

**Riverwood Community
Development District**

MARCH 12, 2019

WORKSHOP AGENDA PACKAGE

Riverwood Community Development District
Inframark, Infrastructure Management Services
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March 5, 2019

Board of Supervisors
Riverwood Community
Development District

Dear Board Members:

A workshop of the Board of Supervisors of Riverwood CDD will be held on Tuesday, March 12, 2019 at 1:30 p.m. in the Riverwood Activity Center, 4250 Riverwood Drive, Port Charlotte, FL. Following is the advance agenda.

1. Call to Order and Roll Call
2. Audience Comments on Agenda Items
3. Discussion of the Water and Sewer Rates
4. Supervisor Comments
5. Audience Comments
6. Adjournment

Any supporting documents not enclosed in your agenda package will be distributed at the meeting. The balance of the agenda is routine in nature and staff will present their reports at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please give me a call.

Sincerely,

Robert Koncar

Robert Koncar
District Manager

Third Order of Business

Executive Summary – Water & Sewer Financial Review

The attached review of the water and sewer fund for the Riverwood Community Development District is based upon an analysis of the financial statements from Fiscal Year 2016 through 2018. The purpose of the review is to identify the overall financial performance of the fund as a whole and the individual water and sewer operations. Several slides have been included that address the proposed increase in water rates being considered by the Board at their April Board meeting. Estimates have been made on the impact of the proposed increases to the revenue base and a projection of expenses through the end of Fiscal Year 2019.

Summary Conclusions

- The Water and Sewer Fund has been considered as one Enterprise Fund, although the water operations and sewer operations are shown separately in the monthly financials.
- Over the three year review period the operations (water and sewer) have generated \$5,343,285 in revenue and \$5,443,543 in expenditures. It must be noted that the District funds a depreciation expense for replacement and capital improvements of equipment in the Sewer Fund. The District has been aggressive in keeping up with needed maintenance at the plant.

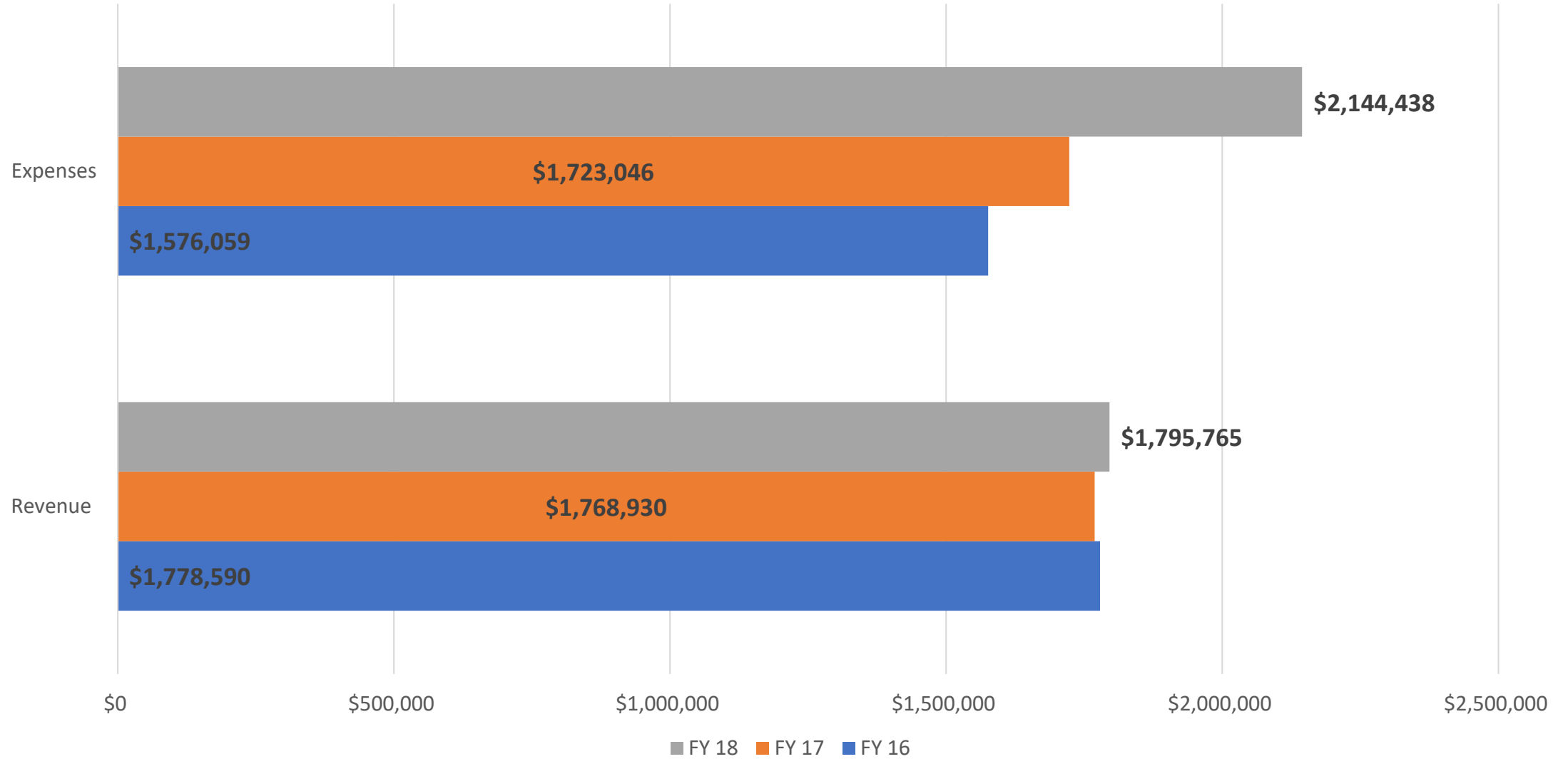
Summary Conclusions Continued

- Over the past three fiscal years the Sewer Fund has generated \$3,973,536 in revenue and expended \$3,756,343.
- Over the same period the Water Fund has generated \$1,369,749 and expended \$1,687,194.
- The current reserves for the Water and Sewer Fund (as of the 1/31/2019 financials) are as follows-
 - a) Sewer Fund: \$772,345 [63% of the current operating budget]
 - b) Water Fund: \$156,473 [29% of the current operating budget]
- *As of January 31, 2019 there are \$857,101 in unrestricted reserves.
- It should be noted that there are certain facilities of the sewer infrastructure that are not covered by insurance and therefore any repairs to these facilities would be out of pocket by the District. Therefore additional cash reserves are called for to address a potential a potential disaster that would require large capital expenditures.

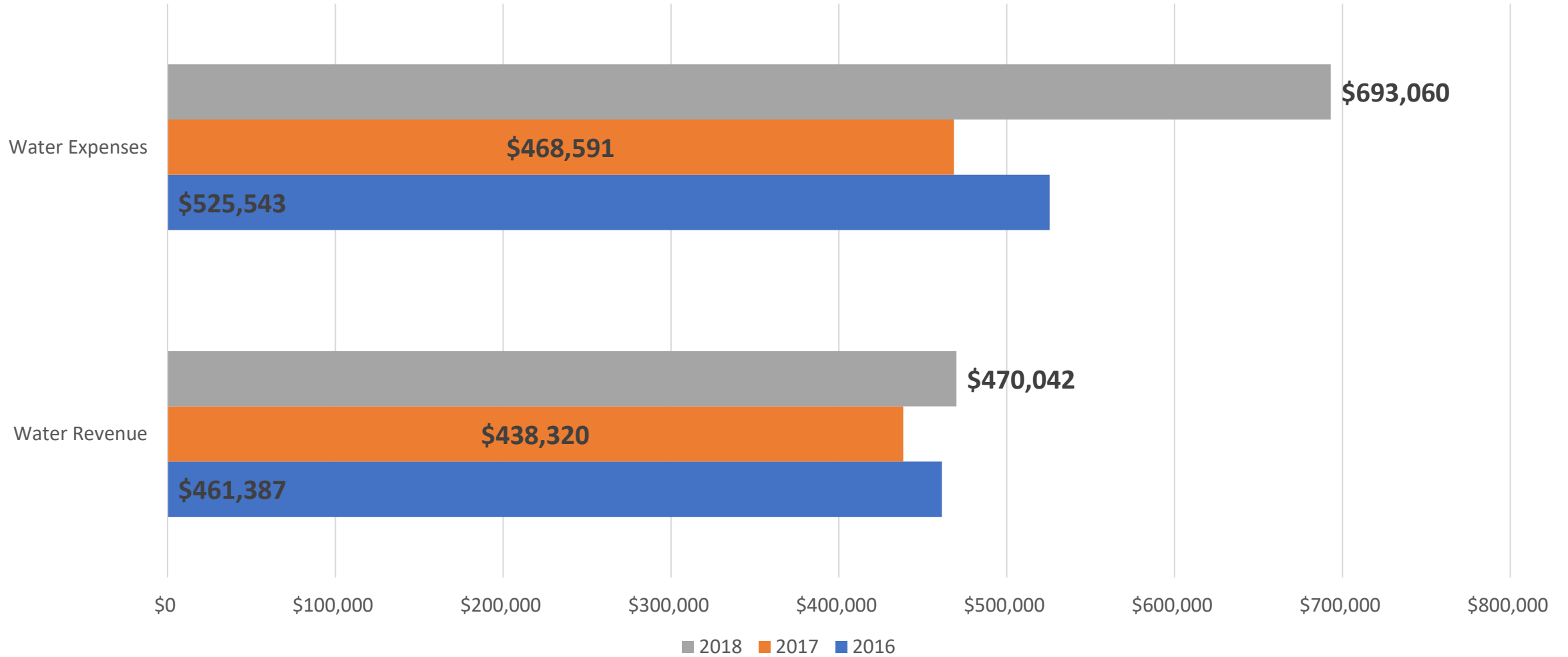
Summary Conclusions Continued

- The Water Committee has made recommendations to the Board to address operational shortfalls in the Water Fund. They are proposing increases for the April meeting of 26.8% for the base rate and 7.5% for the water usage rate. The proposed increase would yield the following results through the end of September 2019: \$38,728 in additional revenue. For a full year the impact would be \$77,456 in increased revenue. It should be pointed out that in 2018 the District embarked upon a water replacement program that doubled the expenditures for repair and maintenance. Slide fourteen details the impact of the proposed rate increases for the balance of Fiscal Year 2019.
- As part of the 2020 Budget process a determination should be made as to the amount of cash reserves needed for catastrophic events [sewer plant] and additional capital expenses required for the water service (i.e. interconnect and booster pump).
- The Charlotte County Utilities will be increasing the cost of water to Riverwood by 7% per year through 2021. Therefore the District has increased costs they cannot control.
- For the water fund we are showing a cost for backflow preventers which are a pass through that the residents pay, with the corresponding revenue shown in the compliance revenue.

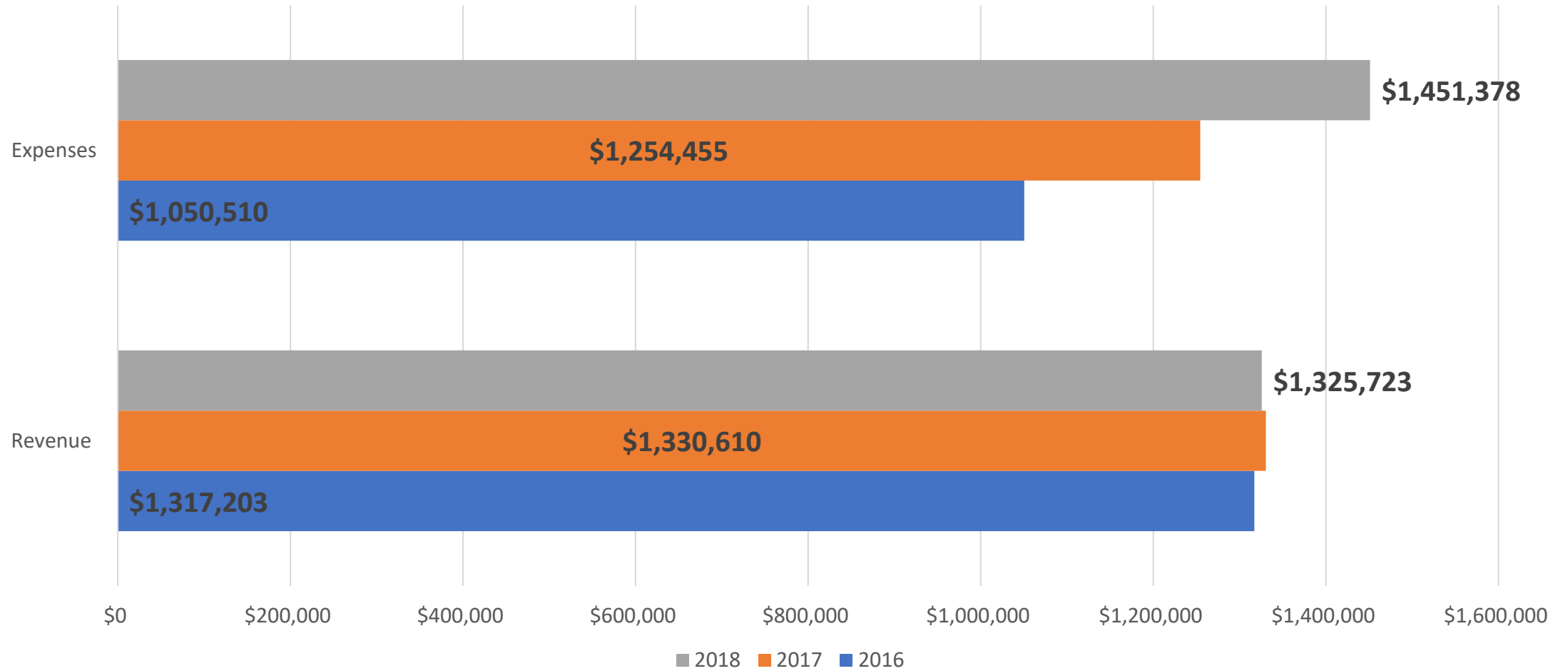
Combined Water & Sewer Fund FY 16 through FY 18



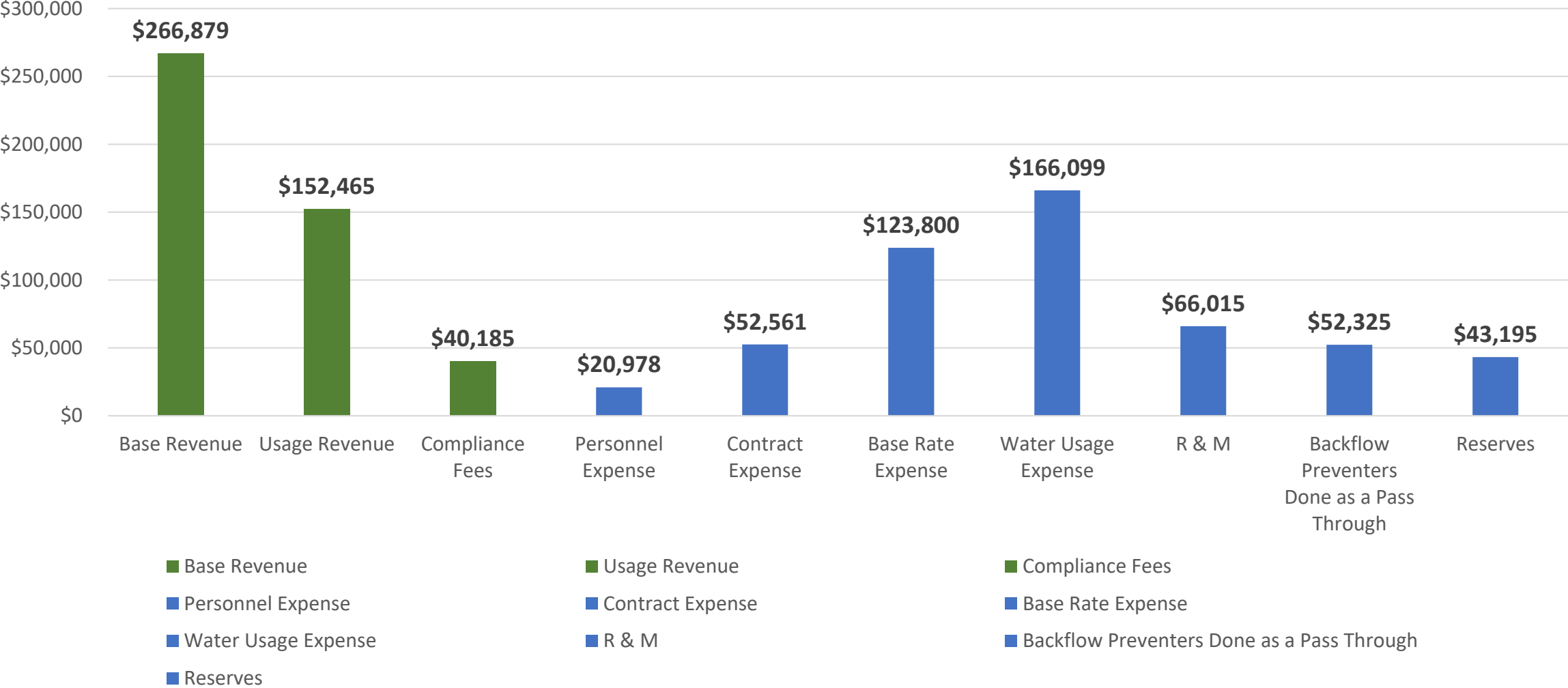
Three Year History – Water Revenue and Expenses



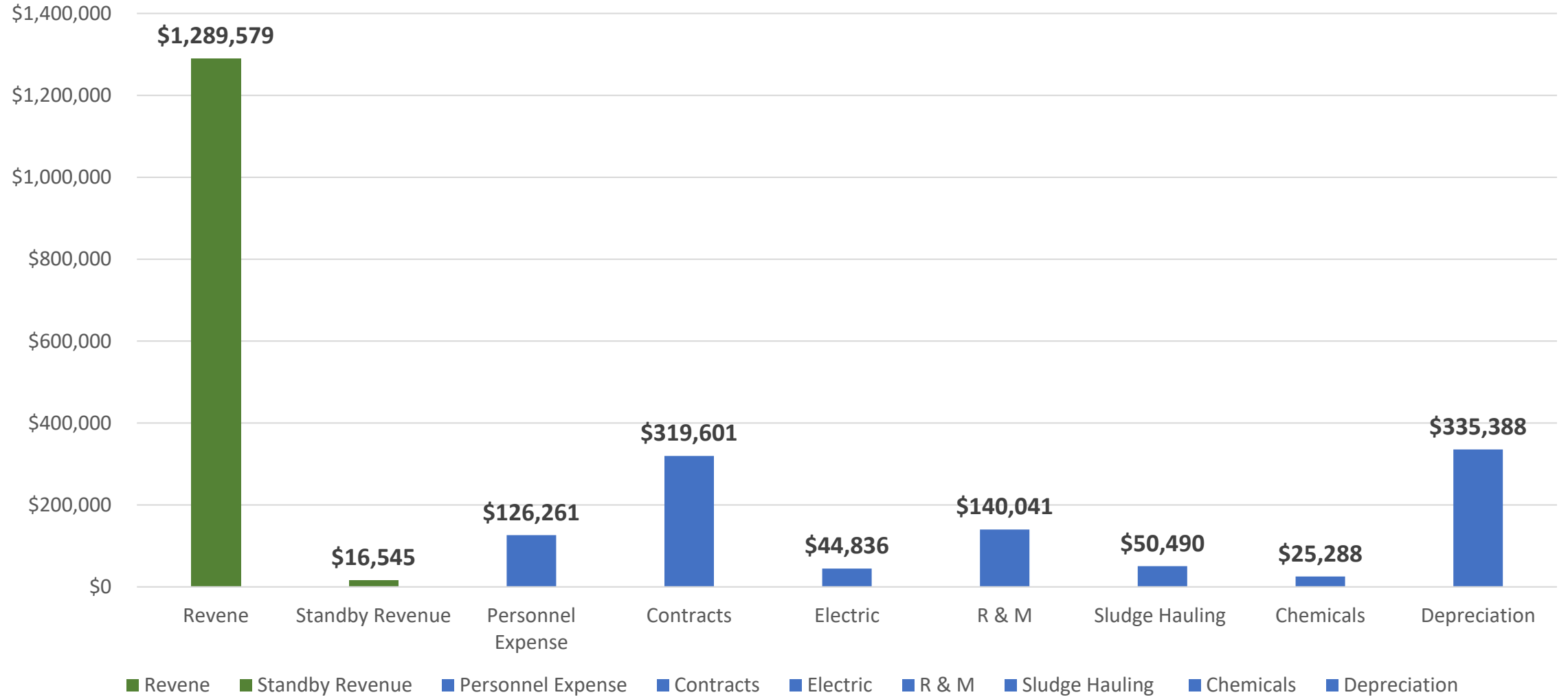
Three Year Sewer Revenue and Expenses



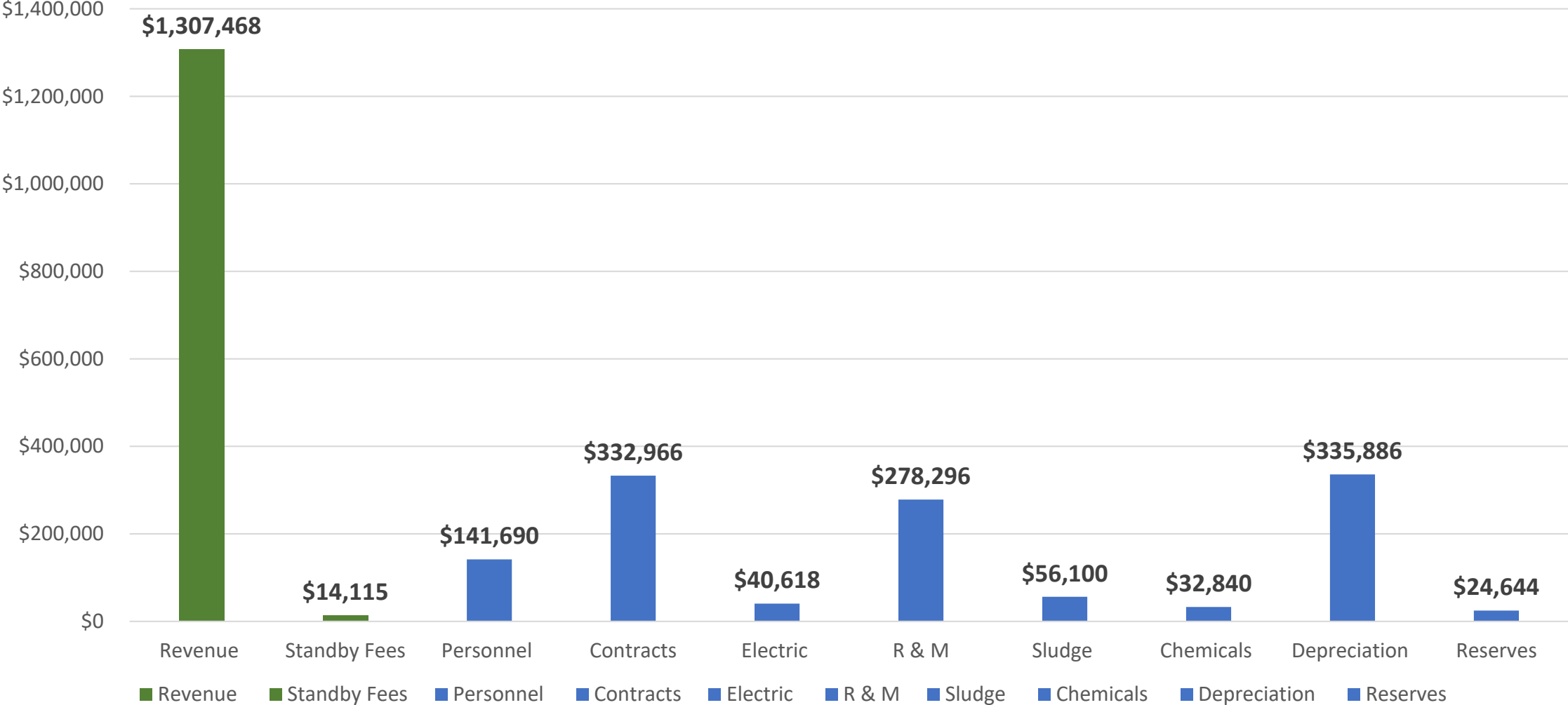
Water - 2016 Revenue & Expense Analysis



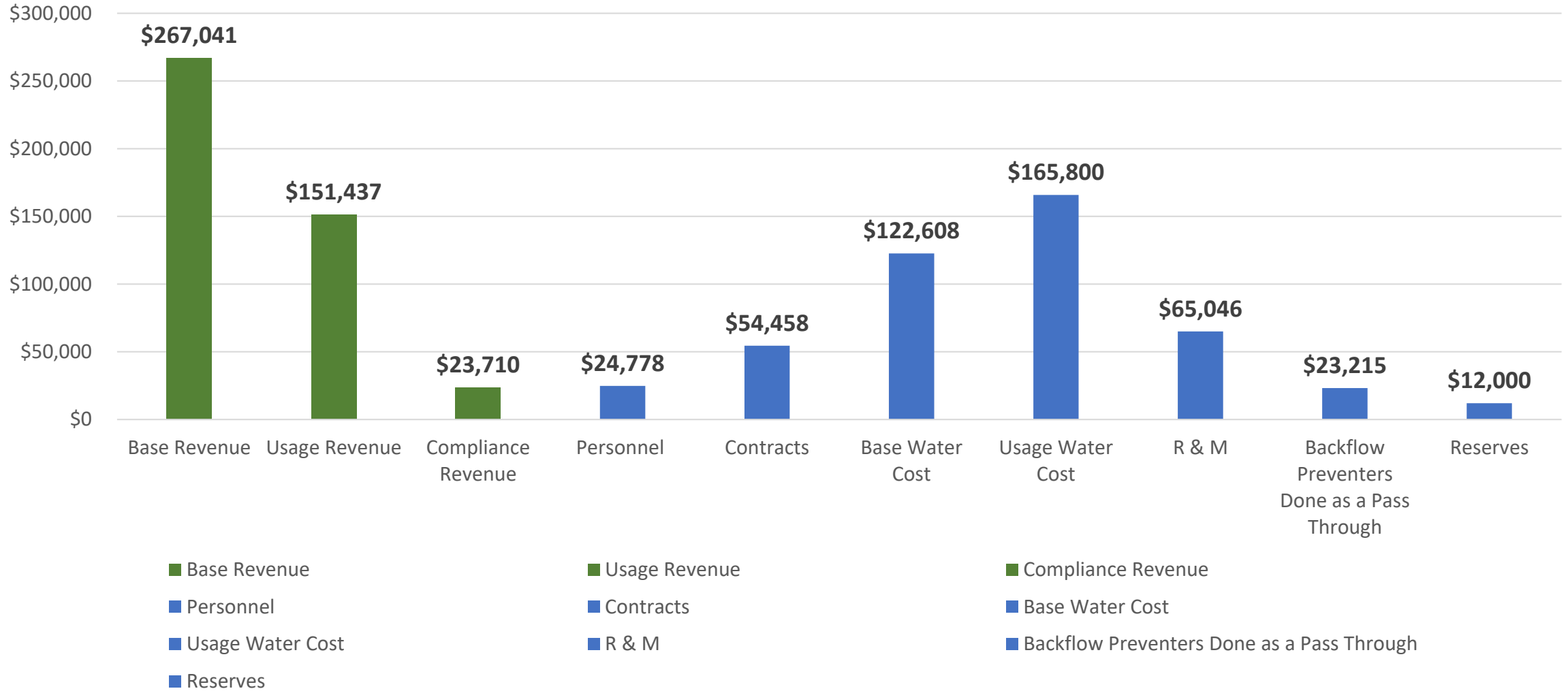
Sewer – 2016 Revenue and Expenses



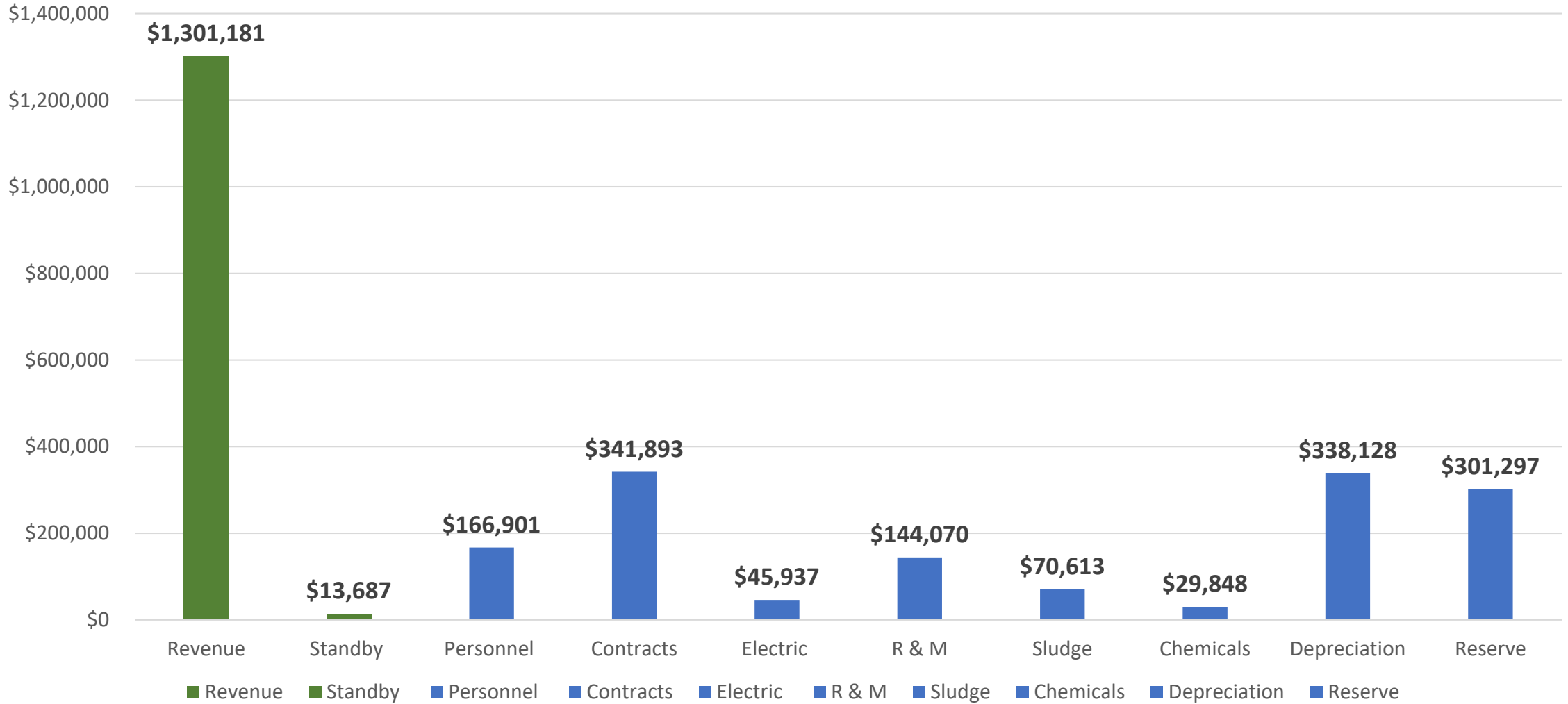
2017 – Sewer Revenue and Expenses



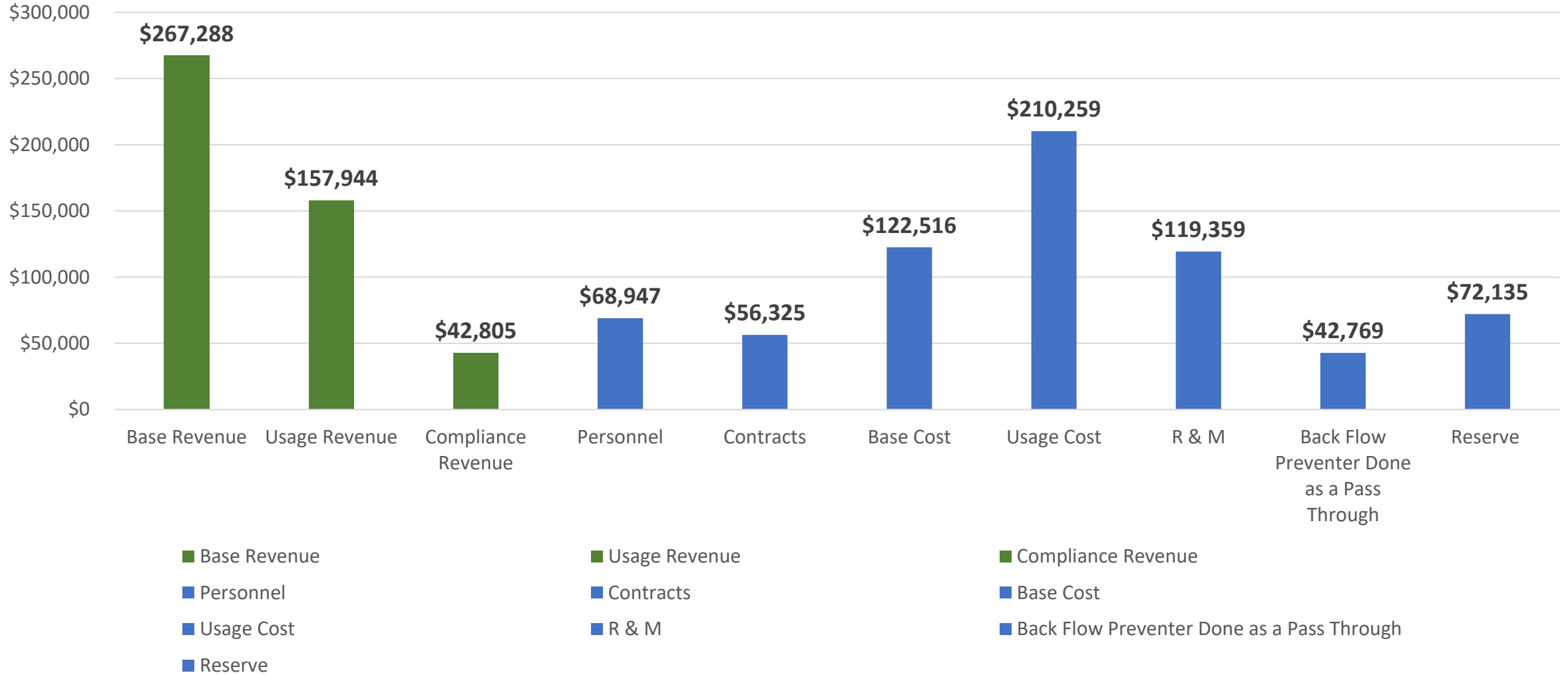
2017 – Water Revenue and Expenses



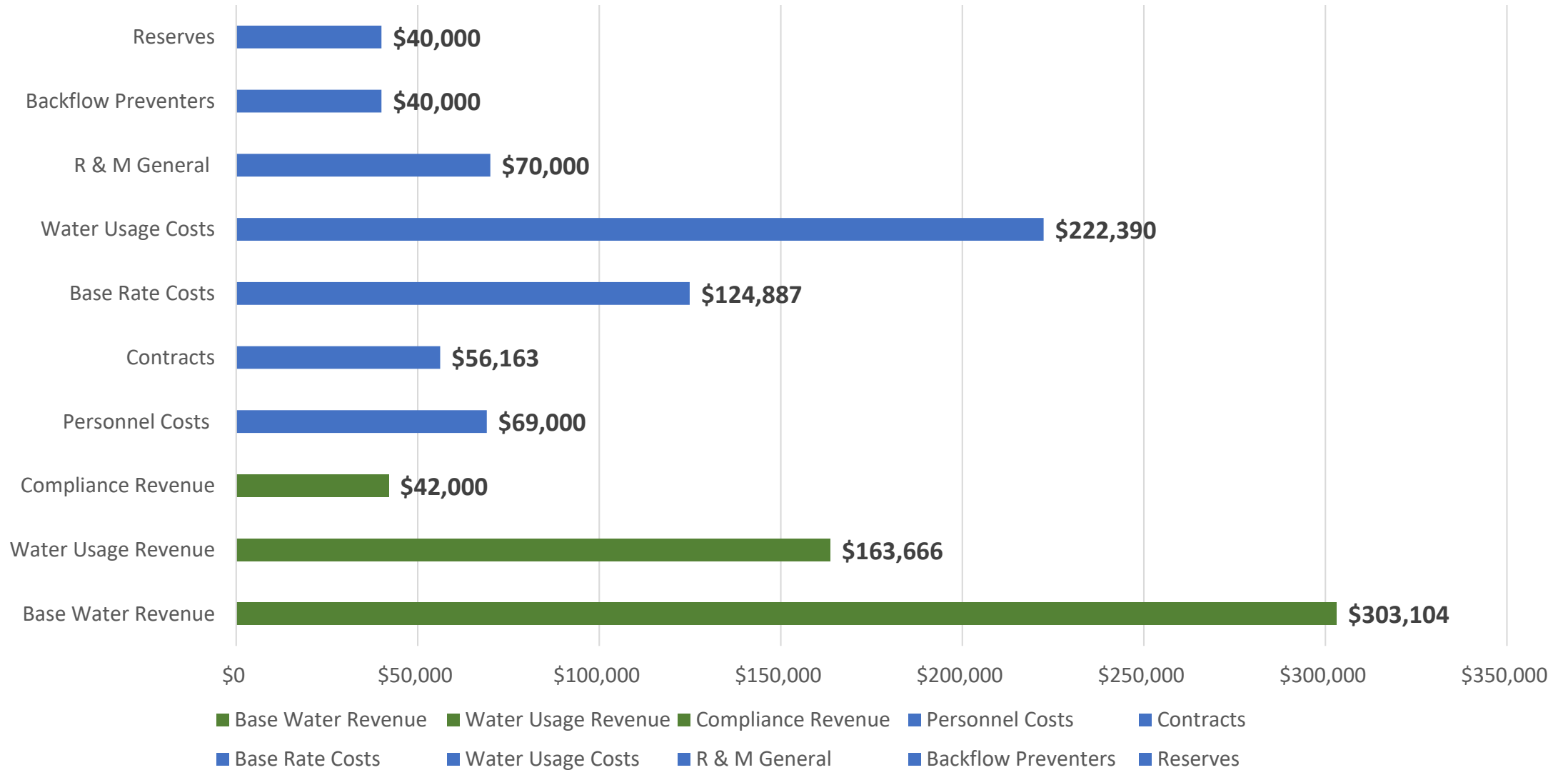
2018 – Sewer Revenue and Expenses



2018 – Water Revenue and Expenses



Impact of Proposed Water Rate Increases Estimated (10/18 through 9/19)



Comparison FY 18 With FY19 – Water Fund

Estimated Revenue & Expenses With Proposed Increase In April 2019

