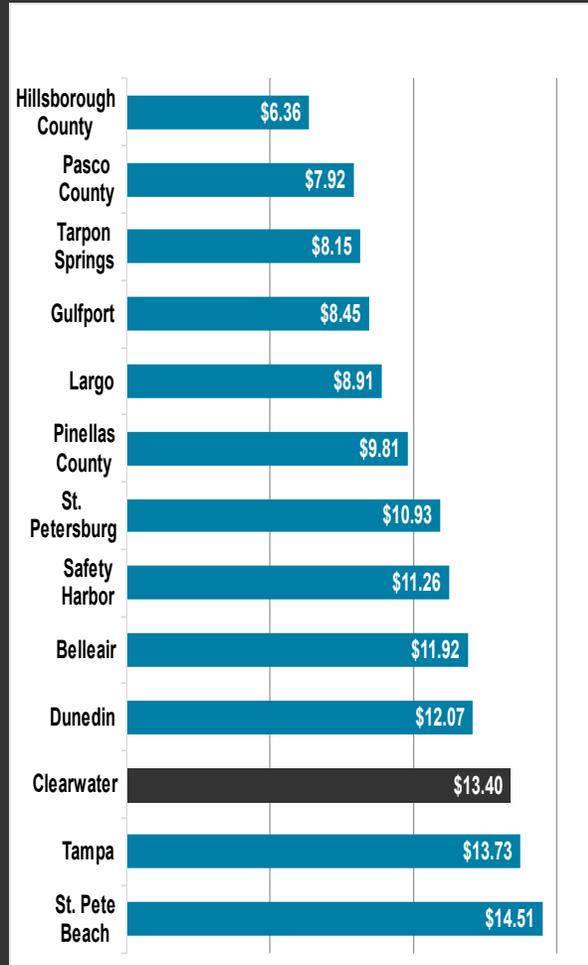
Avg. \$9.10

FY 2020



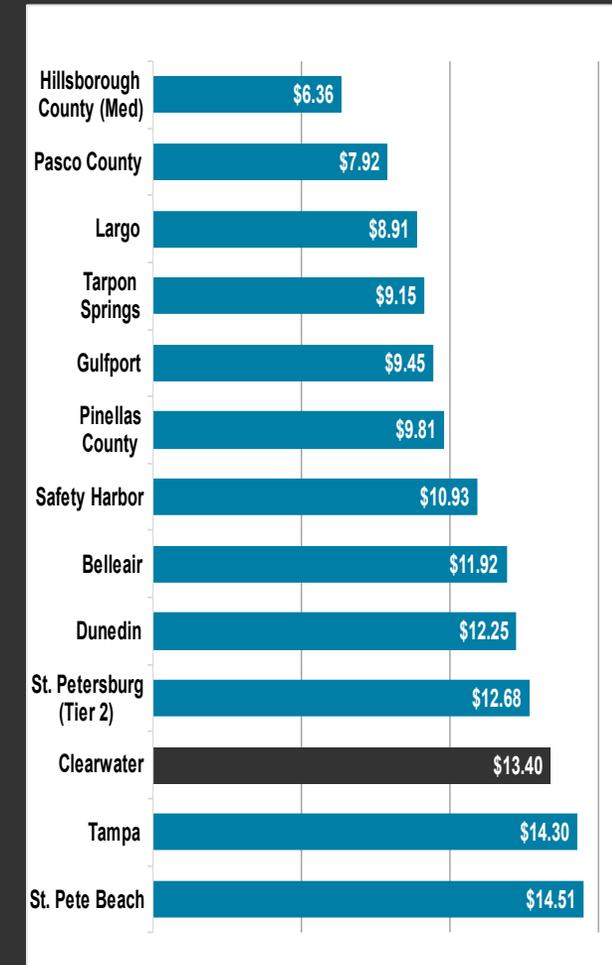
Avg. \$9.60

FY 2021



Avg. \$10.24

FY 2022



Avg. \$10.54



Questions / Discussion



City of Clearwater FY 2022 Water & Sewer RSA Update



Key Preliminary Assumptions

110*

New water accounts per year

- 0.5%

Annual reduction in billed flows / account

98%

O&M execution

FY 28**

10.5 MGD City Water Production

\$68M***

Annual CIP execution thru FY 27

\$82M****

Borrowing in FY 29

4.0%

Future Interest Rates

** 150 sewer accounts to reflect septic to public sewer conversions*

*** Expectation of 10.5 MGD production has been pushed from FY 2026 to reflect City staff's latest expectations.*

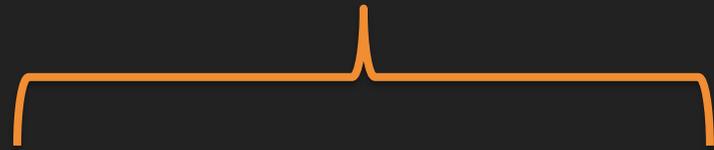
**** \$86M average annual CIP execution in FY 28 thru FY 32.*

***** Interim financing of \$38.8M from FY 27 thru FY 28.*



Historical Rate Adjustments

Adjustments previously approved by Council and in effect



	FY 18	FY 19	FY 20	FY 21	FY 22
Water*	6.25%	4.00%	4.00%	4.00%	4.00%
Sewer	6.25%	4.00%	4.00%	4.00%	4.00%



* Includes irrigation and reclaimed water rates.

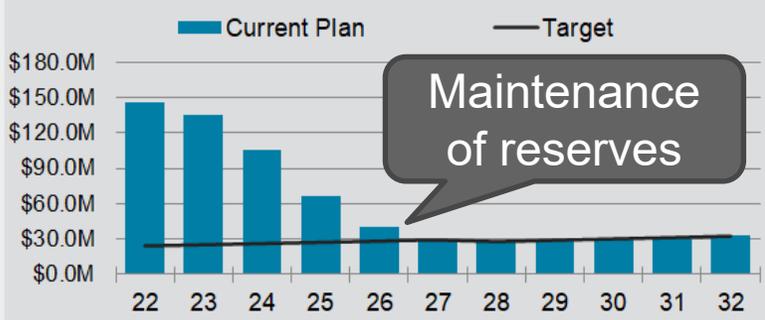
Rate pressure for balanced CIP funding

CALC SAVE CTRL LAST OVR

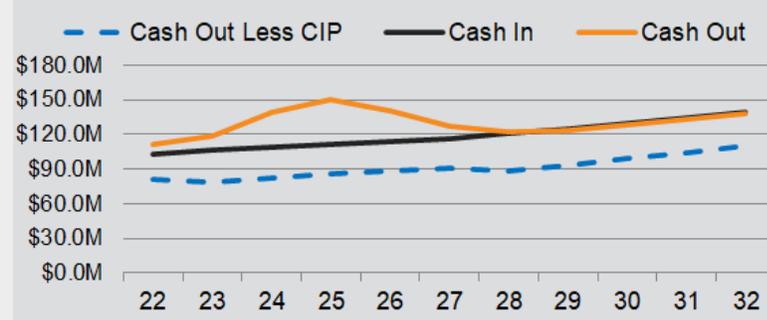
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2026	FY 2032
Water, Sewer, Recl. & Irr. Plan	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	12.53%	41.08%
Senior-Lien DSC	6.25	6.45	6.49	6.49	6.51	6.59	7.36	5.54	5.11	4.17	3.94	Scenario Manager	
All-In DSC	6.25	6.45	6.49	6.49	6.51	6.59	7.36	5.54	5.11	4.17	3.94		
Water & Sewer Bill @ 3 Kgals	\$59.55	\$61.34	\$63.18	\$65.08	\$67.03	\$69.05	\$71.81	\$74.68	\$77.67	\$80.78	\$84.01		

Strong DSC

Operating Fund



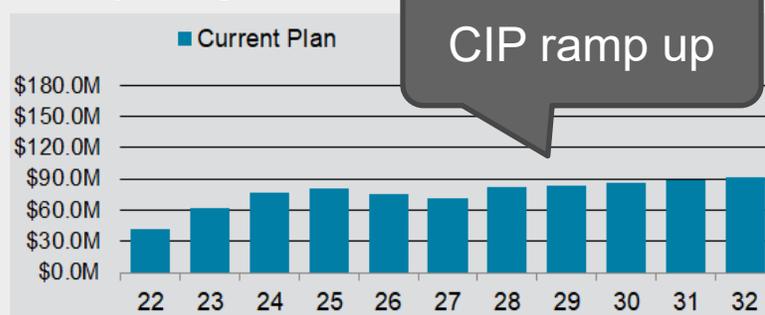
Revenues vs. Expenses



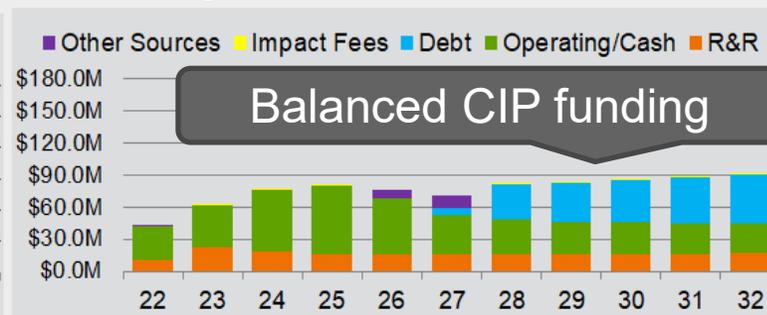
Interim Financing



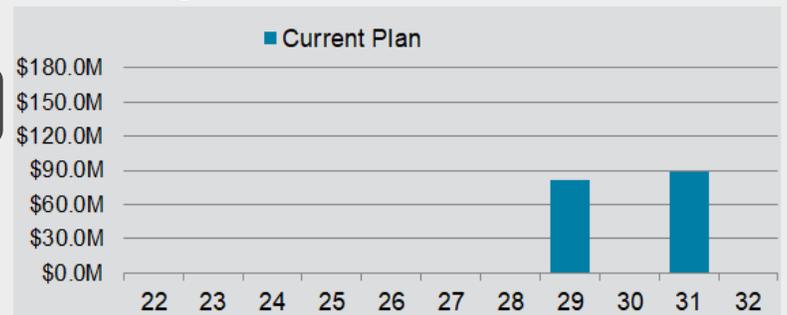
CIP Spending



CIP Funding



Borrowing



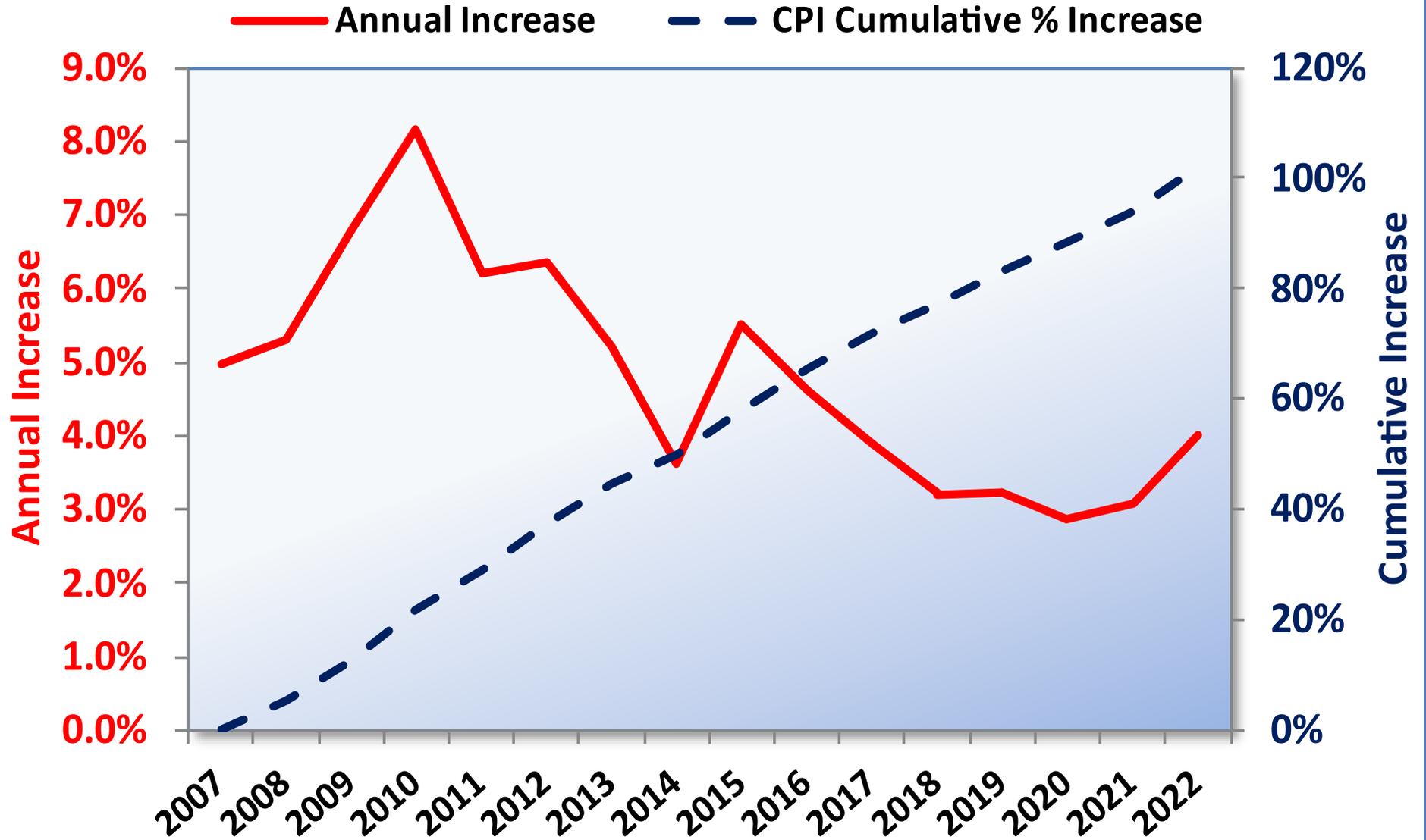


US CPI - Water & Sewerage Series

15-yr annual average
= 4.81%

10-yr annual average
= 3.93%

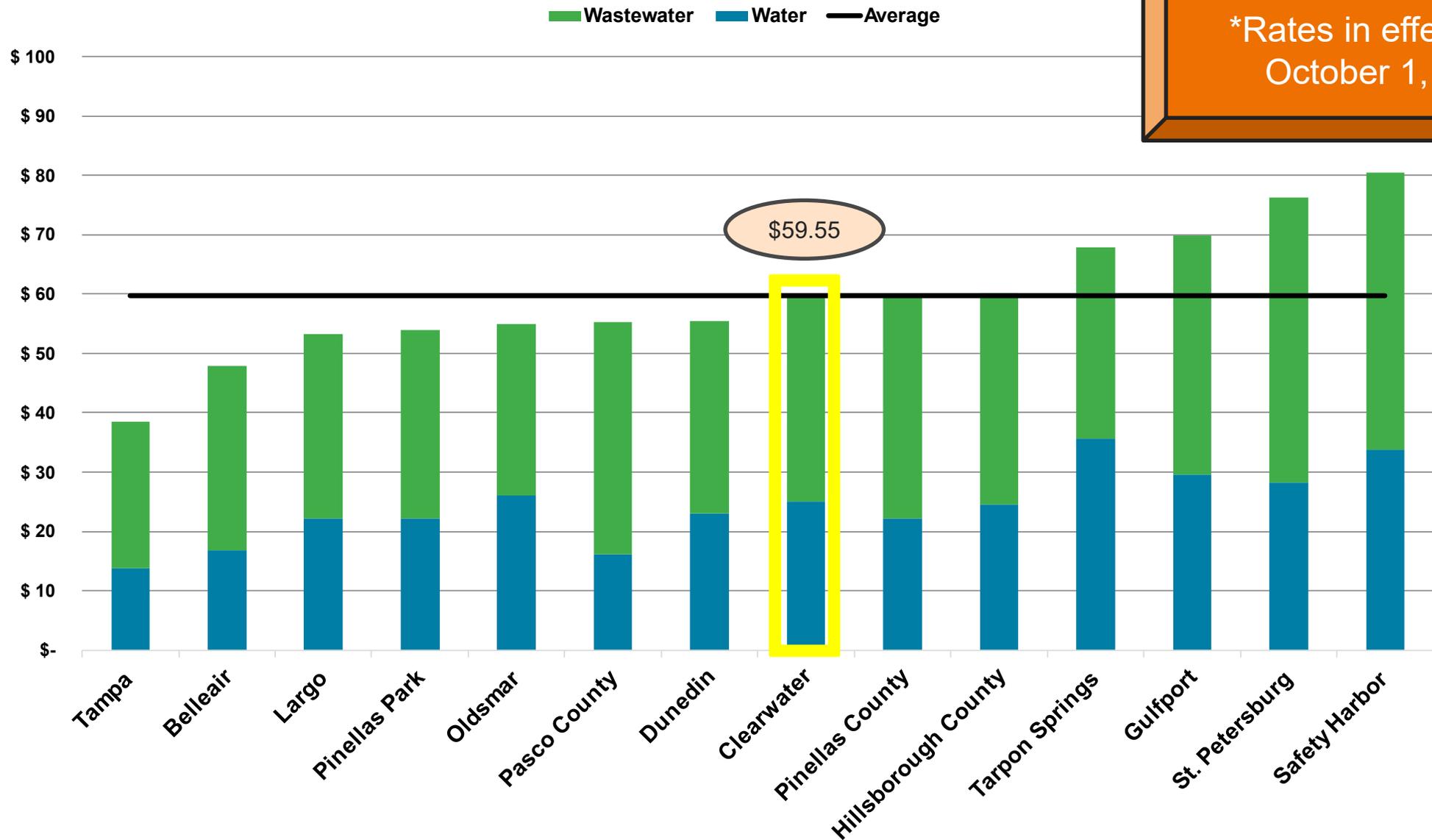
US CPI - Water & Sewerage Maintenance Series





FY 2022 Rate Survey at 3,000 Gallons*

*Rates in effect as of October 1, 2021





Questions / Discussion



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