

# #onewaterstrong



# FY 2022 BUDGET OUTLOOK

CITY COUNCIL BUDGET COMMITTEE

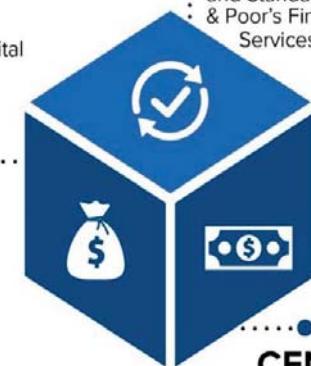
# PRODUCTIVITY – FY2020

## QUICK STATS



## FINANCIAL EFFICIENCY

**\$86M**  
invested in capital improvement projects



• **AAA**  
by Moody's Investors Service and Standard & Poor's Financial Services

• **88 CENTS**  
per dollar collected invested in capital improvement projects

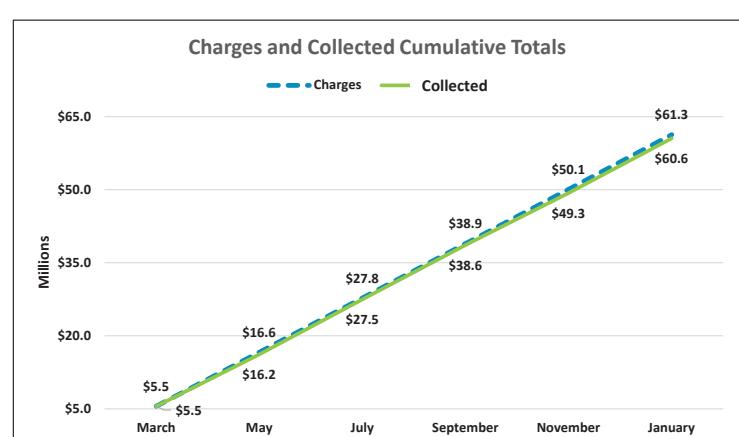
## EFFECTS OF COVID

### ▪ Financial Impact

- ~\$700k impact between stormwater charges and revenue collected
- ~1.2% of total charges

### ▪ Productivity Impact

- ~2/3 of workforce able to transition to work from home
- ~1/3 field staff continuing to work in field using extra precautions
- Periodic suspension of some volunteer events



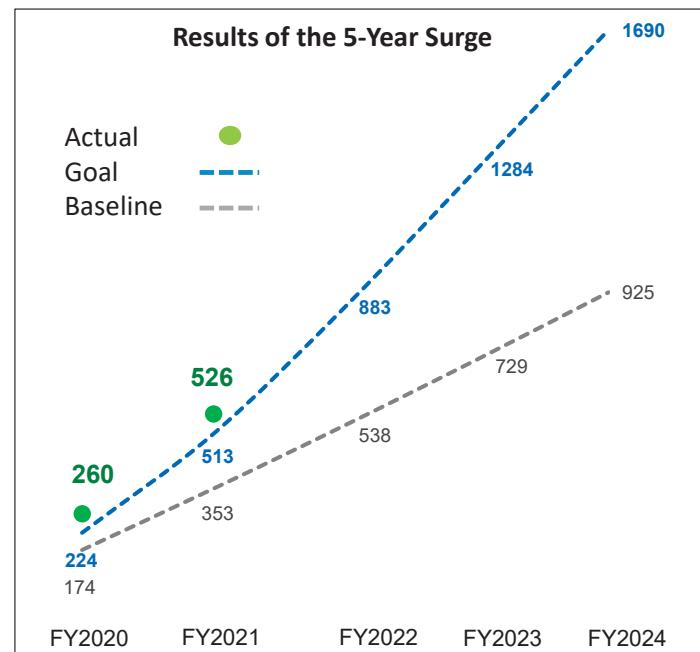
### ▪ Workforce Impact

- Staying connected as a workforce
- Challenges in training employees
- Professional development

# RESOLVING OUTSTANDING REPAIR REQUESTS



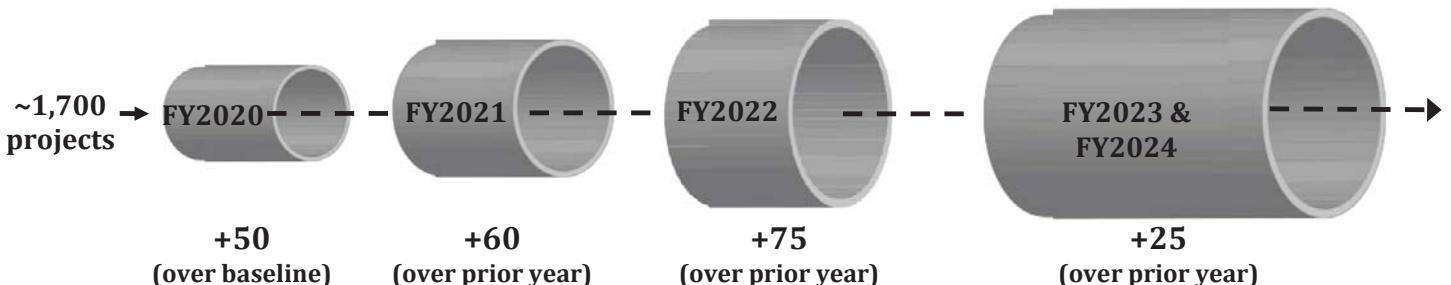
- Overhauling qualification and prioritization of work
- Complete ~1,700 projects in 5 years
- 83% increase in output over the 5 years
- Rate of output increases each of the first four years



## OPENING THE PROJECT PIPELINE



- Increased production resources (staff, consultants, support services)
- Increase in volume of construction contracts
- Improvements in project delivery
- Increase in spending (CIP: \$69M in FY2019 to over \$100M in FY2021)



# FINANCIAL PLANNING

- Revenue primarily from Storm Water Services fee on utilities bill
- Fee is based on amount of impervious area
- Properties pay the same rate per square foot of impervious area
- Storm Water Services maintains a 10-year financial plan to support strategic priorities
- Modeling effort is collaborative with the Finance Department and Department of Strategy & Budget and reviewed by a financial consultant

Fiscal Year	FY2020 Model Projected	Actuals
2020	0%	0%
2021	3.6%	0%
2022	3.6%	TBD*
2023	3.6%	
2024	3.6%	
2025	3.6%	
2026	3.6%	

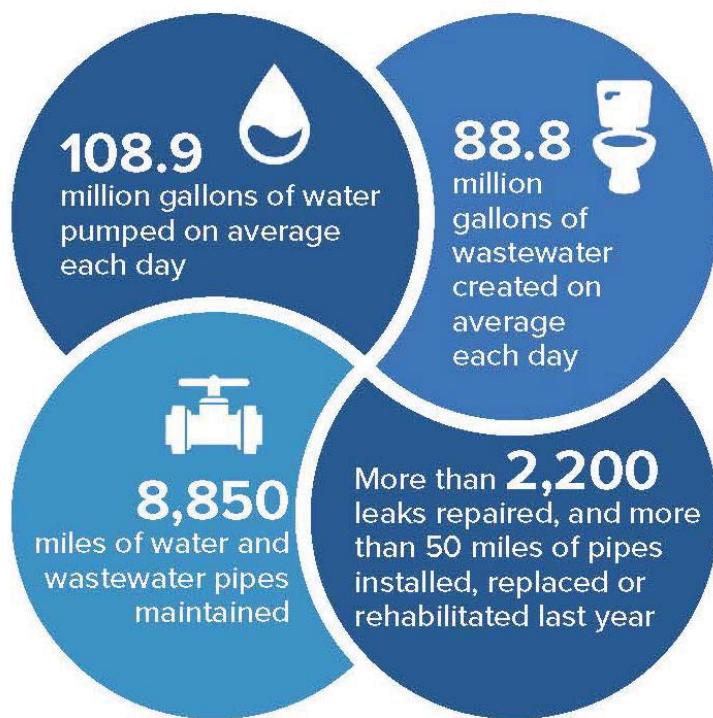
\* FY 2022 fee recommendation will be finalized as part of continuing budget process and included in City Manager's recommended budget

## THANK YOU FOR YOUR TIME

# FY 2022 Budget

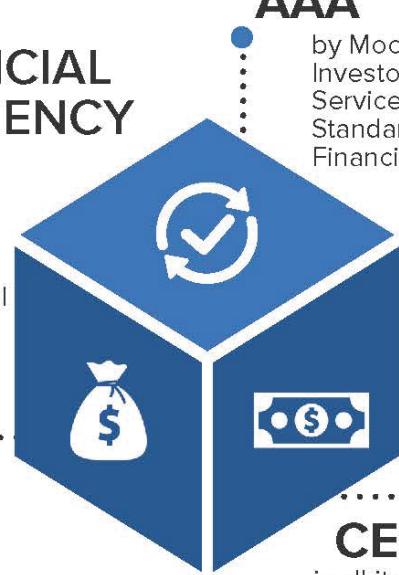
CITY COUNCIL BUDGET COMMITTEE

## QUICK STATS FY2020



## FINANCIAL EFFICIENCY

**\$280.7M**  
invested in capital improvement projects

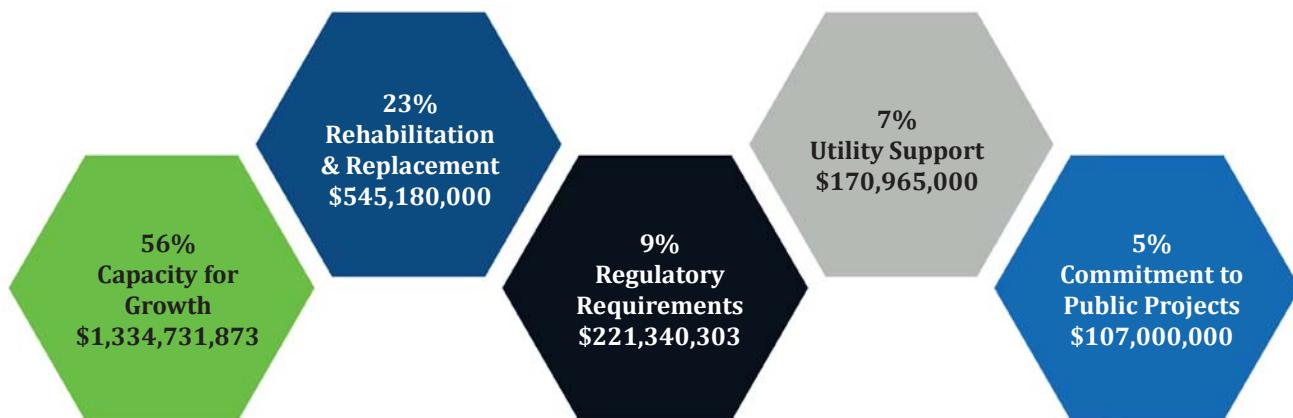


**AAA**  
by Moody's Investors Service, Fitch and Standard & Poor's Financial Services

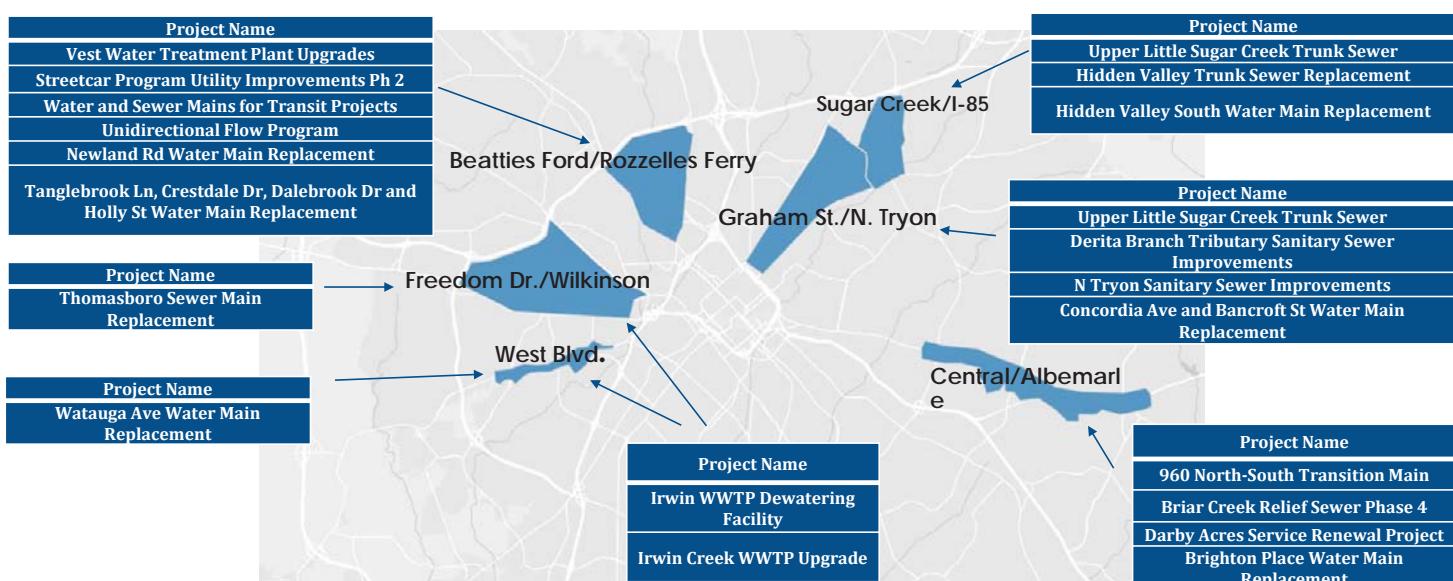
**3 CENTS**  
is all it takes to purchase a gallon of Charlotte Water

# FY 2022 – FY 2026 Capital Investment Program

- Five-year CIP = \$2.38 billion



## Investments in Corridors of Opportunity



# Account Impacts during COVID

- In a normal pre-COVID month, we would expect approximately 3,000 disconnects per month
- In this economic environment, we are currently carrying in excess of 16,000 accounts eligible monthly for disconnection
- With the criticality of supporting public health efforts, we have chosen to continue our disconnection moratorium
- Our community's health depends on us



## Rate Increases by Fiscal Year

- Align FY 2022 Rate recommendation with long-term Financial Plan
- Supports \$501 million FY 2022 Budget
- Supports five-year \$2.38 billion CIP

Fiscal Year	FY2020 Model Projected	FY2022 Model Actual
2020	3.42%	3.42%
2021	3.38%	1.86%
2022	3.43%	TBD
2023	3.57%	
2024	3.61%	
2025	3.48%	
2026	3.52%	

# Thank You & Questions



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# Appendix

Additional Slides Presented at Budget & Effectiveness Committee Meeting on 02/16/2021

## PURPOSE & OUTLINE

### ■ Purpose

- Review the Storm Water Services Program for the FY 2022 budget

### ■ Outline

- Overview of Storm Water Services
- Progress of Prior-Year Initiatives
- Look ahead to FY 2022

# OVERVIEW OF STORM WATER SERVICES

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## WHAT WE DO

### Mission:

To serve the City by improving surface waters and conveying rainwater safely through well-maintained storm drainage systems

#### ▪ Water Quantity

- Ensure runoff from rain drains safely to streams
- Protect the traveling public by reducing the risk of flooding and improving storm drainage systems throughout the city

#### ▪ Surface Water Quality

- Ensure runoff is as clean as possible
- Improve and protect surface waters through compliance with Federal Clean Water Act



# STORM WATER SERVICES OVERVIEW



**JOINT UTILITY**  
City of Charlotte &  
Mecklenburg County



**CLEAN WATER ACT**  
compliance to protect waterways



**ENGAGEMENT**  
outreach, education  
& volunteers



**RESIDENT RESPONSE**  
drainage & pollution  
investigations



**ENGINEERING**  
design & collaborative  
City projects



**CONSTRUCTION**  
contractor management  
& project inspections



**LAND DEVELOPMENT**  
mitigate stormwater impacts of  
new development



**ASSET MANAGEMENT**  
stormwater asset  
inspection & inventory



# PROGRESS OF PRIOR-YEAR INITIATIVES

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## ASSET MANAGEMENT

- Continue development of program to ensure system is maintained in most cost-effective manner
  - Allows for better-informed capital investments
  - Early interventions with preventative maintenance can lower overall repair costs
- 82% of City's drainage system has been inventoried, up from 55% by end of FY 2019
- Storm Water Services will need to grow its capacity to conduct inspections, analysis, cleaning, and repair



# FY 2022 BUDGET LOOK AHEAD

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## Charlotte Water

### Mission

- Charlotte Water provides reliable, high-quality services to our community through valued employees, financial stability, and environmental stewardship

### Vision

- To be a leading water utility, recognized for excellence and dedicated to our people, community, region, and environment

*Throughout 2020, Charlotte Water suffered no loss of service despite a global pandemic changing our way of business and threatening the health of our front-line employees.*



# Capital Spending by Fiscal Year



## Supporting our Community

### Apprenticeship Program

- Created to develop a workforce skilled in much-needed water and wastewater expertise

	Number of participants hired	Number acquiring full time employment	Percent employed
FY19 Apprenticeship	5	3	60%
FY19 Pipeline Academy	10	8	80%
FY20 Pipeline Academy	15	14	93%
FY21 Apprenticeship	9		



# Pandemic Response

- **Focusing on employee safety and maintaining operations**
  - Implemented Incident Command structure to manage resources and equipment.
  - Mobilized 1,000 person workforce to maintain constant, full-service operations.



- **Monthly**
  - Identifying potential operating savings
  - Assessing trends in delinquent accounts
  - Assessing trends in economic indicators (growth, consumption, permits)
- **Anticipate \$7 - \$10 million revenue impact at year-end FY 2021**



# Customer Assistance Programs

## Customer Care Team

- Helps customers avoid disconnection for non-payment and connect them with non-profit financial assistance
- Approximately 200 Ambassadors
- More than 9,000 customers contacted
- Goal is to contact ~17,000 customers

## Multi-departmental effort partnering with local agencies

- Charlotte-Mecklenburg Housing Partnership
- Crisis Assistance Ministry
- Common Wealth Charlotte
- Ada Jenkins Center
- And 12 other community organizations

## Charlotte Water Foundation in development

