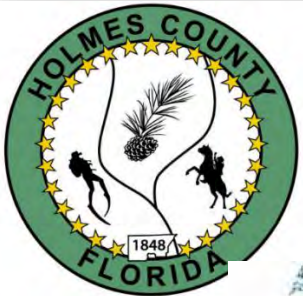


Highway 79 Corridor Authority



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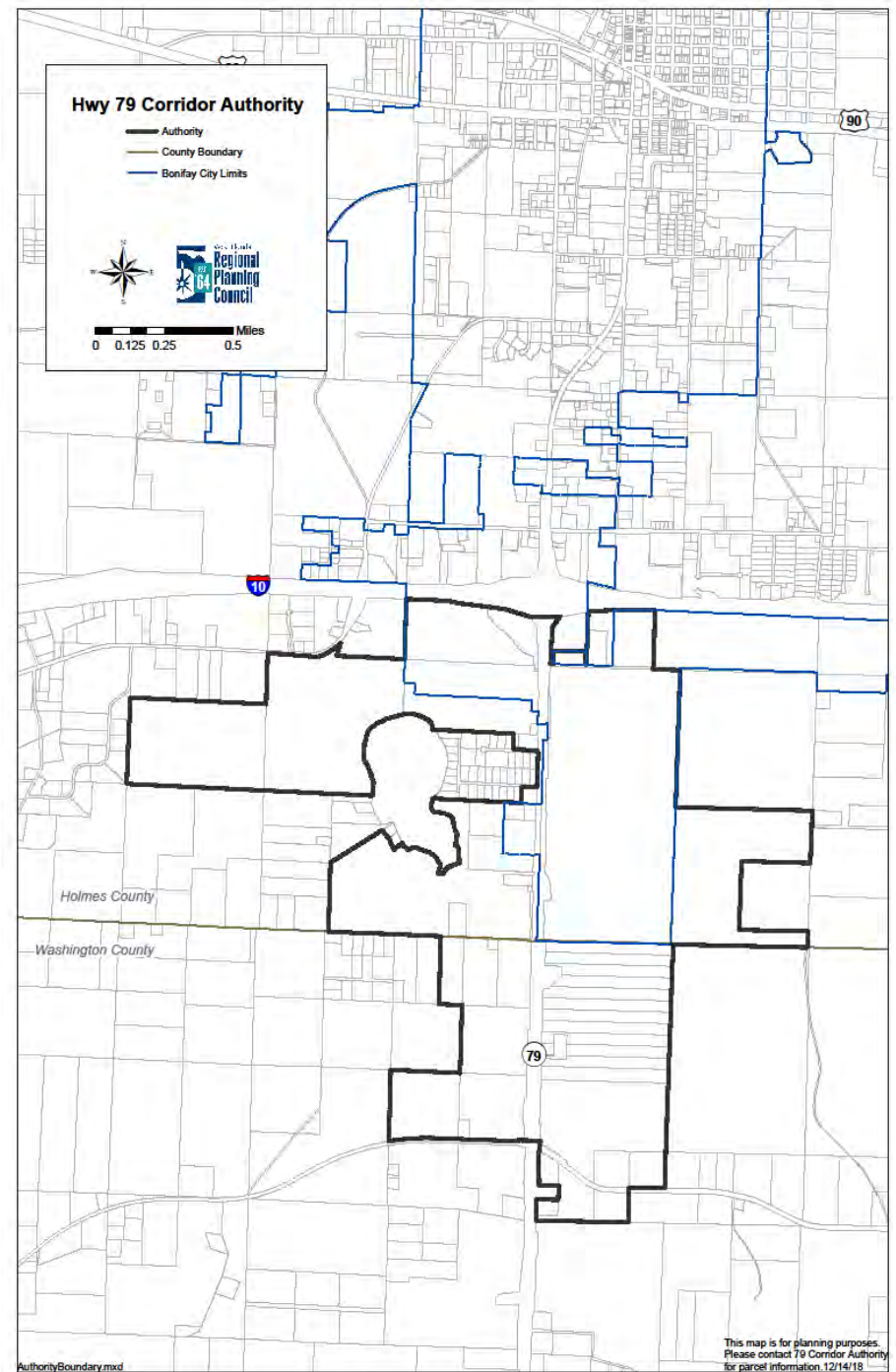
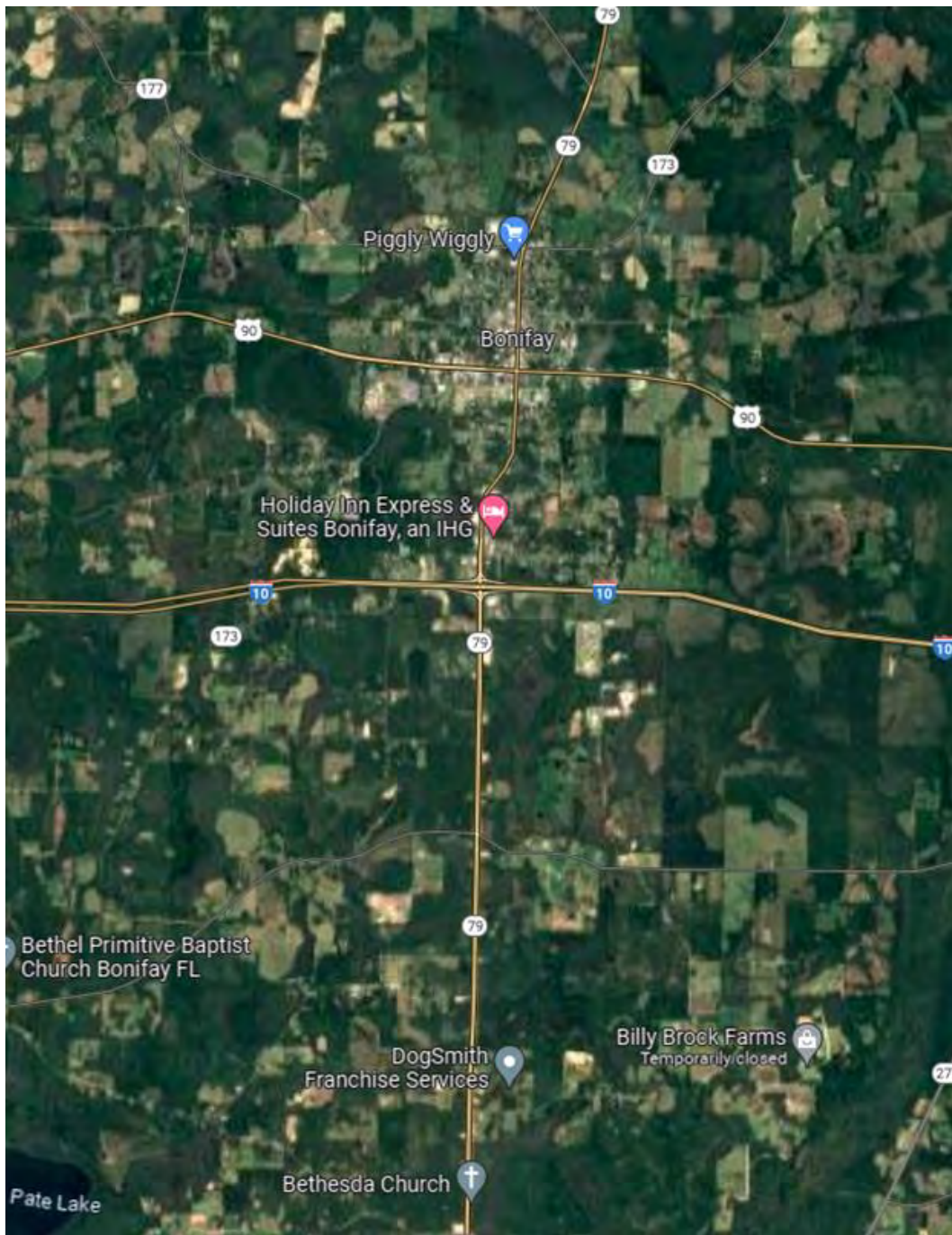
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General Counsel to the Highway 79 Corridor Authority
and Cedar Key Water and Sewer District

General

- Independent Special District created by interlocal agreement pursuant to Section 163.01(7)(g), F.S., by Holmes County, Washington County, and City of Bonifay
- Purpose – Construct water/sewer improvements to extend service to a currently unserved area, portions of which are located in the jurisdiction of the three entities
- Upon completion of project, serve as retail water/sewer provider and assist with planning and economic development efforts to foster growth in the area



Structure and Operation

- Member governments formed planning committee in 2015 to study options, ultimately decided to create Authority
- Interlocal Agreement signed and Authority created in late 2018
- Prior to formal creation, Opportunity Florida and Washington County secured grant funding for project, including \$100k for startup costs
- Governed by three-member Board of Directors. Each member government appoints one Director
- Authority has no employees. Contracts with multiple firms to serve as general manager, legal counsel, and for other required professional services (engineering, accounting, construction management, audit, planning, etc.).
- Uses Washington County Administration building for meeting space.

Hwy 79 Corridor Project

- Project consisted of design/construction of 2.3 miles of water and sewer lines, plus lift stations and other facilities
- Most facilities located in ROW, some easement acquisition required for lift stations
- Project design completed in 2020. Construction commenced in early 2021, successfully completed in June 2022
- Required extensive coordination with City of Bonifay (bulk water/wastewater treatment provider) to establish suitable sizing of utility facilities consistent with City's treatment capacity
- City and Authority negotiated bulk service agreement setting rates and terms pursuant to which City provides bulk water/wastewater treatment to Authority



Funding

- Capital costs 100% grant funded through grants from DEO (\$1.8M), FDEP (\$1M). DEO Grant includes job creation requirements.
- FDEP Grant allowed \$100,000 to be used for initial start up costs to stand up Authority
- Operating costs primarily funded through annual contributions from Holmes and Washington County
- Operating costs include: Management, finance/accounting, audit, legal, other professional services (rate consultant, planning consultant), insurance, financial (line of credit required as grants are reimbursement based), operation and maintenance of water/sewer system, website (required for all special districts), advertising/reporting requirements (Authority must comply with all Sunshine Law/Public Records law requirements)



**Highway 79 Corridor Authority
Operating Forecast**

				2020	2021	2021	2022
				Actual	Budgeted	Projected	Proposed
OPERATING EXPENSES							
Operating and management services							
40100110	536460	1	Operations and Maintenance	\$ -	\$ 5,000	\$ -	\$ 5,000
40100110	536430	1	Water and Wastewater Treatment	-	5,000	-	5,000
40100110	536310	1	Management (Operations and Development)	41,914	60,000	58,785	60,000
40100110	536320	1	Finance, Accounting, Compliance	8,556	10,080	7,260	10,080
40100110	536340	1	Customer Service and Billing	-	-	-	-
Total Operating and Management Services				\$ 50,470	\$ 80,080	\$ 66,045	\$ 80,080
Other operating expenses							
40100200	536325	1	Audit	\$ 7,000	\$ 12,500	\$ 12,500	\$ 8,000
40100200	536400	1	Travel & Per Diem	713	5,000	2,153	5,000
40100200	536410	1	Telephone/Internet	-	300	300	300
40100200	536420	1	Postage & Shipping	45	500	521	500
40100200	536450	1	Insurance	-	10,303	10,303	10,303
40100200	536470	1	Legal Advertising	1,291	1,000	1,000	1,000
40100200	536475	1	Copies, Printing, Binding	-	300	300	300
40100200	536490	1	Bank Fees	226	180	180	180
40100200	536492	1	Website	-	-	131	-
40100200	536497	1	Miscellaneous	-	300	300	300
40100200	536510	1	Office Supplies	595	420	420	420
40100200	536540	1	Dues, Licenses, Fees	175	400	400	400
40100200	536599	1	Contingency	352	1,200	1,200	1,200
Total Other Operating Expenses				\$ 10,397	\$ 32,403	\$ 29,708	\$ 27,903
Professional Services							
40100300	536310	1	Legal Counsel	\$ 23,811	\$ 38,400	\$ 38,400	\$ 38,400
40100300	536313	1	Engineering	-	-	-	-
40100300	559314	1	Land Use (Development Planning)	-	30,565	30,565	-
40100300	559314	1	Feasibility Analysis	-	-	-	-
40100300	559314	1	Marketing The Corridor	-	-	-	-
40100300	559314	1	Marketing & Demographics Studies	-	-	-	-
40100300	559314	1	Misc Studies (i.e. Rate Studies)	-	-	19,995	-
Total Professional Services				\$ 23,811	\$ 68,965	\$ 88,960	\$ 38,400
TOTAL OPERATING EXPENDITURES				\$ 84,678	\$ 181,448	\$ 184,713	\$ 146,383

				2021	2022	2022	2023
				Actual	Budgeted	Projected	Proposed
Org	Object	Proj	OPERATING REVENUES				
40100	343300	1	Charges for Water Services	\$ -	\$ -	\$ -	\$ 45,646
40100	343500	1	Charges for Wastewater Services	-	-	-	57,162
40100100	536600	1	Bad Debt Expense	-	-	-	(4,420)
			Total Operating Revenues	\$ -	\$ -	\$ -	\$ 98,388
			OPERATING EXPENSES				
			Operating and management services				
40100110	536460	1	Operations and Maintenance	\$ -	\$ 5,000	\$ 4,375	\$ 19,333
40100110	536430	1	Water and Wastewater Treatment	-	5,000	5,000	39,727
40100110	536310	1	Management (Operations and Development)	58,785	60,000	55,460	60,000
40100110	536320	1	Finance, Accounting, Compliance	6,540	10,080	10,080	10,080
40100110	536340	1	Customer Service and Billing	-	-	210	3,867
40100110	543005	1	Electricity Services	-	-	2,424	10,000
			Total Operating and Management Services	\$ 65,325	\$ 80,080	\$ 77,549	\$ 143,007
			Other operating expenses				
40100200	536325	1	Audit	\$ 7,000	\$ 8,000	\$ 17,500	\$ 13,000
40100200	536400	1	Travel & Per Diem	713	5,000	1,769	1,648
40100200	536410	1	Telephone/Internet	-	300	-	309
40100200	536420	1	Postage & Shipping	45	500	100	103
40100200	536450	1	Insurance	-	10,303	10,609	10,927
40100200	536470	1	Legal Advertising	1,291	1,000	3,036	2,060
40100200	536475	1	Copies, Printing, Binding	-	300	-	309
40100200	536490	1	Bank Fees	226	180	50	52
40100200	536492	1	Website	-	-	1,681	1,544
40100200	536497	1	Miscellaneous	-	300	-	309
40100200	536510	1	Office Supplies	595	420	420	433
40100200	536540	1	Dues, Licenses, Fees	175	400	175	180
40100200	536599	1	Contingency	352	1,200	103	1,597
			Total Other Operating Expenses	\$ 10,397	\$ 27,903	\$ 35,442	\$ 32,470
			Professional Services				
40100300	536310	1	Legal Counsel	\$ 23,811	\$ 38,400	\$ 37,265	\$ 40,000
40100300	559314	1	Land Use (Development Planning)	-	-	-	30,565
40100300	559314	1	Misc Studies (i.e. Rate Studies)	-	11,876	11,876	10,000
			Total Professional Services	\$ 23,811	\$ 50,276	\$ 49,141	\$ 80,565
			TOTAL OPERATING EXPENDITURES	\$ 99,533	\$ 158,259	\$ 162,132	\$ 256,042
			NET OPERATING REVENUE (EXPENSE)	\$ (99,533)	\$ (158,259)	\$ (162,132)	\$ (157,654)
			NON-OPERATING REVENUE (EXPENSE)				
40120	389400	1	Operating Contributions (Counties)	\$ 146,146	\$ 125,000	\$ 125,000	\$ 120,000
40120400	536950	1	Non-Operating Expense	-	(5,000)	(3,808)	-
			TOTAL NON-OPERATING REVENUE (EXPENSE)	\$ 146,146	\$ 120,000	\$ 121,192	\$ 120,000
			Increase (Decrease) in Net Position	\$ 46,613	\$ (38,259)	\$ (40,940)	\$ (37,654)
			Unrestricted Fund Balance - Beginning of Year	\$ 49,923	\$ 96,535	\$ 96,535	\$ 55,595
			Unrestricted Fund Balance - End of Year	\$ 96,535	\$ 58,276	\$ 55,595	\$ 17,942

Member Government Contributions to Date

Authority Members	Fiscal Year					Total
	2019	2020	2021	2022	2023	
City of Bonifay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Holmes County	50,000	50,000	73,073	62,500	60,000	295,573
Washington County	50,000	50,000	73,073	62,500	60,000	295,573
Total	\$ 100,000	\$ 100,000	\$ 146,146	\$ 125,000	\$ 120,000	\$ 591,146

Challenges Moving Forward

- Authority is a “greenfield” project and currently has no customers (the first customer is anticipated to connect later this year)
- Member governments are fiscally constrained entities and will need to continue making contributions to fund Authority’s operating costs until enough customers connect to reach break even point
- Must generate economic development in area to meet DEO job creation requirements