



Town of River Bend

Fiscal Year
2021-2022
Budget Workshop

Session III

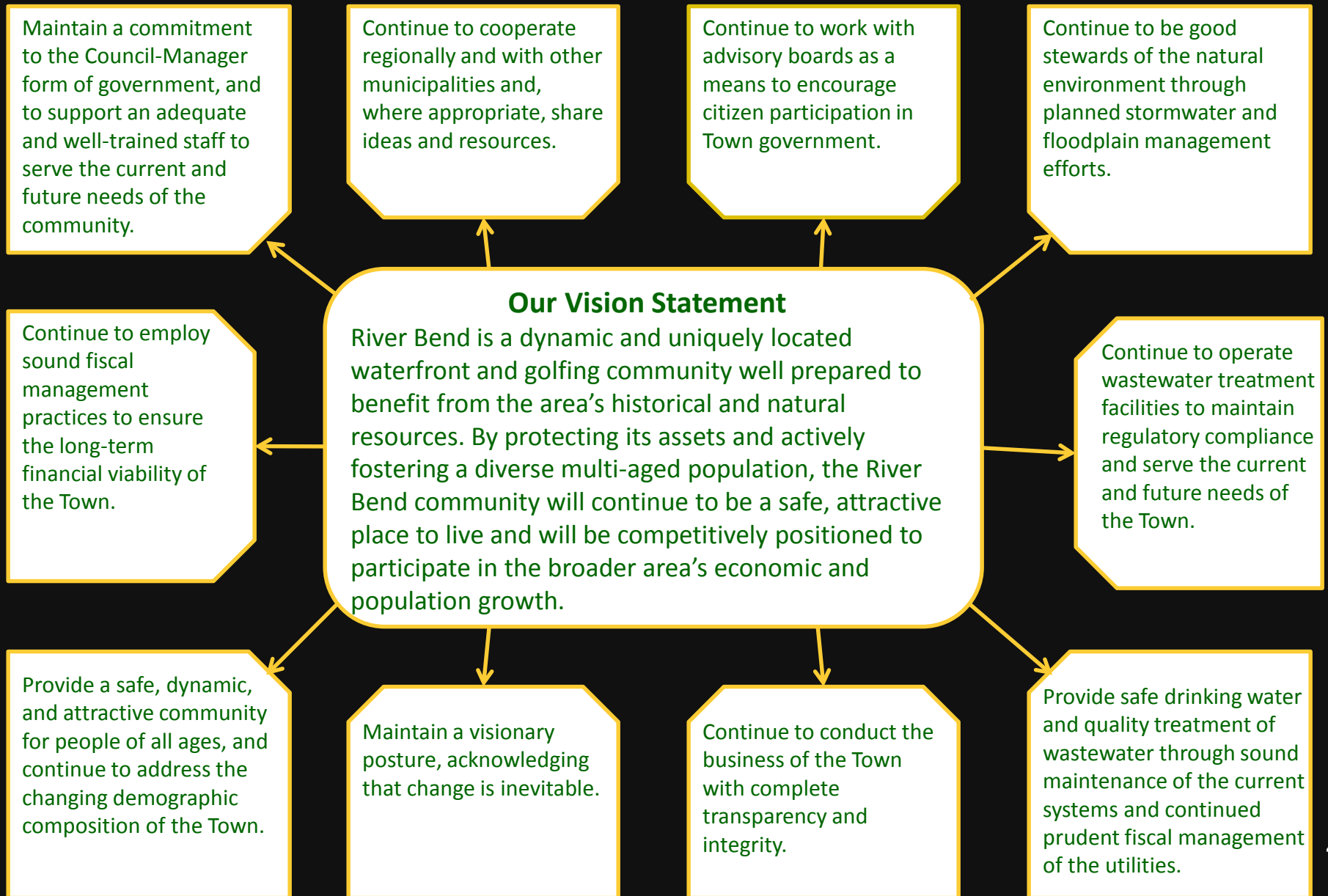


**This presentation and all of the previous
presentations for the FY21-22 budget
workshops are
available on the Town's webpage at:**

www.riverbendnc.org

Town of River Bend

Mayor and Town Council Priorities for Fiscal Year 2021-22



Changes Since Last Meeting

Town of River Bend

Fiscal Year 2021-2022 Budget Workshop

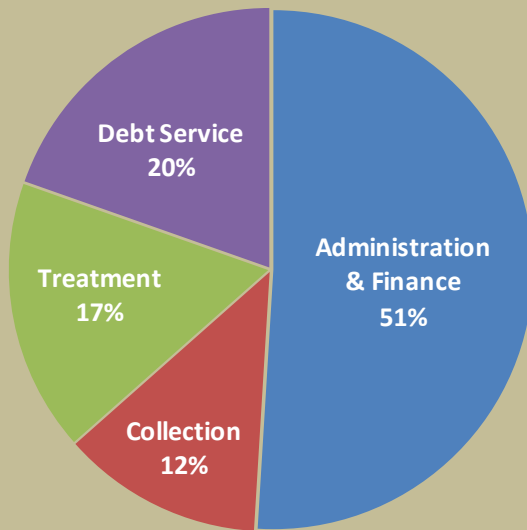
May 11, 2021

- 25. Water and Sewer Fund Cash Levels**
- 26. Water Fund Departments**
- 27. Sewer Fund Departments**
- 28. Utility Financial Model**
- 29. Water and Sewer Revenue/Expense**

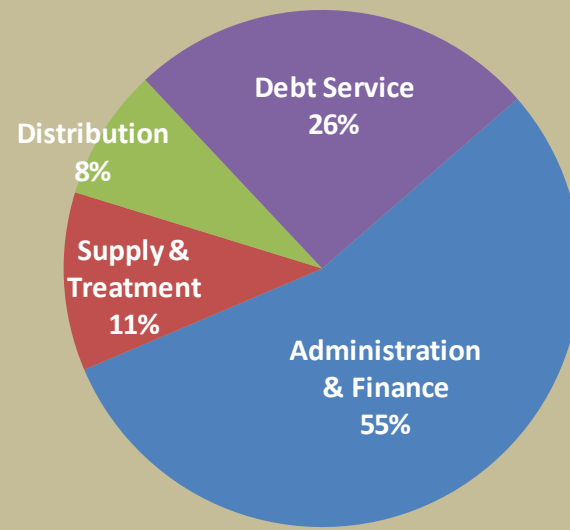
Our Enterprise Funds are the Water & Sewer Funds

Each one is operated separately

SEWER



WATER



Each has 3 departments and each has debt service. These charts represent the percentage of FY 21-22 spending that each area represents. No general fund revenues support these funds. Debt service is paid from the Administration & Finance Department in both funds.

Enterprise Fund Debt Service

Payment Date	Debt Service on Series 2013 Refunding Bonds				Debt Service Requirement
	Principal	Rate	Interest	Total	
6/1/2013		0.00%	15,043	\$ 15,043	\$ 188,542.92
12/1/2013	\$ 2,960,000	0.00%	34,275	\$ 34,275	38,650.00
6/1/2014	25,000	2.00%	34,275	\$ 59,275	238,650.00
12/1/2014	\$ 2,935,000	0.00%	34,025	\$ 34,025	34,025.00
6/1/2015	205,000	2.00%	34,025	\$ 239,025	239,025.00
12/1/2015	\$ 2,730,000	0.00%	31,975	\$ 31,975	31,975.00
6/1/2016	205,000	2.00%	31,975	\$ 236,975	236,975.00
12/1/2016	\$ 2,525,000	0.00%	29,925	\$ 29,925	29,925.00
6/1/2017	215,000	2.00%	29,925	\$ 244,925	244,925.00
12/1/2017	\$ 2,310,000	0.00%	27,775	\$ 27,775	27,775.00
6/1/2018	215,000	2.00%	27,775	\$ 242,775	242,775.00
12/1/2018	\$ 2,095,000	0.00%	25,625	\$ 25,625	25,625.00
6/1/2019	220,000	2.00%	25,625	\$ 245,625	245,625.00
12/1/2019	\$ 1,875,000	0.00%	23,425	\$ 23,425	23,425.00
6/1/2020	225,000	2.00%	23,425	\$ 248,425	248,425.00
12/1/2020	\$ 1,650,000	0.00%	21,175	\$ 21,175	21,175.00
6/1/2021	235,000	2.00%	21,175	\$ 256,175	256,175.00
12/1/2021	\$ 1,415,000	0.00%	18,825	\$ 18,825	18,825
6/1/2022	240,000	2.00%	18,825	\$ 258,825	258,825
12/1/2022	\$ 1,175,000	0.00%	16,425	\$ 16,425	16,425
6/1/2023	240,000	2.00%	16,425	\$ 256,425	256,425
12/1/2023	\$ 935,000	0.00%	14,025	\$ 14,025	14,025
6/1/2024	235,000	3.00%	14,025	\$ 249,025	249,025
12/1/2024	\$ 700,000	0.00%	10,500	\$ 10,500	10,500
6/1/2025	230,000	3.00%	10,500	\$ 240,500	240,500
12/1/2025	\$ 470,000	0.00%	7,050	\$ 7,050	7,050
6/1/2026	235,000	3.00%	7,050	\$ 242,050	242,050
12/1/2026	\$ 235,000	0.00%	3,525	\$ 3,525	3,525
6/1/2027	235,000	3.00%	3,525	\$ 238,525	238,525
Totals	\$ - \$ 2,960,000		612,143	\$ 3,572,143	3,929,393

This chart shows our debt service amounts for FY 22 (highlighted) and future years.

Enterprise Funds – Debt Service – Refunded Debt

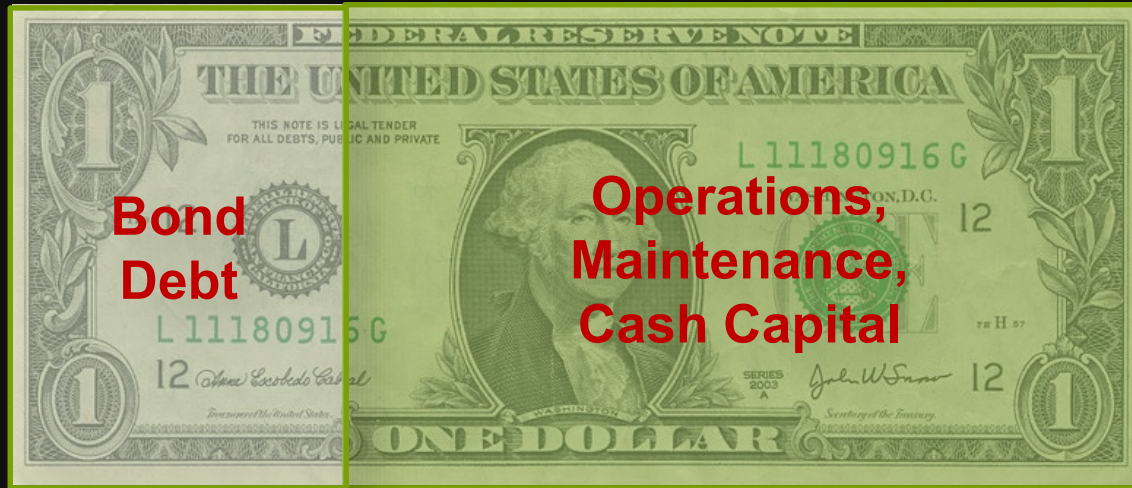
Bond Issue

AMOUNT	PERCENT	FUND
1,588,384	53.6616%	Water
1,371,616	46.3384%	Sanitary Sewer
2,960,000	100.0000%	

This General Obligation Bond is used to finance the purchase of the Water and Sewer systems from Carolina Water Service.

Fiscal Year 2022-23 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2021	FY 21-22 Principal	FY 21-22 Interest	Total Payment	Debt as of 6/30/2022
Water Fund										
2013*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	759,263	128,788	20,204	148,992	630,475
	Remaining Water Debt at end of Fiscal Year		630,475							
Sewer Fund										
2013*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	655,737	111,212	17,446	128,658	544,525
	Remaining Sewer Debt at end of Fiscal Year		544,525							
					TOTAL	1,415,000				\$1,175,000
					** Rate changes per schedule					
* 1997 and 2000 USDA debt refinanced with bonds in FY2005; savings of \$2.4 million.										
Series 2004 bonds refunded in FY2013 - savings of \$300,000.										

Enterprise Fund Debt



For every dollar proposed to be spent in the Enterprise Fund, 22 cents goes toward retirement of debt for the purchase of the water and sewer systems.

Debt as a Percentage of Total Expense in FY 21-22

Water = 26% (\$148,991)

Sewer = 20% (\$128,659)

TOTAL \$277,650

Both mature in 2027

Enterprise Fund Summary

(after the same variables as discussed in the General Fund are applied)

- Represents a 1.48% decrease in spending over last year (-\$18,618)
- No fee or rate increase
- Maintains all current programs and services
- Includes \$55,000 in sewer CIP funding
- Includes \$25,000 in water CIP funding with \$602,500 to come later
- Funds all employee compensation costs as discussed in General Fund
- Provides funding for \$277,650 for debt service (+300 vs. FY21)
- Includes \$28,404 for water tank maintenance contract
- Includes \$79,039 of appropriated fund balance in Water Fund (-32% vs. budgeted in FY21)
- Includes \$50,000 in CIP's for used backhoe purchase, remaining \$25,000 of purchase price provided by General Fund
- Includes \$38,713 of appropriated fund balance in Sewer Fund (-58% vs. budgeted in FY21)
- Continues providing fire hydrant fees into revenue
- Includes \$7,500 for small equipment and \$7,500 for grant application
- Eliminates \$59,500 annual funding expense in sewer CIP for FY22

Water Capital Improvement Plan (CIP)

CAPITAL IMPROVEMENT PLAN									
Water Fund									
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2030
Appropriation: Annual		0	0	602,500	15,000	20,000	40,000		100,000
Appropriation: Well pump		0	0	0	0	0			
Appropriation: Vehicles (50/50 W/S)		3,500	3,500	3,500	3,500	3,500	3,500	3,500	17,500
FY Appropriation:		\$ 3,500	\$ 3,500	606,000	\$ 18,500	\$ 23,500	\$ 43,500	\$ 3,500	\$117,500
Capital Projects	Project Completed								
Administration:									
Vehicle Replacement (split Water/Sewer)	Per schedule		11,000						15,000
Equipment-backhoe (split with water and general)				25,000					
Treatment									
Well #1 Filter Media Rehab	09-10				13000				17,000
Well #2 Filter Media Rehab							15000		
Treatment House interior filter painting			12,000						
Well #3 Filter Media Rehab	10-11								17,000
Well #1 Pump Replacement	13-14					23000			20,000
Well Meter Replacement									
AMR/AMI Meter Replacement				602,500					
Distribution									
Line Replacement	12-13								25,000
Howell Center and Riverstone Backflow									
Harbourwalk Line Replacement									
New Bern Interconnection									40,000
Industrial Meter Replacement					5000				
Lines & Tanks									
FY Expenditures:		0	23,000	627,500	18,000	23,000	15,000	0	134,000
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2030
Net Capital Cash:		\$ 3,500	\$ (19,500)	\$ (21,500)	\$ 500	\$ 500	\$ 28,500	\$ 3,500	\$ (16,500)

Water CIP, to include water meter project, approved on April 9, 2020. We will adopt a Capital Project Ordinance as required by state later during FY22.

Sewer Capital Improvement Plan (CIP)

CAPITAL IMPROVEMENT PLAN									
Sewer Fund									
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Appropriation: Annual		59,500	59,500	0	59,500	59,500	59,500	59,500	59,500
Appropriation: Vehicles (50/50 W/S)		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	FY Appropriations:	\$ 63,000	\$ 63,000	\$ 3,500	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
Capital Projects	Project Completed								
Administration:									
Vehicle Replacement (split Water/Sewer)	Per schedule		11,000						
Equipment-Backhoe(split with water and general)				25,000					
Collection:									
Upgrade Main Lift Station	13-14							20000	
Upgrade Lift Station/Manholes/Pumps				30,000					
Backup Generator		24,262							
Treatment:									
Unit #1 Clarifier Skimmer Replacement					20,000				
Diverter Boxes									
Unit #2 Clarifier Repair	14-15						20000		
Soft start for WWTP blowers/blower motor	15-16								
WWTP Lift Station repair	15-16								
Surge Tank rehab									85000
Upgrade Digesters-coating		5,000				75,000			
	FY Expenditures:	29,262	38,600	55,000	20,000	75,000	20,000		
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
	Net Capital Cash:	\$ 33,738	\$ 24,400	\$ (51,500)	\$ 43,000	\$ (12,000)	\$ 43,000	\$ 63,000	\$ 63,000

Capital and Other Significant Projects

Water

Water Tank Maintenance	28,404
Gas Chlorinator	2,200
1/2 engineering for grant application	3,750
1/2 diaphragm pump	1,250
1/3 cost of backhoe	<u>25,000</u>
TOTAL	\$60,604

Sewer

Blower Maintenance	8,700
1/2 engineering for grant application	3,750
1/2 diaphragm pump	1,250
1/3 cost of backhoe	25,000
Sludge Removal	27,000
Lift Station Rehabilitation	<u>30,000</u>
TOTAL	\$95,700

Water Operations

Water – System “Snapshot”

Three groundwater wells with a combined capacity of 925,000 gallons per day.

Two elevated storage tanks with a combined capacity of 400,000 gallons.

In 2020 we treated 86,685,000 gallons of water (average of 237,493 gallons per day).

Water is transmitted to 1,461 current users (meters) through 19 miles of pipe ranging in size from 2 to 8 inches in diameter.

There are 109 hydrants located throughout the system in order to give the fire department ample access to water for their work.



Water Admin & Finance Page 1 of 2 60-7125		18-19		19-20		20-21			21-22
		Current	Actual	Current	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget 02/18/21	as of 01/31/21	Year-End	Budget
121	Wages & Salaries	98,399	101,682	101,487	100,579	106,687	66,355	110,740	106,410
122	Overtime	1,000	500	1,000	248	1,001	205	1,000	1,000
134	401(k) Retirement	4,678	4,939	4,944	5,099	5,195	3,326	5,587	5,184
181	FICA	7,156	7,490	7,565	7,722	7,948	5,040	8,548	7,932
182	Loc Govt Emp Retirement	7,255	7,655	9,263	9,127	11,006	6,753	11,342	12,252
183	Group Insurance	19,872	17,370	18,736	13,578	16,164	8,370	16,440	17,051
185	Unemployment Comp.	0	0	0	5	0	9	9	0
186	Workers' Compensation Ins.	3,201	2,949	3,140	3,365	3,315	3,106	3,106	3,412
310	Travel & Subsistence	850	223	850	46	500	1	500	500
395	Training	1,000	308	1,000	155	647	0	647	600
191	Auditing Service	4,600	4,600	4,667	4,667	5,567	0	5,567	5,667
192	Professional Service - Legal	1,000	1,880	1,000	1,897	1,000	1,307	1,307	1,000
193	Engineering Services	1,000	0	1,000	0	500	0	500	4,494
381	Other IT Services	500	725	500	1,429	920	2,571	2,806	562
382	Banking Services	1,600	1,453	1,610	874	988	723	1,173	1,243
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	7,238	7,116	7,315	6,808	8,251	6,016	7,475	8,062
440	VC3 IT Service & Maint.	13,642	13,361	14,539	13,014	16,623	9,912	17,277	19,467
441	Springbrook Service & Maint.	4,754	4,754	4,992	4,991	5,241	5,242	5,242	5,503
482	Indirect Cost- Labor	84,520	84,521	92,422	92,424	94,951	55,388	94,951	92,200
481	Labor Allocation	-34,902	-34,902	-36,608	-36,608	-38,025	-22,181	-38,025	-38,869
212	Uniforms	2,846	2,755	2,974	2,819	3,179	1,656	2,931	3,179
251	Motor Fuel	2,812	2,072	2,812	1,916	2,812	854	1,829	2,981
260	Office Supplies	2,500	2,156	2,500	2,482	2,300	1,944	2,300	2,300
320	Telephone & Postage	6,600	6,112	6,600	6,189	6,600	3,562	6,600	6,600
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	784	1,500	809	500	604	604	600
370	Advertising	0	0	0	0	0	0	0	0
391	Legal Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	12,260	10,428	12,345	11,547	13,583	13,082	13,582	14,928
491	Dues & Subscriptions	1,400	1,420	1,400	1,454	1,450	1,450	1,450	1,500

Water Administration and Finance Continued

Water Admin & Finance Page 2 of 2 60-7125		18-19		19-20		20-21			21-22
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/21	Expend. as of 01/31/21	Projected Year-End	Proposed Budget
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	11,000	11,680	11,680	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	25,000
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	118,056	118,056	120,739	120,739	126,105	0	126,105	128,788
720	Bond Interest Payment	27,502	27,502	25,140	25,140	22,726	11,363	22,726	20,204
499	Miscellaneous	0	0	0	0	0	0	0	250
	TOTAL	411,839	406,910	424,432	411,512	447,734	203,586	454,997	469,000

Water – Administration & Finance

121 – Wages & Salaries – Wages & Benefits per allocation table discussed in the first budget workshop (40% utility operators, 50% finance asst., PW Director)

310/395 – Training and travel - \$1,100

193 – Engineering Services – \$4494 (\$3,750 for engineering for grant)

399 – Contracted Services –

Reverse 911 (Blackboard)	969	(\$3,877 total, 50% Gen, 25% water, 25% sewer)
Locate Plus	500	(\$1000 total, 50% water, 50% sewer)
Mowing Contract	2,020	(10% of base lawn bid - refer to General Fund)
Elster Support	1,950	(\$3,000 total, 65% water, 35% sewer)
Work Order Software	1,200	(\$3,000 total, 40% Gen., 40% water, 20% sewer)
Formax Stuffer/sealer	423	(\$650 total, 65% water, 35% sewer)
Misc Services	<u>1000</u>	
	\$8,062	

440 – IT Services – VC3 Services (\$64,890 total, 40% General Fund, 30% water, 30% sewer)

Water – Administration & Finance

441 – Springbrook – Software maintenance (\$18,344 total, 40% general, 30%water, 30% sewer)

251 – Vehicle Fuel – Fuel for vehicles – based upon an estimate of \$3.25 per gallon

260 – Office Supplies – \$2,300

430 – Building and Equipment Rental – The rental of office space from the general fund (\$750 per month/ per utility). \$18,000 per year total, \$9,000 water, \$9,000 sewer.

550- Capital Outlay- 1/3 cost of backhoe (\$75,000 total for used machine)

Water Supply and Treatment		18-19		19-20		20-21			21-22
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/18/21	Expend. as of 01/31/21	Projected Year-End	Proposed Budget
60-7132									
398	Testing	9,000	7,414	9,000	11,296	9,000	5,116	9,000	9,200
399	Contracted Services	4,165	434	5,200	6,299	5,200	381	3,000	5,200
298	Chemicals	12,732	10,041	12,733	9,122	12,732	7,745	12,732	13,132
299	Supplies & Materials	13,900	927	17,900	10,342	17,900	971	10,500	19,200
330	Utilities	8,100	8,398	8,100	7,319	8,600	4,713	8,600	8,600
351	Maint & Repair- Bldg	6,000	213	2,500	729	2,500	408	1,200	2,500
352	Maint & Repair- Equip	4,500	4,903	4,500	1,797	4,500	23	2,500	4,600
430	Bldg & Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	2,210	1,730	2,210	1,730	1,800	870	1,800	1,800
499	Miscellaneous	1,000	0	1,000	0	768	0	768	768
550	Capital Outlay- Equipment	9,200	9,156	7,333	8,367	12,000	0	12,000	0
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	0	0
595	Capital Outlay-Wells/Pumps	0	0	0	0	0	0	0	0
	TOTAL	70,807	43,214	70,476	57,001	75,000	20,227	62,100	65,000

Water – Supply & Treatment

399 - Contracted Services – Electrical, calibrate meters, grit removal and other needs

299- Supplies & Materials- Includes small equipment purchases & \$2,200 for a gas chlorinator

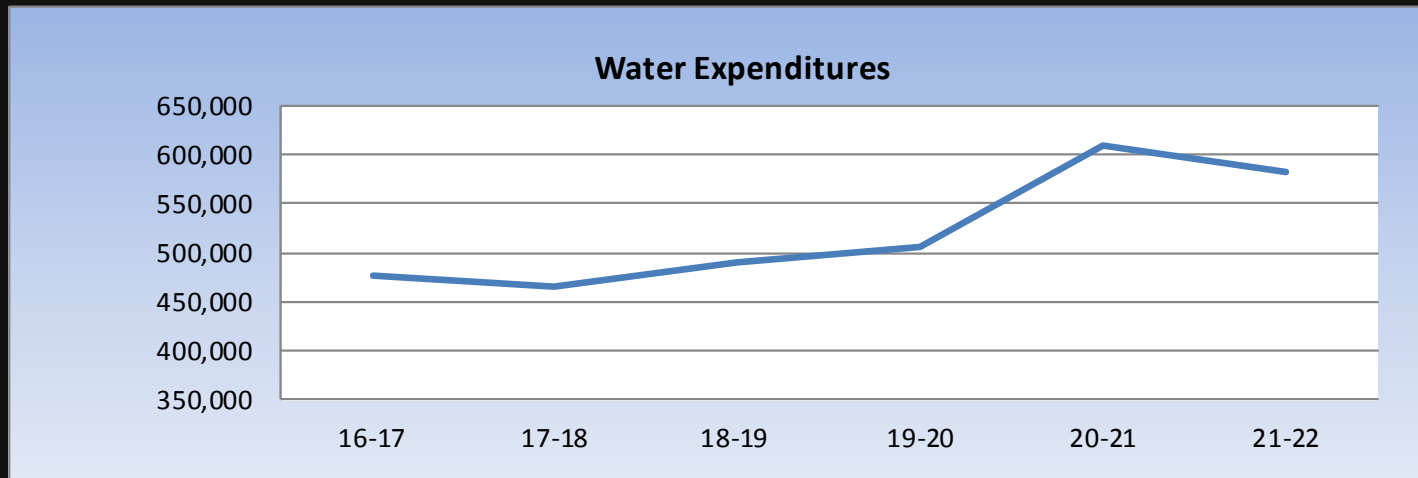
550 - Capital Outlay- none

Water Distribution		18-19		19-20		20-21			21-22
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/18/21	Expend. as of 01/31/21	Projected Year-End	Proposed Budget
60-7134									
397	Meter Reading System	0	0	0	0	41,400	0	41,400	
399	Contracted Services	6,575	1,347	22,410	674	7,350	730	7,350	7,350
442	Water Tower Service Contract	28,434	28,433	28,434	28,433	28,434	28,433	28,434	28,404
299	Supplies & Materials	8,400	10,197	6,400	7,512	6,216	3,694	6,216	8,246
352	Maint & Repair- Equip	2,000	0	2,000	0	2,000	0	500	2,000
430	Bldg & Equip Rental	2,000	162	2,000	70	2,000	337	1,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
596	Capital Outlay- Lines/Tanks	0	0	0	0	0	0	0	0
	TOTAL	47,409	40,139	61,244	36,689	87,400	33,193	84,900	48,000

Water – Distribution

399 - Contracted Services - NC One Call		1,000
	Alarm (well monitoring)	350
	Leak Repair Contingency	<u>6,000</u>
		\$7,350
442 – Water Tower (2) Service Contract – Annual maintenance		\$28,404
299 - Supplies & Materials -		
	Diaphragm Pump	1,250
	Various Supplies	780
	Water Meters	1,400
	Pipe and Fittings	3,816
	Other Small Equipment	<u>1,000</u>
		\$8,246
596 – Capital Outlay- No project funded		

Water - Summary



Water	16-17	17-18	18-19	19-20	20-21	21-22	Change v. prior year	
	Actual	Actual	Actual	Actual	Budget	Proposed	%	\$
Administration & Finance	407,220	400,580	406,910	411,512	447,734	469,000	4.75%	21,266
Supply & Treatment	37,204	34,159	43,214	57,001	75,000	65,000	-13.33%	-10,000
Distribution	31,503	30,156	40,139	36,689	87,400	48,000	-45.08%	-39,400
TOTAL (less transfer and contingency)	475,926	464,894	490,263	505,202	610,134	582,000	-4.61%	-28,134

Change in Budgeted Expenditure
-28,134

Sewer Operations

Sewer – System “Snapshot”

Currently serving 963 users.

Transmitted via approximately 11 miles gravity and force main pipes.

Eight lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe Drive.

Treatment plant permitted capacity of 330,000 gallons per day and discharges treated effluent to the Trent River.

In 2020, we treated 39,139,000 gallons of wastewater (average of 107,230 gallons per day).



Sewer Admin & Finance 61-7125		18-19		19-20		20-21			21-22
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/18/21	Expend. as of 01/31/21	Projected Year-End	Proposed Budget
121	Wages & Salaries	113,833	112,786	112,942	111,851	118,899	73,785	122,988	118,653
122	Overtime	1,000	822	1,000	443	1,000	422	500	1,000
134	401(k) Retirement	5,208	5,503	5,497	5,673	5,785	3,712	6,174	5,776
181	FICA	7,969	8,352	8,409	8,595	8,852	5,621	9,447	8,837
182	Loc Govt Emp Retirement	8,072	8,531	10,300	10,155	12,256	7,535	12,534	13,650
183	Group Insurance	21,968	19,151	20,712	14,948	17,870	9,254	18,204	18,851
185	Unemployment Comp.	0	0	0	5	0	9	9	0
186	Workers' Compensation Ins.	3,725	3,434	3,651	3,912	3,863	3,627	3,627	3,982
310	Travel & Subsistence	750	259	750	68	750	81	250	750
395	Training	1,000	308	1,000	155	973	0	250	983
191	Auditing Service	4,600	4,600	4,600	4,667	5,567	0	5,567	5,667
192	Professional Service - Legal	1,000	1,880	1,000	1,897	1,000	1,307	1,307	1,000
193	Engineering Services	2,000	0	2,000	0	2,000	0	500	4,494
381	Other IT Services	500	725	550	1,428	520	2,571	2,806	660
382	Banking Services	1,525	1,376	1,525	851	936	687	1,142	1,177
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	3,823	3,211	3,823	3,248	3,980	3,436	3,981	4,097
440	VC3 IT Service & Maint.	13,642	13,361	14,539	13,014	16,623	9,912	17,282	19,467
441	Springbrook Service & Maint.	4,754	4,754	4,992	4,991	5,241	5,242	5,242	5,503
482	Indirect Costs- Labor	84,520	84,521	92,422	92,424	94,951	55,388	94,951	92,200
481	Labor Allocation	-34,902	-34,902	-36,608	-36,608	-38,025	-22,181	-38,025	-38,869
212	Uniforms	2,846	2,755	2,974	2,819	3,179	1,656	2,931	3,179
251	Motor Fuel	2,812	2,072	2,812	1,916	2,812	854	1,729	2,981
260	Office Supplies	2,425	2,184	2,425	2,422	2,425	1,944	2,425	2,425
320	Telephone & Postage	5,500	4,831	5,500	4,966	5,500	2,673	5,500	5,500
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	750	784	750	809	750	604	750	750
370	Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	14,893	13,114	15,139	13,790	15,758	15,464	15,964	16,727
491	Dues & Subscriptions	900	920	900	943	900	898	900	900

Sewer Administration and Finance Continued

Sewer Admin & Finance 61-7125		18-19		19-20		20-21		Projected Year-End	21-22 Proposed Budget
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/21	Expend. as of 01/31/21		
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	11,000	11,680	11,680	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	25,000
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	101,944	101,944	104,261	104,261	108,895	0	108,895	111,212
720	Bond Interest Payment	23,748	23,748	21,710	21,710	19,624	9,812	19,624	17,446
760	Interfund Loan - Principal	0	0	0	0	0	0	0	
770	Interfund Loan - Interest	0	0	0	0	0	0	0	
499	Miscellaneous	0	0	0	0	0	0	0	0
	TOTAL	409,805	400,025	418,575	404,352	442,884	211,241	448,133	463,000

Sewer – Administration & Finance

121 – Wages & Salaries – Wages & Benefits per allocation table discussed in the first budget workshop.

310/395 – Training and travel - \$1,723

193 – Engineering Services –Includes \$3,750 for engineering for grant

399 – Contracted Services –

Reverse 911	\$ 969
Elster Support	1050
Work Order Software	600
Locate Plus	500
FORMAX stuffer/sealer	228
Misc Services	<u>750</u>
	4,097

See slide #19 for
cost share splits for
these contracted
services items

440 – IT Services – VC3 Hosted desktop [40% general fund, 30% water, 30% sewer]

441 – Springbrook – Software maintenance

Sewer – Administration & Finance

251 – Vehicle Fuel – Fuel for vehicles – based upon an estimate of \$3.25 per gallon

430 – Building and Equipment Rental – The rental of office space from the general fund (\$750 per month/ per utility).

540- Capital Outlay- 1/3 cost of backhoe \$25,000

Sewer Collection 61-7142		18-19		19-20		20-21			21-22
		Current	Actual	Current	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget 02/18/21	as of 01/31/21	Year-End	Budget
397	Meter Reading System	0	0	0	0	27,600	0	27,600	
399	Contracted Services	24,950	18,829	41,496	5,133	24,350	3,509	9,000	24,350
299	Supplies & Materials	7,800	5,657	7,800	7,988	7,800	2,201	4,000	7,800
330	Utilities	7,800	7,547	7,800	6,775	8,000	4,040	7,500	7,500
352	Maint & Repair- Equip	11,000	4,364	7,500	6,453	10,000	745	3,000	9,500
430	Equip Rental	1,870	562	1,870	185	2,040	0	1,000	2,040
498	Permit Fees	810	810	810	810	810	810	810	810
550	Capital Outlay - Equipment	0	0	31,833	32,629	11,000	0	5,000	0
580	Capital Outlay - Buildings	0	0	0	0	0	0	0	0
597	Capital Outlay - Collection Lines	0	0	0	0	0	0	0	0
598	Capital Outlay - Pump/Lift Sta.	4,500	0	0	0	0	0	0	30,000
	TOTAL	58,730	37,769	99,109	59,973	91,600	11,305	57,910	82,000

Sewer – Collection

399 – Contracted Services –

Alarm system for lift stations	3,150
Grease Removal	2,200
Emergency Repairs	<u>19,000</u>
	\$24,350

299 – Supplies and Materials –

Generator Fuel	1,800
Pipe, fittings, tools, etc.	3,500
Lift Station Supplies (deodorizer, degreaser, etc.)	<u>2,500</u>
	\$7,800

352 – Maintenance & Repair-Equipment – Proactive lift station pump maintenance. We have a total of 20 pumps and will be able to do routine service “in house”.

598- Capital Outlay- Upgrade Lift Station \$30,000

Sewage Treatment		18-19		19-20		20-21			21-22
		Current	Actual	Current	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	Budget
61-7144						02/18/21	01/31/21		
398	Testing	15,000	11,209	15,000	12,746	14,790	7,488	14,790	14,790
399	Contracted Services	32,335	27,562	33,315	23,553	33,350	9,943	28,000	32,974
298	Chemicals	15,000	11,181	15,000	10,568	15,000	5,550	10,000	14,376
299	Supplies & Materials	5,500	1,327	5,500	4,107	5,500	889	2,700	6,500
330	Utilities	27,000	27,810	27,000	26,890	28,500	15,619	26,669	28,500
351	Maint & Repair- Bldg	1,000	71	1,000	763	1,000	48	500	1,000
352	Maint & Repair- Equip	11,264	3,859	18,764	16,967	13,000	8,308	12,000	12,000
430	Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	860	860	860	0	860	860	860	860
550	Capital Outlay- Equipment	0	5602.97	0	0	0	0	0	0
594	Capital Outlay- Treatment Plant	16,500	0	5,000	0	0	0	0	0
	TOTAL	124,459	89,481	121,439	95,595	112,000	48,704	95,519	111,000

Sewer – Treatment

399 – Contracted Services –

Sludge Hauling	27,000
Calibrate meters	850
Pump grit chambers	1,800
Dumpster Service	2,124
Hach Spectrometer PMA	500 (50/50 split with)
Lift station alarms	<u>700</u>
	\$32,974

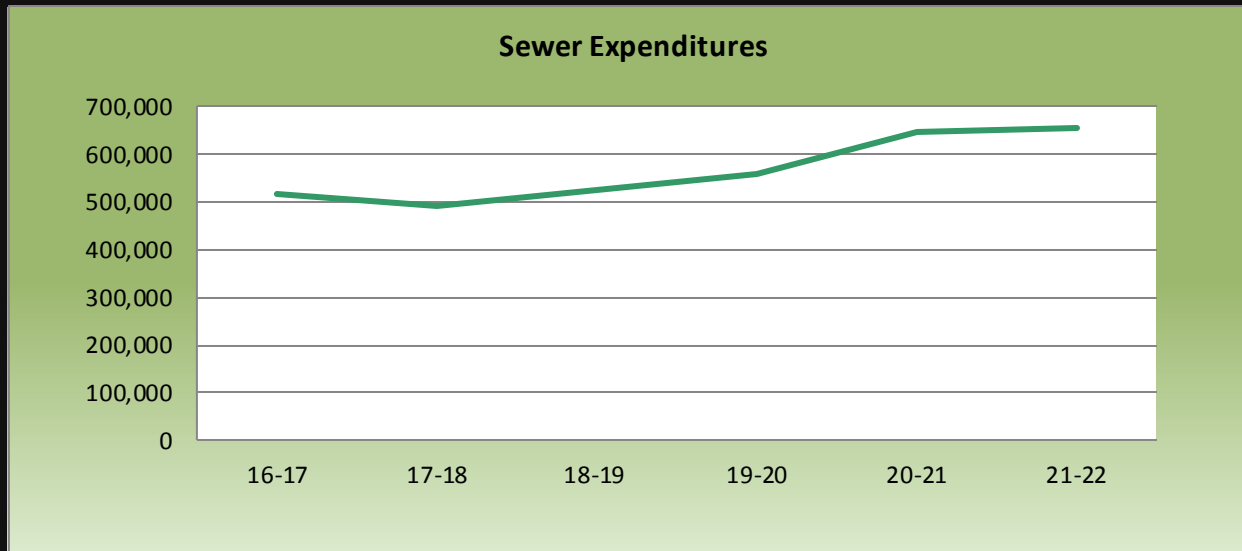
299 – Supplies and Materials – Generator fuel, tools, paint, etc.

352 – Maintenance and Repair – Equipment –

Blower maintenance contract	8,700
Other maintenance and repair	<u>4,900</u>
	\$13,600

550 – Capital Outlay – none

Sewer – Summary

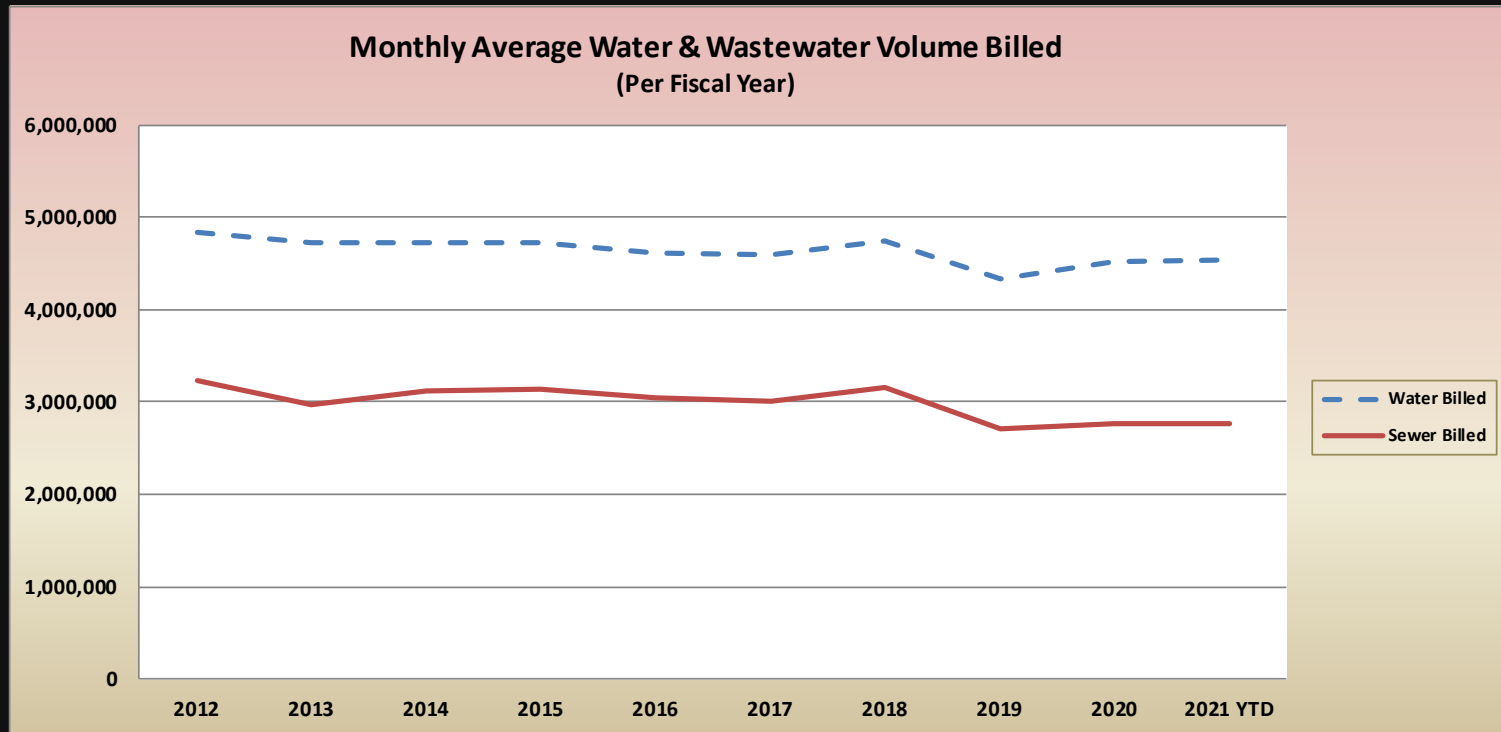


Sewer	16-17	17-18	18-19	19-20	20-21	21-22	Change v. prior year	
	Actual	Actual	Actual	Actual	Budget	Proposed	%	\$
Administration & Finance	398,461	392,908	400,025	404,352	442,884	463,000	4.54%	20,116
Collection	23,944	24,014	37,769	59,973	91,600	82,000	-10.48%	-9,600
Treatment	95,484	76,958	89,481	95,595	112,000	111,000	-0.89%	-1,000
TOTAL(Less transfers & contingency)	517,889	493,880	527,275	559,919	646,484	656,000	1.47%	9,516

Change in Budgeted Expenditure
9,516

Water/Sewer Consumption Data

Monthly Water & Wastewater – Total Volume



	Average Monthly	
	Water Billed	Sewer Billed
2012	4,833,833	3,227,667
2013	4,716,000	2,974,833
2014	4,716,167	3,116,917
2015	4,726,083	3,138,000
2016	4,612,917	3,037,667
2017	4,593,000	3,014,167
2018	4,747,750	3,152,833
2019	4,331,000	2,712,000
2020	4,512,500	2,770,083
2021 YTD	4,530,425	2,770,183

Total usage remained basically flat from 2013-2018. It decreased in 2019 due to effects of Hurricane Florence. Thus far, in FY21 there has been a slight increase in total usage.

Monthly Water/Sewer – Per Customer

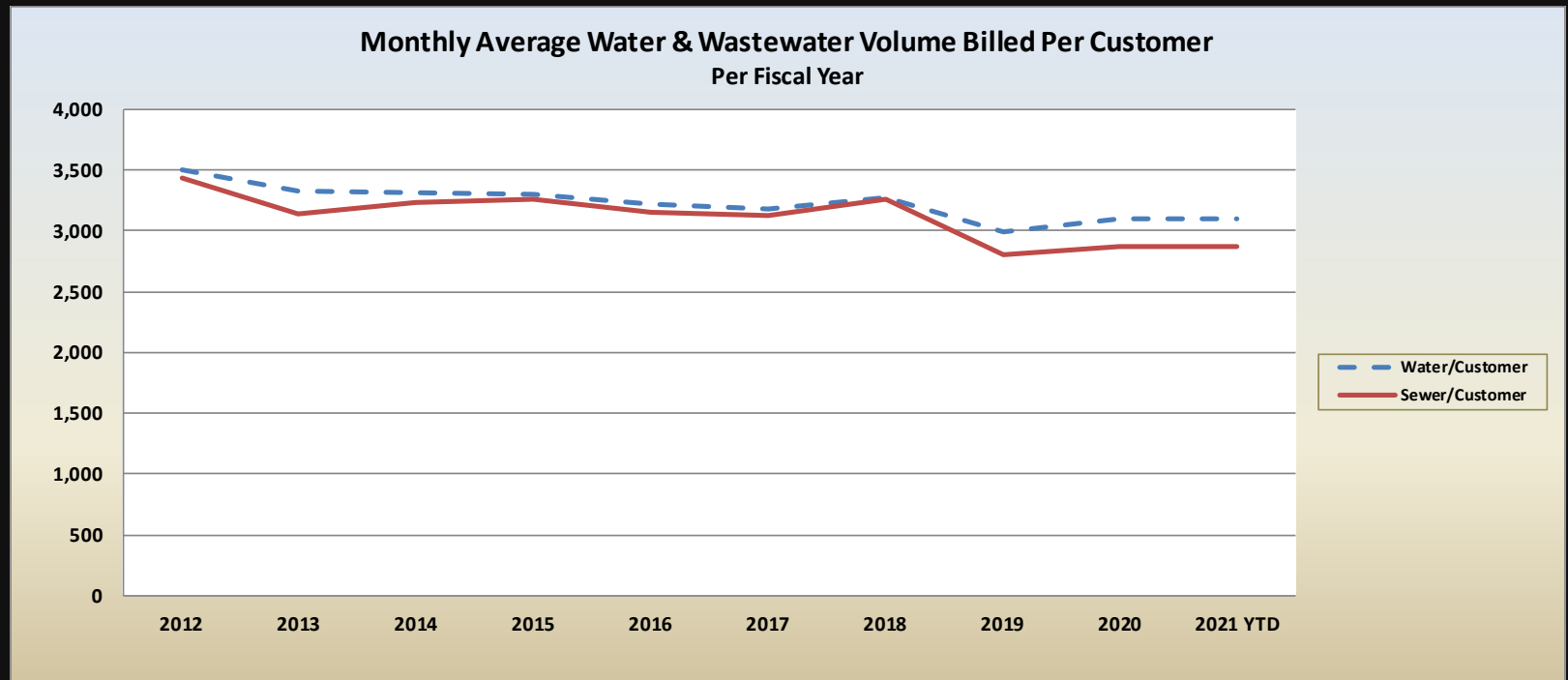
YEAR	Water/Customer	Sewer/Customer	# Water Customers	# Sewer Customers	% change in H2O/cust
2012	3,498	3,437	1,382	939	-7.51%
2013	3,333	3,145	1,415	946	-4.95%
2014	3,310	3,240	1,425	962	-0.70%
2015	3,305	3,262	1,430	962	-0.14%
2016	3,221	3,158	1,432	962	-2.60%
2017	3,185	3,123	1,442	965	-1.13%
2018	3,279	3,264	1,448	966	2.86%
2019	2,987	2,807	1,450	966	-9.77%
2020	3,106	2,868	1,453	966	3.82%
2021 YTD	3,101	2,877	1,461	963	-0.15%

YTD includes usage through December with two billing cycles remaining in the FY

“A century ago, the average American used only about 10 gallons of water a day to drink, cook, clean, and bathe. Today, Americans use 100 gallons per day per person on average, causing stresses on our sources of drinking water”

Source: U.S. Environmental Protection Agency

Annual Water & Wastewater – Per Customer



The average monthly water usage per customer in 2021 (YTD) is 3,101 gallons. The average usage per sewer customer is 2,877 gallons. In 2020, those averages were 3,106 gallons and 2,868 respectively, which means there is very little change in average usage between the years.

Enterprise Funds – Capital Improvement Funds

These funds, per Resolution of the Town Council, may only be used for system expansion and/or advance payment on current Bonds. Reserve funds may NOT be used for operations or maintenance of the systems.

Water

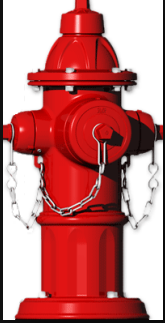
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
											proj
Hydrant Fees added to Capital Reserve	32,936	30,636	30,429	26,718	25,620	25,254	23,790	23,058	0	0	0
*CIF Fees added to Capital Reserve	2,600	2,600	2,700	2,700	2,700	2,700	0	0	0	0	0
Expenditure for Springdale/Piner Est.	-208,128										
**Water Capital Reserve Fund:	33,654	66,920	100,060	129,494	158,069	186,788	213,184	241,363	244,645	244,696	245,185
*CIF Fee charges were changed in FY17 by NCGS											
**includes interest earned											

Sewer

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
											proj
*CIF Fees added to Capital Reserve	1,500	1,500	1,900	1,900	1,900	1,900	0	0	0	0	0
Expenditure for collection design											
**Sewer Capital Reserve Fund:	1,573	3,074	4,975	6,876	8,795	10,741	10,868	11,100	11,246	11,248	11,270
*CIF Fee charges were changed in FY17 by NCGS											
**includes interest earned											

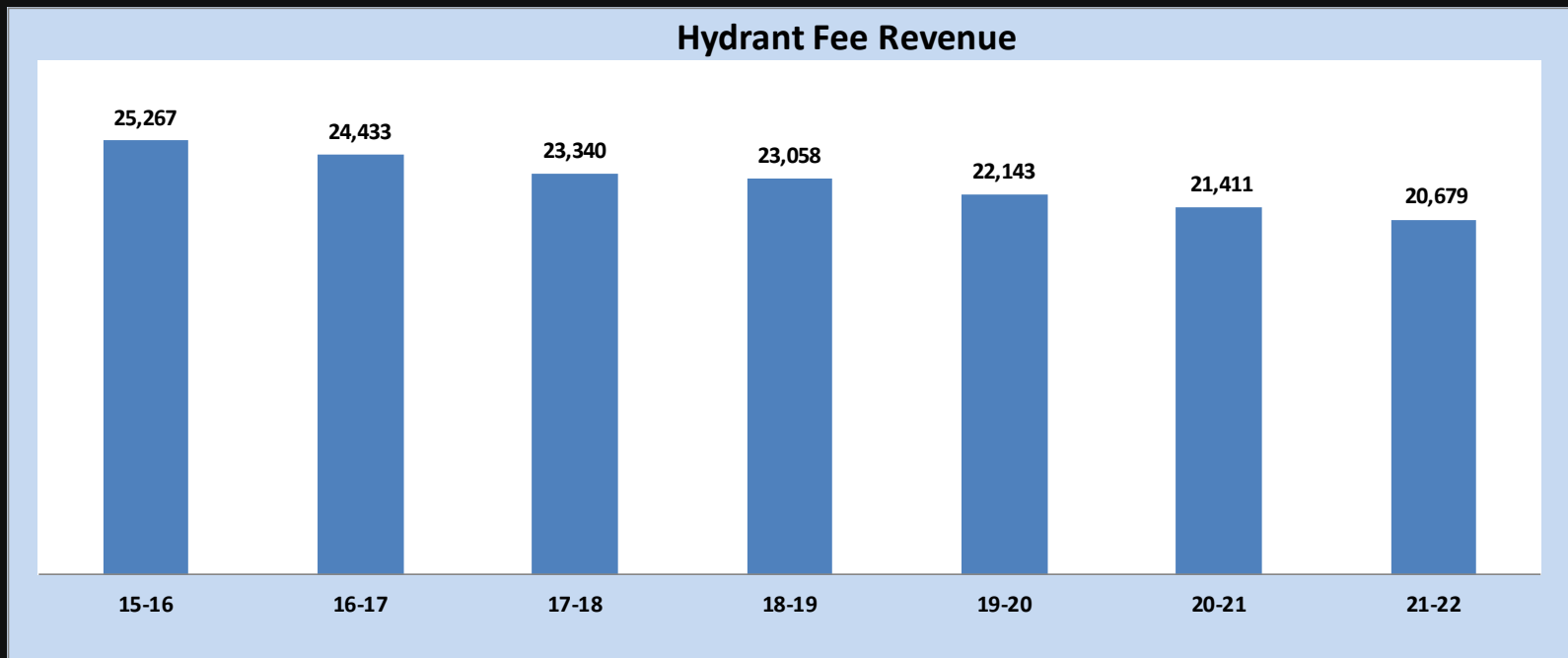
Notes: Both CIFs were eliminated due to statutory changes. Future assessment of CIF requires major policy change.

Hydrant Fees



\$183 per year - billed in July. We allow customers to split their payment, paying half in July and half in December. We currently have 113 customers but that is subject to change. Last year we had 117. Ideally, we would have 0.

Funds go to Water Fund Revenue.
Last change in rate from \$207 was in FY 2014.



Current Utility Rates

Per Schwartz Study

Customer: Under this structure the “customer” component of the charges reflect the indirect costs to each utility.

Demand: This represents 75% of the debt service and capital costs for each utility.

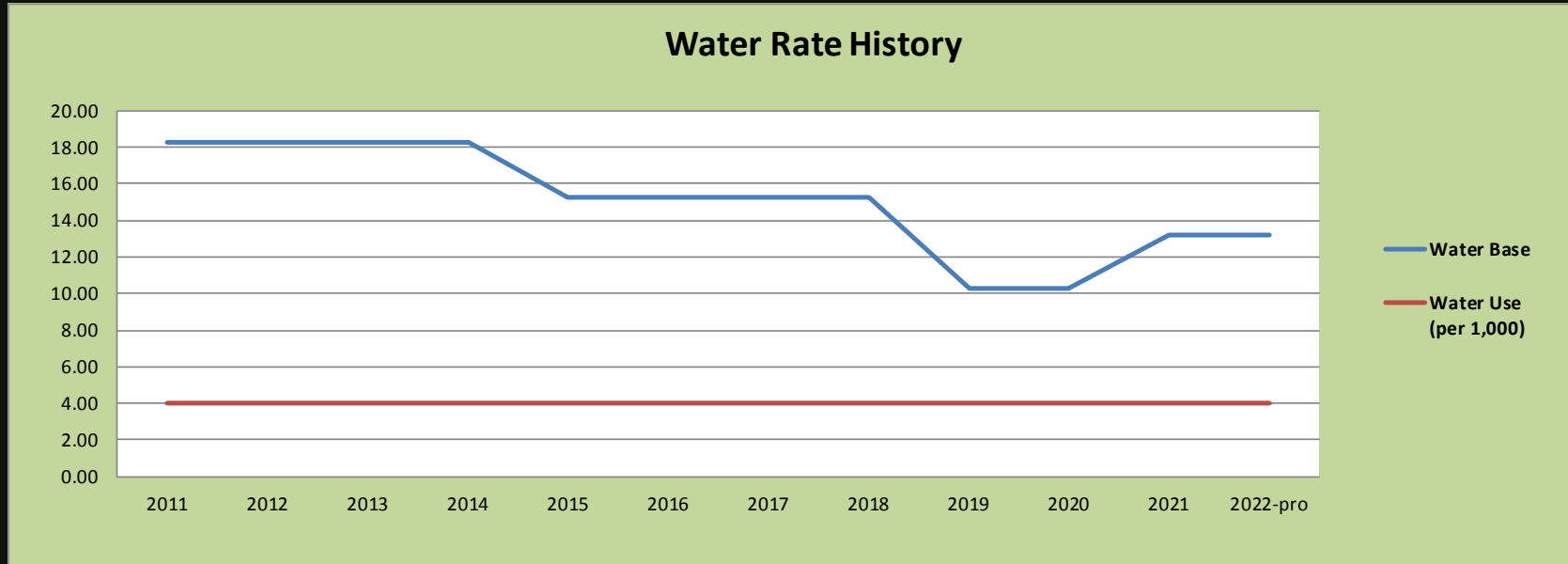
Usage: This component should be used to collect the remaining 25% of the debt service and capital costs and all direct operating costs.

Current Rate		
Water		
Customer		\$4.80
Demand		\$8.44
Use		\$4.02
Sewer		
Customer		\$7.35
Demand		\$16.83
Use		\$9.08
Charges for 3,000 gallons usage		
Water		
Base		\$13.24
Use		\$12.06
Sewer		
Base		\$24.18
Use		\$27.24
Monthly		\$76.72
Per-Bill	(two months)	\$153.44
Charge for various gallons usage		
	0	\$37.42
	1000	\$50.52
	2000	\$63.62
	4000	\$89.82
	5000	\$102.92

The “customer” and “demand” components are combined to determine the **Base Charge** we charge as a flat fee per month, per customer.

The “**usage**” component is charged at a rate per 1,000 gallons of metered use.

Rate History

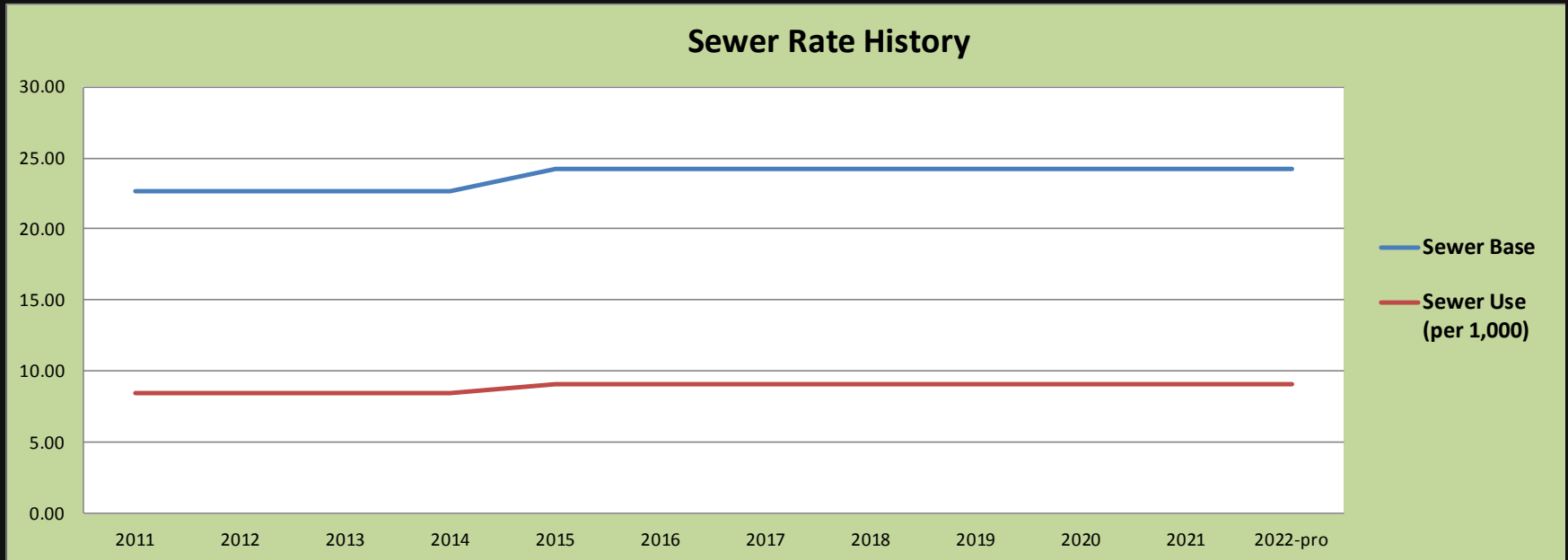


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022-pro
Water Base	18.24	18.24	18.24	18.24	15.24	15.24	15.24	15.24	10.24	10.24	13.24	13.24
Water Use (per 1,000)	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02
Monthly Bill (3,000 gal.)	30.30	30.30	30.30	30.30	27.30	27.30	27.30	27.30	22.30	22.30	25.30	25.30

Green box indicates a year that there was a change in the rate.

1996- Town Acquires System from Carolina Water. The rate that year for 3,000 gallons was \$17.80

Rate History



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022-pro
Sewer Base	22.63	22.63	22.63	22.63	24.18	24.18	24.18	24.18	24.18	24.18	24.18	24.18
Sewer Use (per 1,000)	8.50	8.50	8.50	8.50	9.08	9.08	9.08	9.08	9.08	9.08	9.08	9.08
Monthly Bill (3,000 gal.)	48.13	48.13	48.13	48.13	51.42	51.42	51.42	51.42	51.42	51.42	51.42	51.42

Green box represents a year that there was a change in the rate.

1996- Town Acquires System from Carolina Water. The rate that year for 3,000 gallons was \$22.30.

Rate History

Customer Using 3,000 gallons Per Month

Water/Sewer Bill in 1995, which was the last year that Carolina Water owned the system, was.....

\$50.04

Today, the same bill, adding only for inflation (not for changes in operations due to regulations, system expansion, etc.) would be

\$86.91

Our customers, under proposed rates for FY21-22, will pay.....

\$76.72

Cumulative Inflation rate between July 1995 and March 2021= 73.69%.
Our rates have not kept pace with inflation.

Inflation Data Source- www.inflationdata.com

THE VALUE OF WATER



IS WATER ESSENTIAL? YES!

Water is essential to our daily lives. Without it, there would be no fire protection, no agriculture, no manufacturing and no power grid. Yet, this precious resource is too easily undervalued, particularly in the U.S., where 300 million Americans are accustomed to paying as little as a penny a gallon to have clean, safe water delivered straight to their tap.

COST PER GALLON Tap water is UNMATCHED



NOTE: Prices from 2012 and may fluctuate due to sales, customer demands and other market factors. Prices also vary between stores, stations and public water supply systems. Starbucks® is a registered trademark of Starbucks Coffee Company.

DO AMERICANS VALUE WATER SERVICES?

(YES — but we take it for granted.)

95%	Believe water is the most important service they receive, ahead of electricity, heat, the internet and cell phone service
69%	Take access to clean water for granted

DO AMERICANS SUPPORT MAKING CHANGES TO ADDRESS INFRASTRUCTURE NEEDS?

(YES — and they are willing to pay more.)

Nationwide, water systems and their customers are experiencing the impacts of under investment and poor maintenance. Every two minutes, a significant water line ruptures in the U.S., leading to trillions of gallons of water wasted annually and severe economic losses. The good news: Survey results suggest the public understands the issue.

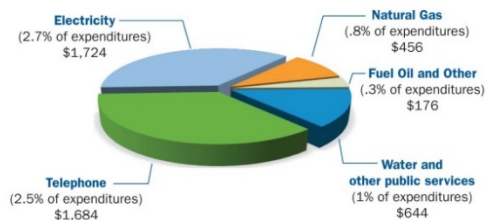
29%	Believe the system is approaching crisis stage
80%	Support water infrastructure policy reform
63%	Are willing to pay more on their water bills to address the nation's infrastructure needs

Source: 2010 survey of American voters by Xylem Inc.

WATER IS A GREAT VALUE!

Your water bill is one of the lowest monthly household bills. It's well below what customers pay annually for phone and electric service a year, and it's even below what consumers spend on soft drinks and other beverages a year (\$707).

ANNUAL UTILITY EXPENDITURES (for a four-person household)



Source: Michigan State University Institute of Public Utilities, 2012 data

Water is essential for life.

In River Bend, at our current rate, 1,000 gallons of water is delivered to your property at a cost of \$17.26 or

1.726¢ per gallon.

Sewer, while not essential for life, is pretty important.

In River Bend, at our current rate, 1,000 gallons of sewer is transported from your property at a cost of \$33.26 or

3.326¢ per gallon

Enterprise Funds Rate Model



Current Rate		
Water		
	Customer	\$4.80
	Demand	\$8.44
	Use	\$4.02
Sewer		
	Customer	\$7.35
	Demand	\$16.83
	Use	\$9.08
Charges for 3,000 gallons usage		
Water		
	Base	\$13.24
	Use	\$12.06
Sewer		
	Base	\$24.18
	Use	\$27.24
Monthly		\$76.72
Per-Bill (two months)		\$153.44
Charge for various gallons usage		
	0	\$37.42
	1000	\$50.52
	2000	\$63.62
	4000	\$89.82
	5000	\$102.92

This shows the current rates (as of 4-9-20), which are also the proposed rates. Now, lets visit the interactive rate model to look at the long-term effects of rates

Water Fund Revenue/Expense Summary

Water - Revenue	16-17	17-18	18-19	19-20	20-21	21-22	Change v. prior year	
	Actual	Actual	Actual	Actual	Budget	Proposed	%	\$
Base Fee	271,677	269,422	180,742	190,297	234,862	239,398	1.93%	4,536
Usage Charges	223,971	227,674	204,671	217,940	213,326	223,077	4.57%	9,751
Hydrant Fee	24,433	23,331	22,384	21,634	21,411	20,496	-4.27%	-915
Tap Fees	5,250	2,500	2,800	1,850	1,250	1,250	0.00%	0
Nonpayment fees	10,150	10,850	11,830	7,420	10,500	10,500	0.00%	0
Late payment fees	7,066	7,245	5,974	4,429	6,723	6,937	3.19%	214
Capital Investment Fees	2,700	0	0	0	0	0	0.00%	0
Charges to General Fund	0	0	0	0	0	0	0.00%	0
Other (includes interest, transfers, etc.)	6,377	10,538	15,881	10,203	8,295	1,303	-84.29%	-6,992
Appropriated Fund Balance	0	0	0	0	117,267	79,039	-32.60%	-38,228
TOTAL	551,623	551,560	444,281	453,773	613,634	582,000	-5.16%	-31,634

Water Fund					
Total Revenue	582,000	Approp Fund			
Total Expenditure	582,000	Capital O/L	Transfers	Balance	
Revenue-Expenditure=	0	3,500	0		3,500

\$3,500 is the amount set aside each year in water CIP for future vehicle purchases. It does not include the fund balance appropriation as noted on top chart.

Sewer Fund Revenue/Expense Summary

Sewer - Revenue	17-18	18-19	19-20	20-21	21-22	Change v. prior year	
	Actual	Actual	Actual	Budget	Proposed	%	\$
Base Fee	290,819	291,494	290,923	292,304	294,700	0.82%	2,396
Usage Charges	341,133	288,950	298,776	303,101	311,549	2.79%	8,448
Tap Fees	2,500	1,250	0	1,250	1,250	0.00%	0
Late Payment Fee	8,253	7,411	5,750	7,740	7,881	1.82%	141
Capital Investment Fees	0	0	0	0	0	0.00%	0
Charges to General Fund	0	0	0	0	0	0.00%	0
Other (includes interest, transfers, etc.)	9,417	16,687	11,257	10,872	1,906	-82.47%	-8,966
Appropriated Fund Balance	0	0	0	94,217	38,713	-58.91%	-55,504
TOTAL	652,122	605,792	606,706	709,484	656,000	-7.54%	-53,484

Sewer Fund					
Total Revenue	656,000	Capital O/L	Approp Fund		
Total Expenditure	656,000		Balance		
Revenue-Expenditure	0	3,500	0		3,500

\$3,500 is the amount set aside each year in water CIP for future expenses, including vehicle purchases. It does not include the fund balance appropriation as noted on top chart.

Town of River Bend

Fiscal Year 2021-2022 Budget Workshop

May 13, 2021

30. Five year Forecast –General Fund

31. Tax rates, utility rates and other fees

Ad valorem tax rate

Utility rates and fees

Schedule of rates and fees