

INLAND LAKE



FY2024 Preliminary Operation & Maintenance and Capital Budgets

November 29, 2023

WWW.BWWB.ORG

BIRMINGHAM
WATER WORKS

RECOMMENDED O&M BUDGET

2023 APPROVED

\$125,304,575

2024 PROPOSED

\$132,003,956

5.35% INCREASE

FY2024 O&M BUDGET ADJUSTMENTS

FY2024 Budgeted Revenue - Previously presented			\$ 228,268,096
Adjustments to Revenue:			
Increase to residential block 1 revenue impacted by October consumption numbers		\$ 25,000	
Increase to residential block 3 revenue impacted by October consumption numbers		50,000	
Increase to commercial revenue impacted by October consumption numbers		100,000	
Total revenue adjustment			\$ 175,000
Revised FY2024 Revenue			\$ 228,443,096
FY2024 Budgeted O&M Expenses - Previously presented		\$ 133,432,098	
Adjustments to Labor:			
Reduced the cost of vacant positions by 50%	\$ (2,263,473)		
Increased Merit impacted by Salary Survey	459,115		
Increased to implement potential Organizational Assessment recommendations	376,216		
Total labor adjustment		\$ (1,428,142)	
Revised FY2024 Budgeted O&M Expenses		\$ 132,003,956	

FY2024 CAPITAL BUDGET ADJUSTMENTS

FY2024 Capital Budget - Previously presented		\$ 84,092,290
Capitalized O&M impact from reducing the cost of vacant positions by 50%		(380,750)
Revised FY2024 Budgeted O&M Expenses		<u>\$ 83,711,540</u>

PROJECTED CUSTOMER IMPACT

Actual	Preliminary	Projected	Reduction
2023	2024	2024	

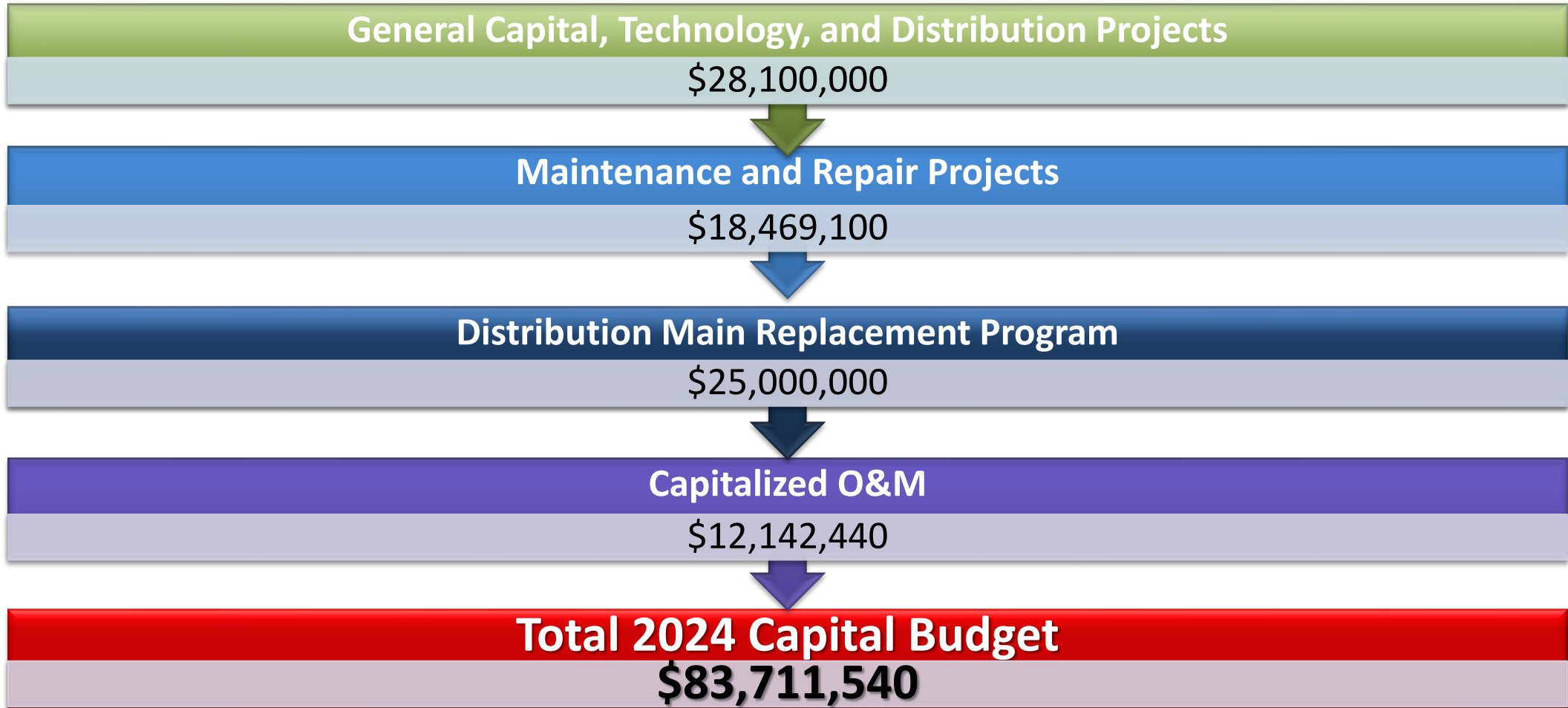
(1) Based on 5/8" meter and 6 ccf (4,500 gallons) of monthly usage

Birmingham Customer Details

Monthly Water Bill (1)	\$	47.67	\$	50.43	\$	49.96
------------------------	----	-------	----	-------	----	-------

<i>Impact to Customer Monthly Bill</i>		\$	2.76	\$	2.29	\$	(0.47)
---	--	----	-------------	----	-------------	----	---------------

FY2024 PROPOSED CAPITAL BUDGET



FY2024 DEBT SERVICE COVERAGE

	Est. Actual 2023	4.8% 2024
Total Revenues	\$ 221,592,193	\$ 227,325,241
Less: Impact/System Development Fees	\$ (1,337,600)	\$ (1,337,600)
Less: Interest on Construction Funds	-	-
Plus: Loss on the Sale/Disposition of Assets	338,860	338,860
Total Revenues per Official Statement Definition	\$ 220,593,453	\$ 226,326,501
Revenue Requirements		
O&M Expenses	\$ (125,304,575)	\$ (132,003,956)
Total Revenues Available for Debt Service and PAYGO	\$ 95,288,878	\$ 94,322,546
Debt Service		
Senior Debt Service (1)	\$ (63,234,254)	\$ (62,951,445)
Subordinate Debt Service	(643,148)	(644,213)
Total Debt Service	\$ (63,877,401)	\$ (63,595,658)
<i>Base Charge Revenue as a Percent of Annual Debt Service</i>	<i>114.6%</i>	<i>121.2%</i>
PAYGO Spending	\$ (30,600,000)	\$ (30,670,000)
<i>PAYGO as Percent of Capital Budget</i>	<i>42.3%</i>	<i>36.6%</i>
Total Revenue Requirements	\$ (219,781,976)	\$ (226,269,613)
Surplus/(Deficit)	\$ 811,477	\$ 56,888
Debt Service Coverage Ratios		
Senior Debt Service Coverage (Minimum = 1.35)	1.51	1.50
Total Debt Service Coverage (Minimum = 1.10)	1.49	1.48
Total Debt - Par Outstanding/Principal Remaining	\$ 1,046,405,000	\$ 1,010,880,000
Net Debt to Total Assets	79.42%	74.25%

(1) For 2024, includes \$6,510,687 of debt service paid from funds released as part of the 2023 Tender.

QUESTIONS

?