



FGUA Operations Office

Accenture
9400 Southpark Center Loop, Suite
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(877) 552-3482 Toll Free
(407) 629-6900 Tel

March 5, 2026

Marion County Board of Commissioners

601 SE 25th Ave

Ocala, FL 34471

Dear Commissioners and County Administrator,

Pursuant to Section 2 of the Interlocal Agreement by and among Marion County, City of Dunnellon, and Florida Governmental Utility Authority (FGUA), the FGUA is providing notice of proposed increases in the water and wastewater service rates for the Dunnellon Utility System service area. The proposed fee increases will be considered at two public hearings:

Special Masters Hearing – April 9, 2026, 5pm

Dunnellon City Hall Council Chamber

20750 River Drive. Dunnellon, FL 34431

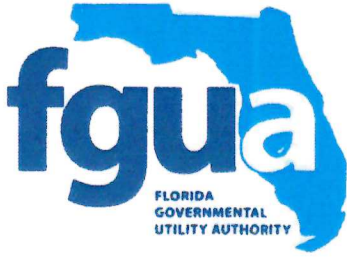
FGUA Board Meeting – April 16 1pm

Held by Video Conference. The dial-in number to connect by phone is 1-857-504-8887 and the access code is 2420 379 6205. Attendees may also join the video conference at the local FGUA customer service center at 510 Hwy 466, Suite 104-A, Lady Lake, FL 32159.

The FGUA staff will recommend that the FGUA Board adopt a 4 percent increase in water and wastewater rates effective May 1, 2026, and that effective October 1, 2026, and each October 1 thereafter through and including October 1, 2029, rates would increase by the sum of 100% of the value of annual change in the Consumer Price Index plus a fixed 4 percent.

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The proposed rate adjustments are necessary to

- Recover increased operating expenses resulting from high inflation and rising construction costs affecting both maintenance/repairs and capital projects, which have significantly exceeded the assumptions used in developing prior budgets and rates effective in Fiscal Year 2025;
- Provide ongoing funding for capital improvements to support renewal, replacement, betterment, and upgrades of system assets, thereby reducing reliance on debt financing and minimizing long-term system costs while promoting rate stability;
- Ensure compliance with financial obligations by maintaining sufficient revenues to meet rate covenant requirements outlined in the Trust Indenture and USDA loan agreements used to finance system acquisition; and
- Maintain adequate unrestricted working capital reserves to mitigate risk from revenue fluctuations, unforeseen operating or capital expenditures, and other uncertainties, thereby supporting the system's overall financial stability.

Should you have any questions or concerns please contact us at 407-629-6900.

Sincerely,

Scott Towler, P.E

FGUA System Manager

¹ Change in the U.S. Bureau of Labor Statistics, Consumer Price Index-All Urban Consumers, U.S. City Average, Services" for the month of April immediately preceding the October 1 adjustment date.

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