

# FY 25 WATER RESOURCES BUDGET



**Megan Moir**, Division Director of Water Resources



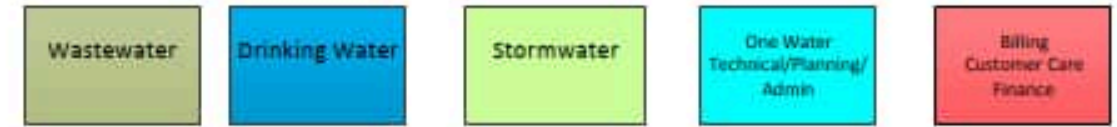
# WATER RESOURCES CURRENT TEAM

Drinking Water + Wastewater + Stormwater = Water Resources (One Water ❤️)

Department of Public Works  
Water Resources Division  
City of Burlington  
CURRENT MAY 2024

Megan Moir  
Division Director  
Water Resources  
Mkt Factor

Function Key



Steve Roy  
Risk and Resiliency  
Specialist - Water  
Resources  
Grade 23

Eleanor Walker  
Water Policy and  
Program Advisor  
Grade 21

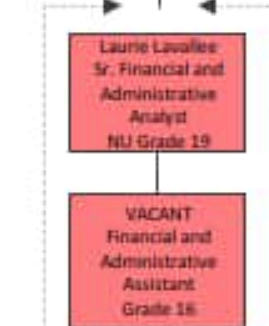
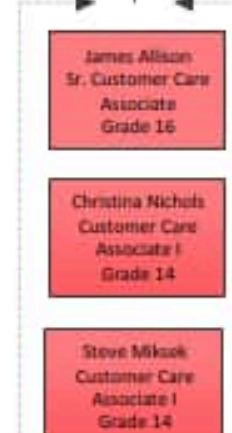
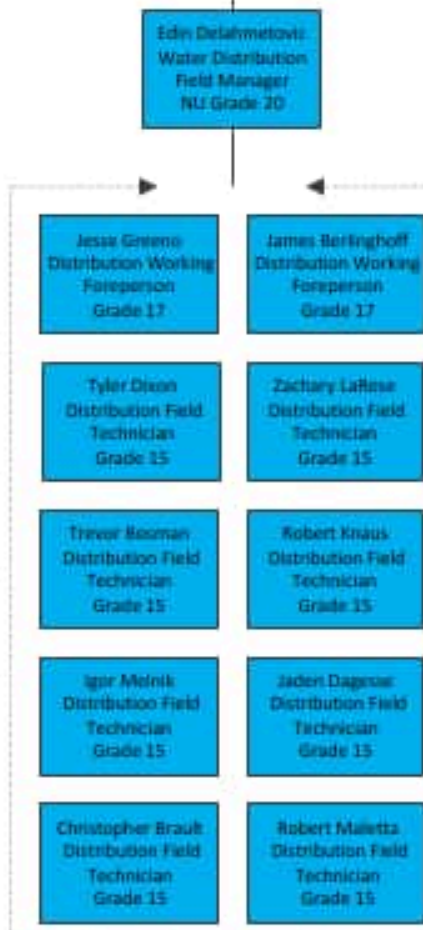
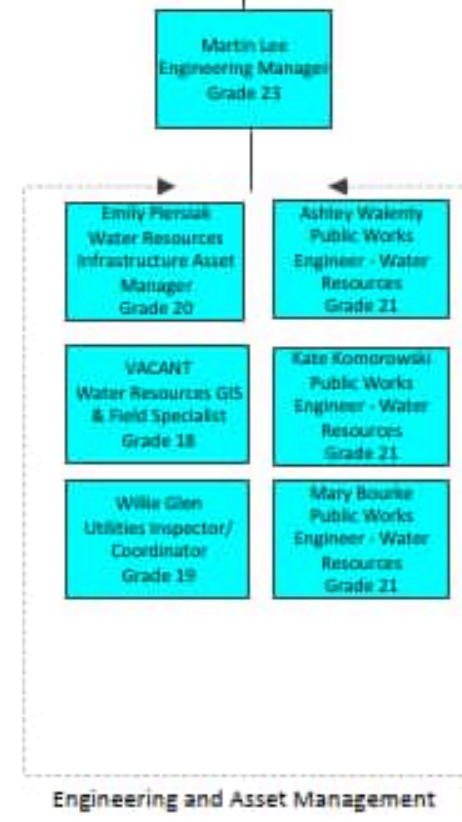
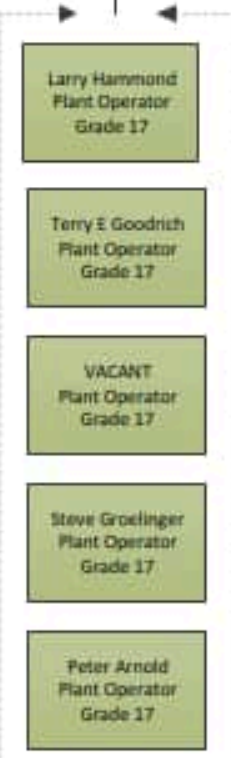
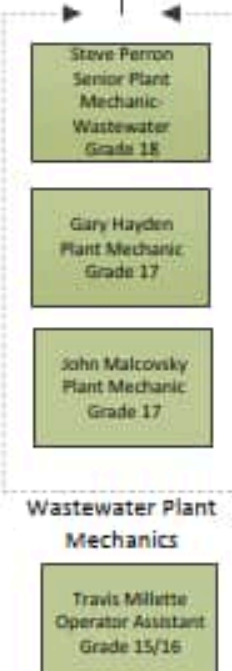
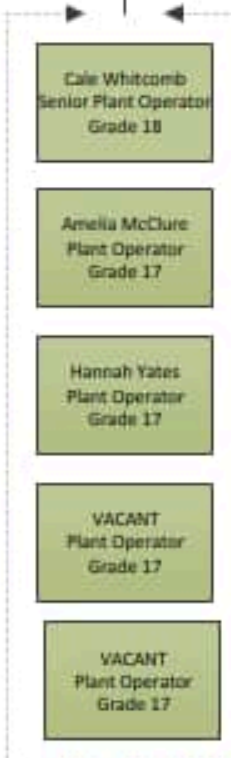
Matt Dow  
Wastewater Facilities  
Manager  
Grade 22

Nathan Lavelle  
Chief Operator  
Wastewater (North,  
East and Pump)  
Grade 20

Steve Austin  
Drinking Water  
Facilities Manager  
Grade 22

Rocky Vogler  
Director of  
Engineering and  
Operations  
Grade 25

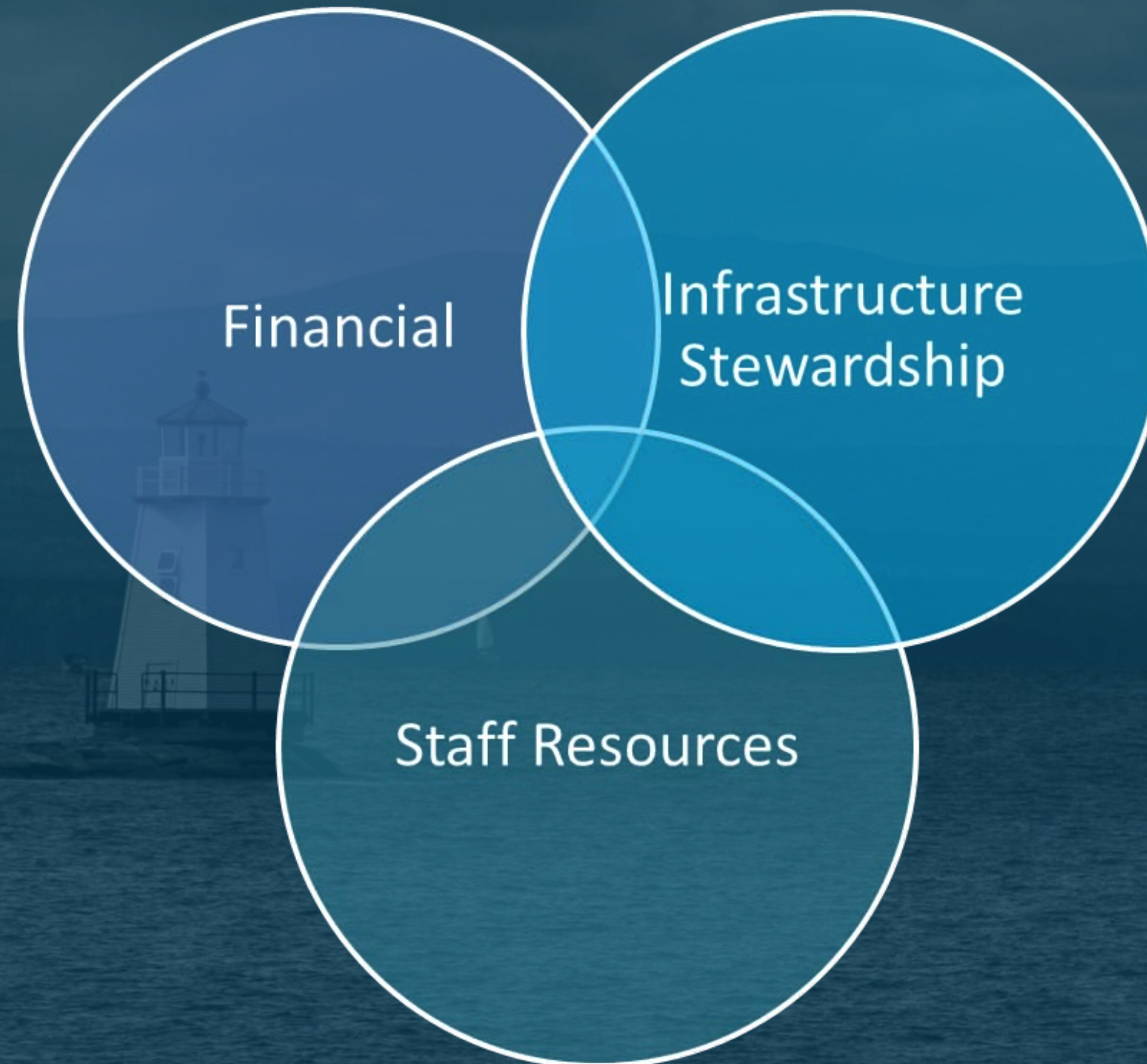
Jessica Lavalette  
Director of Finance  
and Administration  
Grade 24





# RESILIENCY PRINCIPLES

- Fully recover the costs of providing 365-24-7 service
- Rate payer affordability
- Maintain healthy days of operating cash on hand (> 120 days)
- Meet Debt Coverage Ratios
- Use "excess" fund balance/reserve for reasonable one time expenses

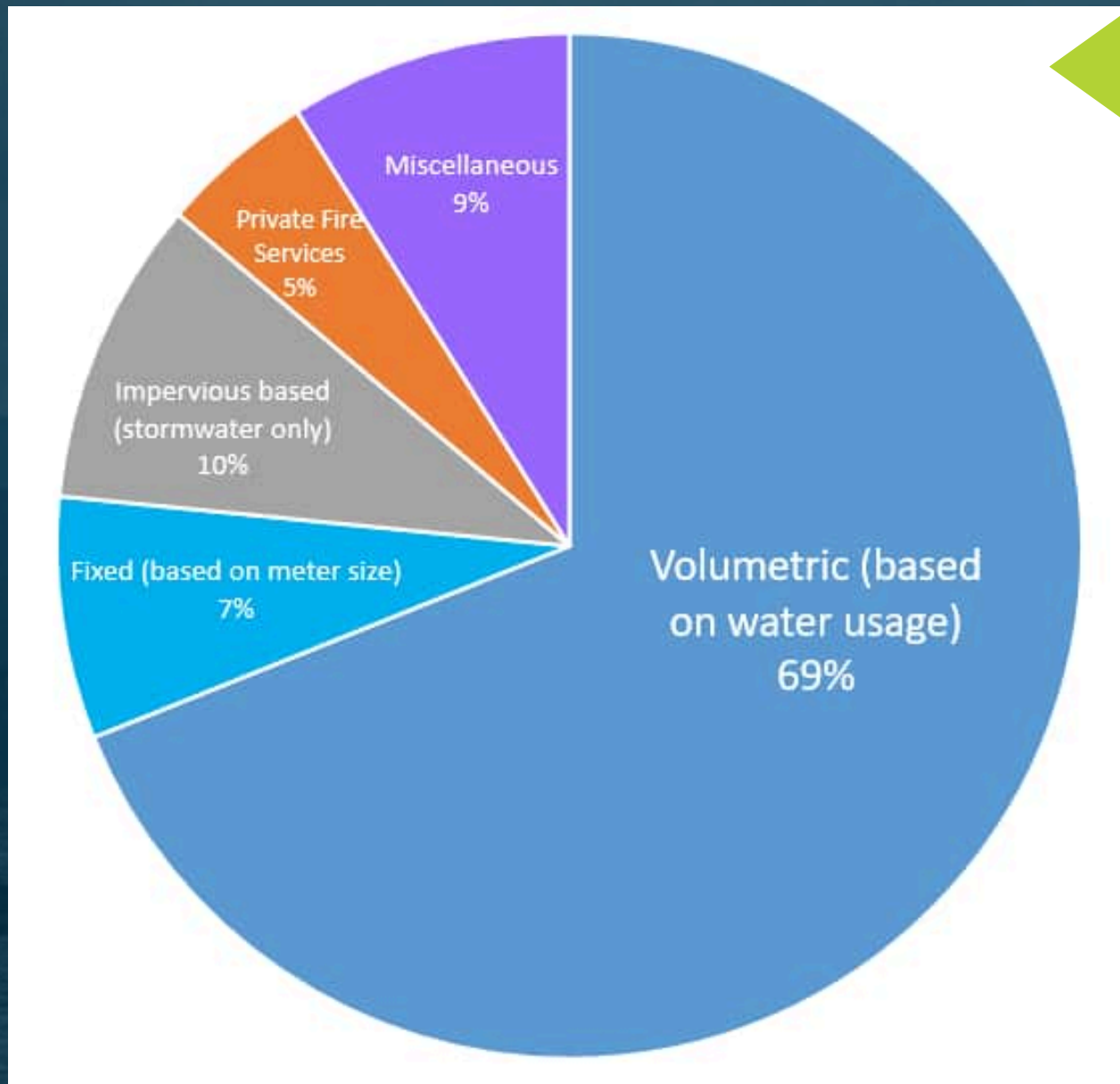


- Operation and Maintenance (preventative vs. reactive)
- Capital Renewal and Replacement
  - draw down remainder of 2018 WW/SW bond
  - planning for Nov 2024 W, WW and SW bond
- New Infrastructure to meet new regulations
- Prepare for housing driven growth

- Continue to improve organizational resiliency through variety of staffing changes

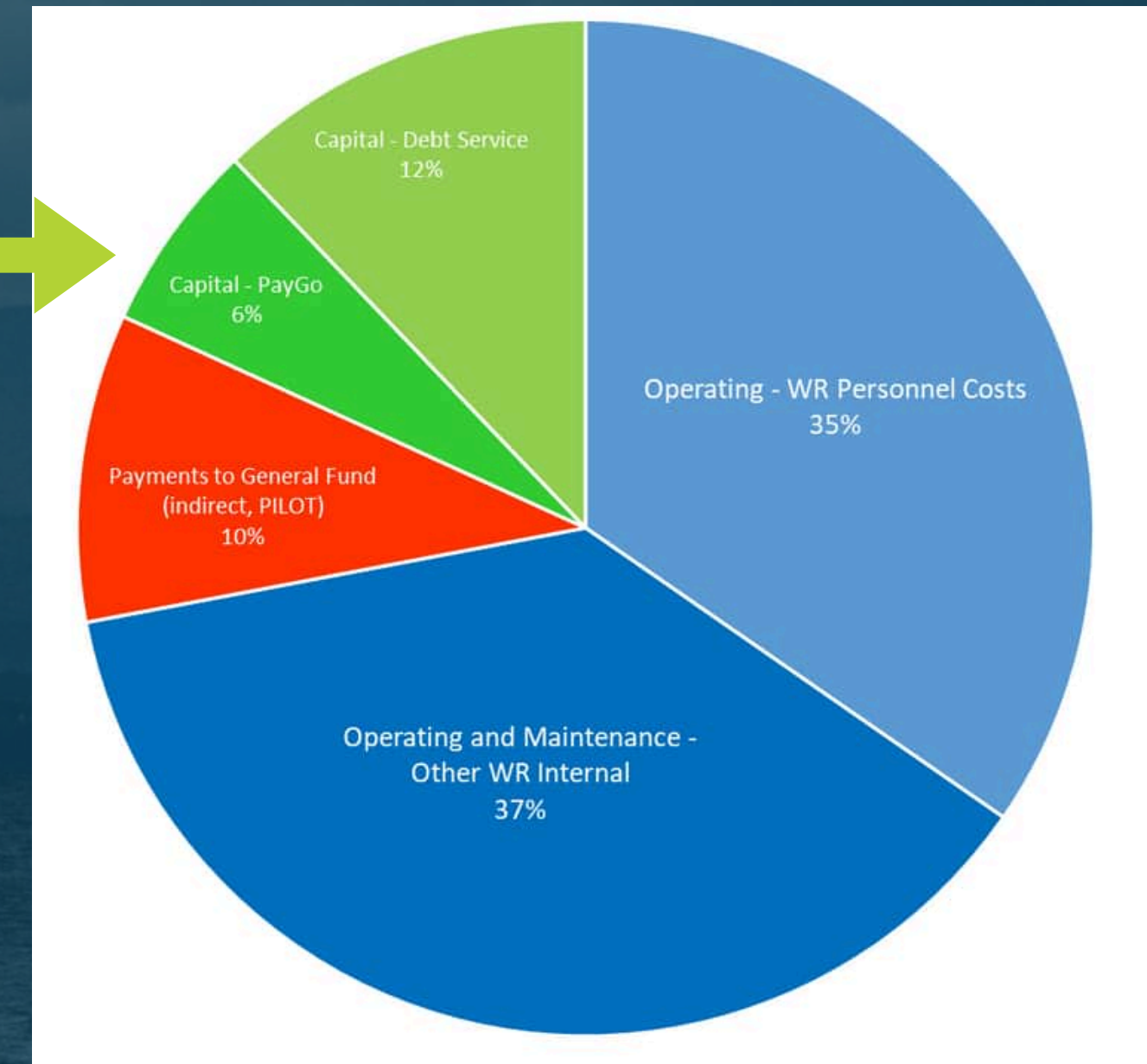


# WATER RESOURCES REVENUE/EXPENSE PORTFOLIO



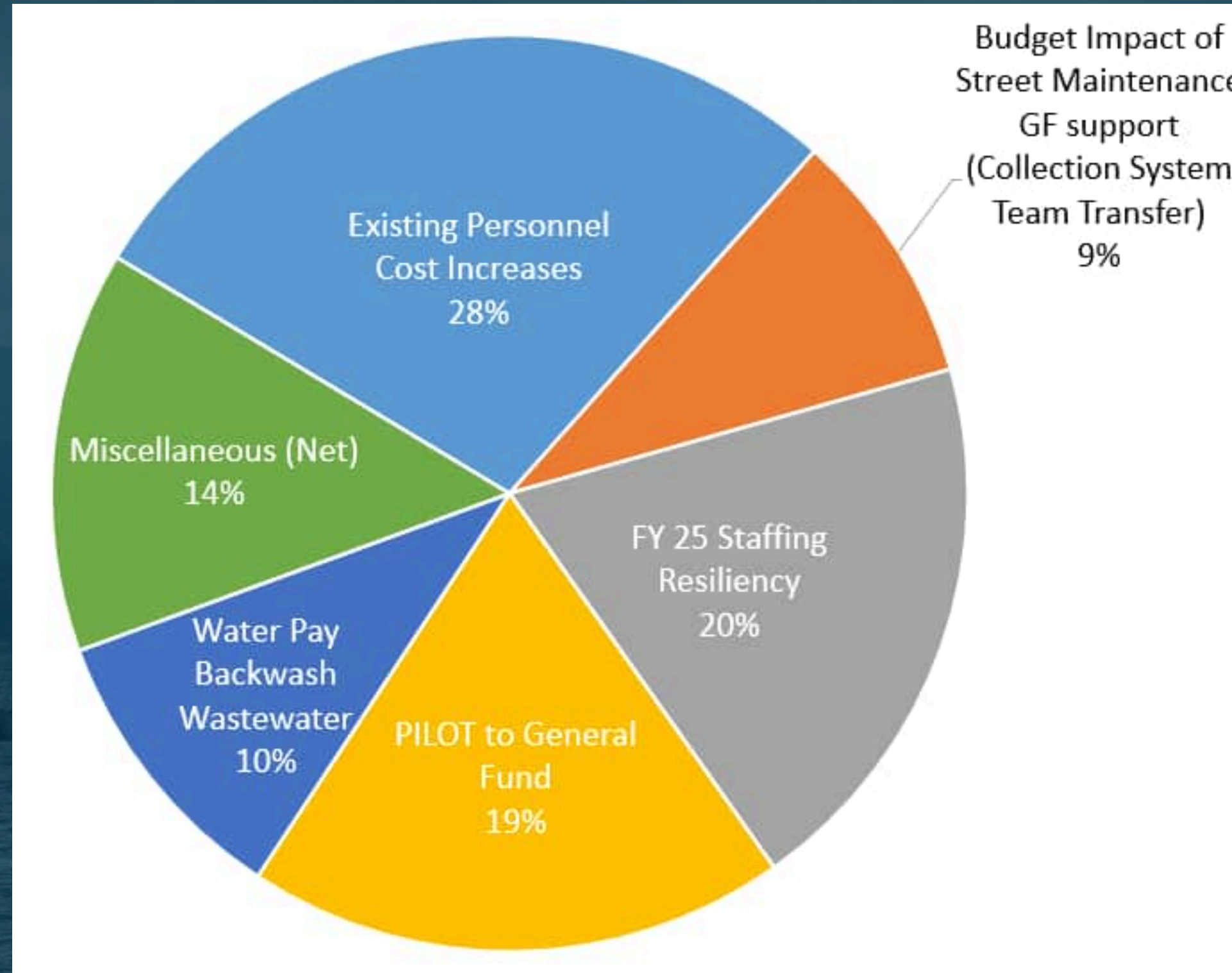
<b>Revenue</b>	<b>\$23,242,459</b>
<b>Expense</b>	<b>23,924,711</b>
<b>Use of Fund Balance</b>	<b>(\$682,252)</b>

<b>Fund</b>	<b>Projected Days of Cash at end FY25</b>
<b>Water (460)</b>	<b>172</b>
<b>Wastewater (480)</b>	<b>151</b>
<b>Stormwater (245)</b>	<b>166</b>





# FY25 EXPENSE DRIVERS



**\$2.38 M (11%) increase over FY24 in overall expenses across the 3 funds**



# FY25 STAFFING PROPOSAL: STRATEGIC GOALS

- Incentivize staffing excellence
- Compensation commensurate with responsibility
- Improve succession planning
- Pursue operational efficiencies through staffing structure
- Increase division level leadership bandwidth



# FY25 STAFFING PROPOSAL: SUMMARY

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- Transfer 3 Street Maintenance Worker FTEs to Water Resources to form dedicated Collection System Team
- Recognize additional employee responsibilities and pursuit of excellence through career laddering and tiering (Reorganization and reclassification in Wastewater to start)
- 24-7 operations (and aged infrastructure) requires more than one layer of operations management to be resilient (Water Treatment, Wastewater Treatment, Customer Care/Billing)
- Address specialized water resources billing function needs (meter to cash cycle) through reorganization of customer care and administration/finance personnel



# FY25 STAFFING PROPOSAL: SPECIFICS

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- **Transfer 3 Street Maintenance Worker FTEs to Water Resources to form dedicated Collection System Team**
  - Stormwater and Wastewater own the equipment but currently Streets operates the equipment and bills WR for time (extra admin for billing and scheduling coordination)
  - Need to align responsibility with regulatory framework
    - The sewer systems are regulated as part of the City's wastewater and stormwater permits - preventative maintenance is mandatory to avoid overflows and remain compliance with requirements
  - Transferring this function to Water Resources allows City to invest in higher level of focus on this activity and enhanced training of the staff performing this work
  - Transfer of personnel expenses + increase in billable construction work = saves general fund ~\$182K



# FY25 STAFFING PROPOSAL: SPECIFICS

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- **Reclassifications in Wastewater: Recognize additional employee responsibilities and pursuit of excellence through career laddering and tiering**
  - Wastewater Operators at Main Plant requested a reclassification review per the CBA
    - Determined that operators at Main Plant require additional job proficiencies and it is beneficial to the organization for operators to obtain higher grade license
  - In collaboration with AFSCME, decided on advancing position tiers (i.e. Operator I/II) to reward additional proficiencies, licensure and responsibilities
  - Tiering will be evaluated for other positions in Water Resources as appropriate to incentivize excellence
  - Strong business case for tiering and laddering (retention, increased skills = better permit compliance)



# FY25 STAFFING PROPOSAL: SPECIFICS

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- **24-7 operations (and aged infrastructure) requires more than one layer of operations management to be resilient**
  - Water, Wastewater and Customer Care/Billing team managers need day to day supervisors (“chief”) who can put out daily fires so that upper level manager can focus on continuous improvements. (See Burlington Electric Dept organizational structure)
  - The Water Resources Division Director needs to have a leadership team with increased bandwidth, otherwise running the Division will continue to be an unsustainable role.
  - In Wastewater, where there are 3 plants , 25 pump stations and over 100 miles of sewer pipes, the Supervisor cannot be everywhere and needs “working leaders” (Senior Operators) to direct other staff and ensure safety, regulatory compliance and productivity
  - This model also supports retention and provides for pro-active succession planning.



# FY25 STAFFING PROPOSAL: SPECIFICS

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- **Address specialized water resources billing function needs through reorganization of customer care and administration/finance personnel**
  - The meter to cash function is a critical function of water/wastewater billing requiring additional training and proficiencies above and beyond the traditional customer service function
    - Burlington Electric example - splits the customer care and meter to cash functions into two workgroups
  - Repurpose the Accounting Administrative Assistant position (recently vacant) and add one FTE to create 2 meter to cash analysts.
  - Elevate the Senior Customer Care Associate to Supervisor of Billing and Customer Care to allow for Director of Finance and Administration to better support Division Director as part of leadership team (similar to W/WW Chief concept)



# FY25 STAFFING PROPOSAL: ACTIONS IMPACTING BUDGET

Personnel Change	Incentivize Staffing Excellence	Pay = Responsibility	Succession Planning	Operational Efficiencies	Increase Division Level Leadership Bandwidth	# Reclasses/ Transfers	# New Positions
Reclass Key Wastewater Operator Staff	✓	✓				5	
Reclass 2 WW Staff to Senior Operator		✓	✓		✓	2	
Create Collections Team	✓		✓	✓		3	
Reorganize W and WW operation workgroups to align with functions and to enhance management capacity		✓	✓	✓	✓	3	2



# FY25 STAFFING PROPOSAL: ACTIONS IMPACTING BUDGET

Personnel Change	Incentivize Staffing Excellence	Pay = Responsibility	Succession Planning	Operational Efficiencies	Increase Division Level Leadership Bandwidth	# Reclasses/ Transfers	# New Positions
Reorganize Customer Care to enhance management capacity and create "meter to cash" sub group		✓	✓	✓	✓	2	1
Update Division Director Compensation to reflect Market		✓				1	



# RATE INCREASE MITIGATION

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- **Expense:**

- Line by line projection of FY24 final expenses; cover certain expenses with known carry forward (unexpended budget lines) and cash reserves
  - one-time capital (elevator rehab, office improvements, cost share on Cambrian Rise public - private - partnership for stormwater reduction project)
  - salary transitions (1 FTE will be readsorbed in FY26)
  - chemical carry forward
  - “one-time” consultant assistance (stormwater regulatory framework for densification)
  - PILOT payments (apply remaining “credit” savings from FY22 overpayment)
- Adjust lines based on trends

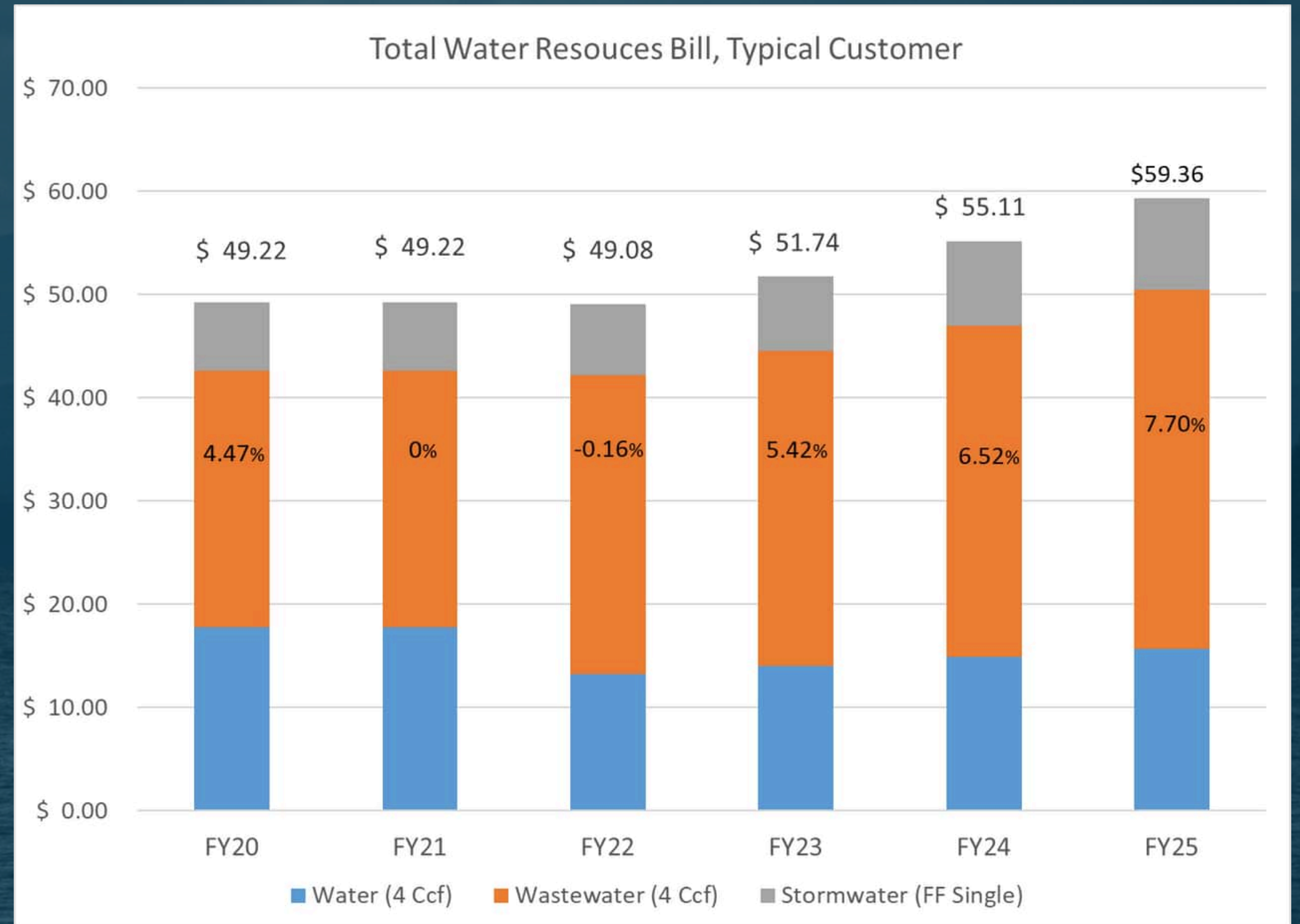
- **Revenue**

- Continued phasing in of the private fire protection fee (year 4 of 5 year phase in)
- Cost of service adjustment (increase) to sludge processing fee
- Usage reviewed - no major changes for now (future growth possible?)
- Water to start paying Wastewater fund for wastewater treatment (filter backwash water + sludge)



# PROPOSED TYPICAL BILL IMPACTS

- Proposed typical bill increase  
7.70%
- Typical Monthly Customer Bill  
\$59.36/month
- WRAP Discount Customer Bill  
\$49.74/month



Plus 3.5% Franchise Fee on Water and Wastewater portion



# PROPOSED FY25 RATE TABLE

Rate Change Comparison (FY 25 rates effective 7/1/24; See on August 2024 bill)							
METER SIZE	METER BASE CHARGE WATER		METER BASE CHARGE SEWER		PRIVATE FIRE BASE CHARGE (year 4, 5 year phase in)		
	FY 24	FY25	FY 24	FY25	PIPE SIZE	FY 24	FY25
5/8"	\$3.74	\$3.93	\$5.25	\$5.69			
3/4"	\$5.61	\$5.90	\$7.87	\$8.53			
1"	\$9.34	\$9.81	\$13.12	\$14.22			
1.5"	\$18.65	\$19.59	\$26.24	\$28.44	1.5"	\$27.90	\$37.11
2"	\$29.84	\$31.34	\$41.98	\$45.49	2"	\$27.90	\$37.11
3"	\$55.95	\$58.75	\$78.71	\$85.29	3"	\$27.90	\$37.11
4"	\$93.23	\$97.90	\$131.18	\$142.14	4"	\$27.90	\$37.11
6"	\$186.46	\$195.79	\$262.35	\$284.26	6"	\$81.00	\$107.73
8"	\$298.31	\$313.23	\$419.74	\$454.79	8"	\$172.62	\$229.59
10"	\$428.84	\$450.28	\$660.84	\$812.84	10"	\$310.44	\$412.89
					Hydrant	\$81.00	\$107.73
METER CLASSIFICATION	VOLUMETRIC RATES WATER		VOLUMETRIC RATES SEWER		STORMWATER		
	FY 24	FY25	FY 24	FY25	Type	FY 24	FY25
<b>Single Unit Residential (RES, R2-S, R3-S, RC-S, RA-S)</b>					Flat Fee		
Tier 1 (0 - 400 CF)	\$2.79	\$2.93	\$6.71	\$7.28	Single Family	\$8.12	\$8.90
Tier 2 (401 CF and higher)	\$6.96	\$7.31	\$6.71	\$7.28			
<b>Duplex (R2)</b>							
Tier 1 (0 - 600 CF)	\$2.79	\$2.93	\$6.71	\$7.28	Duplex	\$8.07	\$8.84
Tier 2 (601 CF and higher)	\$6.96	\$7.31	\$6.71	\$7.28			
<b>Triplex (R3)</b>							
Tier 1 (0 - 900 CF)	\$2.79	\$2.93	\$6.71	\$7.28	Triplex	\$9.30	\$10.19
Tier 2 (901 CF and higher)	\$6.96	\$7.31	\$6.71	\$7.28			
<b>Multi-Family Residential (MRU)</b>	\$4.77	\$5.01	\$6.71	\$7.28	Directly Assessed (Per ISU)		
<b>Mixed Residential &amp; Commercial (MIX)</b>	\$4.77	\$5.01	\$6.71	\$7.28	All Other	\$3.04	\$3.33
<b>Commercial (COM)</b>	\$4.77	\$5.01	\$6.71	\$7.28			
<b>City (CITY)</b>	\$4.77	\$5.01	\$6.71	\$7.28			
<b>Irrigation (IRR)</b>	\$8.34	\$8.76	N/A	N/A			
<b>Process Water for Heating or Cooling (PW)</b>	\$5.39	\$5.66	N/A	N/A			



# SIGNIFICANT CAPITAL INVESTMENT IS PROPOSED FOR FY25 AND BEYOND

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- Wastewater Comprehensive Upgrade★
- Wastewater Tertiary Phosphorus Removal
- Combined Sewer Overflow Reduction
- Collection System Relining/Replacement
- Stormwater Outfall Repair★
- Stormwater Retrofits
- Drinking Water Reservoir Pump Station
- Drinking Water Plant Upgrades
- Drinking Water Main Relining/Replacement

★ FY25 Planned Construction



**Due to scarcity of infrastructure grant funding (yes, even with BIL), these projects will put pressure on future water resources user rates.**



# RATEPAYER AFFORDABILITY

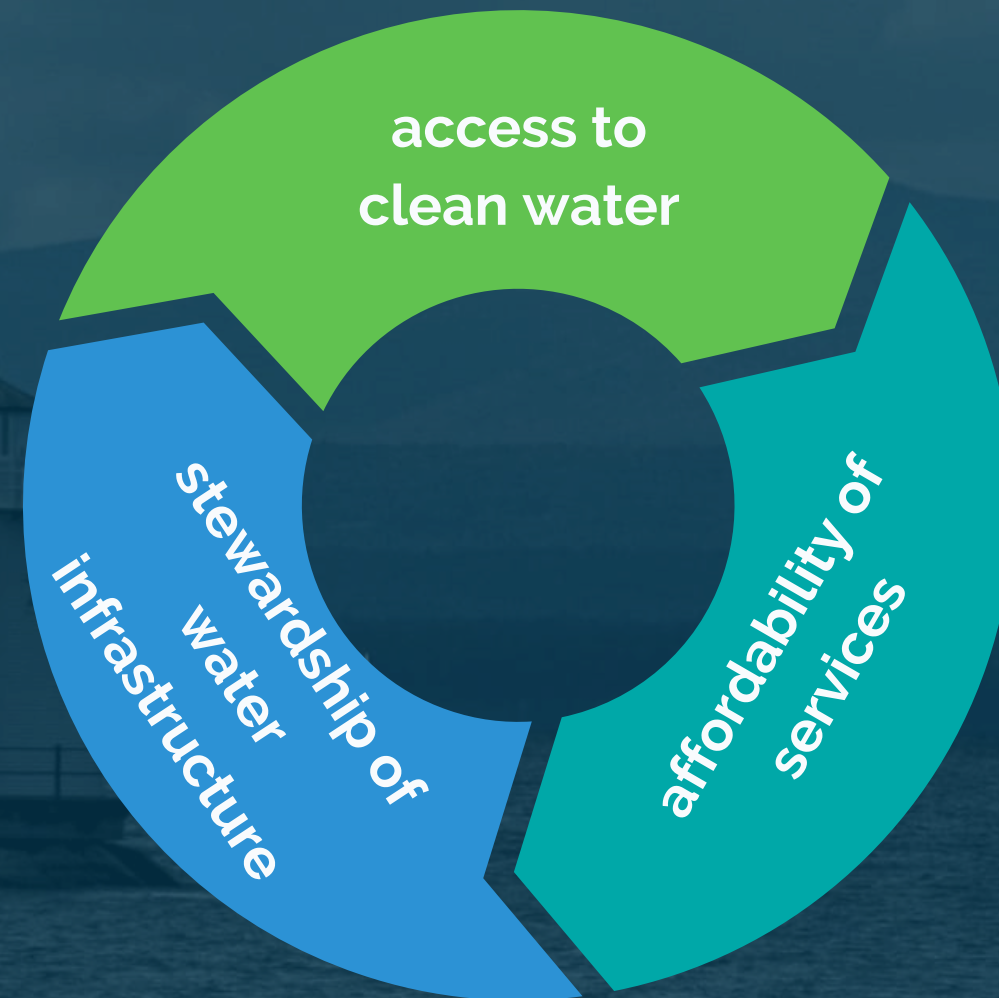


- **Fixed Fee Waiver**

- Low-income
- 65+
- Non-Profit Housing Organization

- **Rebates**

- Sewer lateral inspections
- WaterSense fixtures



## RATE STRUCTURE ADJUSTMENTS

- **Lifeline** rate tier
- **User class**-based rates

Continuing to look at affordability enhancements as part of November 2024 Bond Proposal Planning



# QUESTIONS?

