



PRESENTATION TO THE BOARD OF WATER COMMISSIONERS

PROPOSED OPERATING BUDGET

FISCAL YEAR 2021

April 15, 2020

Updates to the Preliminary Budget

(Since the December 4, 2019 Finance Committee Presentation)

- Final GLWA Wholesale Charges increasing by 2.95% for Water and 2.25% for Sewer
- Retail component of WRAP contribution increased to 1.0% from 0.5%. Additional \$1.2 million committed to affordability and conservation programs
- Decreased personnel costs by \$1 million based on reduction of 10 FTEs
- Decreased Professional and Contractual services by \$6 million to adjust the budget for certain services based on historical usage and current information
- Increased Supplies and Other by \$1.6 million to adjust the budget based on historical and current usage
- Decreased water utility budget by \$800K based on actual consumption history
- Increased Revenue Financed Capital based on revised revenue forecast



Changes in Net Revenue Requirement Since December 4, 2019

	Water Fund	Sewer Fund
Estimated Net Revenue Requirement per December 4, 2019	\$ 121,380,100	\$ 356,548,300
Increase in Wholesale Charges and WRAP adjustment	570,000	221,700
Decrease in Personnel Cost	(398,200)	(611,300)
Decrease in Professional & Contractual Services	(1,855,000)	(3,972,400)
Increase in Shared Services Expense	109,000	121,000
Increase in Supplies & Other	185,700	1,438,700
Decrease in Utilities	(246,700)	(575,600)
Decrease in Legacy Cost	(11,300)	(15,200)
Increase in Bad Debt Expense	21,000	3,600
Increase in Revenue Financed Capital	<u>2,559,500</u>	<u>1,728,800</u>
New Estimated Net Revenue Requirement	<u>\$ 122,314,100</u>	<u>\$ 354,887,600</u>



Water Revenues and Expenses

	Budget FY 2020	Budget FY 2021	Increase (Decrease)	% Change
Estimated Revenue				
Retail Revenue				
Commodity Sales	\$ 72,133,400	\$ 71,949,500	\$ (183,900)	-0.3%
Service Charges	25,534,700	26,884,600	1,349,900	5.3%
Fireline Charges	3,124,200	3,754,600	630,400	20.2%
Penalties and Fees	2,758,800	4,899,100	2,140,300	77.6%
Permits and Other Revenue	<u>2,200,000</u>	<u>1,250,000</u>	<u>(950,000)</u>	<u>-43.2%</u>
Total Retail Revenue	<u>105,751,100</u>	<u>108,737,800</u>	<u>2,986,700</u>	<u>2.8%</u>
Non-Retail Revenue				
GLWA Share of Pension and Notes	12,327,600	12,316,300	(11,300)	-0.1%
Shared Services	<u>2,020,000</u>	<u>1,260,000</u>	<u>(760,000)</u>	<u>-37.6%</u>
Total Non-Retail Revenue	<u>14,347,600</u>	<u>13,576,300</u>	<u>(771,300)</u>	<u>-5.4%</u>
Total Estimated Revenue	<u>\$ 120,098,700</u>	<u>\$ 122,314,100</u>	<u>\$ 2,215,400</u>	<u>1.8%</u>
Net Revenue Requirement				
Departmental (Direct) Expense				
Administration	\$ 1,334,100	\$ 1,285,400	\$ (48,700)	-3.7%
Operations	21,086,700	21,391,500	304,800	1.4%
Compliance	9,072,200	9,262,600	190,400	2.1%
Finance	<u>5,189,400</u>	<u>5,154,100</u>	<u>(35,300)</u>	<u>-0.7%</u>
Total Departmental (Direct) Expense	<u>36,682,400</u>	<u>37,093,600</u>	<u>411,200</u>	<u>1.1%</u>
Non-Departmental (Indirect) Expense	83,292,400	85,168,200	1,875,800	2.3%
Revenue Financed Capital	<u>123,900</u>	<u>52,300</u>	<u>(71,600)</u>	<u>-57.8%</u>
Estimated Net Revenue Requirement	<u>\$ 120,098,700</u>	<u>\$ 122,314,100</u>	<u>\$ 2,215,400</u>	<u>1.8%</u>



Sewer Revenues and Expenses

	Budget FY 2020	Budget FY 2021	Increase (Decrease)	% Change
Estimated Revenue				
Retail Revenue				
Commodity Sales	\$ 147,153,500	\$ 146,584,900	\$ (568,600)	-0.4%
Service Charges	13,601,000	14,063,600	462,600	3.4%
Drainage Fees	154,464,700	160,160,400	5,695,700	3.7%
Highway Drainage	-	2,628,200	2,628,200	
IWC Charges	1,700,000	1,481,100	(218,900)	-12.9%
Permits and Fees	500,000	150,000	(350,000)	-70.0%
Penalties and Other Revenue	4,419,700	5,484,700	1,065,000	24.1%
Total Retail Revenue	<u>321,838,900</u>	<u>330,552,900</u>	<u>8,714,000</u>	<u>2.7%</u>
Non-Retail Revenue				
GLWA Share of Pension and Notes	22,460,100	22,444,700	(15,400)	-0.1%
Shared Services	<u>3,030,000</u>	<u>1,890,000</u>	<u>(1,140,000)</u>	<u>-37.6%</u>
Total Non-Retail Revenue	<u>25,490,100</u>	<u>24,334,700</u>	<u>(1,155,400)</u>	<u>-4.5%</u>
Total Estimated Revenue	<u>\$ 347,329,000</u>	<u>\$ 354,887,600</u>	<u>\$ 7,558,600</u>	<u>2.2%</u>
Estimated Net Revenue Requirement				
Departmental (Direct) Expense				
Administration	\$ 3,112,600	\$ 2,999,400	\$ (113,200)	-3.6%
Operations	35,983,400	35,167,200	(816,200)	-2.3%
Compliance	21,168,600	21,612,800	444,200	2.1%
Finance	<u>12,108,900</u>	<u>12,026,200</u>	<u>(82,700)</u>	<u>-0.7%</u>
Total Departmental (Direct) Expense	<u>72,373,500</u>	<u>71,805,600</u>	<u>(567,900)</u>	<u>-0.8%</u>
Non-Departmental (Indirect) Expense	274,619,300	280,791,000	6,171,700	2.2%
Revenue Financed Capital	<u>336,200</u>	<u>2,291,000</u>	<u>1,954,800</u>	<u>581.4%</u>
Estimated Net Revenue Requirement	<u>\$ 347,329,000</u>	<u>\$ 354,887,600</u>	<u>\$ 7,558,600</u>	<u>2.2%</u>

Thank You



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