



Fiscal Year 2024 Proposed Budget Assumptions

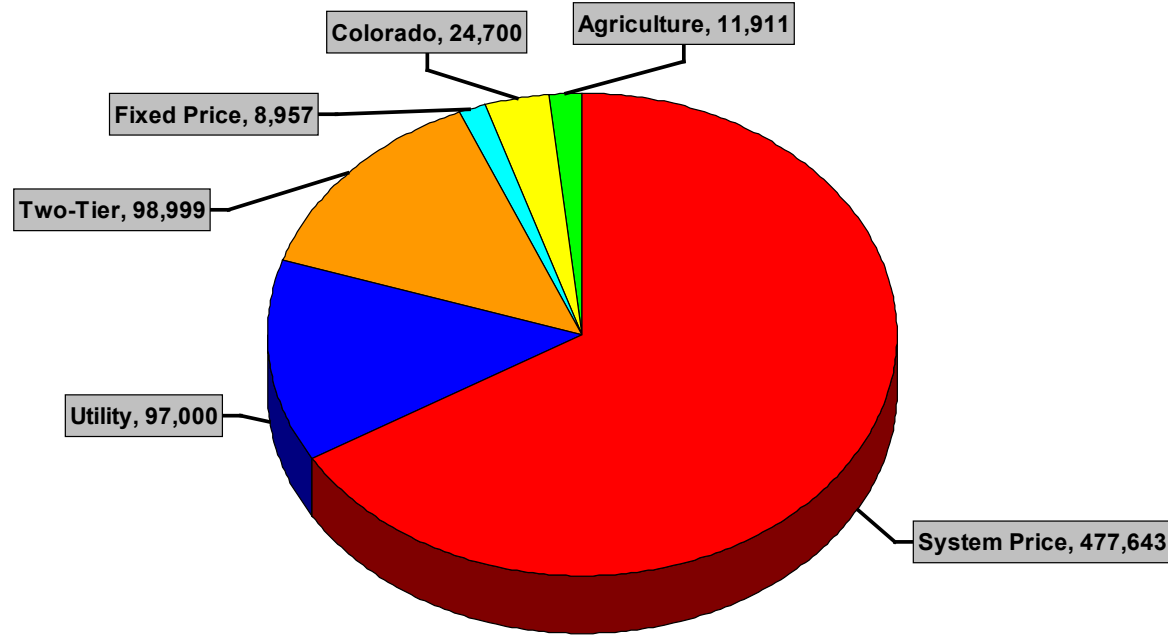
**Presented by
David Thompson
Chief Financial Officer**

BRA Business Model

Elements of Ratemaking		FY 23 Budget (in 000's)	FY 24 Budget (in 000's)
Water Supply Expenses			
Water Supply O&M Expenditures		\$ 52,442	\$ 55,317
Water Supply Debt Service (subject to coverage)		2,537	4,468
Water Supply Debt Service (not subject to coverage)		1,587	1,574
Operating Project Expenditures		4,068	5,442
Total Water Supply Expenses		\$ 60,634	\$ 66,801
Non-System Water Rate Revenues			
Non-System Water Revenues		(7,607)	(7,813)
Other Water Supply Revenues		(13,443)	(17,384)
Total Non-System Water Rate Revenues		\$ (21,050)	\$ (25,197)
Debt Coverage Requirement (1.3 ratio)		\$ 761	\$ 1,341
Gross Financial Requirement		\$ 40,345	\$ 42,945
Total System Water Billing Units (acre feet)		477,494	477,643
Calculated System Rate (Gross Financial Requirement/Number of System Rate Units)		\$ 84.50	\$ 90.00
Rate Stabilization Reserve Contribution		\$ 1,650	\$ 1,700
Net Financial Requirement (Gross Financial Requirement less Rate Stabilization Fund Contribution)		\$ 41,995	\$ 44,645
Effective System Rate (Net Financial Requirement/Number of System Rate Units)		\$ 88.00	\$ 93.50



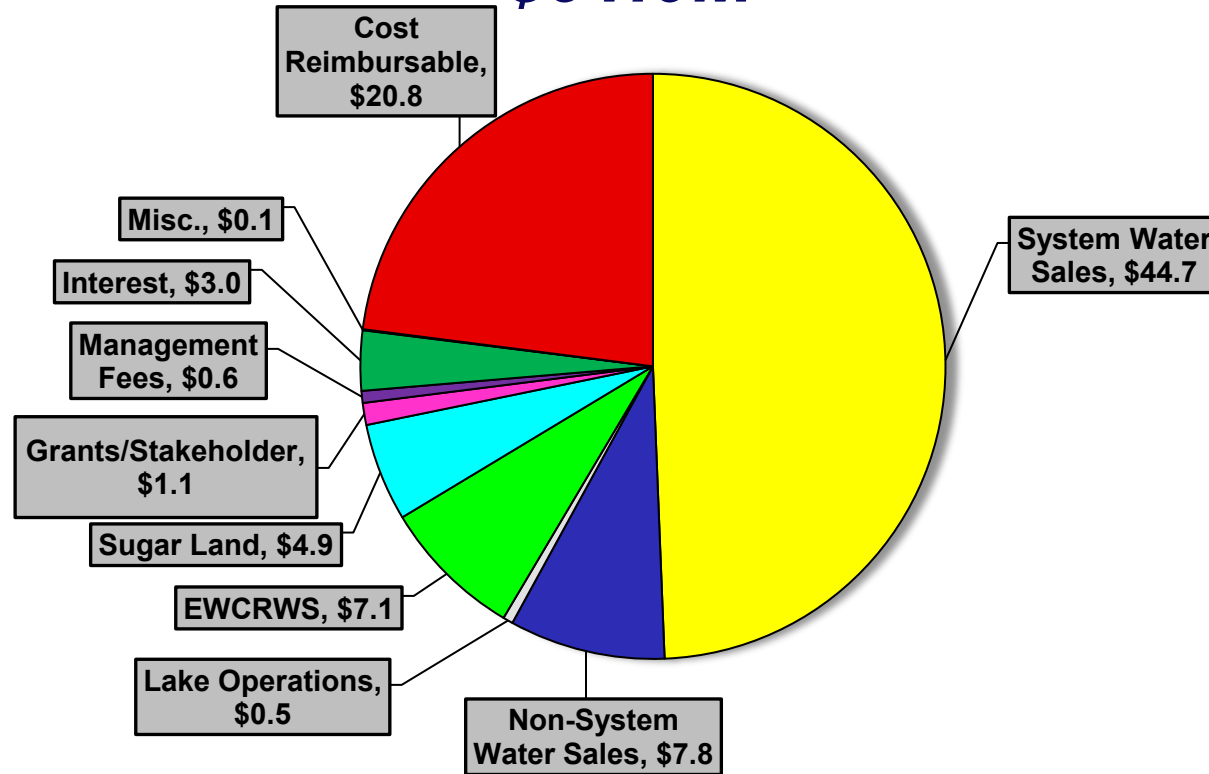
FY2024 Long Term Raw Water Sales 719,210 AF





FY2024 Proposed Revenues

\$91.0M





Long Term Billing Units and Average Price

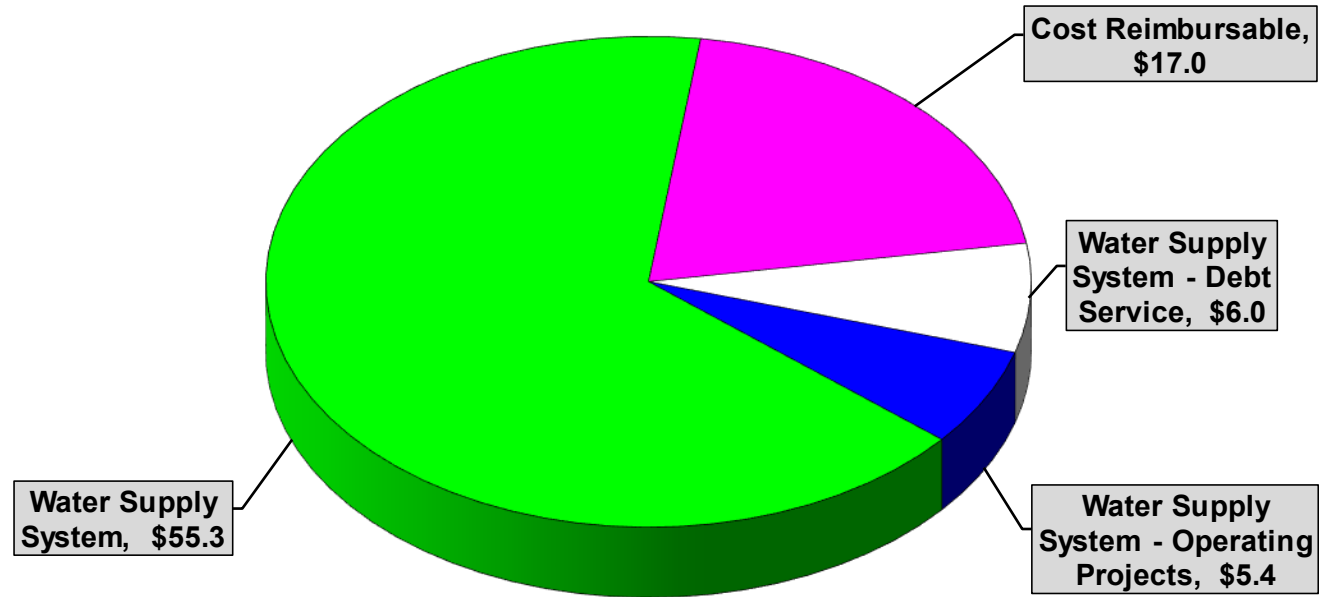
	FY 2023			FY 2024		
	Units	Avg. Price	%	Units	Avg. Price	%
System Rate	477,494	\$88.00	67%	477,643	\$93.50	66%
Agricultural	11,911	\$58.10	2%	11,911	\$65.45	2%
Two-Tier	98,999	\$18.69	14%	98,999	\$19.55	14%
Other Fixed Price	9,231	\$25.78	1%	8,957	\$26.88	1%
Utilities	97,000	\$19.28	14%	97,000	\$21.70	13%
Colorado Basin	23,328	\$84.38	3%	24,700	\$85.07	3%
	717,963		100%	719,210		100%

FY 2024 Expense Assumptions

- Includes an Employment Cost Index increase of 4.7% and a merit pool of 0.3% increase.
- Includes adding ten full-time positions and two part-time positions
- BRA's share of the O&M expenses for the Federal Reservoirs for FY 2024 is \$5.2 million.



FY2024 Proposed Operating Expenses \$83.7M



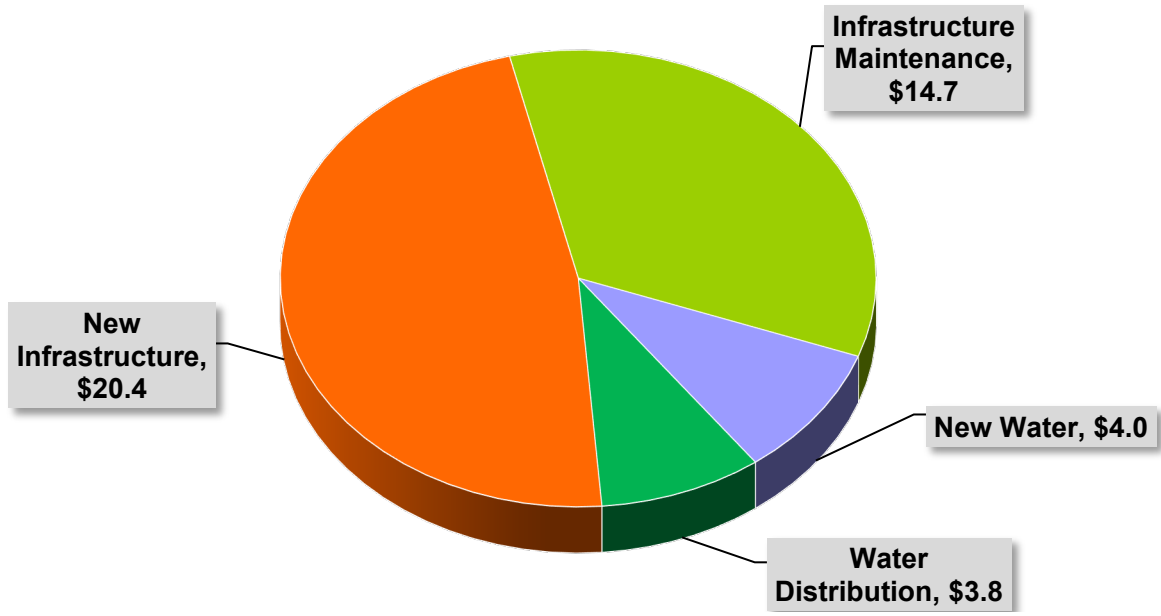


FY 2024 Proposed Operating Projects

Project Name	FY 2024 Budget Amount
BW-ES-Brazos Water Snake Study	\$ 245,000
BW-OS- Security and Vulnerability Assessment Updates	250,000
BW-TS- Risk Based Capital Planning and Management Support	1,095,000
BW-WS-Brazos River Alluvium Study	17,000
BW-WS-Integrated Water Resources Plan	75,000
CB-WH-Lake Whitney Reallocation Study	600,000
CO-FA-Enterprise Financial Software	550,000
CO-IT-Audiovisual Technology Integrations	476,000
LB-LL-Administrative Complex Architectural Assessment, Design & Replacement	29,000
UB-LG-Electric Vulnerability Assessment	250,000
UB-LG-Hearth Stability Analysis	225,000
UB-LG-Lake Granbury Building Repairs	75,000
UB-LG- Tainter Gate Evaluation	250,000
UB-PK-Bay 9 Transition Beam Leak Remediation	294,000
UB-PK-COC Recoating and Repairs	491,000
UB-PK-Operating Pier Trash Rack Replacement	189,000
UB-PK-Recreational Development	331,000
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	\$ 5,442,000



FY2024 Proposed Capital Improvement Projects by Type \$42.9M





FY2024 Proposed Capital Improvement Projects

(in thousands)

<u>Project Name</u>	<u>Total Project Cost</u>	<u>FY2024 Proposed Expenditures</u>	<u>Est. Completion Date</u>
CB-BE-Bel-house Drought Preparedness	\$ 87,342	\$ 7,953	FY 2028
CB-EW-EWC WTP Intake Slope Stabilization	2,670	450	FY 2024
CB-EW-EWCRWS Expansion Phase II	342,954	6,612	FY 2028
CB-WCR-WCRRWL Copper Ion Generator *	3,423	813	FY 2024
CB-WCR-WCRRWL Phase 3 Pumps	35,192	3,012	FY 2026
CO-ES-Environmental Services Building	11,407	4,625	FY 2025
LB-AC-Allens Creek Reservoir	700,524	4,000	FY 2028+
LB-LL-Hydrostatic Relief System Assessment & Replacemen	9,332	650	FY 2027
LB-LL-Low Flow Facility Modifications & Improvements	20,932	513	FY 2028+
LB-LL-Park 5 Access Pier and Park Upgrades	3,221	1,200	FY 2024
LB-LL-Tainter Gate Replacement and Improvements	36,058	8,202	FY 2025
UB-LG-Buttress 1 and 44 Repairs	1,076	302	FY 2025
UB-LG-Low Flow Facilities	6,818	1,000	FY 2024
UB-LG-Stoplog Replacement System	3,440	450	FY 2026
UB-PK-Bay #9 Weir Box	494	200	FY 2025
UB-PK-Flow Control Gate Replacement	3,219	1,013	FY 2026
UB-PK-Spillway Pump and Piping	2,604	1,956	FY 2024
		<u>\$ 42,951</u>	

* Paid by Cost Reimbursable Customers

5-year CIP Plan (in thousands)

Project Name	FY 23 Projected Actual	FY 24 Proposed Expenditures	FY 25 Proposed Expenditures	FY 26 Proposed Expenditures	FY 27 Proposed Expenditures	FY 28 Proposed Expenditures	Total
CB-BE-Bel-house Drought Preparedness	262	7,953	5,280	23,868	23,868	23,868	85,099
CB-EW-EWC WTP Intake Slope Stabilization	1,895	450	-	-	-	-	2,345
CB-EW-EWCRWS Expansion Phase II	1,800	6,612	3,300	36,000	48,000	36,000	131,712
CB-GR-Lake Granger Intake Future Expansion	-	-	-	3,000	-	-	3,000
CB-WCR-WCRRWL Copper Ion Generator	1,846	813	-	-	-	-	2,659
CB-WCR-WCRRWL Phase 3 Pumps	1,865	3,012	14,400	14,400	-	-	33,677
CO-ES-Environmental Services Building	555	4,625	5,425	-	-	-	10,605
LB-AC-Allens Creek Reservoir	500	4,000	14,000	14,000	20,000	20,000	72,500
LB-LL-Hydrostatic Relief System Assessment & Replacement	90	650	990	2,124	2,053	-	5,907
LB-LL-Low Flow Facility Modifications & Improvements	-	513	879	879	879	3,022	6,172
LB-LL-Park 5 Access Pier and Park Upgrades	5	1,200	-	-	-	-	1,205
LB-LL-Road Repairs & Improvements	-	-	-	-	25	1,550	1,575
LB-LL-Tainter Gate Replacement and Improvements	8,790	8,202	286	-	-	-	17,278
LB-LL-Upstream Embankment Construction	-	-	-	-	750	3,000	3,750
UB-LG-Buttress 1 and 44 Repairs	1	302	50	-	-	-	353
UB-LG-Inspection Walkway Lighting	-	-	-	-	314	1,314	1,628
UB-LG-Low Flow Facilities	2,200	1,000	-	-	-	-	3,200
UB-LG-Low Flow Facility Access Walkway	-	-	-	300	300	792	1,392
UB-LG-Rip Rap Repair	-	-	-	-	500	500	1,000
UB-LG-Stoplog Replacement System	16	450	900	750	-	-	2,116
UB-LG-Tainter Gate Recoating	-	-	-	-	900	-	900
UB-LG-Tainter Gate Transmission System Modifications	-	-	-	-	1,000	2,000	3,000
UB-PK-Bay #9 Weir Box	-	200	244	-	-	-	444
UB-PK-COC Ring Jet Valve Replacement	-	-	500	750	1,000	1,250	3,500
UB-PK-Flow Control Gate Replacement	726	1,013	500	500	-	-	2,739
UB-PK-North/South Bank Reconstruction	-	-	-	-	250	500	750
UB-PK-Spillway Pump and Piping	250	1,956	-	-	-	-	2,206
Total	\$ 20,801	\$ 42,951	\$ 46,754	\$ 96,571	\$ 99,839	\$ 93,796	\$ 400,712



FY2024 Budget Summary

All Lines of Business (in millions)

	<u>Water Supply</u>	<u>Cost Reimbursable</u>	<u>Total</u>
<u>Beginning Reserves</u>	\$ 57.2	\$ -	\$ 57.2
Revenues	70.2	20.8	91.0
Expenses - O & M	(55.3)	(14.0)	(69.3)
Expenses - Debt Service	(6.0)	(3.0)	(9.0)
Operating Projects	(5.4)	-	(5.4)
Surplus	3.5	3.8	7.3
Capital Improvement Projects	(39.1)	(3.8)	(42.9)
Debt Funding	46.0	-	46.0
Ending Reserves	\$ 67.6	\$ 0.0	\$ 67.6



FY 2024 Five-Year Financial Forecast

(in millions)

	<u>Projected</u>	<u>Preliminary</u>				
	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
WATER SUPPLY SYSTEM						
Beginning Working Capital	\$ 62.4	\$ 57.2	\$ 67.2	\$ 46.2	\$ 34.8	\$ 32.3
Revenues	66.0	69.9	75.2	79.2	83.5	88.2
Less: O&M Expenses	47.3	55.3	57.8	60.3	63.0	65.8
Debt Service (Not Subject to Coverage)	1.6	1.6	1.4	1.5	1.7	1.7
Operating Projects	2.6	5.4	4.3	3.2	2.5	2.9
Total before debt service subject to coverage	51.5	62.3	63.5	65.0	67.2	70.4
Amount Available for Coverage	14.5	7.6	11.7	14.2	16.3	17.8
Debt Service (Subject to Coverage)	2.5	4.5	4.5	6.5	10.1	13.8
Net Surplus	12.0	3.1	7.2	7.7	6.2	4.0
Capital Projects	(17.1)	(39.1)	(32.4)	(82.2)	(99.8)	(93.8)
Bond Proceeds	-	46.0	4.2	63.1	91.1	88.1
Rate Stabilization Reserves Utilized	-	-	-	-	-	-
Ending Working Capital	\$ 57.2	\$ 67.2	\$ 46.2	\$ 34.8	\$ 32.3	\$ 30.6

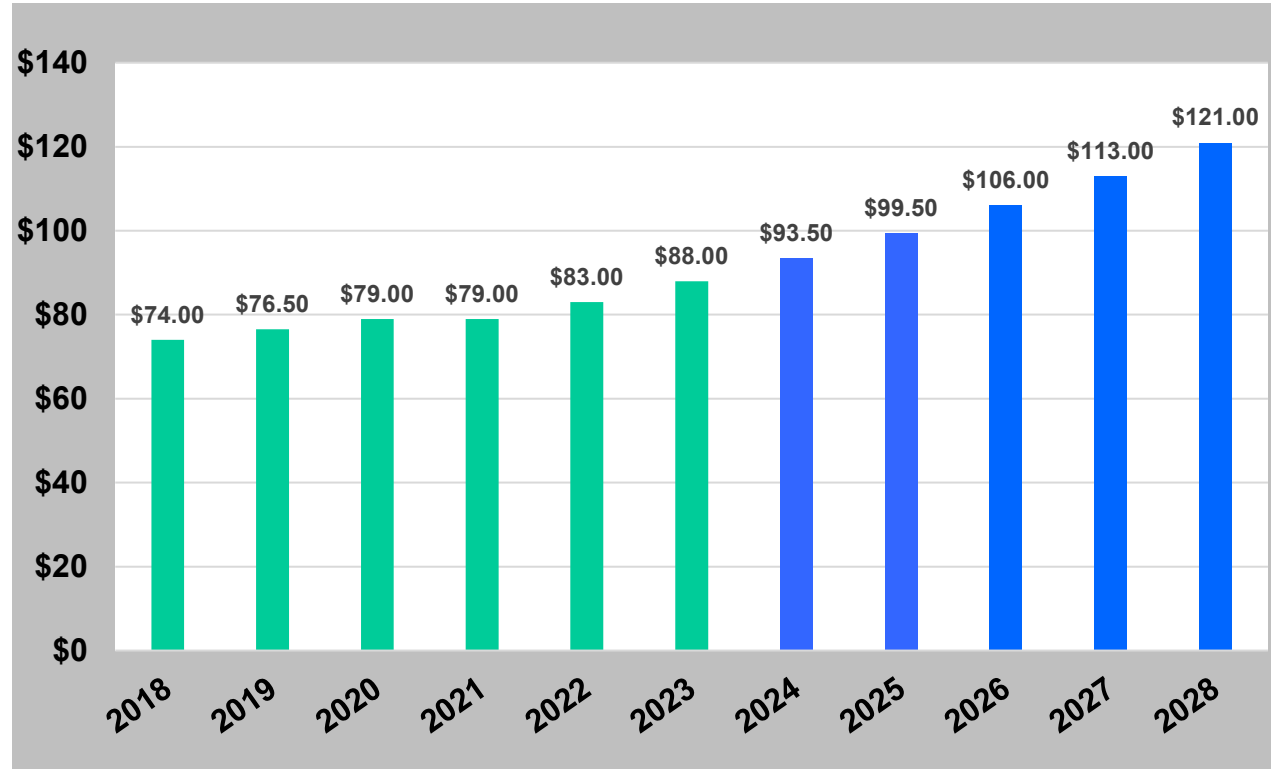


FY 2024 Five-Year Financial Forecast

	<u>Projected</u>			<u>Preliminary</u>		
	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
<u>System Rate</u>						
System Rate Projection	\$ 88.00	\$ 93.50	\$ 99.50	\$ 106.00	\$ 113.00	\$ 121.00
Percentage Increase	5.0%	6.3%	6.4%	6.5%	6.6%	7.1%
System Rate Units (AF)	477,494	477,643	491,268	491,268	492,639	492,913
<u>Debt Service Coverage Test (in millions)</u>						
Debt Service Subject to Coverage	\$ 2.5	\$ 4.5	\$ 4.5	\$ 6.5	\$ 10.1	\$ 13.8
Amount Available to Meet Coverage	\$ 12.9	\$ 7.5	\$ 11.7	\$ 14.1	\$ 16.3	\$ 17.8
Projected Coverage Ratio	5.2	1.7	2.6	2.2	1.6	1.3
Target Coverage Ratio	1.3	1.3	1.3	1.3	1.3	1.3
Coverage Test Met	Yes	Yes	Yes	Yes	Yes	Yes
<u>Reserve Test (in millions)</u>						
90 Day Working Capital Reserve	\$ 11.7	\$ 13.6	\$ 14.2	\$ 14.9	\$ 15.5	\$ 16.2
Contingency Reserve	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.5
Self Insurance Reserve	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Total Required Reserves	\$ 17.7	\$ 19.6	\$ 20.2	\$ 20.9	\$ 21.5	\$ 22.2
Ending Working Capital	\$ 57.2	\$ 67.2	\$ 46.2	\$ 34.8	\$ 32.3	\$ 30.6
Reserve Test Met	Yes	Yes	Yes	Yes	Yes	Yes



System Rate History/Forecast



Budget Process – Outstanding Items

- **Changes may arise from budget meetings with cost reimbursable customers, all should be final by June 16**
- **Additional information may become available regarding the costs of Operating and Capital Projects**
- **Conduct water customer meetings in June presenting the new FY 2024 rate**
- **All items will be finalized with the most up to date information by the July Board meeting**



Brazos River Authority

Questions?



**Brazos
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