



Mount Pleasant Waterworks

Operating Budget

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Budget Assumptions

- ✓ No rate increase recommended at this present time due to the impacts of the COVID-19 virus. Will revisit rate needs at a later point in FY21, possibly midyear.
- ✓ Minimum Fund Balance is set at 200 days ≈ \$21.4M of unrestricted cash.
- ✓ We will **not** meet the Cost Recovery Policy of 2.0 debt service coverage ratio test without impact fees.



Budget Assumptions

- ✓ No new debt proposed at this point, however, any new debt deemed necessary will be funded through SRF Loans (@ 1.8%) or Revenue bonds at market rates.
- ✓ All debt service will be paid from General Revenues. Impact fees, if available, will reimburse the General Revenue fund for E&E debt service paid from rates.



Budget Assumptions

- ✓ Operating revenues were based on a 1% increase in customer base and a 5% water and wastewater increase in demand projections over Fiscal Year 2020 projections.



Budget Assumptions

- ✓ Due to the effects of the COVID-19 pandemic, Cost Recovery Policy 8.1 will be suspended and Water and Wastewater Impact Fees will not be increased for FY21.
- ✓ These fees will be held at their current amounts of \$2,770 for water and \$4,950 for wastewater.



Budget Assumptions

- ✓ Merit increases will be 4% of regular salaries and mid-year performance pay will be 2% of regular salaries.
- ✓ The salary structure will be increased 2.9% (Archer).

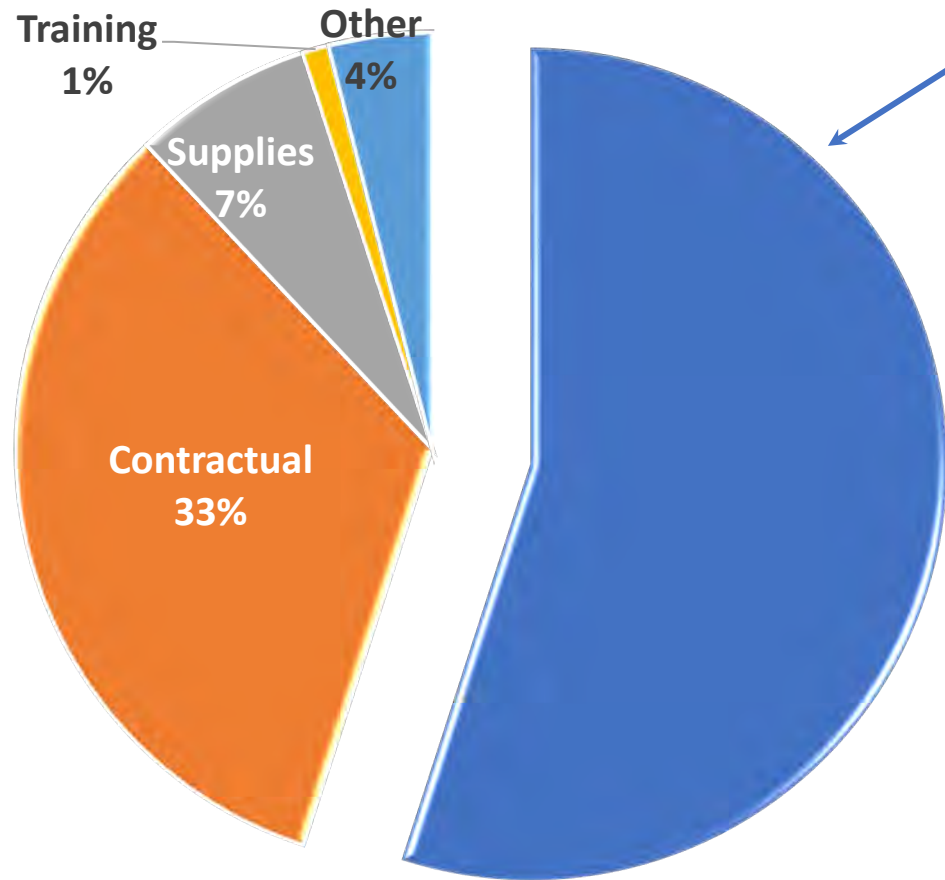
Consolidated Budget

TOTAL COMMISSION	FY 2019	FY 2020		FY 2021		
	Actual	Original	Estimate	Total Requested	Variance	%
Compensation & Benefits	14,970,220	17,666,993	16,205,470	17,501,840	(165,153)	-1%
Contractual Services	8,045,695	9,658,550	9,490,914	10,378,259	719,709	7%
Supplies and Materials	2,161,332	2,299,849	2,231,366	2,247,345	(52,504)	-2%
Training & Education	357,143	504,133	323,894	161,829	(342,304)	-68%
Other Expenses	1,214,006	1,306,000	1,299,859	1,416,170	110,170	8%
Total (before Debt)	26,748,396	31,435,525	29,551,503	31,705,443	269,918	1%
Debt Service	12,388,501	9,573,477	9,510,977	13,483,848	3,910,371	41%
TOTAL	39,136,897	41,009,002	39,062,480	45,189,291	4,180,289	10%

Note: FY 2021 increases in %'s and dollars are calculated against the FY 2020 Original budget

Operating Expenses as a Percent of Total

(does not include \$3.9M increase in Debt Services per combined amortization schedules)



Compensation and Benefits

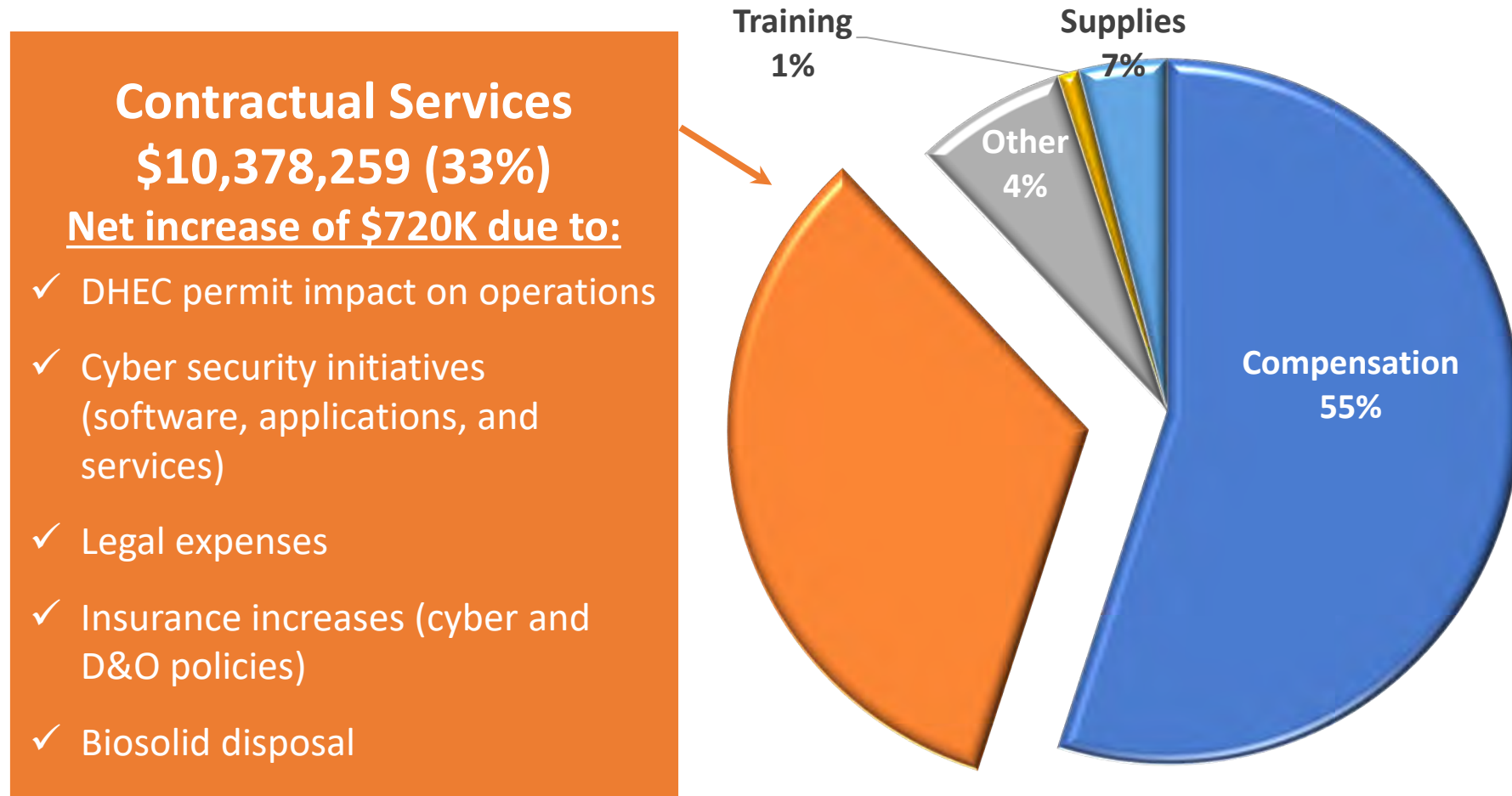
\$17,501,840 (55%)

Net decrease of \$165K due to:

- ✓ Reduction of freezing seven (7) positions for FY 2021
- ✓ 1% increase in SCRS employer contribution rate
- ✓ Increase in OPEB costs
- ✓ Addition of one (1) new full-time position in Customer Services
- ✓ Merit/Midyear/Promotion increases
- ✓ Reduction in Workers Comp cost
- ✓ Reduction in Health Insurance Expense

Operating Expenses as a Percent of Total

(does not include \$3.9M increase in Debt Services per combined amortization schedules)



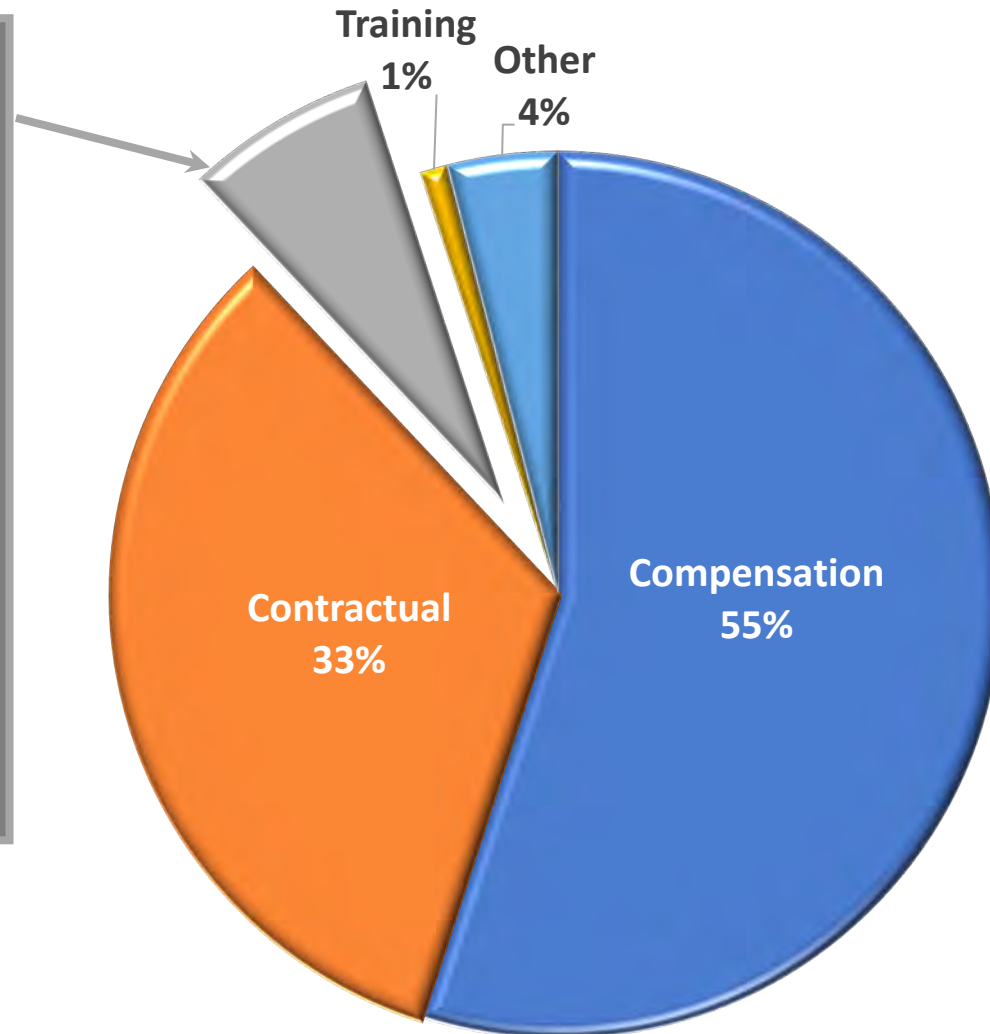
Operating Expenses as a Percent of Total

(does not include \$3.9M increase in Debt Services per combined amortization schedules)

Supplies and Materials
\$2,247,345 (7%)

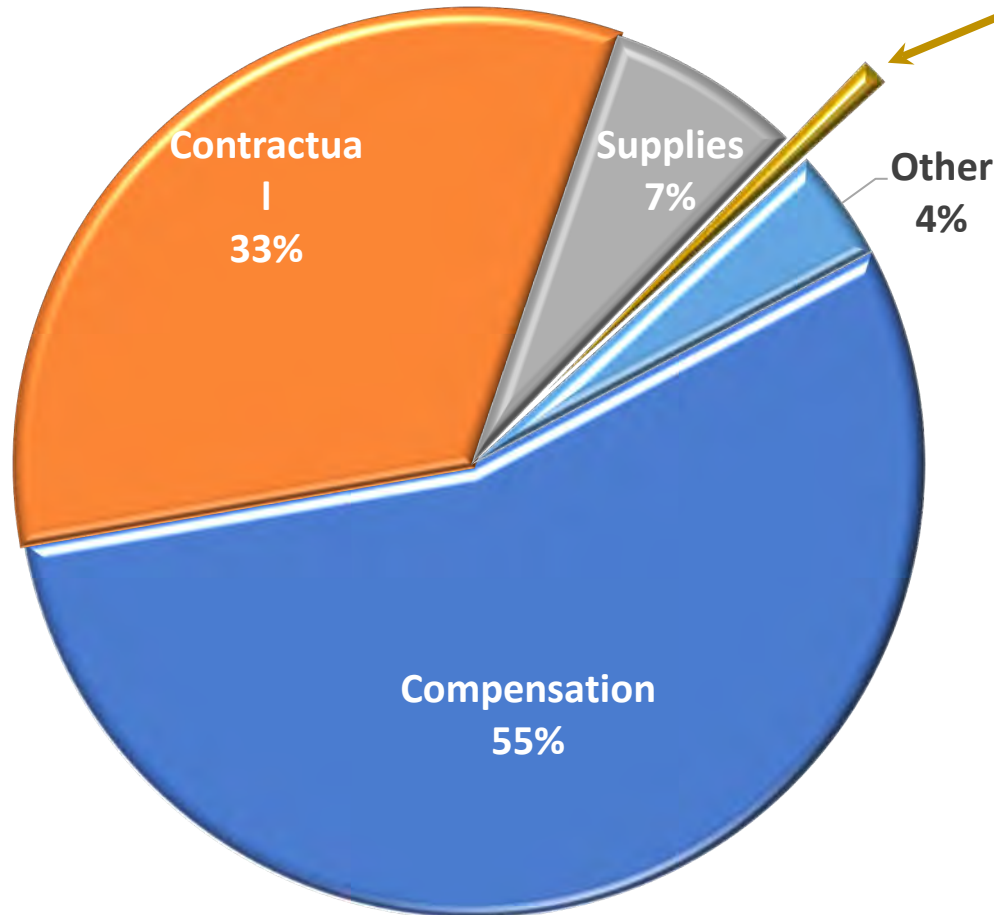
Net decrease of \$53K due to:

- ✓ Decrease in chlorine treatment supplies
- ✓ Increase in calcium chloride and sodium hypochlorite supplies
- ✓ Decrease in pump parts supplies and materials
- ✓ Decrease in locate supplies and materials



Operating Expenses as a Percent of Total

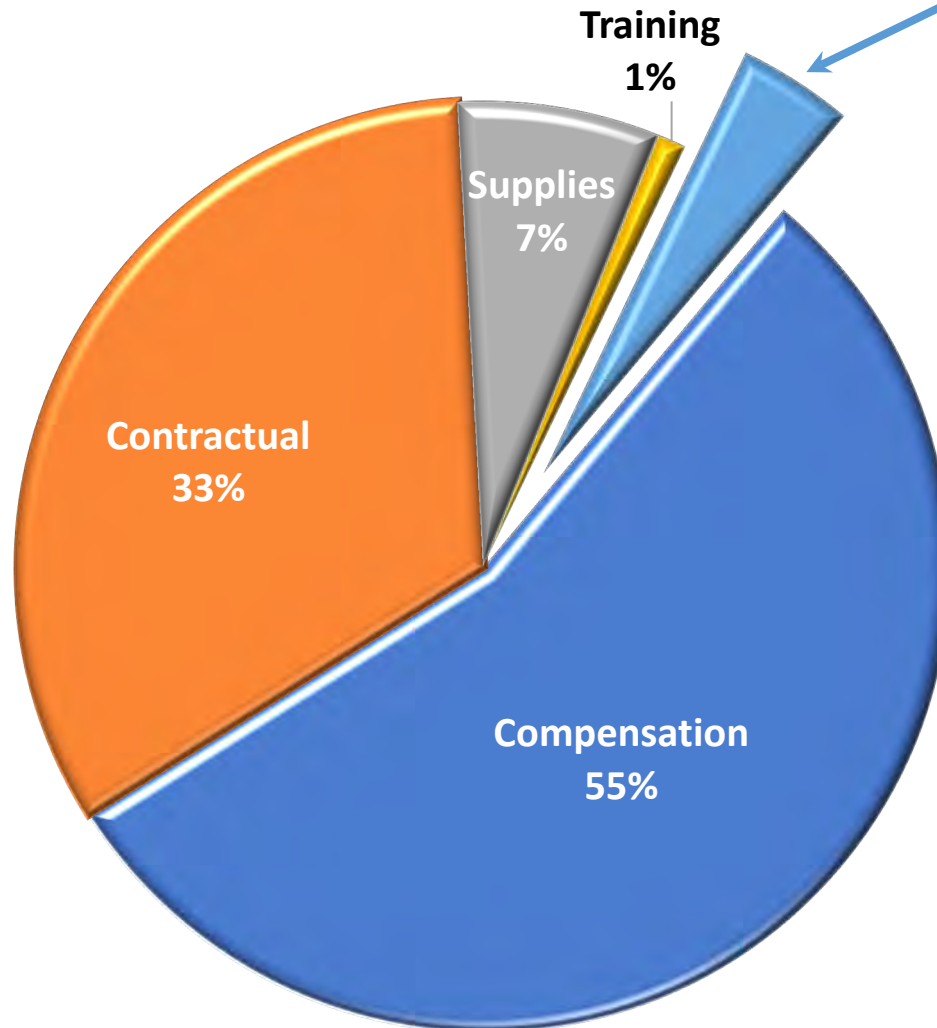
(does not include \$3.9M increase in Debt Services per combined amortization schedules)



Training and Education
\$161,829 (1%)
Reduction of \$342K (across the board)
✓ 68% reduction versus FY20
Approved

Operating Expenses as a Percent of Total

(does not include \$3.9M increase in Debt Services per combined amortization schedules)



Other Expenses

\$1,416,170 (4%)

Net increase of \$110K due to:

- ✓ Increase in bad debt expense
- ✓ Increase in merchants and service fees and bank service fees

Ancillary Fees and Charges

An internal review and analysis is performed annually to ensure that the ancillary fees and charges recover the associated costs related to the specific activity.

<u>Item/Fee</u>	<u>Current Charge</u>	<u>FY21 Analysis</u>	<u>Difference</u>	<u>Proposed</u>	
<u>Construction Meter Rental</u>					
Residential Construction Meter Rental	\$ 500.00	\$450	\$ 50.50	\$ 250.00	NEW - all gallons will now be billed at actual cost
	* All gallons billed at actual cost			Actual	
<u>Hydrant Meter Permit Fee</u>					
Tanker > 3,000 gallons On-Site	\$ 2,230.00	\$ 2,239.82	\$ (9.82)	\$ 2,240.00	
<u>Service Call</u>					
Service Call	\$ 60.00	\$ 61.40	\$ (1.40)	\$ 65.00	
After-Hours Service Call	\$ 75.00	\$ 79.30	\$ (4.30)	\$ 80.00	
<u>Special Assessments</u>					
Belle Hall (per REU)	\$ 233.83			\$ 240.84	Contractual 3% annual increases ↓
Long Point Road (per Acre)	\$ 10,577.15			\$ 10,894.46	
Commercial SUSA (per Acre)	\$ 9,379.72			\$ 9,661.11	
Broadway Street (per Acre)	\$ 17,705.30			\$ 18,236.46	
Carolina Park Outparcel (per Acre)	\$ 813.43			\$ 837.83	
Gregorie Ferry (per Acre)	\$ 634.61			\$ 653.65	
Highway 17 Commercial Wastewater Extension	\$ 14,597.29			\$ 15,035.21	
Hungry Neck	\$ 10,415.57			\$ 10,728.04	

Thank You

