

MARTIN COUNTY SANITATION DISTRICT

2023 PROPOSED BUDGET

**January 1, 2023 – December 31, 2023
Fiscal Year**

**Prepared and Submitted by:
Alliance Water Resources, Inc.**

Martin County Sanitation District

2023 Fiscal Year Budget Estimate

**Statement of Revenues and Expenditures
(in Dollars)**

Cash Needs Basis

	<u>Actual</u> <u>2019</u>	<u>Budget</u> <u>2020</u>	<u>Actual</u> <u>2020</u>	<u>Budget</u> <u>2021</u>	<u>Actual</u> <u>2021</u>	<u>Budget</u> <u>2022</u>	<u>Projected</u> <u>2022</u>	<u>Budget</u> <u>2023</u>	<u>Notes</u>
<u>Revenue Source</u>									
Sewer Charges	651,895	794,778	769,399	853,858	772,962	853,858	758,599	767,659	
All Other Revenue, Connection Fees	<u>54,953</u>	<u>20,500</u>	<u>20,370</u>	<u>20,500</u>	<u>66,888</u>	<u>36,000</u>	<u>49,566</u>	<u>50,468</u>	
Debt Service Surcharge	<u>50,000</u>	<u>54,352</u>	<u>54,118</u>	<u>54,352</u>	<u>52,334</u>	<u>54,352</u>	<u>51,463</u>	<u>52,000</u>	Not Op Revenue
Total Revenue	\$ 756,848	\$ 869,630	\$ 843,887	\$ 928,710	\$ 892,184	\$ 944,210	\$ 859,628	\$ 870,127	
<u>Expenditures</u>									
All General & Operating Expenses	\$ 575,052	\$ 789,085	\$ 804,646	\$ 784,236	\$ 764,893	\$ 799,748	\$ 817,369	\$ 769,744	
Interest Expense(s)	<u>44,799</u>	<u>44,819</u>	<u>44,819</u>	<u>43,929</u>	<u>43,929</u>	<u>43,015</u>	<u>44,819</u>	<u>43,015</u>	
Total Operating Expenditures	\$ 619,851	\$ 833,905	\$ 849,465	\$ 828,165	\$ 808,822	\$ 842,763	\$ 862,188	\$ 812,759	
Net Revenue B4 Principal Payments	\$ 136,997	\$ 35,725	\$ (5,578)	\$ 100,545	\$ 83,362	\$ 101,447	\$ (2,560)	\$ 57,368	
<u>Debt Service Coverage Calculation</u>									
Net Revenue B4 Principal	\$ 136,997	\$ 35,725	\$ (5,578)	\$ 100,545	\$ 83,362	\$ 101,447	\$ (2,560)	\$ 57,368	
Plus Above Interest Expense	<u>44,799</u>	<u>44,819</u>	<u>44,819</u>	<u>43,929</u>	<u>43,929</u>	<u>43,015</u>	<u>44,819</u>	<u>43,015</u>	
Net Revenues Available for Coverage	\$ 181,796	\$ 80,545	\$ 39,241	\$ 144,474	\$ 127,291	\$ 144,462	\$ 42,260	\$ 100,383	
P&I Debt Service	\$ 81,819	\$ 81,819	\$ 81,819	\$ 81,819	\$ 81,929	\$ 83,015	\$ 83,015	\$ 83,078	
Net Revenue after Oper & Debt Exp.	\$ 99,977	\$ (1,274)	\$ (42,578)	\$ 62,655	\$ 45,362	\$ 61,447	\$ (40,755)	\$ 17,305	
Debt Service Coverage (1.10 min. required)	2.22	0.98	0.48	1.77	1.55	1.74	0.51	1.21	***
<i>This coverage includes the DSS added into Revenue- this is a temporary measure it should not be included as it was intended to pay off existintg creditors</i>									
<i>Approximately \$52,000 annually in DSS</i>									

Martin County Sanitation District

2023 Fiscal Year Budget Estimate

Statement of Revenues in Dollars

<u>Revenue Source</u>	<u>Budget</u> <u>2020</u>	<u>Actual</u> <u>2020</u>	<u>Budget</u> <u>2021</u>	<u>Actual</u> <u>2021</u>	<u>Budget</u> <u>2022</u>	<u>Actual Thru</u> <u>10/31/2022</u>	<u>Projected</u> <u>2022</u>	<u>Budget</u> <u>2023</u>
Sewer Service Charges	794,778	\$ 769,399	\$ 853,858	\$ 772,962	\$ 853,858	632,166	\$ 758,599	\$ 767,659
Connection Fees - Sewer	8,000	\$ 3,950	\$ 8,000	\$ 3,668	\$ 7,500	9,566	\$ 11,479	\$ 11,479
Late Charge Fees	4,000	\$ 3,321	\$ 4,000	\$ 27,632	\$ 20,000	22,907	\$ 27,488	\$ 27,488
Reconnect/NSF/Other Fees	7,500	\$ 6,746	\$ 7,500	\$ 3,560	\$ 7,500	8,750	\$ 10,500	\$ 5,000
Miscellaneous Income	1,000	\$ 6,353	\$ 1,000	\$ 32,028	\$ 1,000	82	\$ 98	\$ 6,500
Total Revenues	\$ 815,278	\$ 789,769	\$ 874,358	\$ 839,850	\$ 889,858	\$ 673,471	\$ 808,165	\$ 818,127

MARTIN COUNTY WATER DISTRICT

DESCRIPTION OF REVENUE ACCOUNTS

Water Sales Revenue	Revenue received from metered and permitted (bulk or hydrant) water sales.
Connection Fees	Revenue collected as connection fees from new customers connecting onto the District's water and/or sewer systems.
Late Charge Fees	Revenues the District collects due to customers not paying current charges by due date on the bill form.
Reconnect/NSF Fees	Revenues collected from disconnection and reconnection charges and returned check fees.
Interest Income	Represent interest earnings on the balances of the District's banking and investment accounts.
Miscellaneous	Any other income or revenue the District receives not included in a specific category.
MIS	Management Infrastructure Surcharge.
DSS (fee)	Debt Service Surcharge.

Martin County Sanitation District

2023 Fiscal Year Budget Estimate

Statement of Expenses in Dollars

	<u>Budget 2020</u>	<u>Actual 2020</u>	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Budget 2022</u>	<u>Actual thru 2022</u> Oct-22	<u>Projected 2022</u>	<u>Budget 2023</u>	<u>Notes</u>
Operating Expenses									
Employee Benefits	\$ 903	\$ 677	\$ -		\$ -		\$ -	\$ -	
Management & Operations Contract	\$ 667,048	\$ 667,048	\$ 686,736	\$ 654,719	\$ 686,748	\$ 572,290	\$ 686,748	\$ 630,144	Raised Cap Eq fee (-12%)
Utilities	\$ 77,727	\$ 70,912	\$ 70,000	\$ 74,368	\$ 72,000	\$ 65,946	\$ 79,135	\$ 80,000	
Insurance	\$ 37,933	\$ 29,564	\$ 10,000	\$ 20,374	\$ 10,000	\$ 25,035	\$ 25,035	\$ 25,000	Bond for Officers and Board
Repairs & Maintenance		\$ 32,028	\$ 5,000	\$ 2,934	\$ 13,000	\$ 11,740	\$ 14,088	\$ 15,000	
Outside Services	\$ 351	\$ 263	\$ 400		\$ 400		\$ -	\$ 2,000	
Legal Expenses	\$ 2,375	\$ 1,718	\$ 2,500	\$ 1,450	\$ 2,500	\$ 2,475	\$ 2,970	\$ 2,500	
Audit			\$ 7,000	\$ 5,100	\$ 7,000	\$ 5,250	\$ 6,300	\$ 7,000	
Bad Debts	\$ 2,223	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 1,667	\$ 2,000	\$ 2,000	
Dues						\$ 50	\$ 60		
Office Expense						\$ 252	\$ 302		
Taxes				\$ 3,503	\$ 5,500	\$ -	\$ -	\$ 5,500	
Regulatory Assess Fees	\$ 77	\$ 58	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100	
Miscellaneous Expense	\$ 449	\$ 378	\$ 500	\$ 445	\$ 500	\$ 604	\$ 725	\$ 500	
Customer Deposit Interest Expense						4	5		
Total Operating Expenses	\$ 789,085	\$ 804,646	\$ 784,236	\$ 764,893	\$ 799,748	\$ 685,313	\$ 817,369	\$ 769,744	-1.85% (\$14,492) (over prior budget)
Other Income (Expenses)									
Debt Service Surcharge (Fee)	\$ 54,352	\$ 54,118	\$ 54,352	\$ 52,334	\$ 54,352	\$ 42,886	\$ 51,463	\$ 52,000	
Creditor Debt	\$ (54,352)	\$ (13,666)	\$ (54,352)	\$ -	\$ -	\$ -	\$ -	\$ -	Unable to Pay Debt Now
Interest Income	\$ 7	\$ 10	\$ -	\$ 12	\$ -	\$ 8	\$ 10	\$ -	
Interest Expense	\$ (5,609)	\$ (4,674)	\$ (1,571)	\$ (43,929)	\$ (1,571)	\$ (35,846)	\$ (43,015)	\$ (43,015)	
Depreciation	\$ (608,146)	\$ (608,145)	\$ (620,308)	\$ (620,309)	\$ (632,715)	\$ (527,263)	\$ (632,716)	\$ (645,370)	
Total Other (Income) Expenses	\$ (613,748)	\$ (612,809)	\$ (621,879)	\$ (664,226)	\$ (634,286)	\$ (563,101)	\$ (675,721)	\$ (688,385)	

Current Customer Count = 886

MARTIN COUNTY WATER DISTRICT

Description of Expense Accounts

Professional Operations	Professional operating and management services provided by Alliance Water Resources, Inc. As a general rule, includes all labor, operating, maintenance and repair expenses for maintaining the District's facilities on a day-to-day basis.
Insurance	Includes premiums for comprehensive coverage for District properties, coverage for equipment owned by the District plus Directors & Officers insurance coverage.
Utilities	Energy costs for power and other utilities used for the operation of the District's booster pumps, lift stations, wastewater treatment plants, offices and other facilities.
Repairs & Maintenance	Repair expenses not covered by Alliance's budget. Generally, these are new equipment items costing more than \$2,500 or single repairs which significantly extend equipment or service life costing more than \$2,500. This also includes expenditures that are planned, non-routine and budgeted by the District including costs associated with District contractors such as line upgrades, tower cleaning, inspection, washing and repainting.
Legal & Audit	Expenses associated with legal guidance and direction, (Legal, Accounting & Audit) including, but not limited to the review or preparation of agreements and contracts. Also included are expenses associated with the review and preparation of the District's annual audit.
Bad Debts	Amounts related to write off of uncollectible receivables.
Bond Trustee Fees	Expenses associated with the administration of the District's bond issues such as bank and trustee fees.

Description of Expense Accounts (Continued)

Dues	Annual dues for the District to belong to KRWA and/or other professional water and/or sewer organizations.
Kentucky One Call	Expenses paid for the required membership in Missouri One Call, based on the estimated number of locates expected during the year.
Interest Expense	Interest expenses due on District's debt, interest portion due on any outstanding bond issues or debt any kind.
Capital Contributions	The cost or value of water or sewer systems contributed or dedicated to the District which was constructed and paid for by developers or home builders.
Amortization	Various costs incurred to issue revenue bonds or other debt as expensed over the life of a bond issue.
Depreciation	The reduction in the value of the District's facilities based upon their anticipated lifespan.

**Martin County Sanitation District
2023 Fiscal Year Budget Estimate**

<u>Bond Issue</u>	<u>Budget 2020</u>	<u>Budget 2021</u>	<u>Budget 2022</u>	<u>Budget 2023</u>	<u>Notes</u>
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Bond Series 2011 (92-01)					
Principal	\$9,500	\$9,500	\$10,000	\$10,500	
Interest	<u>\$9,349</u>	<u>\$9,135</u>	<u>\$8,910</u>	<u>\$8,685</u>	
	\$18,849	\$18,635	\$18,910	\$19,185	

Bond Series 2014 (92-03)					
Principal	\$27,500	\$28,500	\$30,000	\$30,500	
Interest	<u>\$35,471</u>	<u>\$34,794</u>	<u>\$34,105</u>	<u>\$33,393</u>	
	\$62,971	\$63,294	\$64,105	\$63,893	

Total Debt - All Issues	\$81,819	\$81,929	\$83,015	\$83,078	
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Total Interest Expense	\$44,819	\$43,929	\$43,015	\$42,078	
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Marin County Sanitation District

2023 Fiscal Year Budget Estimate

Capital Improvements Sewer System, Machinery and Equipment

<u>Sewer System Improvements</u>		
Inez WWTP Rehabilitation	\$ 4,900,000	Seeking Grant Funding
Sanitation Master Plan	\$ 204,800	Seeking Grant Funding
Inez & Tug Valley WWTP 2022 Improvements Project SX21159017	\$ 876,000	Round 2 Cleaner Water Money
Sewer Main Extension New Route 3		County Seeking Grant Funding
Blacklog Lift Station - VFD and relief valve	\$ 24,000	Funded From Cash if Available
E-1 Grinder pumps (24 @ \$2000.00 ea.)	\$ 48,000	Funded From Cash if Available
Saltwell Lift Station - pump and soft start	\$ 21,000	Funded From Cash if Available
Davis Branch Lift Station - Pump repair or replacement	\$ 3,000	Funded From Cash if Available
Harden Bottom Lift Station - Pump x 2	\$ 6,000	Funded From Cash if Available
County Garage Lift Station - Pump x 2	\$ 6,000	Funded From Cash if Available
Dempsey Lift Station - Pump	\$ 13,000	Funded From Cash if Available
645 Lift Station - Complete Rehab		Funded From Cash if Available
IGA Lift Station - Pump		Funded From Cash if Available
Quail Hollow Lift Station - Upsized two pumps	\$ 30,000	Funded From Cash if Available
Riverside Lift Station - Pump		Funded From Cash if Available
IWWTP - Drying bed material disposal and cleaning	\$ 31,312	Funded From Cash if Available
IWWTP - Repair or replace composite samplers	\$ 3,644	Funded From Cash if Available
Sub-Total Sewer System Improvements	\$ 6,166,756	

<u>Building and Land Improvements</u>		
Sub-Total Building and Land Improvements	\$ -	

<u>Machinery and Equipment</u>		
Dodge Ram 2500 Engine Rebuilt	\$ 6,000	
Sub-Total Machinery and Equipment	\$ 6,000	

2023 Improvements From External Sources	\$ 5,110,800
2023 Improvements Funded From Cash	\$ 185,956
Grand Total for 2023 Capital Improvements	\$ 5,296,756