

## **FY 2023 Budget**

The following is a highlighted summary of the FY 2023 budget.

### **Overview of proposed budget:**

- 3% water rate increase proposed; alternate budget with no rate increase proposed
- Increase in wages aligned with compensation plan (8.6% increase from FY 22 budget)
- 2 WTP replacement new hires proposed (anticipation of upcoming retirements)
- Capital projects (\$2.8M) include most prioritized asset management projects for rehab, and includes heavy equipment, vehicle replacement, funds for facility improvements
- Transfer from capital reserve of \$2.4 million

### **Revenues:**

- No increase from prior year

### **Expenses:**

- Salary/Wage alignment is proposed -> \$319,650 (including benefits)
- 2 replacement positions are proposed WTP -> \$92,600
  - Max employee count at beginning FY 2023: 29 total employees
  - FY 2023 Year End employment positions: 26 total positions
- O&M expenses projected 12.4% higher than FY 22

### **Net Income:**

- Revenues minus Expenses (w/out Capital Improvements or transfer from Reserve) = \$ 774,800
- Debt Service Coverage = 1.29

### **Capital Improvements:**

- Current projects total \$3.13 (all cash funded - \$2.4 million capital reserve)

<b>Key Indicator</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023 no increase</b>
<b>Ave Monthly Bill</b>	<b>\$49.58</b>	<b>\$49.58</b>	<b>\$48.34</b>	<b>\$49.40</b>	<b>\$49.40</b>	<b>\$51.20</b>	<b>\$51.20</b>
<b>Debt Service Coverage</b>	<b>1.77x</b>	<b>1.80x</b>	<b>1.72x</b>	<b>1.73x</b>	<b>1.71x</b>	<b>1.55x</b>	<b>1.29x</b>

## **Strategic Plan Impact on FY 2023 budget:**

Proposed Budget includes funding for these specific items...

### 1. Customer Focus:

- a. Improved billing platform (\$30,000)
- b. Meter replacement emphasis on residential (\$25,000)
- c. Full staffing in front office (office coordinator/ finance, 2 customer service reps)
- d. Other Improvements:
  - Phone System Revamp/ Call routing for improved appropriateness of contact
  - Customer Survey w/ QR codes for improved participation in feedback
  - Modified Deposit Structure improves ease of new customer set up
  - Improvement of Web Forms to assist with customer set up

### 2. Water Services:

- a. Hydraulic modeling (completion in FY 2023, \$20,000)
- b. Funding for system capable of cloud-based work order system (part of \$30,000 above)
- c. New Heavy Equipment to further in-house rehab and construction (\$240,000)
- d. Replacement of Meter Reading Trucks (\$80,000)

### 3. Workforce/ Organizational Development:

- a. New hires to address upcoming WTP retirements (\$92,460)
- b. Competitive wages: Wage/ salary realignment (\$218,650)
- c. Training at same level as original FY 2021 and FY 2022 budget (\$30,000)
- d. Optimizing current facilities for employees and work flow (\$130,000)
- e. Other Improvements:
  - Continued Utilization of Trakstar (Performance Management System) (\$4,500)
  - Continued Progression of Mentoring Program for New Employees (currently 11 employees with hire dates in FY 2022 plus mentors)
  - Streamlined Bi-weekly meetings focused on Communication and Recognition (\$5,200)
  - Individualized Training provided through Pryor Memberships (\$4,000)

### 4. Reliable Infrastructure:

- a. Rehab and new waterline construction with in-house staff (\$860,000)
- b. WTP Electrical Upgrade project (most critical on AIA- bid prior to 6/30/22) (\$338,000)
- c. Continuation of 2-year project to rehab and repair WTP sedimentation basins (\$515,300 estimated as amount not complete in FY 22)
- d. Continuation of Right of Way clearing (\$200,000)
- e. Engineering design for paralleling the raw water line at the WTP intake (\$15,000)
- f. Design for WTP Scada Replacement (\$52,000)

g. Continuation of asset management plan beyond grant funding (\$25,000)

5. Financial Responsibility:

a. Cloud based financial software w/ PO system improvement (\$15,000)

b. Utilizing capital reserve funds (\$2.4 million); no additional debt

c. Long Term Debt at end of FY 2023: \$4,973,000

i. 2008 Bond- \$ 0

ii. 2010 Bond- \$ 993,000 (pay off 6/1/2025)

iii. 2000/2015 Bond- \$3,980,000 (pay off 6/1/2026)

6. Sustainability:

a. Master Plan with Black & Veatch (completion in FY 2023, \$50,000)

b. Continued investment in regional partnership (Polk County Regional Water) (\$50,000)

c. Community partner/ anchor institution (fountains and hydrants \$14,000, support of Economic Development \$10,000)

d. Cybersecurity consideration of changing email.com to email.gov

BROAD RIVER WATER AUTHORITY  
BUDGET FY 2023

AMENDED FY  
2023 11-22-22

**Income:**

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Water Charges:		
1	Water	7,370,000
2	Hydrant	3,000
3	Sprinkler	32,000
Water Taps:		
4	Taps	50,000
5	Meters	10,000
Customer Service Fees:		
6	Late Fees	100,000
7	Connection Fees	35,000
8	Disconnection Fees	65,000
9	Tamper Fees	
10	Return Check Fees	1,500
11	Water Testing Fees	10,000
12	Billing/ Collection Services	36,000
13	Meter Reading Fee	
Other Income:		
Gain on Disposal of FA		
14	Lease of Property	38,000
15	Miscellaneous Revenue	1,000
16	Interest & Investment	180,000
17	<b>Total Operating + Other Income:</b>	<b>7,931,500</b>
<b><u>Capital Revenue:</u></b>		
18	Grants ** (AIA)	0
19	Reimbursable Revenue (DOT)	250,000
20	Transfer From Capital Res. Fund	2,418,000
21	<b>Total Capital Revenue</b>	<b>2,668,000</b>
22	<b>TOTAL REVENUES</b>	<b>10,599,500</b>

BROAD RIVER WATER AUTHORITY  
BUDGET FY 2023

	<b>AMENDED FY 2023 11-22-22</b>
<b><u>Operating &amp; Maintenance Expenses</u></b>	
23 Salaries & Wages-Employees	1,693,000
24 Employee Retirement & Benefits	743,500
25 Utilities	500,000
26 Communications	33,000
27 Vehicle Fuel & Supplies	85,000
28 Materials & Chemicals	200,000
29 Department Supplies	350,000
30     Uniforms	16,500
31     Off road fuel	5,000
32     Small tools	4,000
33     Meter Replacement	15,000
34 Minor Capital Outlay	23,000
35 Equipment Repairs	37,000
36 Training & Travel	30,000
37 Licenses, Fees & Permits	6,500
38 Professional Services	273,000
39 Audit Services	21,200
40 Contractual Services	209,000
41 Dues & Subscriptions	49,000
42 Building Maintenance	12,500
43 Insurance & Bonds	58,000
44 Billing & Postage	47,000
45 Collections Expense	72,000
46 Miscellaneous Expenses	7,500
47 Reimbursement Obligations	21,000
48 Bad Debt Expense	
49 Contingency	18,000
50 <b>Total O &amp; M Expenses</b>	<b>4,529,700</b>
 <b>Non-Operating Expense</b>	
51 Reimbursable Expense (NC DOT)	250,000
<b>Total Non-Operating Expenses</b>	<b>250,000</b>
 <b>Debt Expenditures</b>	
52 Series 2005/2015 Bonds - Principal	1,645,000
53 Series 2008 Bonds - Principal	180,200
54 Series 2010 Bonds - Principal	462,600
55 Series 2005/2015 Bonds - Interest	353,500
56 Series 2008 Bonds - Interest	7,000
57 Series 2010 Bonds - Interest	33,700
58 <b>Total Debt Expenditures</b>	<b>2,682,000</b>
59 <b>Total Operating Budget</b>	<b>7,461,700</b>

BROAD RIVER WATER AUTHORITY  
BUDGET FY 2023

**AMENDED FY  
2023 11-22-22**

**Capital Improvements Budget**

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**WTP**

60 Sed Basin Rehab/ Repair	200,000
61 Coating Sed Basin and Pipe Gallery	315,300
62 Electrical Upgrades	338,000
63 Little Mtn Booster Pump Improvements	20,000
64 Equipment - WTP Annual	25,000
65 Stairs	114,000
66 Raw Waterline Intake Design	15,000
67 SCADA Design	52,000
68 ATS Failure (insurance reimb \$96,301.20)	30,000
69 WTP Residual Reuse Site (McGill Eng)	29,000

**Distribution System**

70 Rehab Waterlines	250,000
71 Rehab Hydrants, Valves, Fountains	47,000
72 Meter Replacement	25,000
73 Rehab Hwy 221 Betterments	200,000
74 Hwy 221 Offsite Relocation	-
75 New Waterline Extensions	100,000
76 ROW Clearing	200,000
77 Bypass ICWD/ Polk meter	75,000
78 Additional volume/feed to Hospital	210,500
79 Additional Feed to Union Rd	300,000

**Distribution Equipment**

80 Equipment - Dist Annual	25,000
81 Excavator	140,000
82 Service Truck	60,000
83 Farm Tractor	40,000
84 Security	10,000
85 Queens Gap Paving	25,000
86 Distribution Warehouse Modification	50,000

**General**

87 Admin Equipment Replacement	40,000
88 Asset Management (Post -Grant)	25,000
89 Billing Software/ Accounting Software Upgrade	45,000
90 Duke Street Remodel	52,000
91 Meter Reading Trucks	80,000
92 Capital Reserve Fund	

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94 Total Capital	3,137,800
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95 Total Expenses	10,599,500