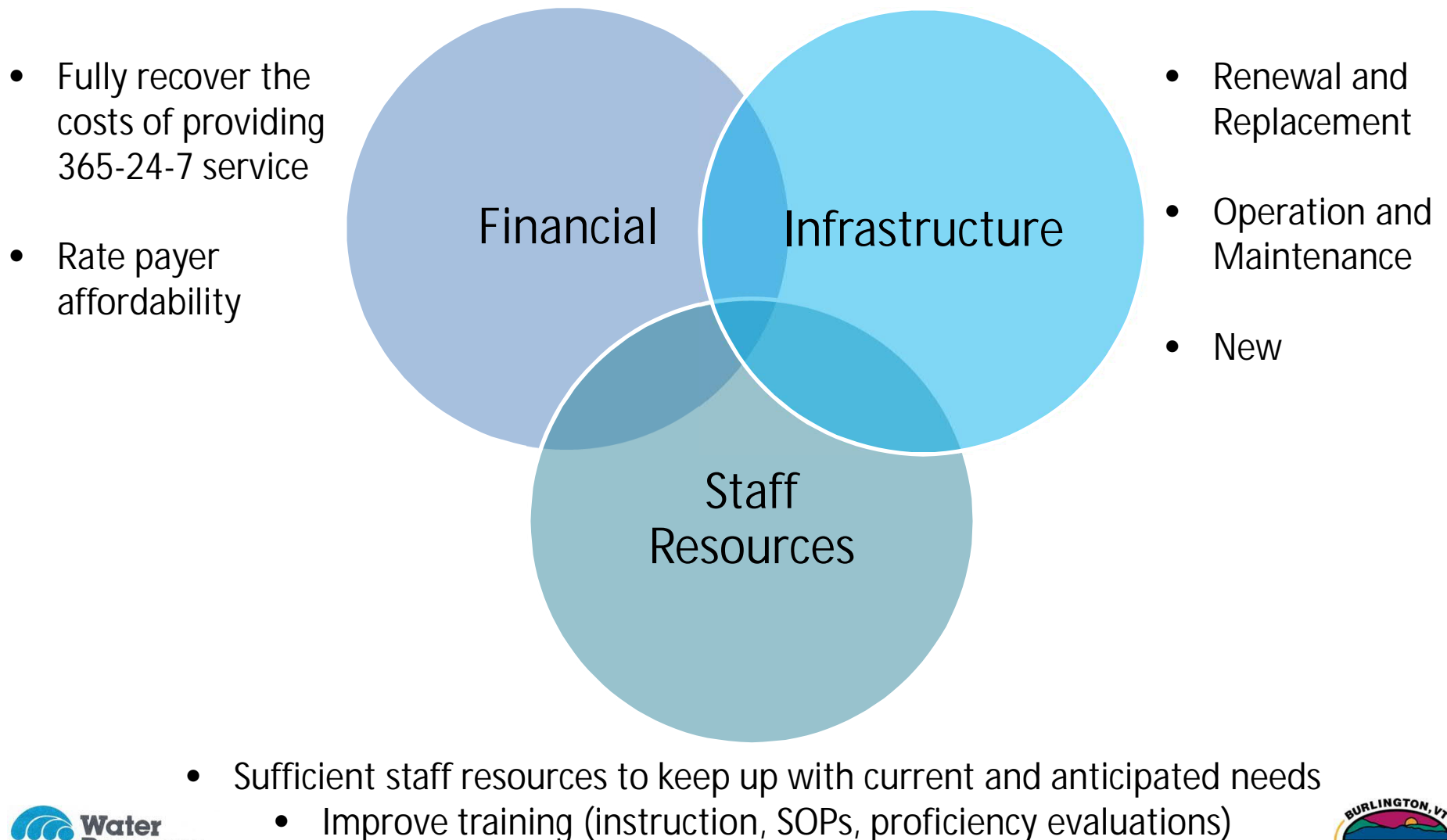
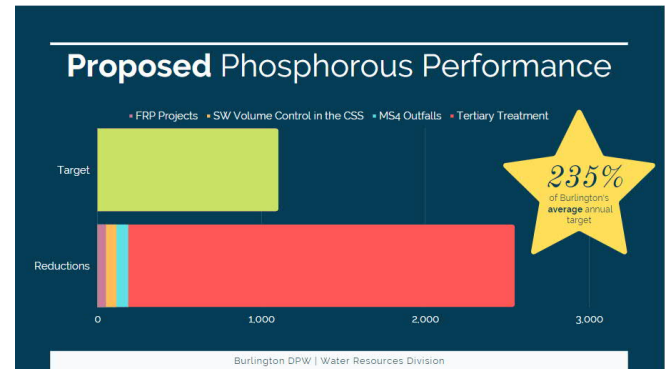


# FY23 Budget

## Burlington Water Resources Resiliency Principles



# Burlington Water Resources FY22 Highlights



## Memorandum

Date: 5/10/2022

Project No.: 20683

To: City of Burlington

From: K. Lemasney, PE; T. Vadney, PE

Subject: Executive Summary: Burlington WWTF Assessment and Upgrade Recommendations

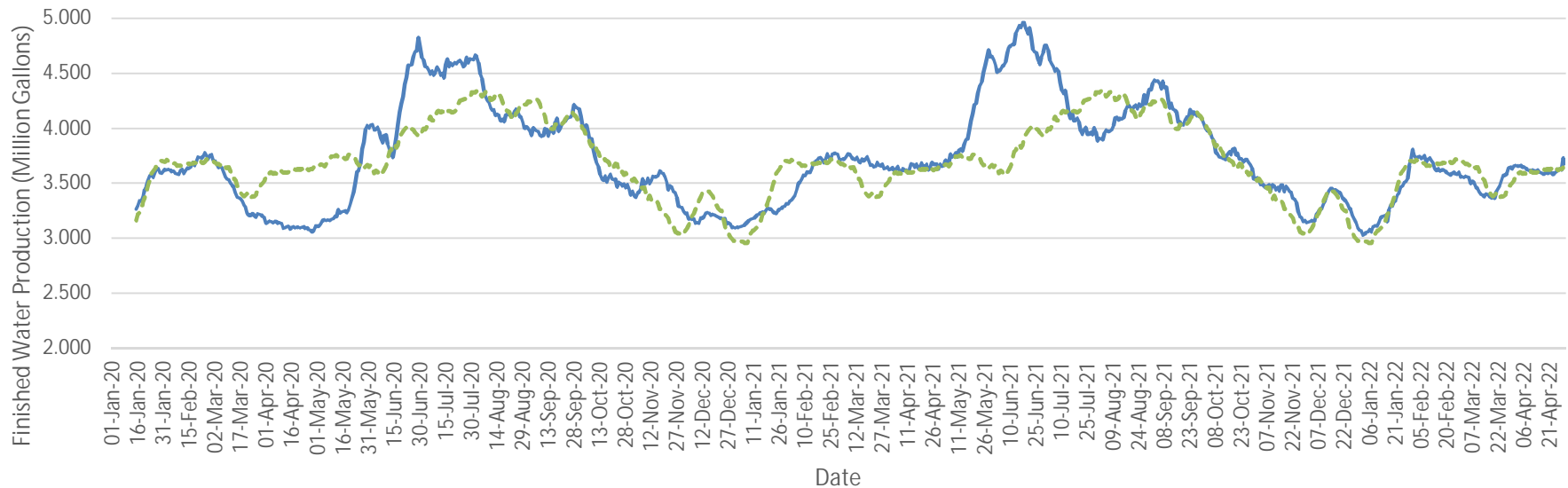
**DRAFT**



# FY 23 Water Resources Budget

- Water and Wastewater usage has returned to pre-pandemic patterns
  - Disconnection moratorium will be lifted August 2022
  - Significant outreach planned June and July

Comparison of Water Production During and "Post" Pandemic to Average Water Production  
2017-2019



# FY 23 Water Resources Budget: Sustainable Stewardship

## *Expense Drivers*

- Address FY23 significant base operational increases (salary, benefits, utilities, indirect allocations)
- Increase repair/maintenance in Wastewater to address need for emergency repairs at 28 year old facilities
- Address FY23 significant fuel, equipment maintenance, chemical cost increases
- New debt service in Wastewater (\$113K)
- Increase funding for additional operation and maintenance staff in DPW Streets Division
- Add 3 Water Resources positions
  - Risk and Resiliency Engineer
  - Two person Water Resources accounting team (25% funded by Parking Division)

# FY 23 Water Resources Budget: Sustainable Stewardship

## *Fiscal Health*

- Water fund was upgraded from A1 to Aa3 by Moody's
- FY23 budget includes some contribution to capital reserve for all three funds
- All three funds meeting minimum 120 Days of O&M Cash on Hand target
- All three funds have significant CIP needs in their immediate future and need balanced budgets and healthy cash reserves to support loan underwriting and cash flow needs



# FY 23 Water Resources Budget: Sustainable Stewardship

## *Revenue*

- Assumes conservative flat/slight decrease in overall water usage trends
- Includes continued conservative assumptions regarding uptake rate for Affordability discount (WRAP fixed fee waiver customer)
- Continue to phase in full cost of private fire protection fees



# FY 23 Water Resources Projected Cashflow:

## Water

City of Burlington, VT  
 Water Resources Financial Planning Model  
 Water - Projection of Cashflows

Cashflow	<u>FY 2023</u> <i>Projected</i>
<u>Revenues</u>	
Volumetric	\$ 6,154,666
Fixed	641,203
Private Fire	537,361
Miscellaneous	1,349,697
<i>Subtotal: Revenues</i>	<u>\$ 8,682,926</u>
<u>Revenue Requirements</u>	
Operating Expenses	\$ (6,912,287)
Existing Debt Service	(955,996)
Proposed Debt Service	(161,350)
PAYGO Capital	(611,000)
WRAP Discount	(6,403)
Capital Reserve Fund	(20,000)
<i>Subtotal: Revenue Requirements</i>	<u>\$ (8,667,036)</u>
<i>Annual Surplus/(Deficit)</i>	\$ 15,891

## Wastewater

City of Burlington, VT  
 Water Resources Financial Planning Model  
 Wastewater - Projection of Cashflows

Cashflow	<u>FY 2023</u> <i>Projected</i>
<u>Revenues</u>	
Volumetric	\$ 7,982,201
Fixed	914,982
Miscellaneous	321,687
<i>Subtotal: Revenues</i>	<u>\$ 9,218,871</u>
<u>Revenue Requirements</u>	
Operating Expenses	\$ (6,854,430)
Existing Debt Service	(1,625,877)
Proposed Debt Service	(47,733)
PAYGO Capital	(315,000)
WRAP Discount	(9,118)
Capital Reserve Fund	(365,000)
<i>Subtotal: Revenue Requirements</i>	<u>\$ (9,217,159)</u>
<i>Annual Surplus/(Deficit)</i>	\$ 1,712

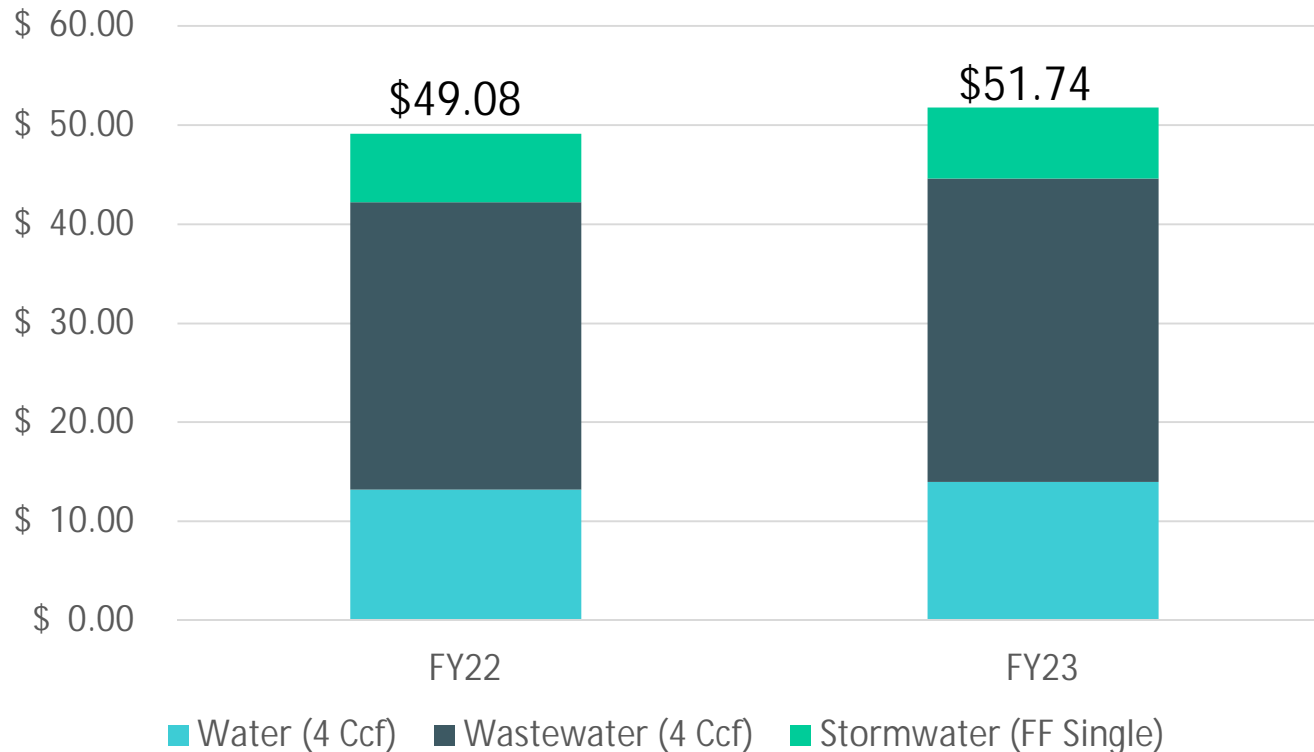
## Stormwater

City of Burlington, VT  
 Water Resources Financial Planning Model  
 Stormwater - Projection of Cashflows

Cashflow	<u>FY 2023</u> <i>Projected</i>
<u>Revenues</u>	
Charges for Services	\$ 1,851,449
Miscellaneous	35,250
<i>Subtotal: Revenues</i>	<u>\$ 1,886,699</u>
<u>Revenue Requirements</u>	
Operating Expenses	\$ (1,341,664)
Existing Debt Service	(104,674)
Proposed Debt Service	(14,829)
PAYGO Capital	(365,000)
Capital Reserve Fund	(50,000)
<i>Subtotal: Revenue Requirements</i>	<u>\$ (1,876,167)</u>
<i>Annual Surplus/(Deficit)</i>	\$ 10,532

# FY 23 Water Resources Budget: Proposed Bill Impacts

FY22 vs. FY23 Water Resources Bill Typical Customer



- 5.42% bill increase for the typical water resources customer (\$2.66 increase/month)
- 5.11% bill increase for the typical WRAP affordability program customer (\$2.10 increase/month)
- Other customers increase will vary based on impervious surface amounts and fire protection charges



# FY 23 Water Resources Budget: Looking Ahead

- Continued and significant reinvestment will be needed across all three funds
  - Our three Wastewater Treatment Plants have systems that are more than 25 years old and are in need of replacement
    - We will be discussing an engineering assessment report with the City Council in the coming months
  - Drinking Water 1867 Water Reservoir pump house, reservoir roof
  - Water main replacement
  - Collection System
- Lake Champlain Phosphorus Plan and Combined Sewer requirements also require investment
- Big hopes for Infrastructure Investment and Jobs Act funding



# Questions?

