

# FY 24 WATER RESOURCES BUDGET



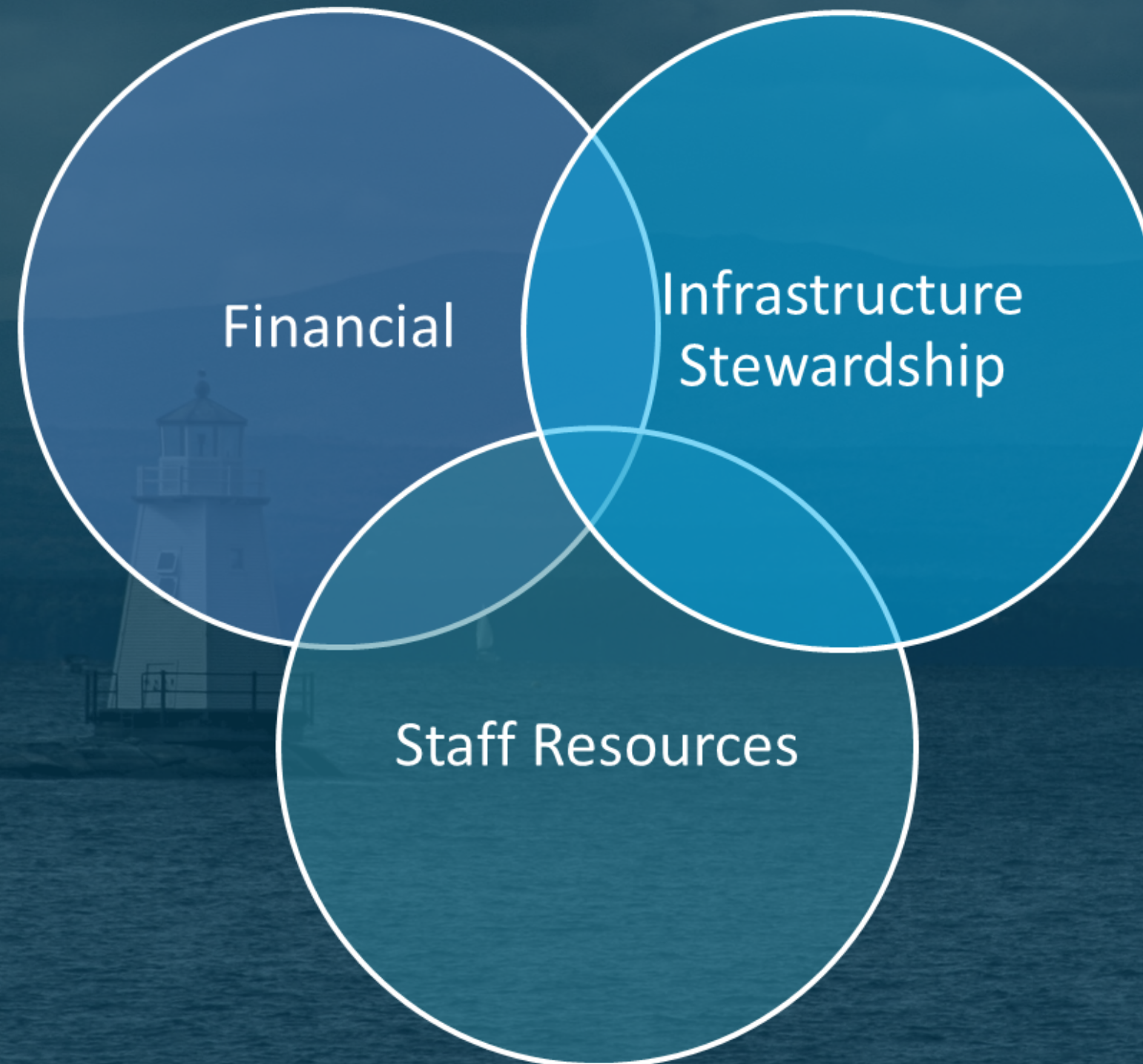
**Megan Moir**, Division Director of Water Resources



# RESILIENCY PRINCIPLES

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- Fully recover the costs of providing 365-24-7 service
- Rate payer affordability
- Contribute to capital reserve when possible
- Maintain healthy days of operating cash on hand
- Meet Debt Coverage Ratios

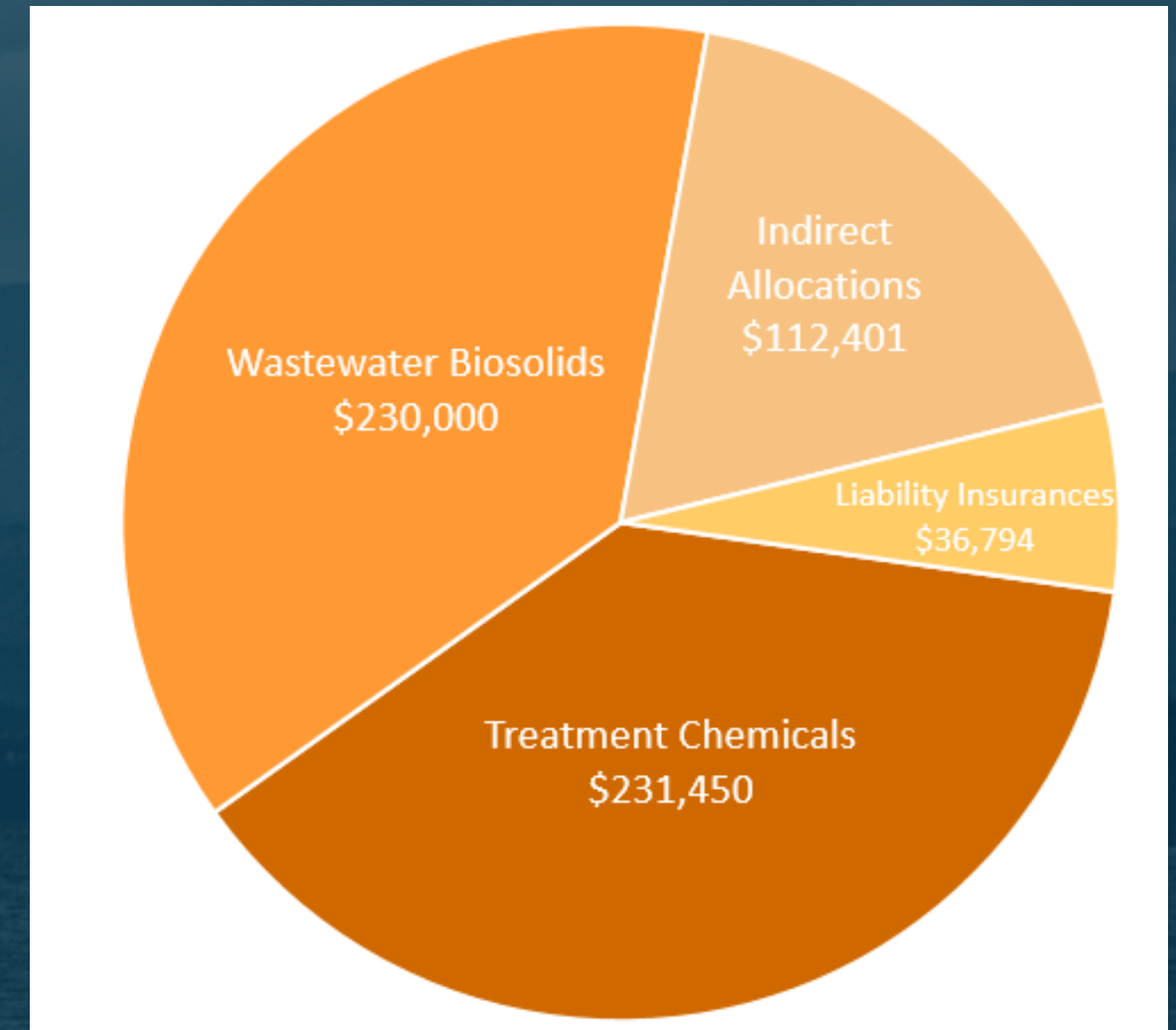
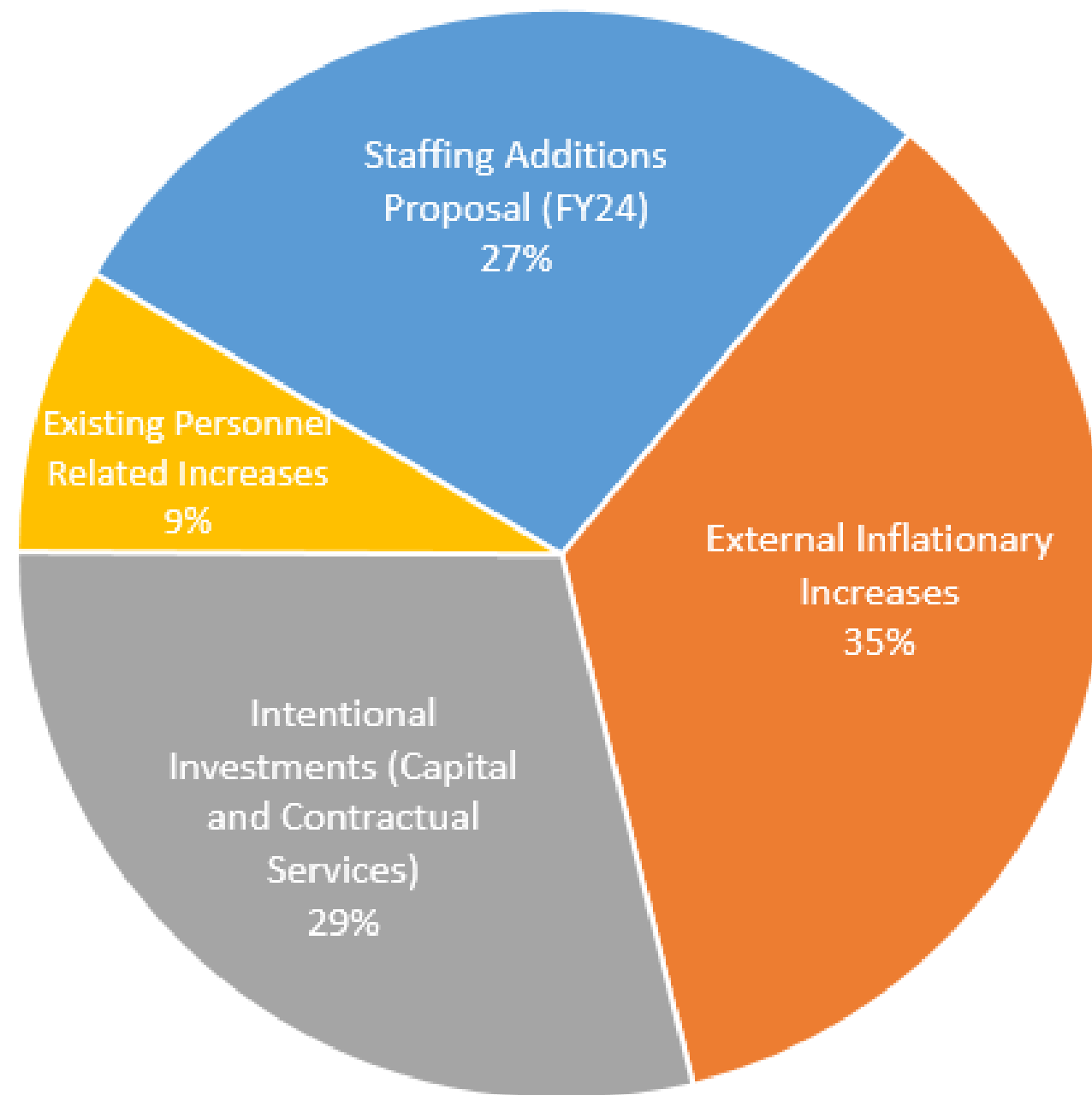


- Operation and Maintenance (preventative vs. reactive)
- Capital Renewal and Replacement
- New Infrastructure to meet new regulations

- Sufficient Staff resources to meet minimum staffing requirements for safe operations and to conduct preventative maintenance



# FY24 EXPENSE DRIVERS



**\$1.739 M (8.79%) increase in overall expenses across the 3 funds**



# FY24 STAFFING PROPOSAL

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- **Third Party Observations of Water Resources Organization**
  - Aging infrastructure and a previous history of low rates of capital renewal and replacement
  - Lack of staff capacity to conduct needed tasks (preventative maintenance)
  - Insufficient number of positions in some areas when properly accounting for labor yield (i.e. minimum staffing needs)
  - High regulatory burdens
    - Lake Champlain Phosphorus Reduction Requirements (2016)
    - Combined Sewer Policy Revision (2016 with 1272 Order in 2019)
    - Stormwater Flow Reduction Requirements for urban streams (2016)
    - Boil Water Procedure (2018)
    - Lead and Copper Rule revision (2022)





# FY24 STAFFING PROPOSAL

Position Addition	Aged Infrastructure	Lack of staff capacity to meet service levels	Minimum Staffing Needs	High/Growing Regulatory Burden
2 Water Distribution Technicians	✓	✓	✓	
Stormwater Field Specialist		✓		✓
Water Resources Project Manager	✓	✓		
Wastewater Operator	✓	✓	✓	
Water Resources Utilities Coordinator		✓		✓

For more information see the Raftelis report and come to the May/June TEUC meeting



# RATE INCREASE MITIGATION

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- **Expense:**

- Line by line review and adjusted budget to reflect actual expense trend over last 3 year
  - e.g. Electricity at Water Plant, North Plant and East Plant (-\$40K)
- Carried forward personnel vacancy savings from FY23
- Line by line projection of FY23 final expenses, apply carry forward to FY24

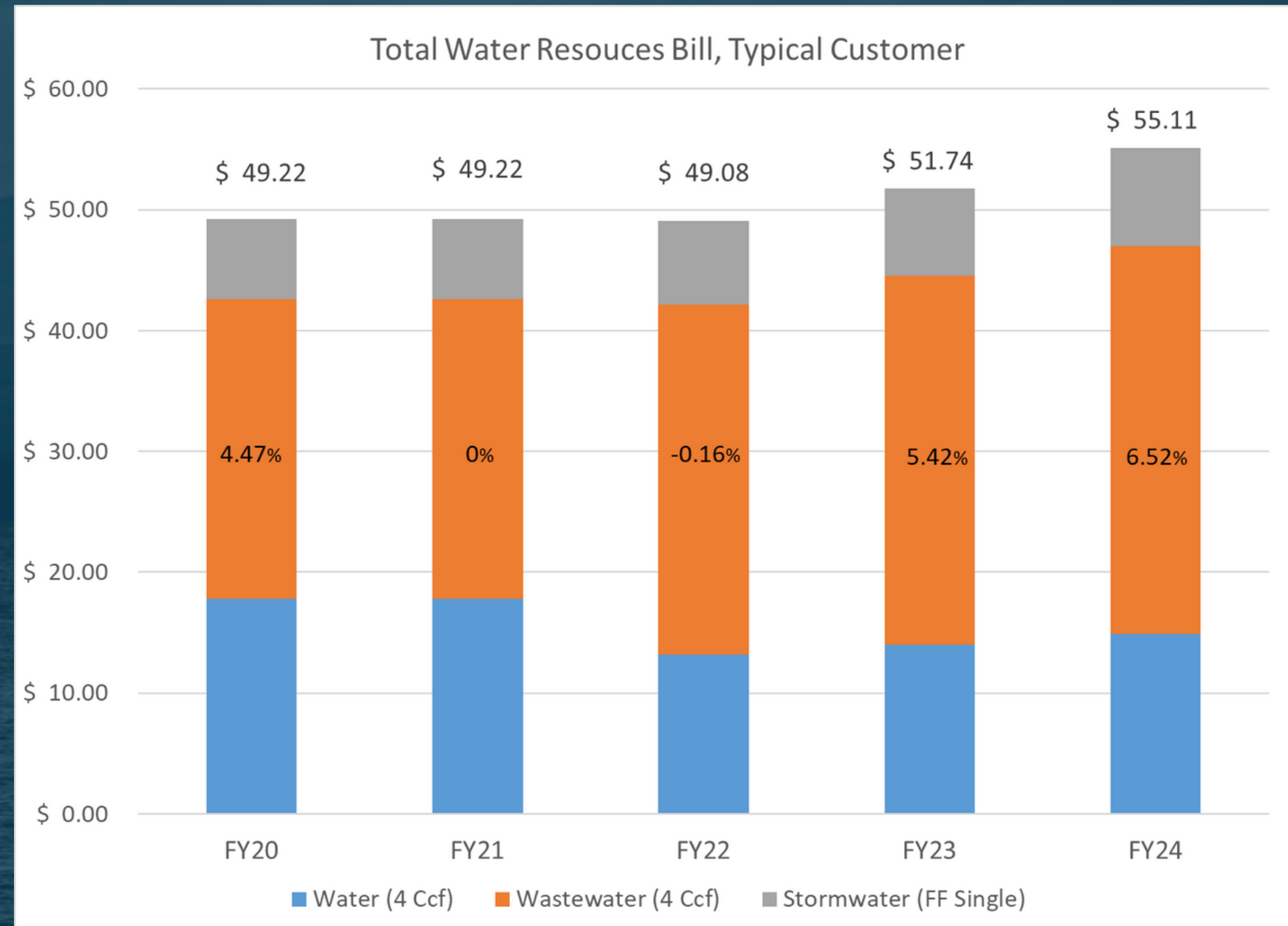
- **Revenue**

- Trend of increasing volume of sludge processing for other communities
- Continued phasing in of the private fire protection fee
- Updated FY24 projected billable usage based on FY22 data
  - Water usage increased slightly (due to wholesale volume sold to CFD2)
  - Wastewater decreased slightly
- Planned use of \$100K of Stormwater Fund Balance (healthy days of cash on hand)



# PROPOSED TYPICAL BILL IMPACTS

- Proposed typical bill increase 6.52%
- Typical Monthly Customer Bill \$55.11/month
- WRAP Discount Customer Bill \$46.12/month
- Overall rate increase since FY21 is 12.1%
- Note, CPI % change July 2020 - April 2023 = 17.1%





# PROPOSED FY24 RATE TABLE

Rate Change Comparison (FY 24 rates effective 7/1/23)							
	METER BASE CHARGE WATER		METER BASE CHARGE SEWER		PRIVATE FIRE BASE CHARGE (5 year phase in)		
METER SIZE	FY 23	FY 24	FY 23	FY 24	PIPE SIZE	FY 23	FY 24
5/8"	\$3.51	\$3.74	\$5.00	\$5.25			
3/4"	\$5.27	\$5.61	\$7.49	\$7.87			
1"	\$8.78	\$9.34	\$12.49	\$13.12			
1.5"	\$17.54	\$18.65	\$24.99	\$26.24	1.5"	\$18.60	\$27.90
2"	\$28.07	\$29.84	\$39.98	\$41.98	2"	\$18.60	\$27.90
3"	\$52.63	\$55.95	\$74.96	\$78.71	3"	\$18.60	\$27.90
4"	\$87.70	\$93.23	\$124.93	\$131.18	4"	\$18.60	\$27.90
6"	\$175.40	\$186.46	\$249.85	\$262.35	6"	\$54.00	\$81.00
8"	\$280.63	\$298.31	\$399.75	\$419.74	8"	\$115.08	\$172.62
10"	\$403.41	\$428.84	\$574.64	\$660.84	10"	\$206.96	\$310.44
					Hydrant	\$54.00	\$81.00
	VOLUMETRIC RATES WATER		VOLUMETRIC RATES SEWER		STORMWATER		
METER CLASSIFICATION	FY 23	FY 24	FY 23	FY 24	Type	FY 23	FY 24
Single Unit Residential (RES, R2-S, R3-S, RC-S)					Flat Fee		
Tier 1 (0 - 400 CF)	\$2.62	\$2.79	\$6.39	\$6.71	Single Family	\$7.19	\$8.12
Tier 2 (401 CF and higher)	\$6.54	\$6.96	\$6.39	\$6.71			
Duplex (R2)							
Tier 1 (0 - 600 CF)	\$2.62	\$2.79	\$6.39	\$6.71	Duplex	\$7.15	\$8.07
Tier 2 (601 CF and higher)	\$6.54	\$6.96	\$6.39	\$6.71			
Triplex (R3)							
Tier 1 (0 - 900 CF)	\$2.62	\$2.79	\$6.39	\$6.71	Triplex	\$8.24	\$9.30
Tier 2 (901 CF and higher)	\$6.54	\$6.96	\$6.39	\$6.71			
Multi-Family Residential (MRU)	\$4.48	\$4.77	\$6.39	\$6.71	Directly Assessed (Per ISU)		
Mixed Residential & Commercial (MIX)	\$4.48	\$4.77	\$6.39	\$6.71	All Other	\$2.69	\$3.04
Commercial (COM)	\$4.48	\$4.77	\$6.39	\$6.71			
City (CITY)	\$4.48	\$4.77	\$6.39	\$6.71			
Irrigation (IRR)	\$7.84	\$8.34	N/A	N/A			
Process Water for Heating or Cooling (PW)	\$5.07	\$5.39	N/A	N/A			



# SIGNIFICANT CAPITAL INVESTMENT IS NEEDED FOR FY25 AND BEYOND

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- Wastewater Comprehensive Upgrade
- Wastewater Tertiary Phosphorus Removal
- Combined Sewer Overflow Reduction
- Collection System Relining/Replacement
- Stormwater Outfall Repair
- Stormwater Retrofits
- Drinking Water Reservoir Pump Station
- Drinking Water Plant Upgrades
- Drinking Water Main Relining/Replacement



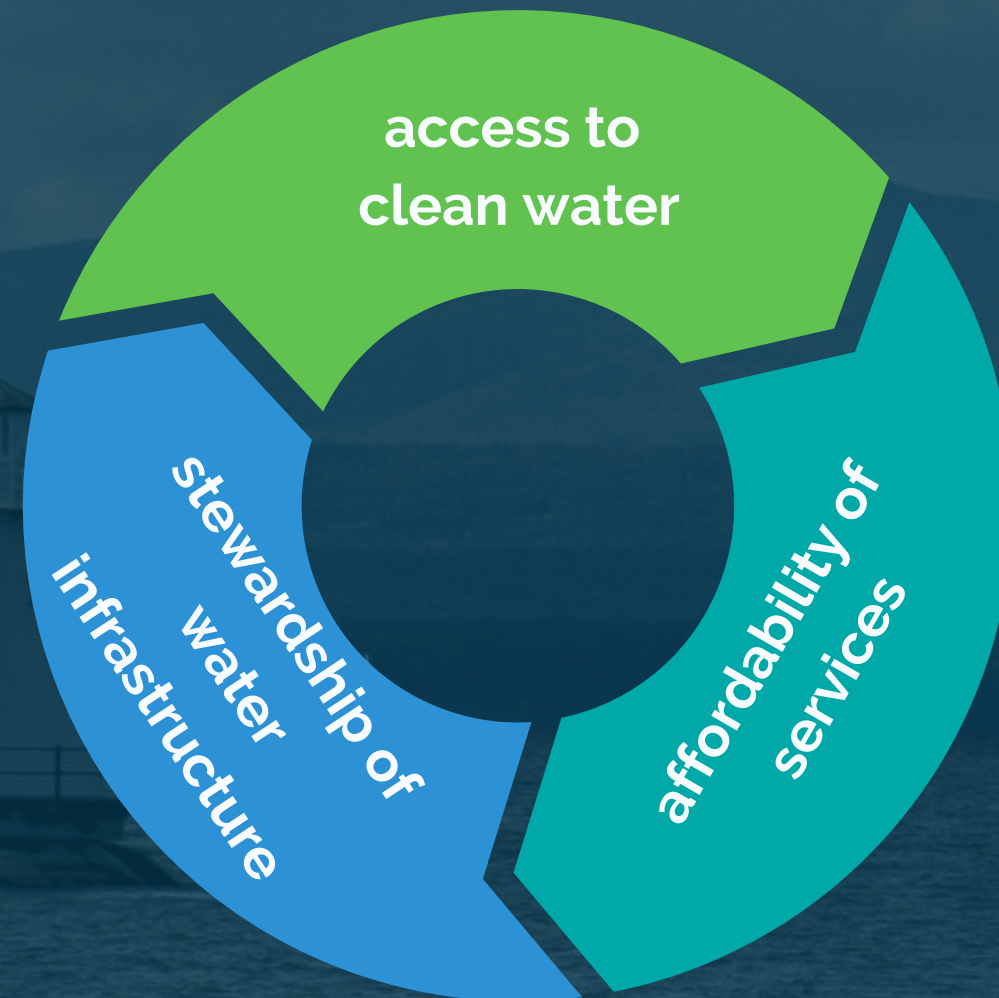
**Bipartisan Infrastructure Law will not provide significant funding source...**



# RATEPAYER AFFORDABILITY



- **Fixed Fee Waiver**
  - Low-income
  - 65+
  - Non-Profit Housing Organization
- **Rebates**
  - Sewer lateral inspections
  - WaterSense fixtures



## RATE STRUCTURE ADJUSTMENTS

- **Lifeline** rate tier
- **User class**-based rates

Studying enhancements to WRAP in first half of FY24 alongside Capital Financial Planning



# QUESTIONS?

