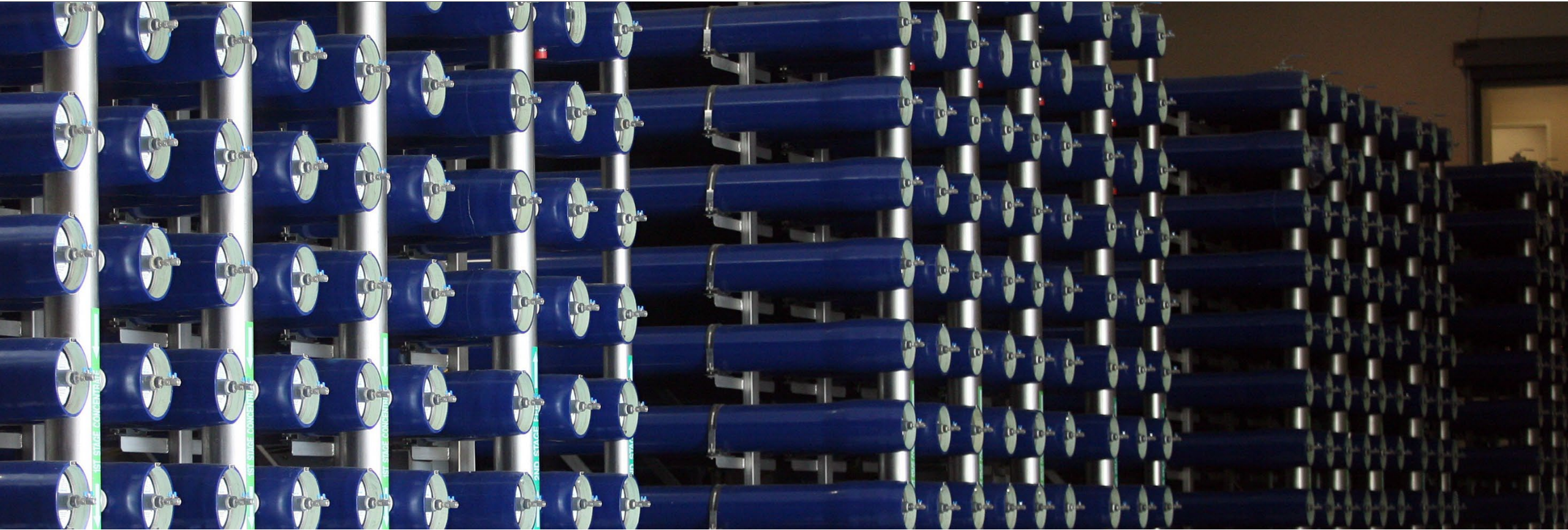




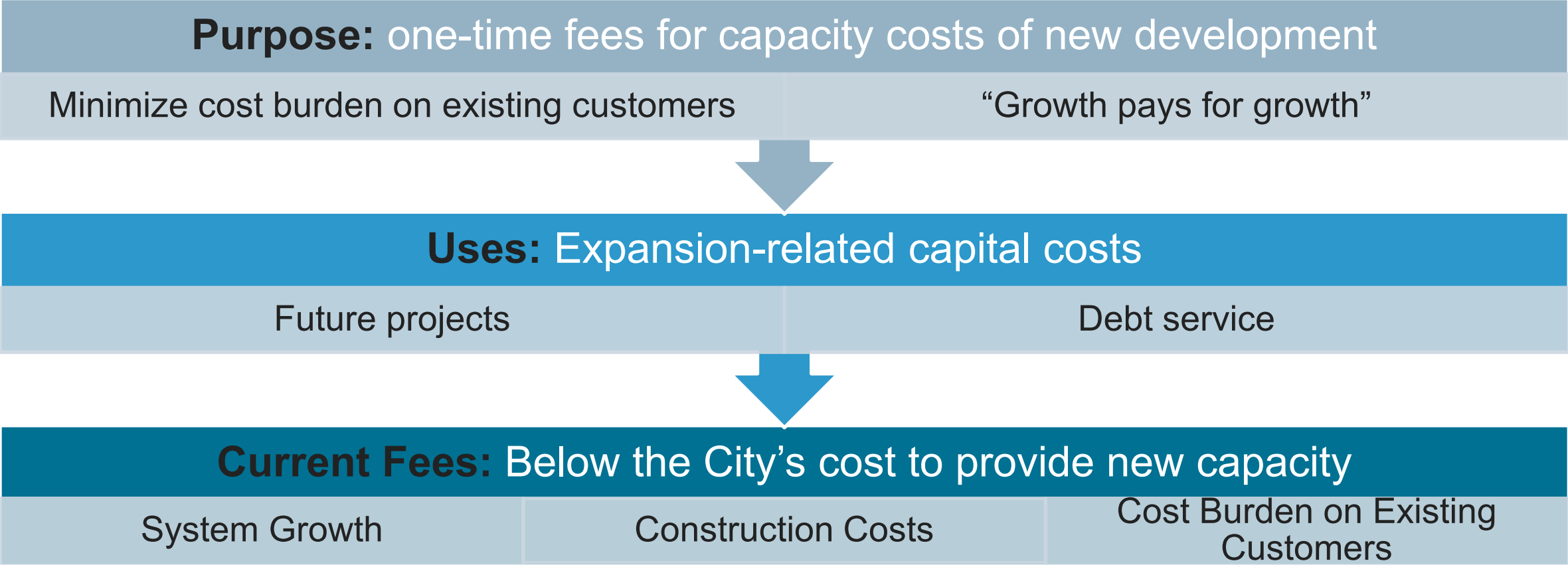
City of Cape Coral: Water and Sewer Capital Expansion Fee Study

March 6, 2024





Overview





Major Growth-Related Capital Projects

Estimated Completion Date

North Water Reclamation Facility	• \$250M
Non-Assessed Transmission N1 & N3 UEP	• \$181M
NRO WTP Expansion & Storage Tank	• \$46M
Raw Water Wells	• \$42M
North Deep Injection Well	• \$23.5M
US 41 Conveyance	• \$20M

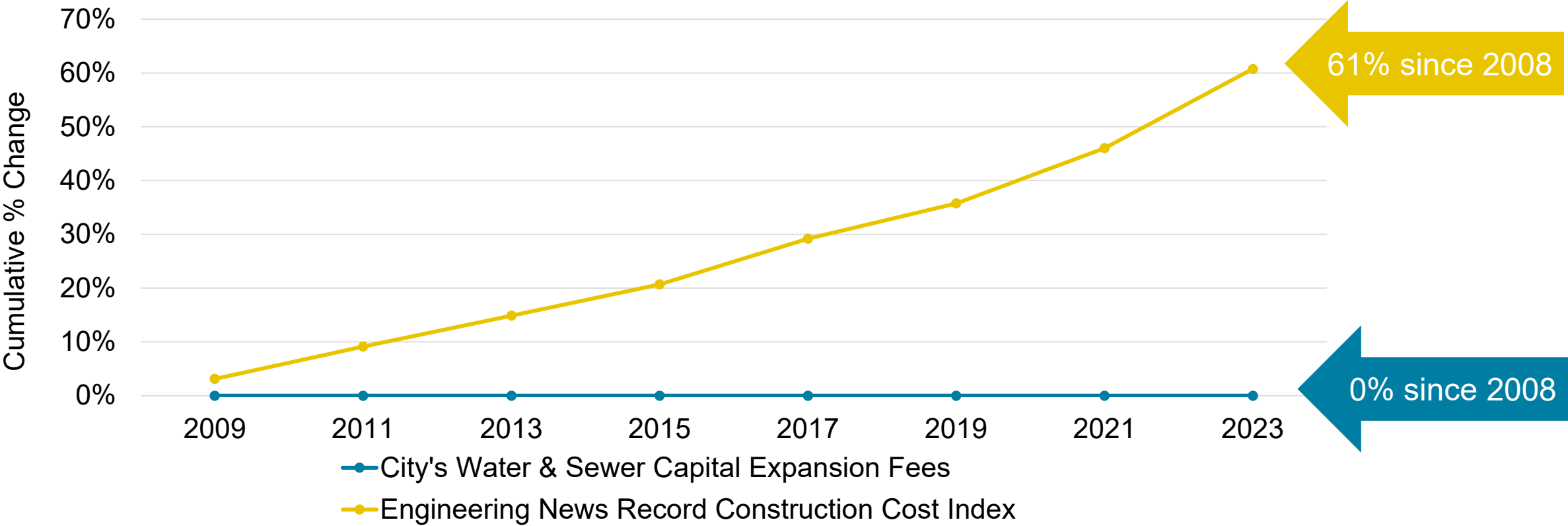
FY 2029
FY 2026 & FY 2029
FY 2029
FY 2029
FY 2031
FY 2027

CIP \$ thru FY 2027



Historical Capital Cost Perspective

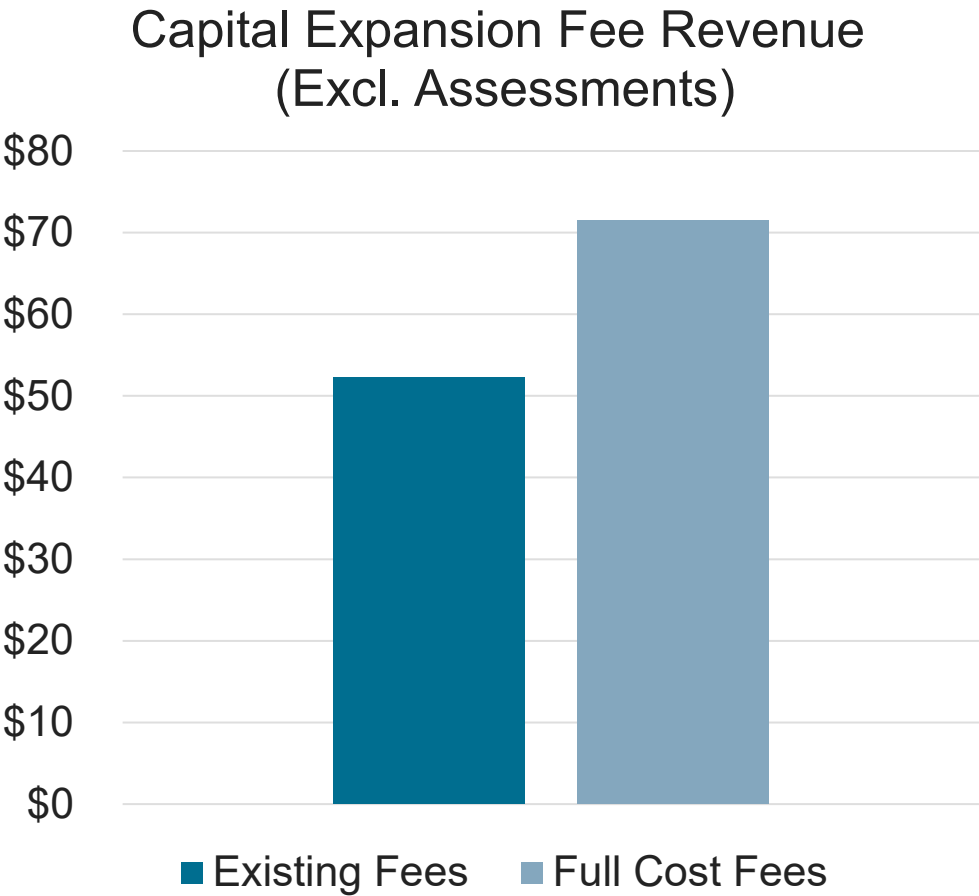
Per Equivalent Residential Connection



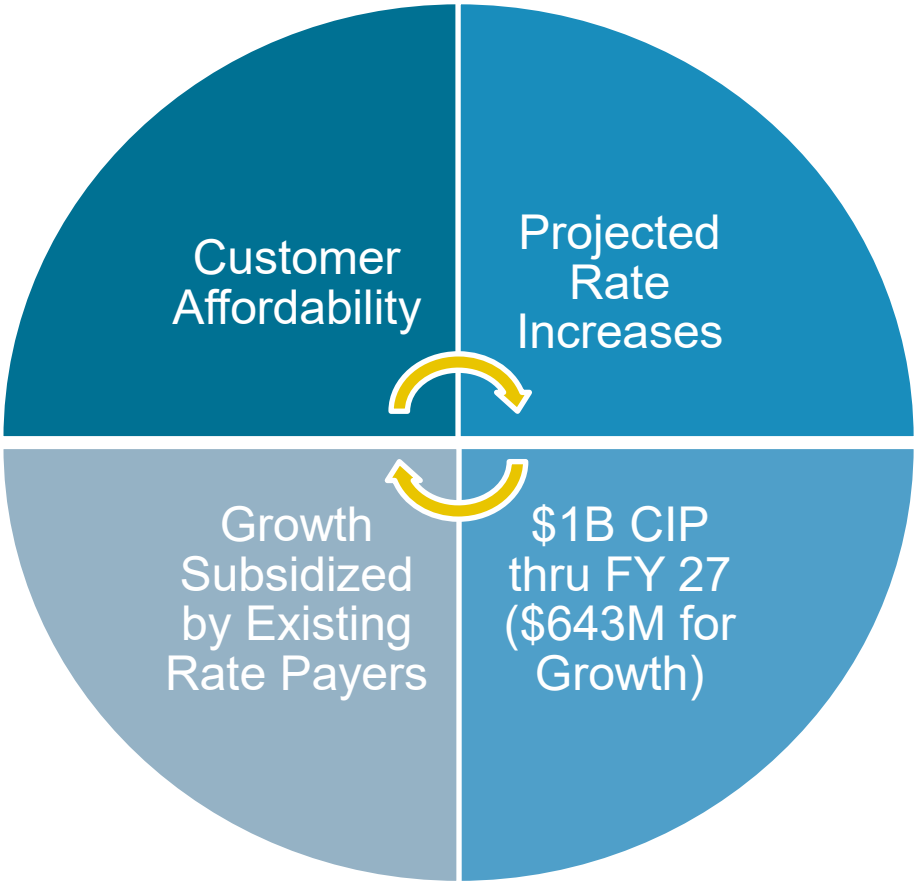
- City's combined Capital Expansion Fees for Dual Water Service and Sewer District 2
- ENR CCI measures cost of labor, steel, cement, and lumber



Cost Burden on Existing Customers



Estimated \$20M less revenue thru FY 33



Implementation

Florida Impact Fee Act Requirements



Limits the increase in each fee to 50%



Increases > 25% up to 50%: phased in equally over 4 years



Increases 25% or less: phased in equally over 2 years



Fees may not be increased more than once every 4 years



90-day notice before the effective date for increased fees

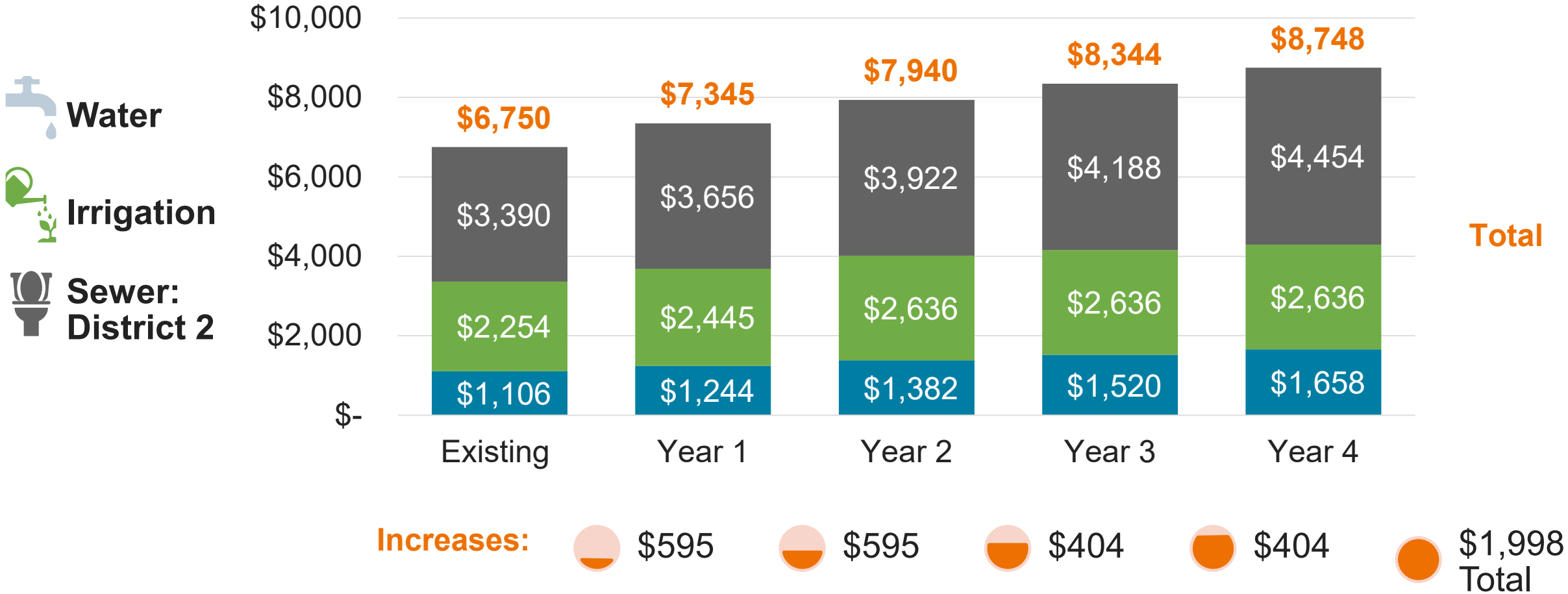


Recommended Capital Expansion Fees

Services	Current	Year 1	Year 2	Year 3	Year 4	\$ Increase
Water:						
Single Service or	\$2,551	\$2,789	\$3,027	\$3,027	\$3,027	\$476
Dual Service (water and irrigation)						
Water	\$1,106	\$1,244	\$1,382	\$1,520	\$1,658	\$552
Irrigation	\$2,254	\$2,445	\$2,636	\$2,636	\$2,636	\$382
Sewer:						
District 1 or	\$2,406	\$2,634	\$2,862	\$3,090	\$3,318	\$912
District 2	\$3,390	\$3,656	\$3,922	\$4,188	\$4,454	\$1,064



Typical New Single-Family Home: Phased Increases





Water & Sewer Capital Facility Expansion Fees

		Effective Date
Marco Island	\$8,350	2007
Cape Coral - Dual Service (Yr. 1 Phasing)	\$7,345	TBD
Bonita Springs Utilities, Inc.	\$6,965	UNK
Cape Coral - Dual Service (Existing)	\$6,750	2020
Collier County	\$6,696	2020
Labelle	\$6,575	UNK
Sanibel	\$6,561	UNK
Cape Coral - Single Service (Yr. 1 Phasing)	\$6,445	TBD
Sarasota County	\$6,140	2020
FGUA Lehigh Acres	\$6,127	2021
Cape Coral - Single Service (Existing)	\$5,941	2020
Venice	\$5,757	2023
Lee County	\$5,100	2008
Fort Myers Beach	\$4,954	2021
Port St. Lucie	\$4,842	2022
Charlotte County	\$4,658	2016
North Port	\$4,574	2023
Punta Gorda	\$4,257	2020
Fort Myers	\$3,989	1990s
Naples	\$3,740	2014
Sarasota	\$3,477	2005
North Fort Myers (FGUA)	\$3,202	2021

Wide range of results is common:

- Source of supply
- Type of treatment and disposal
- Density of service area
- Availability of grants
- Age of system
- Level of service standards
- Policies (i.e., cost recovery, recency of analysis)



Conclusions



Current fees **are below cost and may be increased**



Fee increases provide needed funding for expansion related capital to minimize cost burden of growth on existing rate payers



Current and phased-in fees **are comparable** to neighboring communities



City should perform regular updates to reflect current costs and data



Questions & Discussion

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