

# **JUNE 2022 MANAGER REPORT**

1. **Proposed 2022-2023 budget for review.**
2. **Proposed wage and salary information for review. I am recommending 8% as this has not been addressed in two years. See attached AWWA breakdown and proposed changes to the salaries of the employees.**
3. **Black mountain installation projected date. Looking to be September. They did some downloads of our QuickBooks to see how quickly the integration can go.**
4. **Chlorination project update report from Interstate Engineering. See handout**
5. **Rate Study update with recommendation for 5% increase due to the City of Billings 5.7% increase. 5% across the board on base rate, tiered rates, SDF fees, Fire line fees. This allows us to avoid delays due to public hearings and allows us to offset the increase through the summer months which are 40-45% of our annual revenues. We can then reassess in the fall with the Raftellis rate study and CIP completed and once further information is known from the upcoming rate study by the City on their intended increases for the following years. See proposed schedule of fees.**
6. **Valves are in and crews have started installations.**

<u>TITLE</u>	<u>CURRENT WAGE/HR</u>	<u>AVERAGE AWWA</u>	<u>PROPOSED 8%</u>
MANAGER	\$48.08	\$55.73	\$51.92
ASST MAN	\$33.26	\$43.75	\$35.92
SEN OPERATOR	\$27.25	\$29.02	\$29.43
CUST SER MAN	\$22.51	\$27.67	\$24.31
ACCT ASSOCAITE	\$19.00	\$24.29	\$20.52
*DIST OPERATOR (75%)	\$20.43	\$21.21	\$22.07

- New Distribution operators start at 75% of Senior operator pay. Upon passing state water certification exam and obtaining a commercial license the pay goes to 85% and once fully certified the go to full scale.

# American Water Works Association - Medium - 2021

Water Participants

Job L100 - Top Executive

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	97	98	47	97% 3% 0%	\$139,033	\$149,519	\$149,613	\$122,767	\$143,566	\$166,352	12
Board Operated	63	63	33	* * *	\$137,872	\$148,824	\$148,824	\$123,188	\$143,901	\$166,641	6
M/C/T/C/V	28	29	70	* * *	\$128,946	\$143,709	\$144,228	\$121,247	\$139,707	\$160,533	18
Private	3	3	*	* * *	*	*	*	*	*	*	*
Other	3	3	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
500,000 - 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
250 - 499,999	0	0	*	* * *	*	*	*	*	*	*	*
100 - 250,000	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100,000	26	26	47	* * *	\$158,169	\$163,650	\$163,650	\$131,693	\$149,974	\$171,067	*
25 - 50,000	37	37	61	* * *	\$142,760	\$154,611	\$154,611	\$125,100	\$148,989	\$174,677	14
10 - 25,000	34	35	32	* * *	\$124,552	\$133,171	\$133,902	\$114,371	\$133,614	\$154,487	7
5,000 - 9,999	0	0	*	* * *	*	*	*	*	*	*	*
< 5,000	0	0	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000	0	0	*	* * *	*	*	*	*	*	*	*
500 - 1,000	0	0	*	* * *	*	*	*	*	*	*	*
200 - 500	3	3	*	* * *	*	*	*	*	*	*	*
100 - 200	6	6	89	* * *	\$225,476	\$214,714	\$214,714	*	*	*	*
50 - 100	14	14	61	* * *	\$169,419	\$173,051	\$173,051	\$146,466	\$170,423	\$194,667	*
25 - 50	32	33	42	* * *	\$159,178	\$160,795	\$160,733	\$125,818	\$151,137	\$179,142	*
< 25	42	42	43	* * *	\$115,920	\$120,355	\$120,355	\$102,783	\$118,874	\$136,625	11

# American Water Works Association - Medium - 2021

Water Participants

Job L110 - Top Operations & Maintenance Executive

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	49	52	21	90% 10% 0%	\$113,198	\$122,328	\$119,668	\$92,412	\$110,518	\$130,514	9
Board Operated	33	35	21	* * *	\$115,543	\$118,502	\$115,802	\$92,522	\$110,516	\$132,322	5
M/C/T/C/V	11	11	21	* * *	\$106,935	\$110,645	\$110,645	\$96,038	\$112,237	\$125,089	*
Private	4	5	*	* * *	*	*	*	*	*	*	*
Other	1	1	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
500,000 - 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
250 - 499,999	0	0	*	* * *	*	*	*	*	*	*	*
100 - 250,000	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100,000	14	14	27	* * *	\$131,310	\$134,235	\$134,235	\$97,513	\$118,015	\$142,406	*
25 - 50,000	18	21	26	* * *	\$118,537	\$133,200	\$124,543	\$95,290	\$113,578	\$131,723	*
10 - 25,000	17	17	12	* * *	\$101,296	\$101,651	\$101,651	\$85,389	\$101,456	\$119,972	3
5,000 - 9,999	0	0	*	* * *	*	*	*	*	*	*	*
< 5,000	0	0	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000	0	0	*	* * *	*	*	*	*	*	*	*
500 - 1,000	0	0	*	* * *	*	*	*	*	*	*	*
200 - 500	0	0	*	* * *	*	*	*	*	*	*	*
100 - 200	4	4	*	* * *	*	*	*	*	*	*	*
50 - 100	9	9	37	* * *	\$135,000	\$158,785	\$158,785	\$108,608	\$130,795	\$158,251	*
25 - 50	14	14	20	* * *	\$115,543	\$123,817	\$123,817	\$92,996	\$112,317	\$132,376	*
< 25	22	25	10	* * *	\$91,000	\$99,702	\$97,790	\$75,963	\$91,767	\$108,820	10

# American Water Works Association - Medium - 2021

Water Participants

Job D140 - Water Distribution Operator - Senior

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	65	154	6	11% 89% 0%	\$65,797	\$66,531	\$64,661	\$55,761	\$64,818	\$73,799	3
Board Operated	38	96	5	* * *	\$66,000	\$65,216	\$63,389	\$53,285	\$62,817	\$72,897	3
M/C/T/C/V	20	35	7	* * *	\$64,175	\$68,994	\$69,387	\$61,219	\$69,128	\$75,119	3
Private	4	15	*	* * *	*	*	*	*	*	*	*
Other	3	8	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
500,000 - 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
250 - 499,999	0	0	*	* * *	*	*	*	*	*	*	*
100 - 250,000	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100,000	15	49	*	* * *	\$65,593	\$65,236	\$64,489	\$54,118	\$63,784	\$73,046	6
25 - 50,000	25	67	6	* * *	\$66,000	\$66,143	\$63,115	\$54,309	\$62,976	\$70,688	3
10 - 25,000	25	38	4	* * *	\$65,377	\$67,744	\$67,609	\$58,578	\$67,560	\$77,917	3
5,000 - 9,999	0	0	*	* * *	*	*	*	*	*	*	*
< 5,000	0	0	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000	0	0	*	* * *	*	*	*	*	*	*	*
500 - 1,000	0	0	*	* * *	*	*	*	*	*	*	*
200 - 500	0	0	*	* * *	*	*	*	*	*	*	*
100 - 200	2	6	*	* * *	*	*	*	*	*	*	*
50 - 100	10	27	*	* * *	\$73,365	\$70,191	\$62,472	\$59,123	\$68,568	\$78,034	*
25 - 50	26	67	7	* * *	\$67,763	\$67,770	\$65,046	\$54,743	\$64,427	\$73,408	4
< 25	27	54	4	* * *	\$60,378	\$62,561	\$63,160	\$54,312	\$62,646	\$71,737	3

# American Water Works Association - Medium - 2021

Water Participants

Job A170 - Customer Service Manager

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	53	55	6	60% 40% 0%	\$73,000	\$75,787	\$75,125	\$60,615	\$72,167	\$84,081	*
Board Operated	38	38	6	* * *	\$71,739	\$74,036	\$74,036	\$59,046	\$70,224	\$82,257	*
M/C/T/C/V	11	13	6	* * *	\$80,235	\$81,115	\$77,493	\$69,034	\$80,425	\$90,297	*
Private	3	3	*	* * *	*	*	*	*	*	*	*
Other	1	1	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
500,000 - 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
250 - 499,999	0	0	*	* * *	*	*	*	*	*	*	*
100 - 250,000	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100,000	14	14	8	* * *	\$76,618	\$76,990	\$76,990	\$59,670	\$71,759	\$83,890	*
25 - 50,000	23	25	6	* * *	\$72,155	\$76,397	\$74,891	\$59,586	\$71,692	\$84,237	*
10 - 25,000	16	16	4	* * *	\$78,520	\$73,858	\$73,858	\$62,859	\$73,179	\$84,020	*
5,000 - 9,999	0	0	*	* * *	*	*	*	*	*	*	*
< 5,000	0	0	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000	0	0	*	* * *	*	*	*	*	*	*	*
500 - 1,000	0	0	*	* * *	*	*	*	*	*	*	*
200 - 500	0	0	*	* * *	*	*	*	*	*	*	*
100 - 200	5	5	16	* * *	\$104,437	\$102,249	\$102,249	*	*	*	*
50 - 100	12	12	6	* * *	\$74,680	\$76,259	\$76,259	\$63,176	\$76,273	\$91,225	*
25 - 50	21	21	5	* * *	\$81,378	\$80,272	\$80,272	\$64,364	\$76,944	\$88,389	*
< 25	15	17	3	* * *	\$57,574	\$60,310	\$59,988	\$48,752	\$58,162	\$68,210	*

# American Water Works Association - Medium - 2021

Water Participants

Job A210 - Accountant - Associate

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	21	27	*	14% 86% 0%	\$58,400	\$60,647	\$60,457	\$54,838	\$63,730	\$72,901	*
Board Operated	15	20	*	* * *	\$58,139	\$59,763	\$60,100	\$52,863	\$62,251	\$72,026	*
M/C/T/C/V	5	6	*	* * *	\$58,400	\$61,411	\$60,042	*	*	*	*
Private	0	0	*	* * *	*	*	*	*	*	*	*
Other	1	1	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
500,000 - 1,000,000	0	0	*	* * *	*	*	*	*	*	*	*
250 - 499,999	0	0	*	* * *	*	*	*	*	*	*	*
100 - 250,000	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100,000	6	8	*	* * *	\$55,603	\$57,131	\$56,749	\$56,596	\$64,909	\$74,059	*
25 - 50,000	7	9	*	* * *	\$62,321	\$62,254	\$63,975	\$54,748	\$64,009	\$72,649	*
10 - 25,000	8	10	*	* * *	\$57,366	\$61,877	\$60,256	\$53,659	\$62,648	\$72,289	*
5,000 - 9,999	0	0	*	* * *	*	*	*	*	*	*	*
< 5,000	0	0	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
Over 1,000	0	0	*	* * *	*	*	*	*	*	*	*
500 - 1,000	0	0	*	* * *	*	*	*	*	*	*	*
200 - 500	0	0	*	* * *	*	*	*	*	*	*	*
100 - 200	3	4	*	* * *	*	*	*	*	*	*	*
50 - 100	5	6	*	* * *	\$58,400	\$56,059	\$56,667	*	*	*	*
25 - 50	9	13	*	* * *	\$58,139	\$61,293	\$59,668	\$50,525	\$59,744	\$68,782	*
< 25	4	4	*	* * *	*	*	*	*	*	*	*



## **BONUS SCHEDULE**

<b><u>EMPLOYEE</u></b>	<b><u>YRS</u></b>	<b><u>BONUS</u></b>	<b><u>YEAR</u></b>
PEYTON	15	\$1000	2022
JOSH	10	\$750	2022*
SUZIE	15	\$1000	2022*
DIANE	30	\$2000	2022*
QUIN	15	\$1000	2024
COLTON	5	\$500	2023
CLAY	10	\$750	2025
ANDY	30	\$2000	2026
JENN	5	\$500	2027
DEREK	5	\$500	2027

**\* INDICATES ALREADY PAID OUT.**

5 YEARS	\$500
10 YEARS	\$750
15 YEARS	\$1000
20 YEARS	\$1500
25 YEARS	\$2000
30 YEARS	\$2000

## HEALTH INSURANCE

### ANNUAL

\$218,311.80

### MONTHLY

\$18,192.65

### AVG PER EMPLOYEE

\$1,714.37

## DENTAL/VISION/LIFE

### ANNUAL

\$21,957.72

### MONTHLY

\$1,829.81

### AVG PER EMPLOYEE

\$203.25

### TOTAL BENEFIT PER EMPLOYEE

**\$1,917.62**



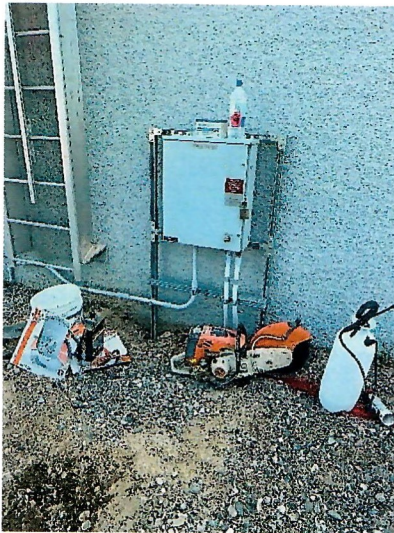
County Water District of Billings Heights  
Water System Improvements Project  
Chlorine Disinfection Residual Management  
Hilltop, Lanier, and Ox Bow Potable Water Storage Reservoirs  
Project Update for Construction May 9<sup>th</sup> to May 27<sup>th</sup>, 2022  
May 31<sup>st</sup>, 2022  
IE No. Y21-00-018.01(45)

**OX BOW RESERVOIR SITE** - Western Municipal Construction (Western), Billings, MT and its electrical subcontractor, Canyon Electric, Billings, MT began the project on May 9<sup>th</sup> by temporarily relocating the electrical, monitoring, and control panels at the Ox Bow site. Western then began to install underground conduits necessary for the utilities that will service the new building at the Ox Bow site and install a water service for the building's water supply. Western then performed the excavation for the building's foundation.

Bishop Construction, Billings, MT constructed the formwork for the foundation walls and placed the rebar for the concrete slab-on-grade that will be the building's foundation and floor. Concrete is scheduled to be placed on Wednesday, June 1<sup>st</sup>.

**HILLTOP RESERVOIR SITE** - The underground electrical conduit for the mixer for the potable water storage reservoir at the Hilltop location is scheduled for installation the week of May 30<sup>th</sup>.

**LANIER RESERVOIR SITE** - The underground electrical conduit for the mixer for the potable water storage reservoir at the Lanier location is scheduled for installation the week of May 30<sup>th</sup>.



1 – Temporary Control Panel at Ox Bow



2 – Water Service Saddle at Ox Bow



3 – Formwork and Rebar at Ox Bow

Professionals you need, people you trust

P.O. Box 20953 • 1211 Grand Ave., Ste. 6 • Billings, MT 59104-0953 • P: 406-256-1920 • [www.interstateeng.com](http://www.interstateeng.com)

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4 - Conduit Installation at Hilltop Site

As of this date, the only item that may cause a delay to the project is the availability and procurement time of the corrosion-resistant fiberglass doors. Interstate and Western are looking at alternate products such as solid wood.

If you have any questions regarding the project, I can be reached at 406-489-3410. Eric can be reached at 406-256-1920.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lowell J. Cutshaw'.

Lowell J. Cutshaw, PE

A handwritten signature in black ink, appearing to read 'Eric Ler'.

Eric Ler, PE

c: Peyton Brookshire, Manager, CWDBH; Josh Simpson, Assistant Manager, CWDBH;  
Brad Boehm, Interstate Engineering

[https://interstateengineering.sharepoint.com/sites/Y21-00-018CWDBHChlorination/Shared Documents/General/45\\_Proj Updates/2022 05 31 Project Update \(1\).docx](https://interstateengineering.sharepoint.com/sites/Y21-00-018CWDBHChlorination/Shared Documents/General/45_Proj Updates/2022 05 31 Project Update (1).docx)

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1540 Popelka  
Drive Billings, MT  
59105  
406-252-0539

## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### RATES AND FEES

EFFECTIVE JULY 1, 2022  
PROPOSED WITH 5% INCREASE

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#### ANNEXATION BUY IN FEE-PROPOSED SERVICE AREA

\$10,147.97 Per Acre OR 23.3 CTS PER SQ FT

#### 3 TIER CONSERVATION RATE

TIERS	7/01/2021
3,301-20,000 GALLONS	\$4.48/ 1,000 GAL
20,001-50,000 GALLONS	\$5.38/ 1,000 GAL
50,001+GALLONS	\$6.48/ 1,000 GAL

#### SYSTEM DEVELOPMENT SERVICE/FIRE LINE FEE

	7/01/2021
¾"	\$1,830.14
1"	\$3,660.24
1.5"	\$7,320.67
2"	\$11,713.59
4"	\$46,119.53
6"	\$146,411.19
8"	\$256,219.52

<u>MINIMUM MONTHLY BASE RATE*</u>	
SERVICE LINE SIZE	<u>7/01/2021</u>
¾"	\$20.74
1"	\$22.30
1.5"	\$24.39
2"	\$30.17
3"	\$72.73
4"	\$88.35
6"	\$143.42
8"	\$166.93

\*Base rate includes 3,300 gallons. 3 Tier Rate applies to all usage over 3,300 gallons.

\*Monthly service line repair fee of \$1.30 not included.

<u>FIRE LINE MONTHLY CHARGE</u>	
B-1.5"	\$18.32
C-2"	\$33.52
D-4"	\$61.67
E-6"	\$113.47
F-8"	\$208.79
G-10"	\$384.17
H-12"	\$706.88

**WATER SPECIAL FEES AND CHARGES**

<b>1. FLUSHING, CHLORINATING, AND TESTING FEE</b>		<b>\$120.00</b>
(a) Prevailing rate for all water used during testing		
<b>2. HYDRANT METERS/CONSTRUCTION METERS</b>		
(a) SETTING AND REMOVAL FEE		<b>\$40.00</b>
(b) RELOCATION FEE (EACH TIME)		<b>\$25.00</b>
(c) RENTAL FEE PER DAY+		<b>\$5.00</b>
WATER USAGE PREVAILING RATE		
(d) FIRE FLOW FEE+ PREVAILING RATE		<b>\$100.00</b>
<b>3. TURN ON/TURN OFF FEE</b>		
(a) NORMAL WORKING HOURS		<b>\$30.00</b>
(b) AFTER HOURS (8:30 PM CUTOFF)		<b>\$120.00</b>
<b>4. REESTABLISHMENT OF WATER SERVICE {DELINQUENT}</b>		
(a) NORMAL WORKING HOURS		<b>\$60.00</b>
(b) AFTER HOURS (8:30 PM CUTOFF)		<b>\$150.00</b>
<b>5. WATER SERVICE LINE INSTALLATION/     INSPECTION PERMIT</b>		<b>\$100.00</b>
<b>6. PLAN REVIEW FEE</b>		<b>\$250.00</b>
<b>7. TAPPING FEES</b>	<b>¾"-2"</b>	<b>\$250.00</b>
	<b>4"-12"</b>	<b>\$1500.00</b>
<b>8. FROZEN METER REPLACEMENT</b>	<b>MODEL 35</b>	<b>\$205.00</b>
	<b>MODEL 70</b>	<b>\$290.00</b>
<b>9. MONTHLY SERVICE LINE REPAIR FEE</b>		<b>\$1.30</b>

## **FY 2022 Budget Message Discussion and Highlights**

The draft FY 2022-23 budget includes projected sources from operating and non-operating revenues funding operating expenses, capital outlay, and capital projects. The budget reflects a review of actual FY 2018-19 through FY 2020-21 and estimated and actual FY 2021-22 results.

### **Revenues / Income**

FY 2022-23 total revenues and income are projected to increase 25% above FY 2021-22 estimated actual results.

- Water Sales revenues are proposed to increase \$775,000 or 20%. This increase includes higher water sales in FY 2022-23 as the summer of 2021 included a lower water sales period largely due to watering restrictions. Also incorporated is anticipated growth over average of the past two years, the 2021 rate increase, and a proposed 5% rate increase.
- Service Line Fee revenues or System Development Service / Fire Line Fee revenues are one-time revenues assessed to new or increased development. These revenues are projected to decrease in FY 2022-23 and reflect approximately 75 new ¾-inch residential customers.
- Buy-In Fee revenues are also one-time revenues assessed to “annexed” areas and are projected to be lower in FY 2022-23 and reflect roughly 18.5 acres assessed this fee.
- Grant income is anticipated based on the award of a grant for the Chlorination System project that is being completed. The \$535,000 will reimburse the District for the capital project being completed in FY 2021-22.
- Other Income is projected based on the 4-year average with a proposed 5% increase to the rates assessed.

### **Operating Expenses**

FY 2022-23 total operating expenses are projected to increase \$140,000 or 3% above FY 2021-22 estimated actual results. While the overall projected increase is modest, individual expenses are projected to increase and decrease more substantially.

- Purchased water costs are projected to increase \$325,000 or 13% above FY 2021-22 estimated actual results. Water purchases in FY 2021-22 were lower than FY 2020-21 as the City imposed water restrictions. The increase also factors in the adopted 5.7% rate increasing the volume rate from \$2.81 per kgal to \$2.97 per kgal.
  - 946,000 kgal are projected to be purchased at a rate of \$2.97 per kgal
  - Chart X shows purchased water by fiscal year.
- Labor costs are projected to increase \$48,000 or 9% over FY 2021-22 estimated actual results. This increase factors in additional costs for positions vacant during part of FY 2021-22 as well as a proposed wage increase of 8%.
- Payroll Taxes and Retirement Benefits are projected to decrease as FY 2021-22 included one-time amounts that are not expected to be incurred in FY 2022-23. Otherwise, these will increase as labor costs increase.
- Insurance is projected to increase 15% above FY 2021-22 based on increased costs of the District’s health and liability insurance.

- Supplies are projected to increase \$30,000 or 50% above FY 2021-22. Much of the increase is due to increased prices for water meters and related appurtenances as well as increases to fuel and office supply / equipment costs.
- Purchased services are projected to decrease \$300,000 or 50% below FY 2021-22. Much of the decrease is due to incurred engineering fees in FY 2021-22 tied to capital project construction. In FY 2022-23, design fees are incorporated within capital outlay and capital project line items. Additional decreases are anticipated for legal services, meter repair and maintenance with other line items anticipated to increase due to price increases.
- Building materials are projected to increase \$8,000 primarily due to increased costs for concrete as well as other increases in material prices.
- Interest tied to debt service is based on the outstanding loan schedules.

### Capital Outlay

This category of expenses are called out separately for FY 2022-23 and blended into various line items within the historical expenses. Capital outlays include capital expenses that may be recurring or routine (e.g., computer or vehicle replacement) as well as those that are one-time or periodic but not tied to a identified capital project and/or type (e.g., main replacement).

### CIP

FY 2022-23 capital projects include design costs for the Northwest Transmission Main as well as the completion of the comprehensive PER.

