ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

MEMORANDUM

TO: **Finance Committee**
John Young (Chair)
Terri Buckner
Michael Hughes
Heather Payne
Amy Witsil
Alan Rimer (*ex-officio*)

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: March 7, 2014

SUBJECT: Finance Committee Meeting – March 13, 2014

The Finance Committee will meet on Thursday, March 13, 2014, at 5:00 PM in the OWASA Boardroom. The agenda will be:

- Discuss preliminary draft of the Fiscal Year (FY) 2015 Operating Budget

  Committee Action Requested: Review and discuss information and provide guidance to staff. (See Attachment 1 – this is the same information that was provided for the February 27, 2014 Finance Committee meeting)

Stephen Winters, CPA
Director of Finance and Customer Service

cc: Board of Directors
Ed Kerwin
Bob Epting

Attachments
Attachment 1 – Information for discussion of the Operating budget

Purpose

The purpose of this discussion is to provide the Finance Committee with:

- An update on staff's development of the preliminary draft operating budget for Fiscal Year (FY) 2015.
- An overview of the expenditures included in the preliminary draft FY 2015 operating budget and comparisons with historical and forecasted results.
- A summary of the next steps in budget development process.

The information that follows does not include projections of revenues. Revenue projections are developed as part of working with our consultants to update our 15-year financial plan and will be included in the next iteration of the budget.

The Committee and Board of Directors will discuss these topics again in April and May as necessary in order to be prepared to hold public hearings on May 22, 2014 and make final budget and rates decisions in June.

Budget and rate adjustment status

Staff has developed preliminary drafts of the FY 2015 operating budget, the 5-year capital improvements program (CIP), and the capital equipment budget.

Summary of the preliminary draft operating budget

The current draft FY 2015 budget includes the following.

- The operating budget is:
  - About 4% higher than the adopted FY 2014 budget,
  - 3.5% greater than the most recent FY 2014 forecast, and
  - Almost equal to the FY 2015 budget projection that was assumed in last year's financial plan.

Expenditures in the preliminary draft FY 2015 budget are summarized below.

Category	Amount (in thousands)
Operating Expenses	$19,832
Capital Improvements Program	10,176
Capital Equipment Expenditures	1,163
Debt Service on Outstanding Bonds	7,889
Total	$39,060

Approach to developing the preliminary draft FY 2015 budget

We have drafted the preliminary FY 2015 budget based on "normal operating conditions" without contingencies. This increases our risk of exceeding the budget if we incur higher than normal costs from, for example, chemical price increases, more instances of equipment failures, etc. However, OWASA has taken deliberate actions over the last several years to improve its financial condition and these efforts have been successful. Our improved financial condition has enhanced our ability to manage the finances of the organization with a leaner budget.

One of the intended outcomes of accumulating reserves and improving our financial condition is to be better prepared for contingencies that can adversely affect the organization and the customers we serve. Without adequate reserves, we might not be able to react timely and effectively to situations such as a critical asset failure, significant and sudden decrease in water demand, or the effects of a natural disaster. Having adequate reserves also helps us reduce the risk of needing to suddenly increase rates to address unbudgeted expenditures.

Budget preparation efforts to date

Our preliminary draft budget is based on the needs of the organization and our continued commitment to provide high value for our customers. We began the process of developing the FY 2015 budget in December 2013. We completed operating budget request worksheets for each department, compiled the information, performed various analyses, and held budget request review meetings. Through this process, we refined the preliminary draft budget.

Comparative data

Attachment 1 – Table 1 shows how the preliminary draft FY 2015 budget compares to FY 2013 actual results, FY 2014 budget and current forecast, and the FY 2015 budget projection included in last year's financial plan.

Attachment 1 – Table 2 shows details of the information presented in Table 1.

Attachment 1 – Table 3 shows the more significant differences between the preliminary draft FY 2015 budget and the adopted FY 2014 budget.

Capital equipment budget

Attachment 1 – Table 4 lists the preliminary draft FY 2015 capital equipment budget. As you will notice, it includes a placeholder of $500,000 for implementing a new finance and customer billing system. This number will be revised before a final budget is presented to the Board for approval. Based on our current schedule, the Board will have the opportunity to determine whether it approves investing in a new system before the FY 2015 budget is finalized.

Assumptions and highlights

The preliminary draft of the FY 2015 operating budget of $19.9 million includes the following assumptions:

- The volumes of water, reclaimed water, and wastewater treated will remain essentially the same as in FY 2014.
- 2.5% vacancy allowance – in recent years, we have budgeted for our positions to be 100% filled for the entire budget year. In the current draft of the FY 2014 budget, we have reduced the overall personnel compensation budget by 2.5%, or approximately $180,000, to allow for position vacancies.
- 15% increase in health insurance. However, this will be adjusted once we receive information from our health insurance provider.
- 4.5% increase in electricity costs.
- 2.0% placeholder for merit and cost of labor increases. The Board will make a decision on merit and cost of labor adjustments in late summer or early fall; this is just a budget placeholder.
- $44,000 for our proportionate share of the costs of a regional water system interconnection modeling study that will be done through the Jordan Lake Partnership project.
- $60,000 for consulting assistance in updating our Long Range Water Supply Plan.
- $75,000 for consulting assistance in preparing an Energy Management Plan.

- Electricity costs savings of $45,000 as a result of the energy efficiency project at the Mason Farm Wastewater Treatment Plant.
- Approximately $100,000 reduction in the Distribution's department maintenance costs due to the elimination of our meter replacement program in anticipation of implementing AMI.
- $50,000 consulting costs for temporary assistance during our finance and customer billing system implementation project (placeholder pending the Board's decision on a new system).
- An increase in chemical costs at the Jones Ferry Road Water Treatment Plant due to a change in the type of chemicals used so that we will ensure high quality drinking water.

Budget, rate structure, and rate setting process next steps

The following steps are planned towards achieving our objectives of conducting public hearings on the budget and rates on May 22, 2014 and presenting a final budget and proposed rate schedule for Board of Directors approval at the Board meeting on June 12 (also see Attachment 1 – Chart 1):

1. Staff will develop an initial financial plan with our rate consultants in March.
2. Ideally, we would like to come to a decision about any rate structure adjustments by the end of March. This will give us enough time to engage the public. As a result, we may need to consider another Committee meeting in early March.
3. Present a preliminary draft FY 2015 budget (updated as necessary) and an initial estimate of whether staff plans to recommend a rate increase to the Finance Committee on March 27.
4. Staff will incorporate feedback from the March 27 Finance Committee meeting into the draft budget, financial plan, and rate recommendation.
5. Staff will present a draft of the FY 2015 budget and rate adjustment recommendation to the Finance Committee and Board of Directors in late April.
6. Staff will incorporate feedback from the Finance Committee and Board of Directors into drafts of the budget, etc.
7. Staff will present a revised draft of the FY 2015 budget and rate adjustment recommendation to the Finance Committee and Board of Directors in early May.
8. Staff will prepare revised drafts of the FY 2015 budget and rate adjustment recommendation for presentation at the May 22 public hearings.
9. Board will receive and consider comments from customers and other stakeholders.
10. After considering public input, the Board of Directors will discuss and provide guidance to staff on the final draft FY 2015 budget and rate adjustment.
11. Staff will finalize the FY 2015 budget and rate adjustment recommendation and present it for adoption by the Board of Directors at its meeting on June 12, 2014.

Action requested

Review the preliminary draft FY 2015 budget information and provide feedback.

Orange Water and Sewer Authority
Preliminary FY 2015 Budget

Attachment 1 - Table 1

	FY13 Actual	FY14 Budget	FY14 Forecast	FY15 Budget Request	FY15 Amounts in last year's plan	FY15 Budget Compared FY14 Forecast	FY15 Budget Compared FY14 Budget	FY15 Budget compared to amount in last year's plan
Operating Expenses	18,766,549	19,091,153	19,165,856	19,831,860	19,835,958	3.5%	3.9%	0.0%
CIP	11,076,000	15,990,000	15,990,000	10,176,000	10,229,000	-36.4%	-36.4%	-0.5%
Capital Equipment	225,000	525,000	525,000	1,162,676	1,125,000	121.5%	121.5%	3.3%
Total	30,067,549	35,606,153	35,680,856	31,170,536	31,189,958	-12.6%	-12.5%	-0.1%

Preliminary budget includes:

2.5% vacancy allowance
2% merit adjustment
15% increase in health insurance
4.5% price increase in electricity

Orange Water and Sewer Authority
Preliminary FY 2015 Budget

Attachment 1 - Table 2

	EXPENDITURE CLASSIFICATION	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Forecast	FY 2015 Request		Dollar variance FY15 v FY14 Budgets		Dollar variance FY15 Budget v FY14 Forecast
SALARIES											
5010	SALARIES AND WAGES, REGULAR	6,316,485	6,531,741	6,713,882	6,630,298	6,867,978	7,032,170		401,872		164,192
5020	SALARIES AND WAGES, OVERTIME	314,177	268,676	317,923	245,524	242,489	251,685		6,161		9,195
5040	SERVICE PAY	115,746	106,780	107,795	145,684	-	-		(145,684)		-
5050	STANDBY PAY	37,453	38,602	38,592	39,000	39,417	38,746		(254)		(671)
5060	PART-TIME	12,289	5,280	58,424	20,000	23,217	38,000		18,000		14,783
5070	PER DIEM	5,730	12,100	-	15,000	15,000	15,000		-		-
	Total Salaries	6,801,881	6,963,179	7,236,616	7,095,506	7,188,102	7,375,600		280,095		187,499
FRINGE BENEFITS											
5110	FICA	516,424	528,099	548,018	547,294	557,653	557,839		10,544		186
5120	RETIREMENT CONTRIBUTION	440,320	484,997	489,016	496,110	529,015	526,876		30,767		(2,139)
5121	DEFERRED COMPENSATION	283,094	273,431	257,994	247,940	172,180	169,680		(78,260)		(2,500)
5130	WORKERS COMPENSATION	83,052	96,588	94,465	86,000	96,679	97,000		11,000		321
5140	HEALTH INSURANCE	1,087,926	1,120,179	1,114,016	1,200,907	1,203,581	1,399,639		198,732		196,058
5141	DENTAL INSURANCE	66,213	57,703	52,209	55,647	55,700	64,693		9,046		8,993
5142	VISION INSURANCE	52,840	37,670	38,984	40,000	40,425	42,000		2,000		1,575
5143	WELLNESS PROFRA REIMBURSEMENT	472	1,598	2,009	2,300	2,300	2,300		-		-
5144	RETIREES & COBRA INSURANCE	108,273	122,797	134,959	182,610	169,735	185,000		2,390		15,265
5150	DISABILITY INSURANCE	28,920	30,898	30,805	30,997	31,466	37,480		6,482		6,014
5160	AUTOMOBILE ALLOWANCE	6,000	6,000	6,000	6,500	6,500	6,000		(500)		(500)
5161	UNEMPLOYMENT TAX	17,965	31,886	16,758	63,000	63,000	20,000		(43,000)		(43,000)
5170	UNIFORMS	46,027	57,258	59,659	50,200	55,940	56,200		6,000		260
5180	GROUP LIFE & A.D. & D.	42,681	42,186	42,339	40,821	43,109	50,220		9,399		7,111
5190	VACATION ACCRUED	39,450	17,951	16,421	-	-	-		-		-
5191	HEALTH INSURANCE DISCOUNT	-	-	-	-	-	-		-		-
	Total Fringe Benefits	2,819,659	2,909,241	2,903,652	3,050,326	3,027,284	3,214,927		164,601		187,643
UTILITIES											
5210	ELECTRICITY	1,214,802	1,318,692	1,377,124	1,467,652	1,461,870	1,380,765		(86,887)		(81,105)
5220	WATER	131,835	50	4,500	-	-	-		-		-
5231	TELEPHONE - LOCAL	81,549	78,741	90,310	90,852	90,857	101,270		10,418		10,413
5233	CELL PHONES	35,255	38,091	48,119	44,275	42,247	53,700		9,425		11,453
5240	FUEL	76,734	76,338	64,924	87,500	82,500	88,175		675		5,675
5250	WASTE DISPOSAL	284,766	290,416	282,464	232,150	212,655	244,890		12,740		32,235
	Total	1,824,941	1,802,329	1,867,441	1,922,429	1,890,128	1,868,800		(53,629)		(21,328)
MATERIALS AND SUPPLIES											
5310	CHEMICALS	1,700,655	2,064,376	1,942,505	1,876,230	1,782,585	1,928,023		51,793		145,438
5311	CHEMICALS - ODOR CONTROL	61,914	52,163	19,264	-	-	-		-		-
5315	LAND APPLICATION	58,090	43,182	22,615	45,000	43,531	60,000		15,000		16,469
5320	SMALL TOOLS	14,635	17,685	15,931	25,155	22,199	22,785		(2,370)		586
5330	SUBSCRIPTIONS	1,194	1,137	1,186	2,134	2,163	2,505		371		342
5340	LAKE SUPPLIES	11,086	22,230	15,765	19,045	19,045	25,000		5,955		5,955
5350	FUEL - VEHICLES	173,373	208,619	196,423	247,936	241,170	246,483		(1,453)		5,314

Orange Water and Sewer Authority
Preliminary FY 2015 Budget

Attachment 1 - Table 2

	EXPENDITURE CLASSIFICATION	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Forecast	FY 2015 Request		Dollar variance FY15 v FY14 Budgets		Dollar variance FY15 Budget v FY14 Forecast
5360	OFFICE SUPPLIES	50,629	43,877	34,376	49,937	45,983	44,880		(5,057)		(1,103)
5365	COMPUTER EQUIPMENT & PARTS	-	141,532	113,601	115,000	114,575	77,200		(37,800)		(37,375)
5370	LABORATORY EXPENSES	203,420	162,535	182,284	213,772	213,772	185,938		(27,834)		(27,834)
5380	SAFETY SUPPLIES	29,405	36,467	45,671	37,432	38,394	42,320		4,889		3,927
5390	OTHER	29,542	23,394	23,193	28,650	28,697	26,850		(1,800)		(1,847)
	Total	2,333,945	2,817,196	2,612,814	2,660,291	2,552,114	2,661,986		1,694		109,872
MAINTENANCE											
5410	MAINTENANCE - EQUIPMENT	1,032,667	954,128	820,777	878,050	906,956	874,751		(3,299)		(32,205)
5413	MAINTENANCE - PUMPING EQUIPMENT	309,321	346,695	360,048	374,150	391,881	447,750		73,600		55,869
5415	MAINTENANCE - RESERVOIR & TANK	124,987	126,771	127,371	130,000	355,143	135,580		5,580		(219,563)
5420	FACILITIES	2,904	8,613	2,418	31,200	26,118	36,950		5,750		10,832
5421	BUILDINGS	250,880	280,689	509,473	322,500	295,862	382,650		60,150		86,788
5422	MAINTENANCE - MAINS	518,295	331,461	278,998	437,000	422,416	423,500		(13,500)		1,084
5423	MAINTENANCE - METERS	330,424	381,724	214,537	343,195	324,275	224,335		(118,860)		(99,940)
5424	MAINTENANCE - HYDRANTS	9,694	17,557	19,271	15,000	17,255	17,000		2,000		(255)
5425	MAINTENANCE - SERVICE LINES	45,383	29,393	48,385	37,500	39,571	39,500		2,000		(71)
5430	GROUNDS	77,250	68,233	48,128	74,000	84,026	91,000		17,000		6,974
5440	MOTOR VEHICLES	136,058	169,020	175,153	169,734	185,187	182,780		13,046		(2,408)
	Total	2,837,861	2,714,284	2,604,559	2,812,329	3,048,689	2,855,796		43,467		(192,894)
PROFESSIONAL SERVICES											
5500	LEGAL	203,343	212,750	233,155	235,000	238,125	240,000		5,000		1,875
5510	ACCOUNTING	32,000	36,060	29,000	30,000	30,000	30,000		-		-
5520	ENGINEERING	12,015	17,266	6,928	62,000	32,300	5,000		(57,000)		(27,300)
5521	ENGINEERING - MASTER PLAN	-	-	-	-	-	-		-		-
5530	INSURANCE	275,072	251,588	248,311	260,000	247,521	241,000		(19,000)		(6,521)
5560	COLLECTION SERVICES	30,529	37,103	42,206	43,000	43,000	45,000		2,000		2,000
5570	CONSULTANTS	236,995	534,661	504,881	381,499	339,056	603,100		221,601		264,044
5580	FINANCIAL SERVICES	263,439	239,030	227,738	227,950	227,950	226,400		(1,550)		(1,550)
5581	TRUSTEE SERVICES	20,194	23,671	23,275	25,275	25,275	25,275		-		-
5590	OTHER	21,647	66,934	80,947	39,000	41,741	52,000		13,000		10,259
	Total	1,095,235	1,419,062	1,396,441	1,303,724	1,224,968	1,467,775		164,051		242,807
COMMUNICATIONS											
5610	POSTAGE AND FREIGHT	102,219	101,542	77,551	109,680	109,108	110,880		1,200		1,772
5620	CUSTOMER INFORMATION	11,466	6,523	23,311	18,635	24,483	23,435		4,800		(1,048)
5630	ADVERTISING	9,599	12,019	23,373	22,866	22,866	23,582		716		716
5690	OTHER	2,040	1,760	3,855	6,000	1,000	-		(6,000)		(1,000)
	Total	125,324	121,845	128,090	157,181	157,458	157,897		716		439
PRINTING AND REPRODUCTION											
5700	PRINTING AND REPRODUCTION	4,725	5,054	4,596	9,475	9,175	8,700		(775)		(475)
	Total	4,725	5,054	4,596	9,475	9,175	8,700		(775)		(475)

Orange Water and Sewer Authority
Preliminary FY 2015 Budget

Attachment 1 - Table 2

	EXPENDITURE CLASSIFICATION	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Forecast	FY 2015 Request		Dollar variance FY15 v FY14 Budgets		Dollar variance FY15 Budget v FY14 Forecast
EDUCATION AND DEVELOPMENT											
5810	EDUCATION AND DEVELOPMENT	102,423	110,719	110,523	130,500	128,914	141,010		10,510		12,096
5840	BOARD TRAVEL	-	-	-	1,200	-	-		(1,200)		-
	Total	102,423	110,719	110,523	131,700	128,914	141,010		9,310		12,096
MISCELLANEOUS											
5910	DUES AND MEMBERSHIPS	35,908	39,056	49,803	45,944	43,266	45,947		3		2,681
5920	CONSERVATION	4,725	4,114	15,058	5,000	5,000	5,000		-		-
5930	OVERAGES AND SHORTAGES	8,261	1,095	(2,054)	-	-	-		-		-
5940	UNCOLLECTABLE ACCOUNTS	(3,340)	57,099	30,507	20,000	20,000	27,000		7,000		7,000
5950	RENT AND LEASES	21,739	37,231	38,588	48,945	43,009	43,720		(5,225)		711
5960	FOREST MANAGEMENT	21,176	3,538	14,207	10,000	10,000	10,000		-		-
5970	BOARD EXPENSES	934	1,893	1,676	2,400	2,400	4,000		1,600		1,600
5980	RECRUITMENT	70	3,000	1,047	3,000	3,000	3,000		-		-
5990	OTHER	32,417	33,374	20,395	42,850	42,297	41,700		(1,150)		(597)
	Total	121,890	180,401	169,227	178,139	168,972	180,367		2,228		11,395
Total Personnel Services		9,621,540	9,872,420	10,140,268	10,145,832	10,215,386	10,590,528		444,695		375,142
Total Operating Services		8,446,344	9,170,890	8,893,691	9,175,269	9,180,418	9,342,330		167,062		161,912
Total Operating and Maintenance		18,067,884	19,043,310	19,033,959	19,321,101	19,395,804	19,932,858		611,757		537,054
CONSTRUCTION CREDIT		(231,752)	(332,802)	(267,410)	(229,948)	(229,948)	(100,998)		128,950		128,950
Net		17,836,131	18,710,509	18,766,549	19,091,153	19,165,856	19,831,860		740,707		666,004

Orange Water and Sewer Authority
Preliminary FY 2015 Budget

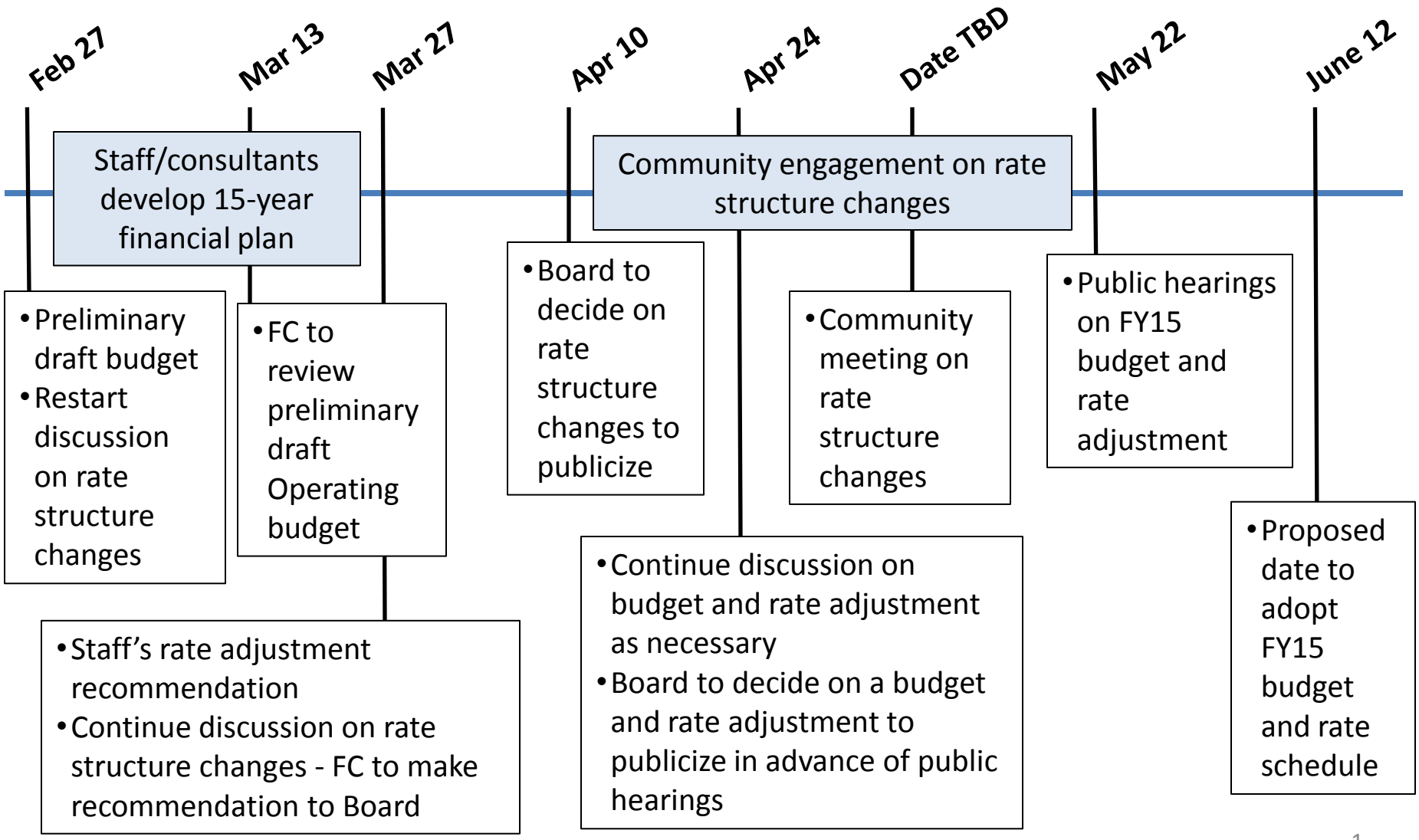
Attachment 1 - Table 3

Expense		Select FY14 vs. FY15 Budget Information Incr (decr)	
Wages	2% merit	180,000	
	Under budget for vacant positions in FY14	80,000	260,000
OT			6,161
Part-time			18,000
Health insurance	15% increase		198,732
Dental insurance	15% increase		9,046
Disability insurance	15% increase		6,482
Unemployment tax	One-time FY14 expense due to law change		(43,000)
Group life	15% increase		9,399
Utilities	Distributions	(55,000)	
	WWTP	(45,000)	
	4.5% rate increase	46,371	(53,629)
Maintenance	IT	8,000	
	WTP	115,000	
	Distributions	(150,000)	
	WWTP	60,000	
	Other	10,467	43,467
Engineering			(57,000)
Insurance			(19,000)
Consultants	Energy Supply Plan	75,000	
	ERP Support for CS	50,000	
	Long Range Water Supply Plan	30,000	
	JLP Project	44,000	
	Safte training and program consulting	36,000	
	Other	(13,399)	221,601
Education			9,310
Construction credits			128,950
			738,519
Total amount FY15 over FY14 budget			740,707
Miscellaneous smaller items			(2,188)

Orange Water and Sewer Authority **Attachment 1 - Table 4**
FY 2015 Capital Equipment Budget

Department	Equipment Description	FY 2015 Request
IT Department 07		
	Core Network Switches	30,000
	Edge Network Switches (3)	18,825
	WTP and WWTP network build-outs	30,000
	Server room UPS	25,000
	Finance and customer billing system	500,000
Department 07 total		603,825
WTP Department 11		
	Ram pickup to replace Jeep Cherokee	24,851
Department 11 total		24,851
Dist Department 12		
	Dump truck	132,000
	Ford F250 for valve crew	27,000
	Track excavator	122,000
	F150 truck	19,000
Department 12 total		300,000
WWTP Department 21		
	Power monitoring equip	25,000
	Maintenance Pump Station Route Truck	35,000
	Load bank - generator testing	5,000
	Office furniture, bookcases, shelf units	10,000
Department 21 Total		75,000
Coll Department 22		
	Tractor with side boom	110,000
	Trailer Jetter	49,000
Department 22 total		159,000
Contingency		
Grand total		1,162,676

Budget and Rates Timeline



ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

MEMORANDUM

TO: **Finance Committee**
John Young (Chair)
Terri Buckner
Michael Hughes
Heather Payne
Amy Witsil
Alan Rimer (*ex-officio*)

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: March 10, 2014

SUBJECT: Supplemental information for Finance Committee Meeting – March 13, 2014

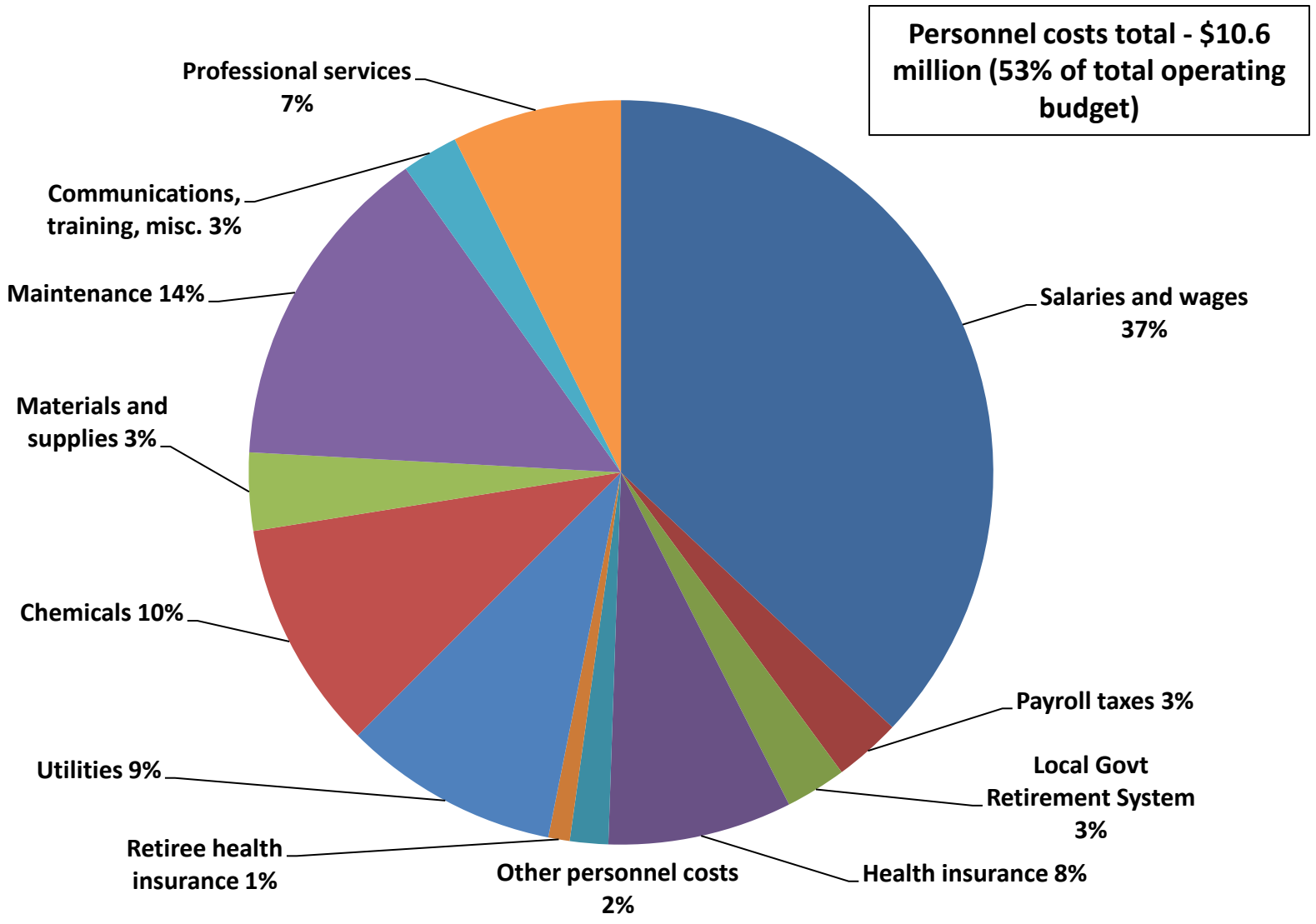
The information in the charts that follow this memo is in response to questions and requests by Board members. The following information is provided:

- Pie chart analysis of the preliminary draft FY 2015 Operating budget (page 2).
- Line graph showing the trend in total operating expenses and total personnel expenses since FY 2011 compared to the rate inflation during the same period. The data includes actual expenses for FY 2011-2013, forecast expenses for FY 2014, and expenses in the preliminary draft of the FY 2015 budget (page 3).
- A chart showing the source data for the line graph on page 3. This chart also shows the percentage of total personnel costs to total operating costs for FY 2011-2015 (page 4).
- An analysis of the number and costs of OWASA employees (using numbers from the preliminary draft FY 2015 budget) who are compensated above vs. below the North Carolina statewide median household income (page 5).
- Detail listing of Professional Services expenses (page 6).
- Detail listing of Dues and Memberships expenses (page 7).

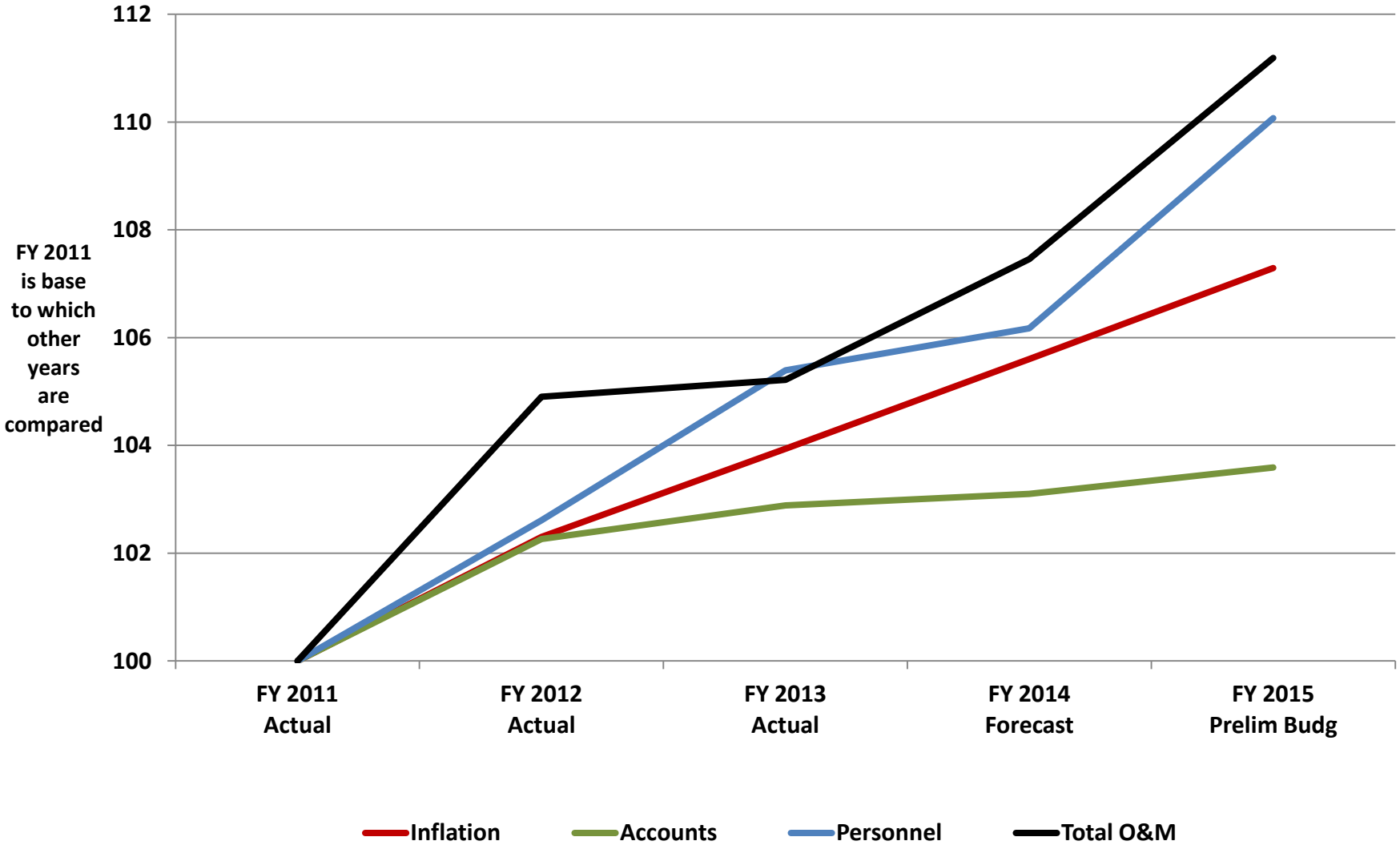
Stephen Winters, CPA
Director of Finance and Customer Service

cc: Board of Directors
Ed Kerwin
Bob Epting

Preliminary draft FY 2015 Operating budget



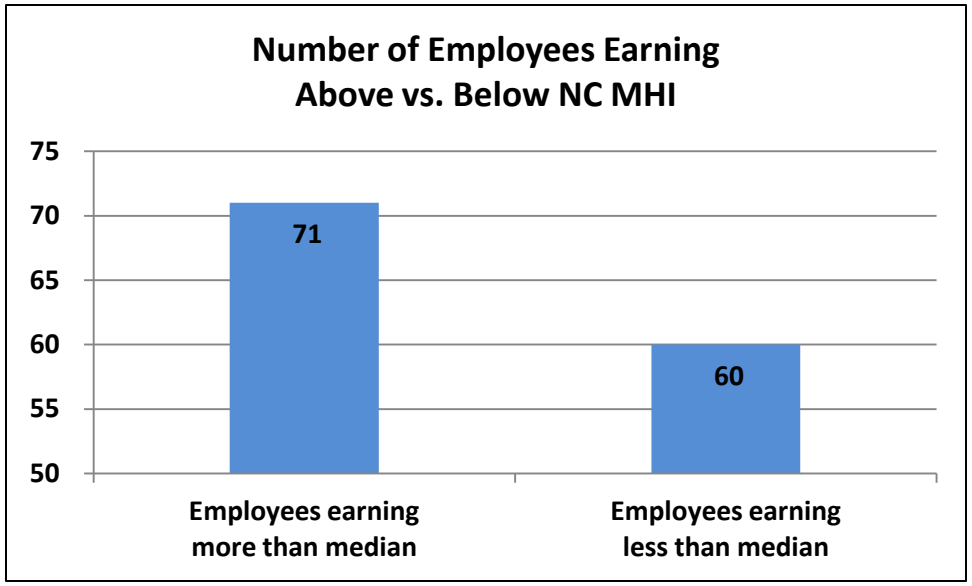
Operating Expenses Relative to Inflation
(inflation base year is FY 2011)



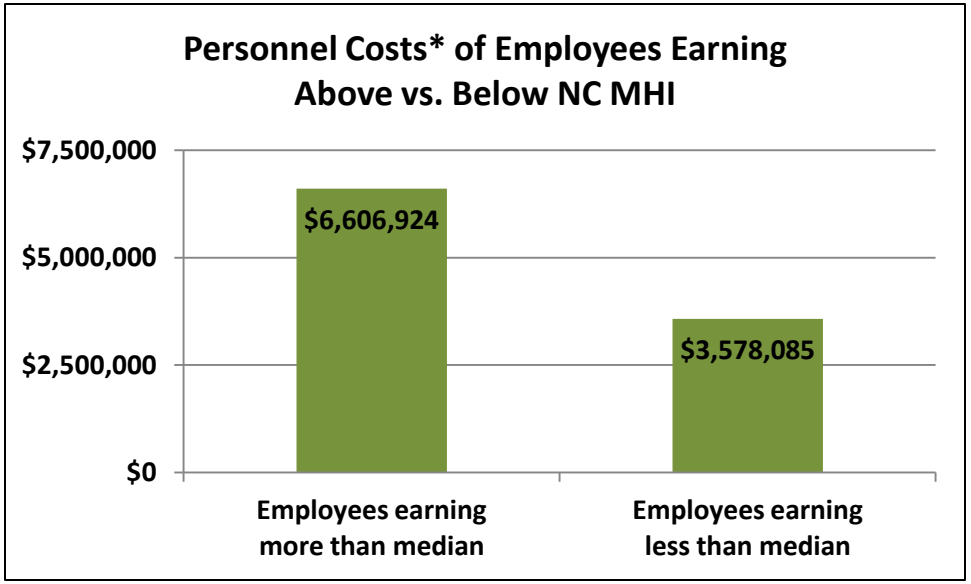
Operating Expenses Relative to Inflation
(line chart source data)

Expense	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Forecast	FY15 Prelim Budg
Salaries and wages	6,801,881	6,963,179	7,236,616	7,188,102	7,375,600
Payroll taxes	534,389	559,985	564,776	620,653	577,839
Local Govt Retirement System	440,320	484,997	489,016	529,015	526,876
Health insurance	1,278,581	1,288,637	1,278,353	1,374,281	1,594,032
Other personnel costs	458,095	452,825	436,548	333,599	331,180
Retiree health insurance	108,273	122,797	134,959	169,735	185,000
Utilities	1,824,941	1,802,329	1,867,441	1,890,128	1,868,800
Chemicals	1,820,659	2,159,721	1,965,120	1,826,117	1,988,023
Materials and supplies	513,285	657,475	647,694	725,997	673,962
Maintenance	2,837,861	2,714,284	2,604,559	3,048,689	2,855,796
Communications, training, misc.	354,362	418,019	412,436	464,519	487,974
Professional services	1,095,235	1,419,062	1,396,441	1,224,968	1,467,775
Construction credits	(231,752)	(332,802)	(267,410)	(229,948)	(100,998)
Total	17,836,131	18,710,509	18,766,549	19,165,856	19,831,860
Total operating - year to year percent change		4.9%	0.3%	2.1%	3.5%
Total personnel	9,621,540	9,872,420	10,140,268	10,215,386	10,590,528
Personnel - percent of total operating	54%	53%	54%	53%	53%
Inflation rate >>>>>		2.3%	1.6%	1.6%	1.6%

Preliminary Draft FY 2015 Budget - Personnel Data Compared to NC Statewide Median Household Income



Median household income = $46,250 (source, 2008-2012 American Community Survey 5-year estimates)



* Costs do not include uniforms, workers compensation insurance, and other minor costs that are not allocated on a per employee basis in our system.

Orange Water and Sewer Authority
Preliminary Draft Fiscal Year 2015 Budget
Professional Fees

Item No.	Description	Total
1	Legal	240,000
2	Insurance-Property & Casualty	220,000
3	Insurance-Public Officials	21,000
4	Interpreter for hearing impaired, transcription services, etc.	1,000
5	Pumping systems efficiency assessment to inform Energy Management Plan	75,000
6	Unspecified	2,000
7	Credit checks, collection fees	45,000
8	Temporary help to support finance and billing system implementation	50,000
9	Recurring annual membership payment to the Jordan Lake Partnership	10,000
10	JLP supplementary project to model interconnections	44,000
11	Other	10,000
12	LRWSPU - update cost analysis and yield analysis	35,000
13	LRWSPU - climate change modeling	25,000
14	Miscellaneous engineering work	5,000
15	Safety training and curriculum consulting	48,000
16	Physicals (Pre-Employment, DOT, etc.), Hepatitis B Vaccinations, Drug Testing, Criminal Backgrounds, annual Hearing Conservation Test, Employee Assistance Program	30,000
17	Annual financial audit	30,000
18	Annual rate revenue sufficiency study (Burton & Associates)	30,000
19	Trustee services	25,275
20	Rating agency fees	13,100
21	Liquidity facility and remarketing agreement for variable rate bonds	133,500
22	Credit card processing	69,600
23	Other bank fees	10,200
24	Dynamics/Cogsdale	5,000
25	Security Audit	50,000
26	Office365 Implementation	12,000
27	Cabling	15,000
28	VMware Upgrade	12,000
29	PSW membership	600
30	Triangle area water supply monitoring project (Triangle J)	42,000
31	Water Research Foundation	6,000
32	Urban Water Consortium	5,000
33	Cape Fear River Study	1,500
34	Orange Grove Fire Department	11,000
35	Aquatic weed control	5,000
36	Aquatic weed survey at both Lakes	6,000
37	Upper Cape Fear River Basin Association	12,000
38	North Carolina Water Quality Association	5,000
39	Water Environment Research Foundation	2,000
40	CITI - Instrument Calibration Contract	25,000
41	CITI - Instrumentation/SCADA Maintenance Contract	75,000
42	Water Resources Research Inst.	5,000
	Totals	1,467,775

Orange Water and Sewer Authority
Preliminary Draft Fiscal Year 2015 Budget
Dues and Memberships

Item No.	Description	Total
	Executive Director	
1	National Association of Clean Water Agencies	5,700
2	Association of Metropolitan Water Agencies	3,400
3	American Water Works Association	3,224
4	Cape Fear River Assembly	25
5	Chapel Hill-Carrboro Chamber of Commerce	1,250
6	North Carolina League of Municipalities	450
7	North Carolina Municipal and County Administration Alumni Association	10
8	North Carolina Water Resources Congress	20
	General Manager	
9	Water Environment Federation	128
10	N.C. Board of Examiners for Engineers and Surveyors	75
11	North Carolina Rural Water Association	825
12	North Carolina Water Operators Association	20
13	Wastewater Collection Certification	50
14	Water Distribution Certification	35
15	Water Environment Federation	125
16	American Water Works Assoc (AWWA) Membership	100
17	Clerk to the Board	
18	International Institute of Municipal Clerks	185
19	North Carolina Association of Municipal Clerks	65
	Public Affairs Admin	
20	Public Relations Society of America	350
21	City County Communications and Marketing Association	500
22	Miscellaneous	300
23	Professional Engineer registration (6)	450
24	NC Wastewater Operator/Land Application Certification	50
25	Water Environment Federation (2)	260
26	AWWA Membership	200
27	National Society of Professional Engineers (NSPE)	345
28	NC AWWA-Water Environment Assoc (WEA)	45
29	American Planning Assoc (APA/AICP) Membership	575
30	NC Water Resources Assoc (WRA)	20
31	NC Sewer Certification (7)	350
32	NC Water Certification (6)	180
33	Project Management Inst (PMI) Membership (2)	380
34	NC Cross Connection Control (3)	90
35	Carolina Urban and Regional Information Systems Assoc (URISA) (2)	60
36	American Society for Photogrammetry and Remote Sensing (ASPRS)	150
37	GIS Technical Certification Exam	250
38	Miscellaneous	300
39	Society for Human Resource Management, Capital Associated Industries, World At Work membership, Safety and Health Council	4,500

Orange Water and Sewer Authority
Preliminary Draft Fiscal Year 2015 Budget
Dues and Memberships

Item No.	Description	Total
40	Government Finance Officers Association (GFOA) (3)	910
41	NC CPA license fees (2)	120
42	NC CPA Association (2)	390
43	American Institute of CPAs (1)	220
44	GFOA CAFR Award Program	435
45	GFOA Budget Award Program	330
46	Water Treatment Laboratory Public Health State Certification Fees	850
47	DENR Operating Permit 03-68-010	4,675
48	NPDES Permit NC0082210	2,875
49	NC Waterworks Operators Assoc (NCWOA) Operator Membership fees (18)	360
50	Water Treatment Operator Certificate fees (25)	750
51	Wastewater Operator Certificate fees (28)	1,400
52	Inspection of septic system at Cane Creek	150
53	Storm Water Fees for Nunn Mt	160
54	Storm Water Fees for Hilltop	780
55	CDL License renewals	3,500
56	Wastewater Laboratory State Certification Fees	3,000
	Totals	45,947