



FY 2022 Proposed Budget Assumptions

***Presented by
David Thompson***



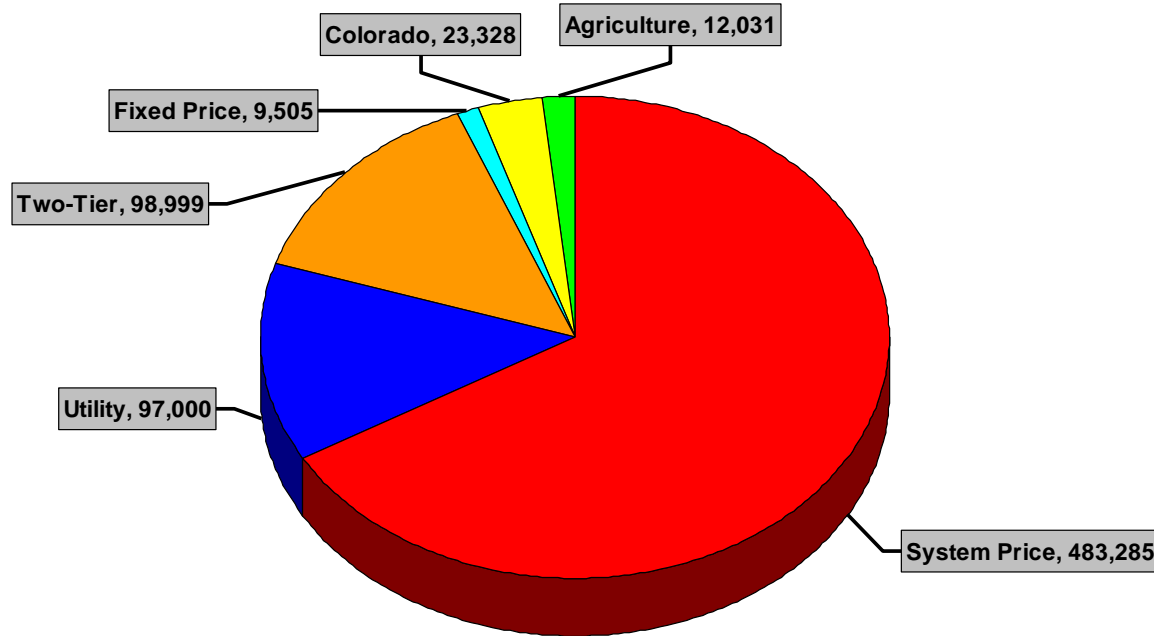
Proposed BRA Business Model

Elements of Ratemaking

	FY 20 Budget (in 000's)	FY 21 Budget (in 000's)	FY 22 Budget (in 000's)
Water Supply Expenses			
Water Supply O&M Expenditures	\$ 42,729	\$ 44,240	\$ 47,729
Water Supply Debt Service (subject to coverage)	2,535	2,536	2,538
Water Supply Debt Service (not subject to coverage)	3,770	2,229	3,624
Operating Project Expenditures	7,243	4,968	5,835
Total Water Supply Expenses	\$ 56,277	\$ 53,973	\$ 59,726
Non-System Water Rate Revenues			
Non-System Water Revenues	(7,167)	(7,223)	(6,976)
Other Water Supply Revenues	(11,618)	(10,438)	(11,509)
Total Non-System Water Rate Revenues	\$ (18,784)	\$ (17,661)	\$ (18,485)
Debt Coverage Requirement (1.3 ratio)	\$ 760	\$ 761	\$ 761
Gross Financial Requirement	\$ 38,253	\$ 37,073	\$ 42,002
Total System Water Billing Units (acre feet)	467,974	469,300	483,285
Calculated System Rate (Gross Financial Requirement/Number of System Rate Units)	\$ 81.80	\$ 79.00	\$ 87.00
Rate Stabilization Reserve Contribution	\$ (1,300)	\$ -	\$ (1,900)
Net Financial Requirement (Gross Financial Requirement less Rate Stabilization Fund Contribution)	\$ 36,953	\$ 37,073	\$ 40,102
Effective System Rate (Net Financial Requirement/Number of System Rate Units)	\$ 79.00	\$ 79.00	\$ 83.00



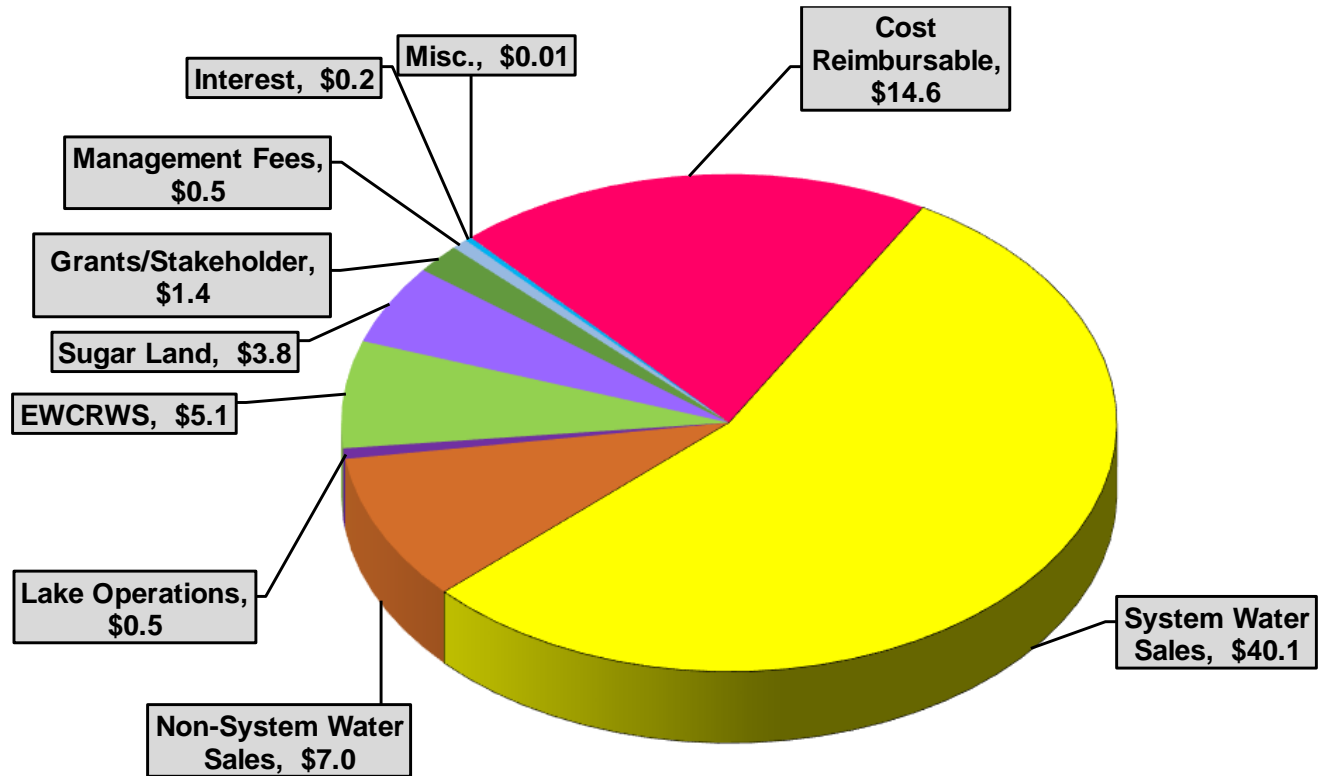
FY2022 Long Term Raw Water Sales 724,148 AF





FY2022 Proposed Revenues

\$73.2M





Proposed Long Term Billing Units and Average Price

	FY 2021			FY 2022		
	Units	Avg. Price	%	Units	Avg. Price	%
System Rate	469,300	\$79.00	65%	483,285	\$83.00	67%
Agricultural	12,106	\$55.30	2%	12,031	\$58.10	2%
Two-Tier	98,999	\$17.98	14%	98,999	\$18.15	14%
Other Fixed Price	23,530	\$19.42	3%	9,505	\$24.89	1%
Utilities	97,000	\$19.42	13%	97,000	\$19.28	13%
Colorado Basin	23,328	\$81.19	3%	23,328	\$78.93	3%
	724,263		100%	724,148		100%

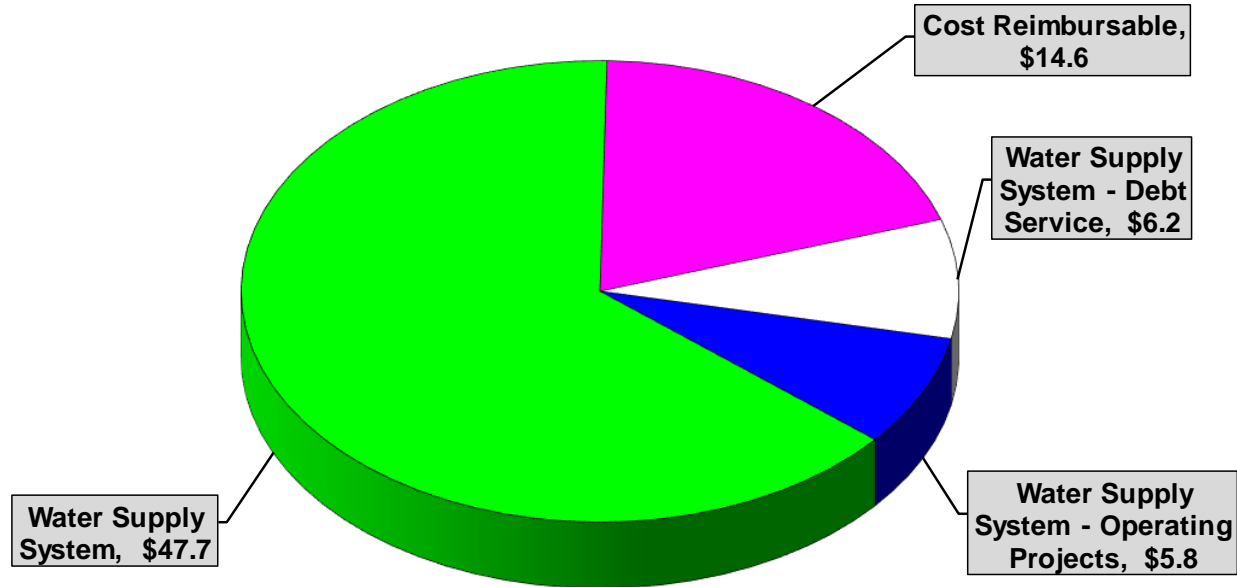


FY 2022 Expense Assumptions

- **Includes an Employment Cost Index increase of 2.5% and a merit pool of 2.5% increase.**
- **BRA's share of the O&M expenses for the Federal Reservoirs for FY 2022 is \$6.3 million or \$13/ACFT**



FY2022 Proposed Operating Expenses \$74.3M



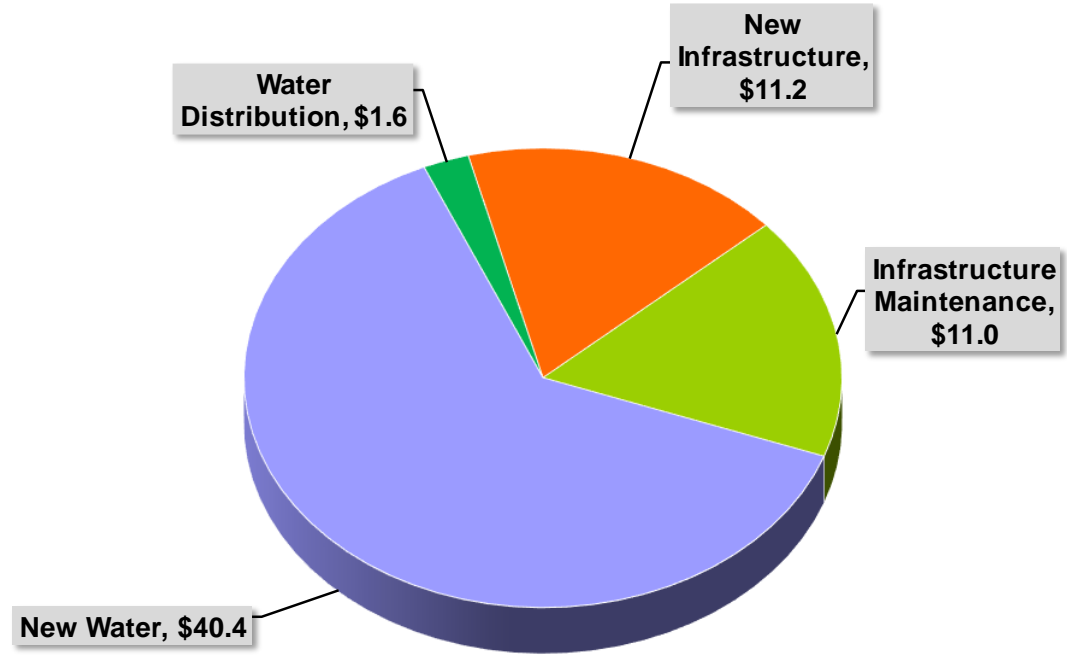


FY 2022 Proposed Operating Projects

Project Name	FY 2022 Budget Amount
UB-PK-CAASLE (Concrete Assessment and Service Life Extension)	\$ 774,000
BW-TS- Risk Based Capital Planning and Management Support	700,000
BW-TS-Property Master Plan	640,000
LB-IT-Lake Limestone Fiber Optic Cable Upgrade	616,000
BW-WS-Integrated Water Resources Plan	500,000
CO-IT-Audiovisual Technology Integrations	500,000
CB-EW-EWC WTP Intake Slope Stabilization	445,000
CO-ES-USFWS Mussel Studies	345,000
BW-OSS-Facility Safety and Systems Support	263,000
UB-LG-Lake Granbury Workspace Needs Assessment	250,000
UB-PK-Recreational Development	222,000
BW-ES-Brazos Water Snake Study	200,000
BW-OSS- Security and Vulnerability Assessment Updates	200,000
CO-FA-Enterprise Financial Software	100,000
BW-WS-Brazos River Alluvium Study	75,000
UB-PK-Powerhouse Infrastructure Stabilization	5,000
Total Proposed FY 2022 Operating Projects	\$ 5,835,000



FY2022 Proposed Capital Improvement Projects by Type \$64.2M





FY2022 Proposed Capital Improvement Projects

(in thousands)

<u>Project Name</u>	<u>Total Project Cost</u>	<u>FY2022 Proposed Expenditures</u>	<u>Est. Completion Date</u>
LB-AC-Allens Creek Reservoir	\$ 442,202	\$ 39,913	2026+
CO-ES-Environmental Services Building	18,552	6,326	2023
LB-LL-Tainter Gate Replacement and Improvements	42,783	4,652	2025
UB-LG-Low Flow Facilities	5,774	1,913	2023
CB-WCR-WCRRWL Phase 3 Pumps *	14,752	1,650	2026+
CB-WCR-WCRRWL Copper Ion Generator *	2,167	1,592	2023
CB-EW-EWCRWS Expansion Phase II	26,571	1,250	2026+
UB-PK-Flow Control Gate Replacement	1,837	945	2024
CB-BE-Belhouse Drought Preparedness	58,308	900	2026+
LB-LL-Hydrostatic Relief System Assessment & Replacement	9,216	755	2026+
LB-LL-Park 5 Access Pier and Park Upgrades	2,420	750	2022
UB-LG-Trolley Replacement	3,041	707	2024
UB-LG-Reinforced Concrete Components	2,951	560	2026
CB-OT-Trinity Groundwater	22,324	500	2026+
UB-PK-Spillway Pump and Piping	1,432	450	2024
UB-PK-Bay #9 Weir Box	890	435	2023
UB-LG-Road Repair	1,406	300	2022
UB-PK-Southside Boathouse	324	300	2023
UB-LG-Two Slip Boathouse Replacement	435	285	2022
Total		\$ 64,183	

* Cost Reimbursable Customers

Meeting Date: May 24, 2021



5-year CIP Plan

Project Name	Total Project Budget	FY 22 Proposed Expenditures	FY 23 Proposed Expenditures	FY 24 Proposed Expenditures	FY 25 Proposed Expenditures	FY 26 Proposed Expenditures
CB-BE-Belhouse Drought Preparedness	58,308	900	1,500	15,500	20,000	14,500
CB-EW-EWCRWS Expansion Phase II	26,571	1,250	1,500	4,575	4,875	3,173
CB-GR-Lake Granger Intake Future Expansion	3,000	-	-	-	3,000	-
CB-OT-Trinity Groundwater	22,324	500	75	3,250	4,900	5,000
CB-WCR-WCRRWL Copper Ion Generator	2,167	1,592	314	-	-	-
CB-WCR-WCRRWL Phase 3 Pumps	14,752	1,650	1,000	5,000	5,000	502
CO-ES-Environmental Services Building	11,421	6,326	4,827	-	-	-
CO-TS-Parking Lot Pavement Assessment & Repair	1,598	-	-	-	1,500	-
LB-AC-Allens Creek Reservoir	442,202	39,913	20,000	14,000	6,000	23,000
LB-LL-Hydrostatic Relief System Assessment & Replacement	9,216	755	575	575	2,500	1,500
LB-LL-Low Flow Facility Modifications & Improvements	15,024	-	1,000	1,500	1,500	-
LB-LL-Park 5 Access Pier and Park Upgrades	2,420	750	-	-	-	-
LB-LL-Road Repairs & Improvements	12,500	-	-	500	6,000	6,000
LB-LL-Tainter Gate Replacement and Improvements	42,783	4,652	10,860	10,860	1,086	-
UB-LG-Inspection Walkway Lighting	1,696	-	-	314	1,314	-
UB-LG-Low Flow Facilities	5,774	1,913	600	-	-	-
UB-LG-Low Flow Facility Access Walkway	1,555	-	-	300	300	792
UB-LG-Reinforced Concrete Components	2,951	560	475	550	550	550
UB-LG-Rip Rap Repair	6,000	-	500	500	2,500	2,500
UB-LG-Road Repair	1,406	300	-	-	-	-
UB-LG-Tainter Gate Transmission System Modifications	29,000	-	1,000	2,000	1,000	-
UB-LG-Trolley Replacement	3,041	707	850	203	-	-
UB-LG-Two Slip Boathouse Replacement	435	285	-	-	-	-
UB-PK-Bay #9 Weir Box	890	435	400	-	-	-
UB-PK-COC Ring Jet Valve Replacement	3,500	-	-	-	500	750
UB-PK-Flow Control Gate Replacement	1,837	945	700	115	-	-
UB-PK-North Bank Reconstruction	11,750	-	250	500	5,500	5,500
UB-PK-Southside Boathouse	324	300	19	-	-	-
UB-PK-Spillway Pump and Piping	1,432	450	600	290	-	-



FY 2022 Five-Year Financial Forecast

(in millions)

	<u>Projected</u>		<u>Preliminary</u>			
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
WATER SUPPLY SYSTEM						
Beginning Working Capital	\$ 108.5	\$ 116.1	\$ 54.2	\$ 23.7	\$ 32.8	\$ 33.4
Revenues	60.5	60.5	63.9	64.7	68.5	71.0
Less: O&M Expenses	42.0	47.7	49.7	52.0	54.3	56.6
Debt Service (Not Subject to Coverage)	2.2	3.6	3.6	3.8	3.8	4.0
Operating Projects	2.3	5.8	6.8	5.0	5.1	3.0
Total before debt service subject to coverage	<u>46.5</u>	<u>57.1</u>	<u>60.1</u>	<u>60.8</u>	<u>63.2</u>	<u>63.6</u>
Amount Available for Coverage	14.0	3.4	3.8	3.9	5.3	7.4
Debt Service (Subject to Coverage)	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Net Surplus	11.5	0.9	1.3	1.4	2.8	4.9
Capital Projects	(3.8)	(60.9)	(45.7)	(55.5)	(63.0)	(63.3)
Bond Proceeds	-	-	16.0	63.2	60.8	59.4
Rate Stabilization Reserves Utilized	-	(1.9)	(2.1)	-	-	-
Ending Working Capital	<u>\$ 116.1</u>	<u>\$ 54.2</u>	<u>\$ 23.7</u>	<u>\$ 32.8</u>	<u>\$ 33.4</u>	<u>\$ 34.4</u>



FY 2022 Five-Year Financial Forecast

	Projected			Preliminary		
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>System Rate</u>						
System Rate Projection	\$ 79.00	\$ 83.00	\$ 88.00	\$ 92.50	\$ 97.00	\$ 101.50
Percentage Increase	0.0%	5.1%	6.0%	5.1%	4.9%	4.6%
System Rate Units (AF)	469,300	483,285	483,285	489,253	489,253	489,253
<u>Debt Service Coverage Test (in millions)</u>						
Debt Service Subject to Coverage	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
Amount Available to Meet Coverage	\$ 14.0	\$ 3.4	\$ 3.8	\$ 3.9	\$ 5.3	\$ 7.4
Projected Coverage Ratio	5.6	1.4	1.5	1.6	2.1	3.0
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	\$ 10.4	\$ 11.9	\$ 12.4	\$ 12.9	\$ 13.4	\$ 14.0
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	\$ 16.4	\$ 17.9	\$ 18.4	\$ 18.9	\$ 19.4	\$ 20.0
Ending Working Capital	\$ 116.1	\$ 54.2	\$ 23.7	\$ 32.8	\$ 33.4	\$ 34.4
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 20**
- **Conduct customer meetings on June 22nd presenting the new FY 2022 rate**
- **All items will be finalized with the most up to date information by the July Board meeting**



Questions?



**Brazos
River
Authority**