
2021 BUDGET PRESENTATION

VILLAGE OF ALLOUEZ, OCTOBER 6, 2020



2021 BUDGET GOALS

- Keep any rate increase to a minimum
- Advance critical capital project
 - Install VFD at Manitowoc pump station
- Add some flexibility to respond to
 - Additional work on Lake MI shoreline
 - Potential utility conflicts
- Maintain financial stability
 - Bring the Maintenance Fund back up to \$1.5M
 - Adequate funds for operating and fixed costs
 - Compliance with bond covenants
 - Maintain recommended levels of unrestricted cash



2021 BUDGET INFLUENCES

Issues

- Recovering from expenditures due to Lake Michigan shoreline erosion
- Decreased water consumption during COVID lock-down
- Two main breaks in 2020
- Potential increases in MPU water purchase costs
- All reserve/designated funds maintained at compliant levels

Opportunities

- Expenditures for CTH R bridge replacement not needed
- Projected growth in 2021 water use
- No debt service increase
- Another year of solid investment interest
- Active discussions with potential new members
- New General Manager hired at MPU
- All reserve/designated funds maintained at compliant levels

2021 BUDGET INFLUENCES

Issues

- Lake MI Shoreline Erosion





2021 BUDGET INFLUENCES

Issues

- Lake MI Shoreline Erosion



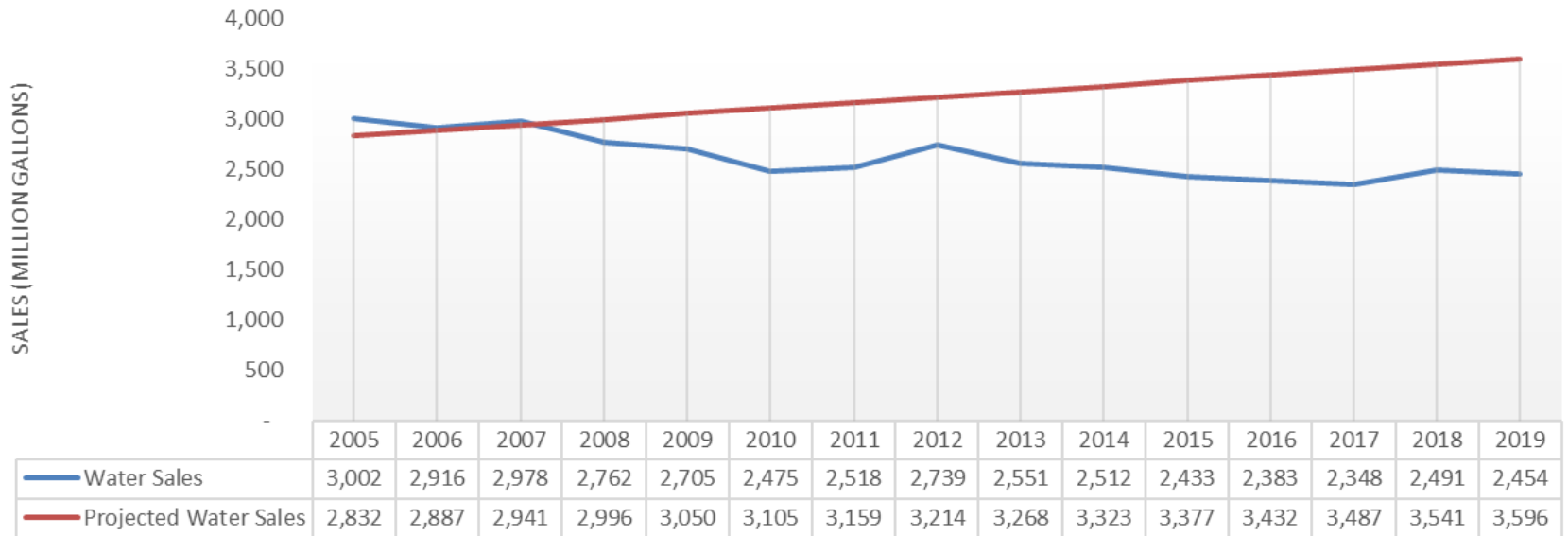




WATER SALES

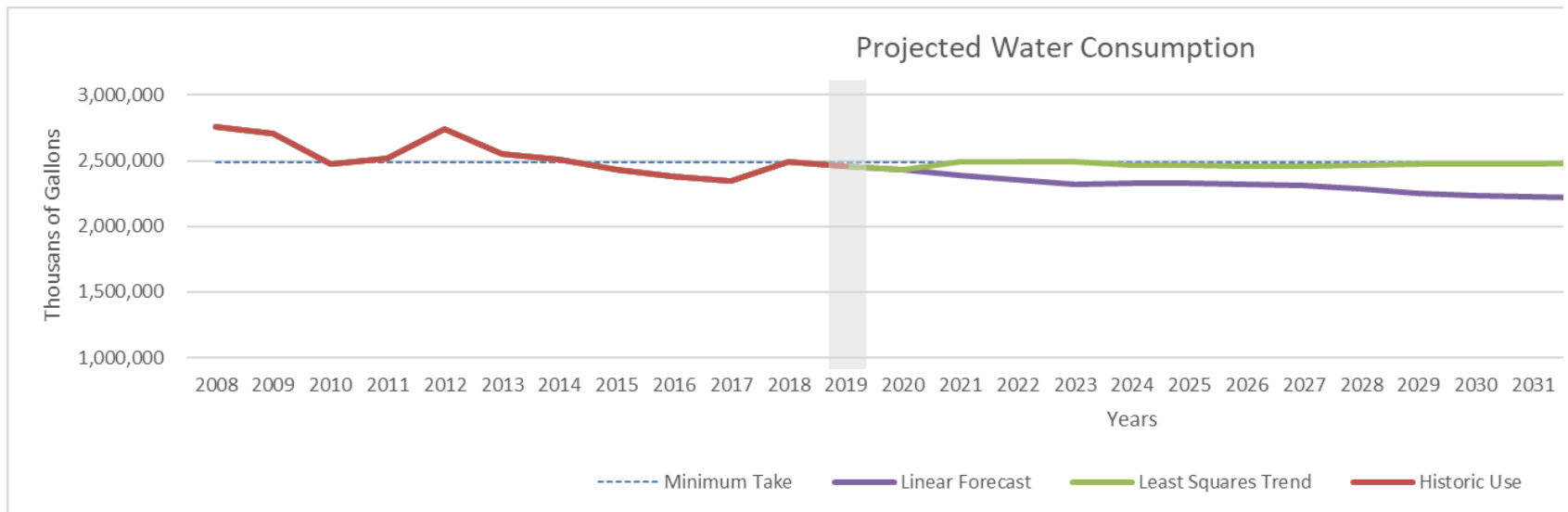
HISTORIC FOR ALL MEMBERS

CBCWA Annual Water Sales



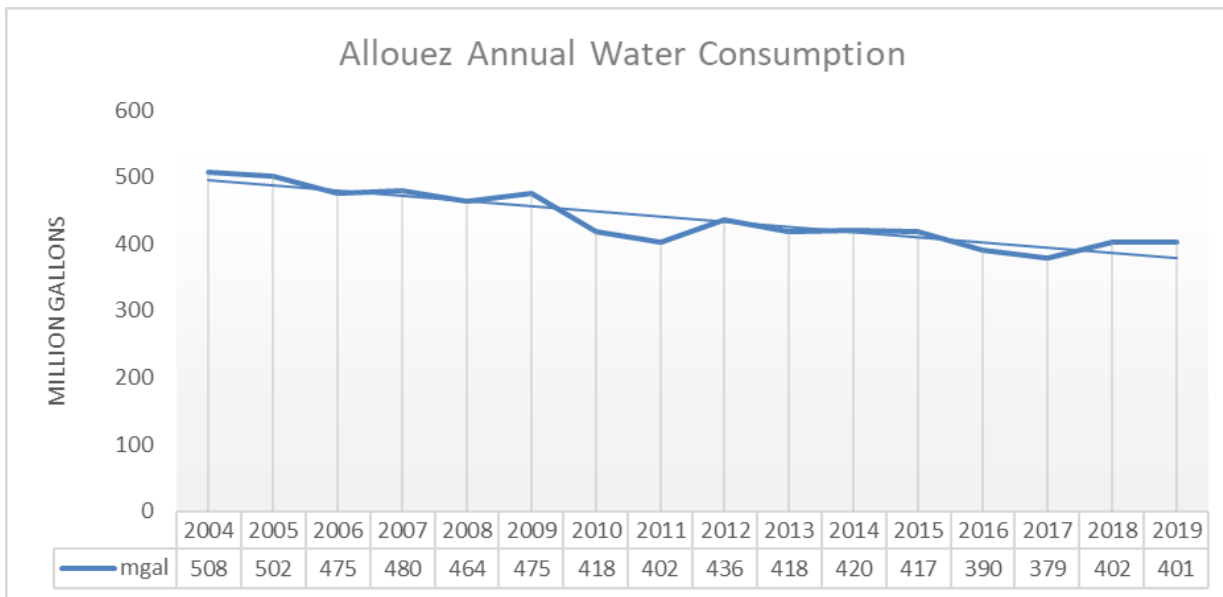
WATER SALES

PROJECTED FUTURE WATER USE



WATER SALES ALLOUEZ HISTORY

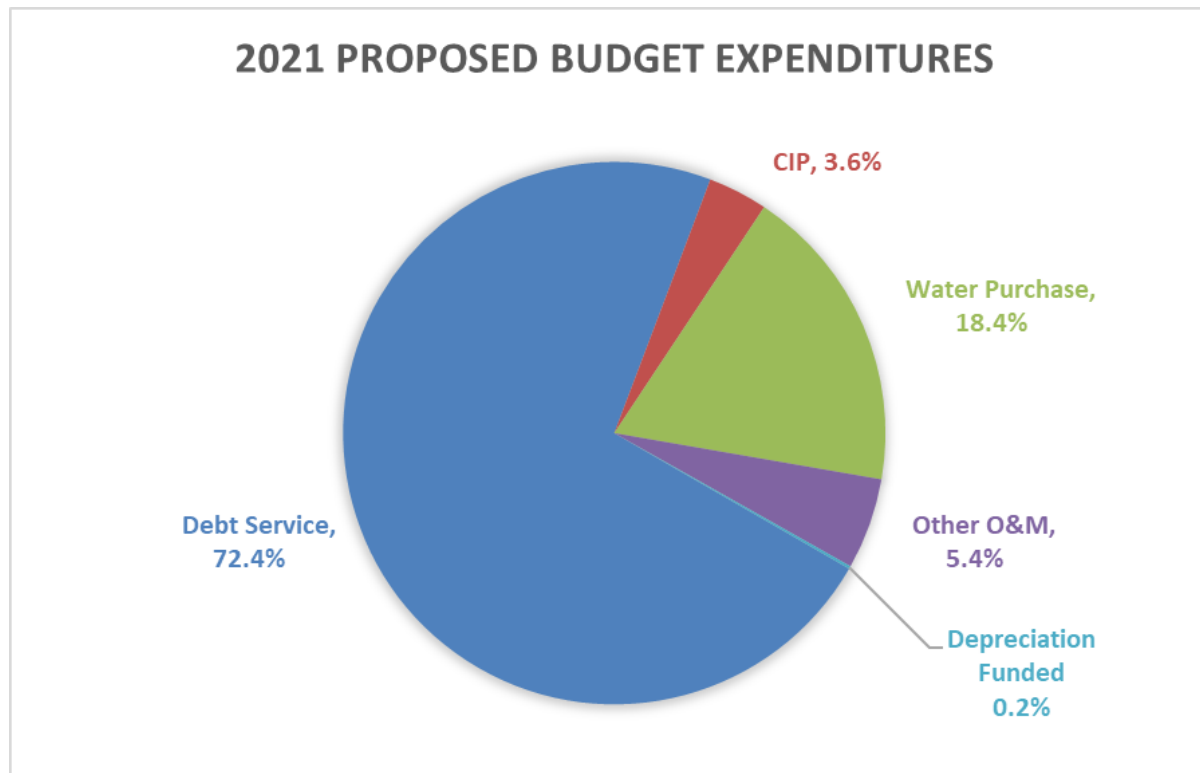
- 2020 Projection at Mid-Year: 396,894 kgal



**Allouez Water Use
History and Projection
(1,000s of gallons)**

	Projected	Actual
2016	430,000	389,759
2017	425,000	379,384
2018	410,000	402,191
2019	405,000	401,495
2020	410,000	in progress
2021	405,000	future

BUDGET AND RATES OVERVIEW



- Total CBCWA Budget: ~\$13 million annually

BUDGET AND RATES

2020-2021 EXPENDITURE COMPARISON

2020 - 2021 Budget Expenditures Summary

	2020	2021	\$ Change	% Change
Debt Service and CIP	\$ 9,677,846	\$ 9,679,503	\$ 1,657	0.0%
Water Purchase	\$ 2,330,000	\$ 2,345,000	\$ 15,000	0.6%
Depreciation Funded	\$ 20,990	\$ 21,062	\$ 72	0.3%
Other Operating Expense	\$ 999,667	\$ 692,380	\$ (307,287)	-30.7%
Total	\$ 13,028,503	\$ 12,737,945	\$ (290,558)	-2.2%

- Overall budget expenditures, modest decrease (2.2%)
 - Debt Service stabilized until retired in 2035
 - CIP expense flat by using various funding sources
 - Increase in Water Purchase: precautionary with MPU rate case expected
 - Shoreline stabilization moved from Operational budget to Capital budget
 - Funding Depreciation Expense: A new practice

BUDGET AND RATES

2020-2021 EXPENDITURE COMPARISON

	2020	2021
Fixed Costs		
Debt Service	\$ 9,227,846	\$ 9,226,503
CIP	\$ 450,000	\$ 453,000
Subtotal	\$ 9,677,846	\$ 9,679,503
Connection Fees	\$ (95,000)	\$ (95,000)
Transfer to/from Reserves	\$ (200,000)	\$ -
Total Fixed Charges	\$ 9,382,846	\$ 9,584,503
Depreciation Funded	\$ 20,990	\$ 21,062
O&M		
Water Purchase	\$ 2,330,000	\$ 2,345,000
Other O&M	\$ 999,667	\$ 692,380
Subtotal	\$ 3,329,667	\$ 3,037,380
Interest Income	\$ (100,000)	\$ (125,000)
AMI Charges	\$ (69,000)	\$ (71,000)
Transfer to/from Reserves	\$ (300,000)	\$ -
Total O&M	\$ 2,860,667	\$ 2,841,380
Total Budget - Rates	\$ 12,264,503	\$ 12,446,945

- CBCWA rate-supported budget increasing by 1.5%
 - Includes anticipated revenues and use of designated funds
 - Continued interest earnings on investments
 - Contributions back to designated funds after heavy use in 2019 and 2020

BUDGET AND RATES

10-YEAR CAPITAL IMPROVEMENT PROGRAM

Central Brown County Water Authority 2021-2030 Capital Improvement Program

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
MPU HVAC Modifications*				50,000						
MPU FWPS Optimization/VFDs*	400,000		425,000							
LE-2 Updates		25,000								
Corrosion Protection Upgrades**				25,000						
Shoreline Stabilization	50,000									
Replacement Equipment	25,000	75,000	25,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Unanticipated Capital	50,000	150,000	50,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total	525,000	250,000	500,000	300,000	225,000	225,000	225,000	225,000	225,000	225,000

* Subject to negotiations with MPU and dependent on available reserves

** Need an estimate

Sources of Funds (2021 Program)

Funded/budgeted	353,000
Local cost share (CI modifications)	72,000
Carry forward from 2020	100,000
	<u>525,000</u>

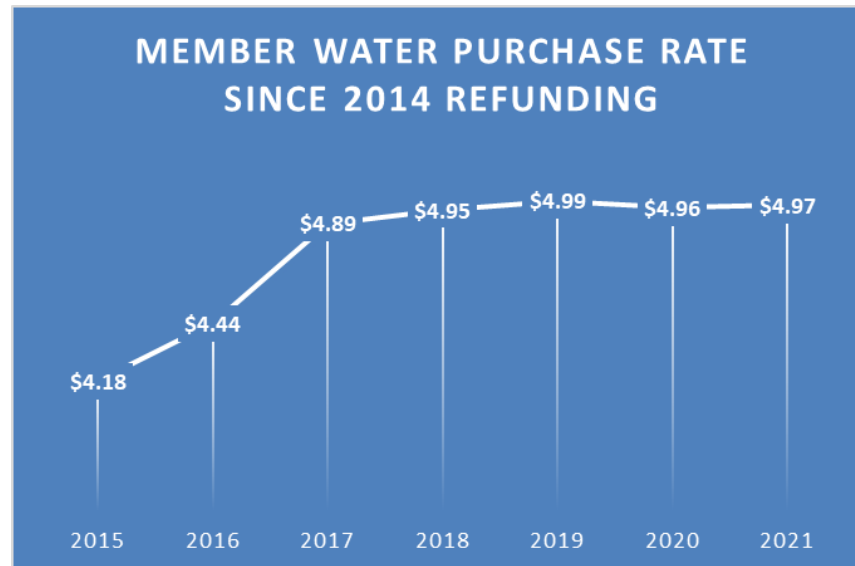
BUDGET AND RATES

WATER PURCHASE RATE (\$/1,000 GALLONS)

Summary Calculation of 2021 Water Rate

	Budgeted Costs	Projected Sales	2021 Unit Rate per 1000 gal
Fixed	\$ 9,605,565	2,505,000	\$ 3.84
O&M	\$ 2,841,380	2,505,000	\$ 1.13
	\$ 12,446,945		\$ 4.97

- 2020 to 2021 Comparison
 - 4.96 to 4.97 = 0.2% increase



BUDGET AND RATES

MEMBER CHARGES - ALLOUEZ

- Local share of the water supply relatively stable
- Have generally budgeted close to, but slightly under, actual
- Slight increase in the water purchase rate for next year
- 2021 Result: 1% budgeted decrease below 2020

Allouez Water Purchase - Estimated and Actual

	Annual Allocation	Year End True-Up	Adjusted Total
2019	\$ 2,020,950	\$ (16,992)	\$ 2,003,958
2020	\$ 2,033,600	\$ (37,899)	\$ 1,995,701 *
2021	\$ 2,012,445	To be determined	
Change	\$ (21,155)		

* Projected 2020



BUDGET AND RATES

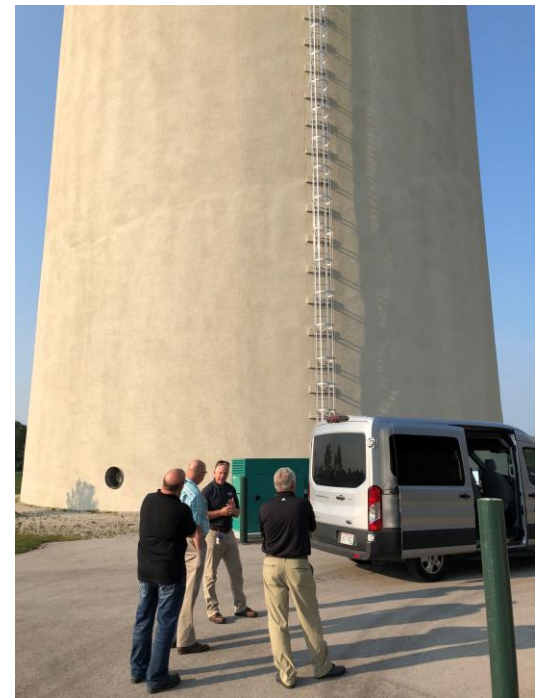
MEMBER CHARGES - ALLOUEZ

- What does this budget mean for **wholesale water purchase portion** of water bills?
 - 5,557 water utility customers
 - Down an average of \$0.32 per month per customer under 2020 water bills
 - (Or down about \$4 for the year)



LOOKING AHEAD TO 2021

- Continuing implementation of SPLASH Study
- Member Water Purchase Agreement amendments adopted
- Pursuing new Customer Members
- Renewed negotiations with MPU; likely PSC rate case
- Possible survey of ductile iron pipe corrosion
- Continued SPLASH Study implementation
- Revive exploration of local-level interconnections and at smaller scale with GBWU
- Continue monitoring potential regulatory changes



THANK YOU!



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