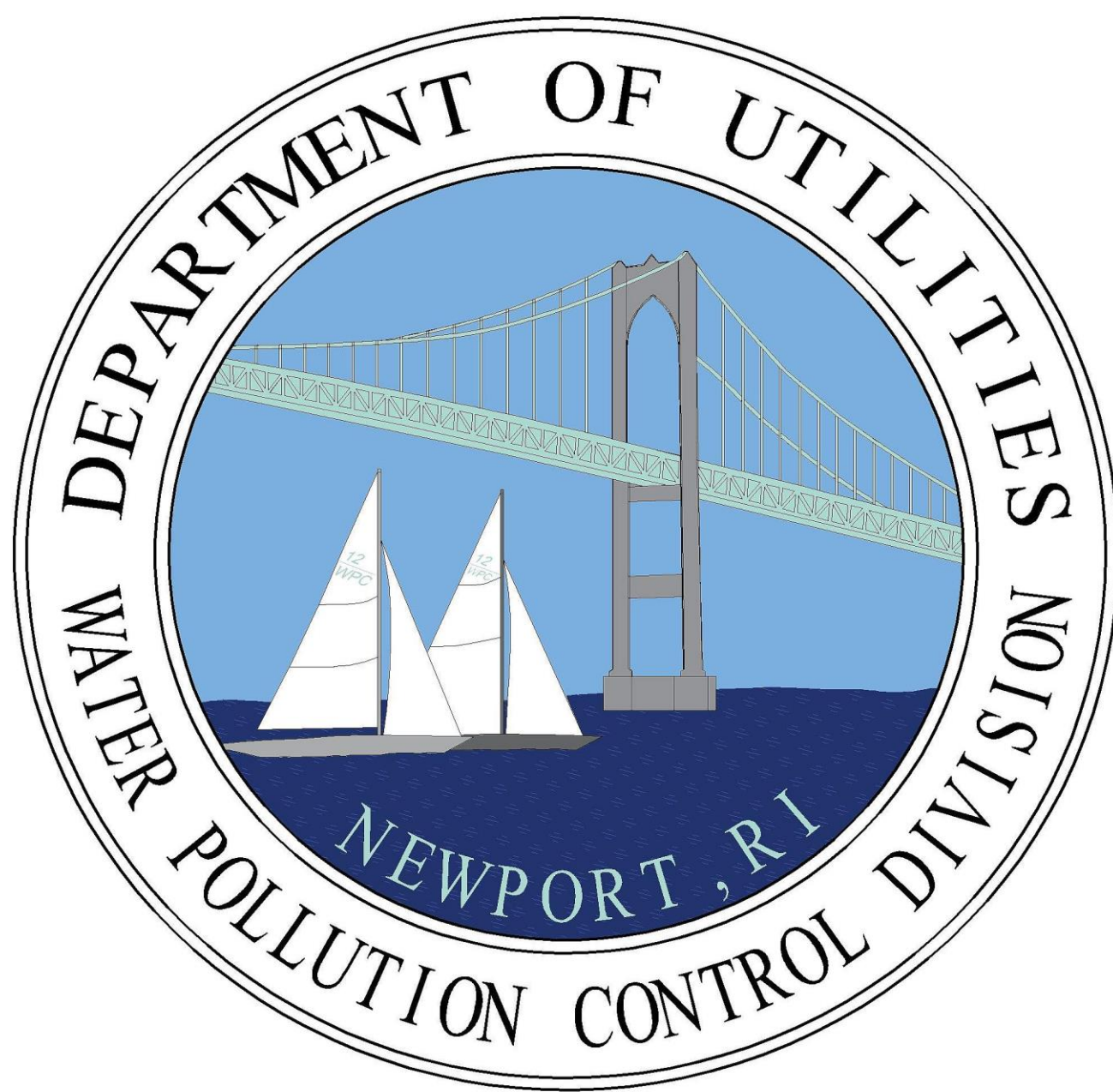




FY2023 PROPOSED BUDGET - WPC FUND

**WATER POLLUTION CONTROL FUND BUDGET
FY2023 PROPOSED BUDGET
SUMMARY**

	2020-2021 ACTUAL	2021-2022 ADOPTED	2021-2022 PROJECTED	2022-2023 PROPOSED
EXPENDITURES				
Salaries	\$ 958,929	\$ 1,008,230	\$ 894,360	\$ 948,044
Fringe Benefits	467,102	556,497	503,213	510,793
Purchased Services	6,966,454	7,354,017	7,162,661	7,523,844
Utilities	785,675	830,000	808,588	830,000
Internal Services	512,599	855,000	833,304	856,000
Supplies & Materials	98,067	161,200	148,886	161,200
Repair & Maintenance	173,135	225,000	151,664	225,000
Interest Expense	1,665,904	1,605,639	1,275,138	1,734,091
Other	-	-	-	-
Depreciation	5,103,410	4,149,934	5,110,000	5,110,000
Operating Expenditures	16,731,275	16,745,517	16,887,814	17,898,972
OTHER CASH OUTLAYS				
Capital Outlay From Unrestricted Revenues	-	7,990,000	-	4,520,000
Capital Outlay From CSO Fixed Fees	-	1,000,000	-	1,000,000
Capital Outlay From Revenue Bonds	-	-	-	12,000,000
Principal Debt Repayment	-	4,754,446	-	4,894,450
Other Cash Outlays		13,744,446	-	22,414,450
TOTAL EXPENDITURES & CASH OUTLAYS	\$ 16,731,275	\$ 30,489,963	\$ 16,887,814	\$ 40,313,422
LESS: NON-CASH ITEMS				
Depreciation	5,103,410	4,149,934	5,110,000	5,110,000
TOTAL CASH NEEDED	\$ 11,627,865	\$ 26,340,029	\$ 11,777,814	\$ 35,203,422

City of Newport, Department of Utilities, Water Pollution Control

Consent Decree No. 08-265S Drives The Majority of WPC Programs

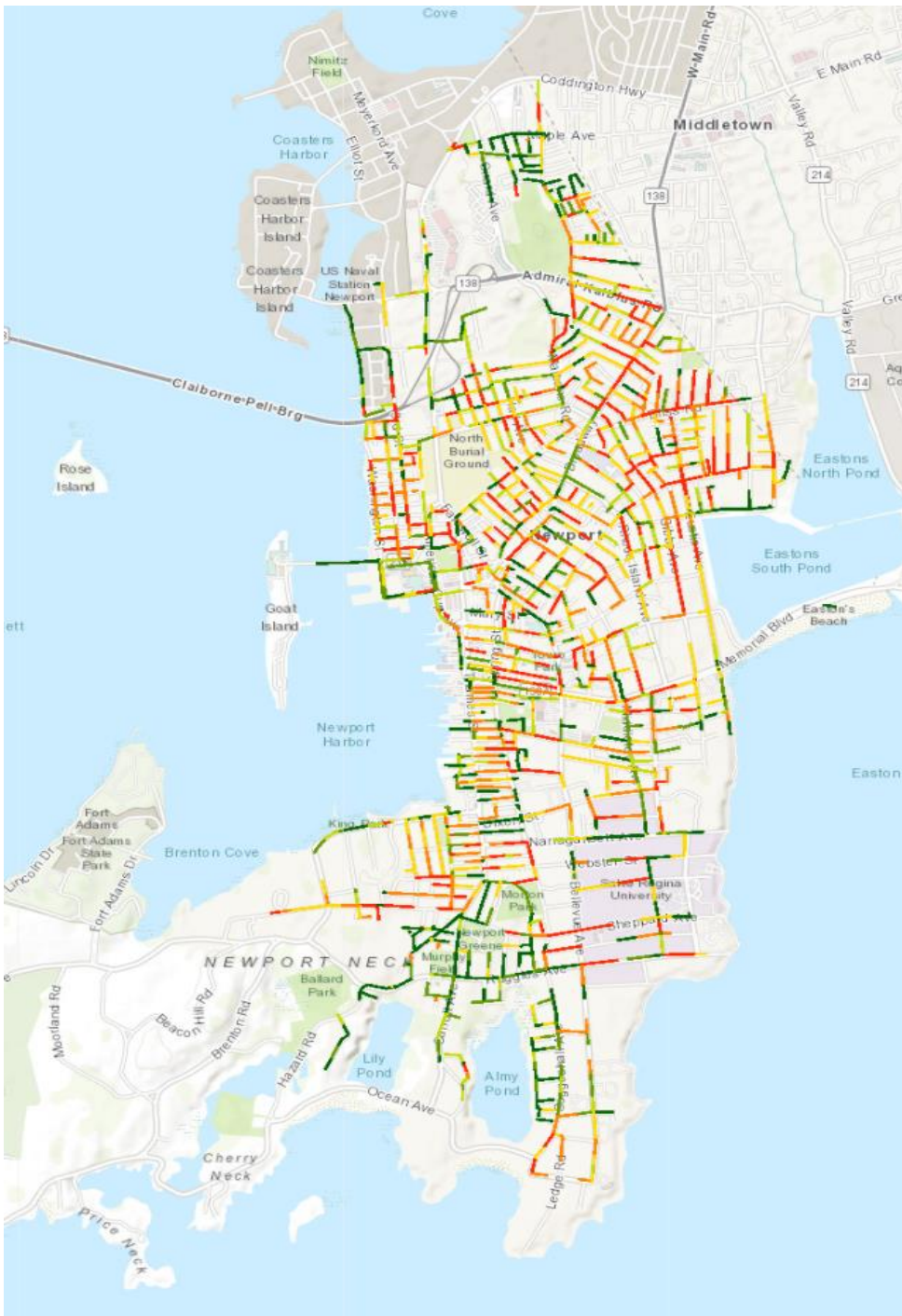
The Water Pollution Control Division is responsible for the management of the City's Sanitary Sewer System and Storm Drainage System. Construction of the wastewater collection system dates back to the late 1800s and early 1900s. The system functioned as a completely combined sewer system until the 1970s when the City undertook an extensive sewer separation program to reduce Combined Sewer Overflow (CSO) discharging to Newport Harbor.

The Sanitary Sewer System contains:

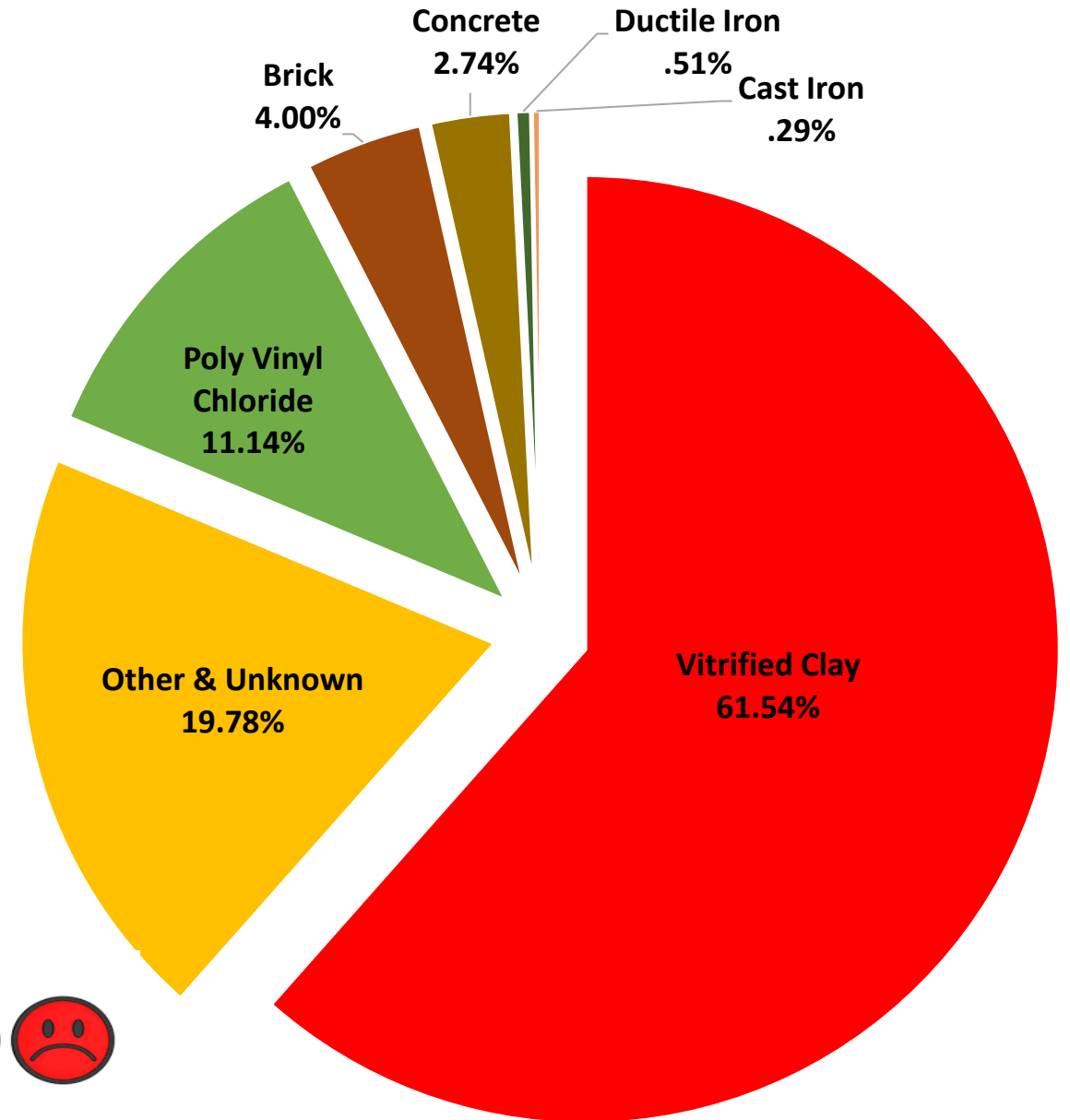
- Newport Water Pollution Control Facility (i.e. Wastewater Treatment Plant)
- Washington Street CSO Treatment Facility
- Wellington Avenue CSO Treatment Facility
- 16 Sewage Pump Stations
- 97 miles Sanitary Sewer Mains - Sizes Range From 4-inches to 84-inches
- Over 1,800 Sanitary Sewer Manholes

The Storm Drainage System contains:

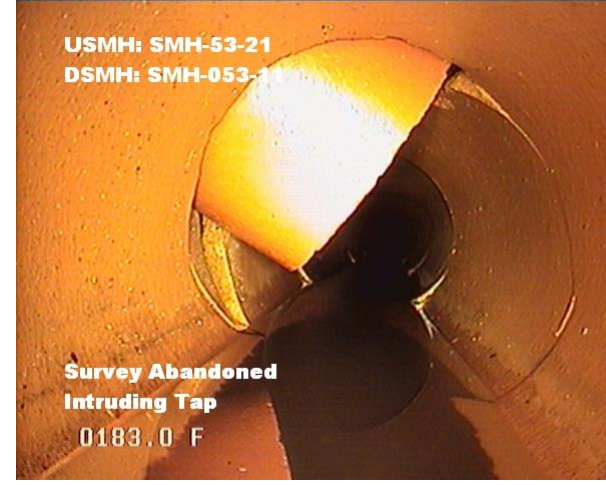
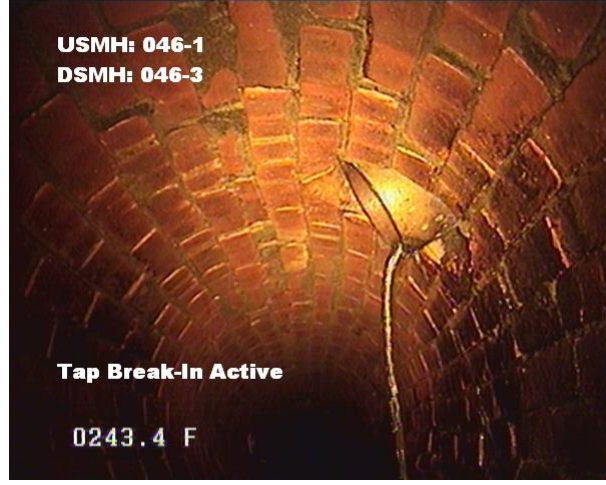
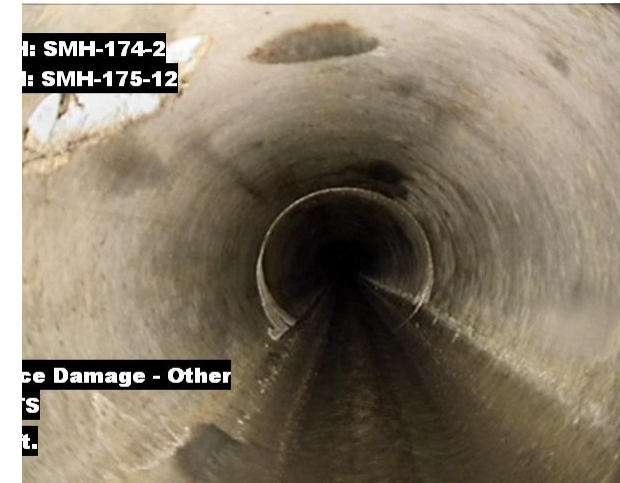
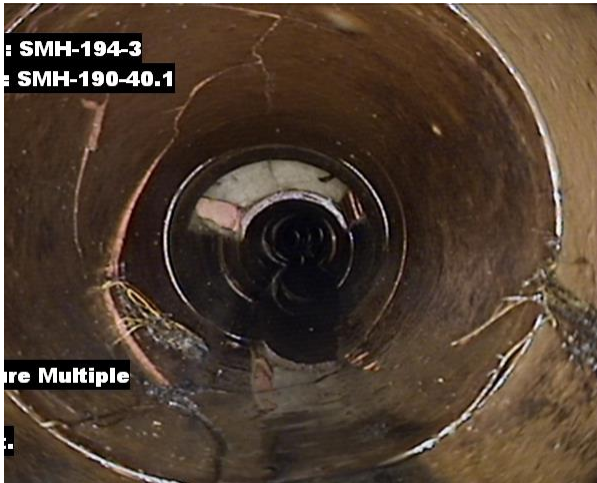
- 50 miles of Storm Drain - Sizes Range From 8-inches to 72-inches
- Over 1,200 Storm Drain Manholes
- Over 2,500 Catch Basins
- Easton's Beach UV Stormwater Treatment System



Gravity Sanitary Sewer Condition & Material



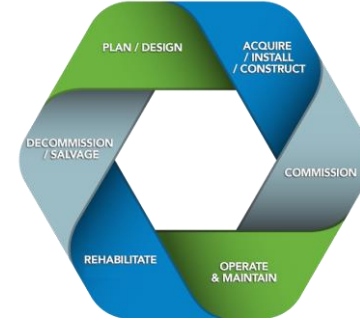
Gravity Sanitary Sewer Condition - CCTV



What We Are Doing

Asset Management

- Strategic, Collaborative, and Integrated
- Data-Driven - Accurate and Current Data
- Delivering Established Levels of Service
- Minimizing Lifecycle Costs and Risk



The Asset Lifecycle

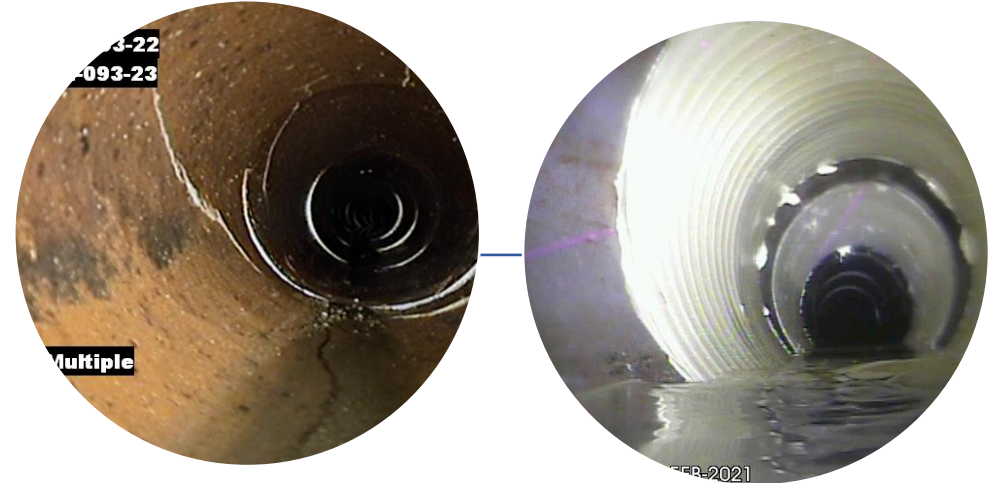


Modular Manhole Invert Channel Systems

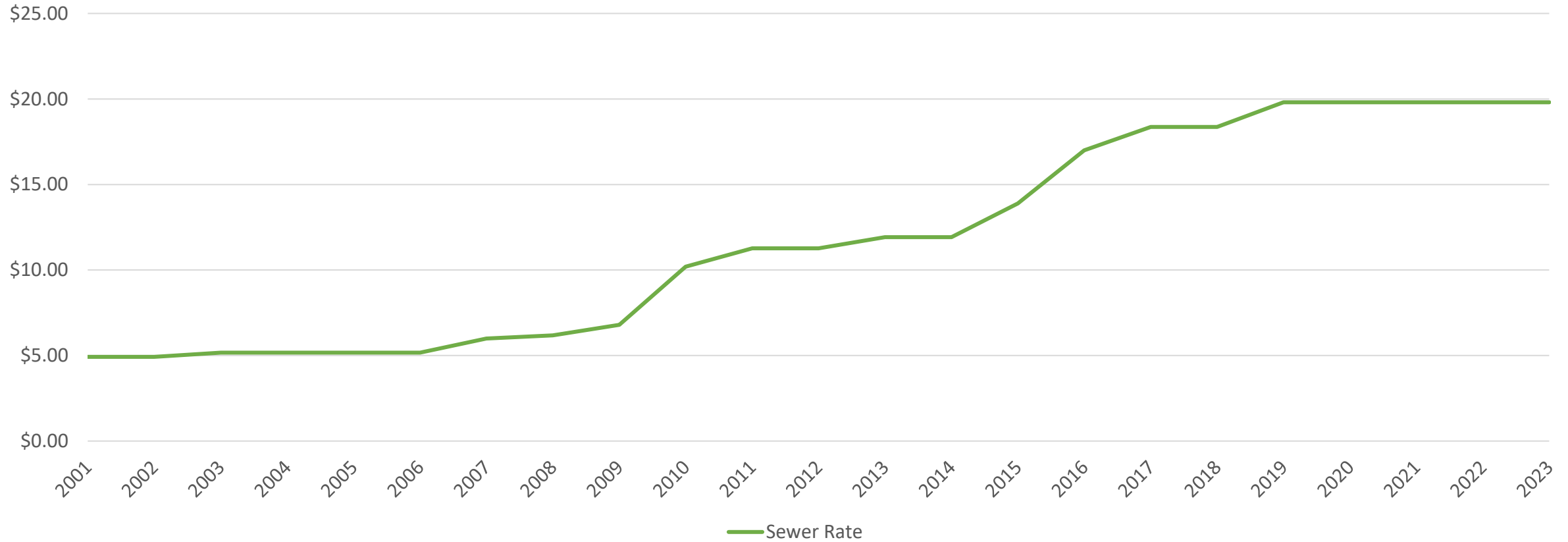
- Rehabilitation
 - Fast and Easy - No Excavation
 - < \$5,000 vs. \$15,000 Replacement
 - Minimize Service Disruption
- Reduce maintenance, simplify cleaning
- End leakage, infiltration, corrosion

Cured-in-Place Pipe (CIPP) Technology

- Rehabilitation Alternative To Open Cut Replacement
 - 40%-60% Savings
- Quick and Cost-Effective
- No Excavation Work
- Restores or Improves Structural Integrity
- Highly Durable and Damage Resistant
- Extend Life Up to 100 Years



City of Newport Sewer Rate History



Newport Sewer Rates

- Sewer Use Charge
 - \$19.80 per 1000 gallons
 - No Change Since FY 2019
- CSO Fixed Fee No Increase
- IPP Fees No Increase

Assumptions

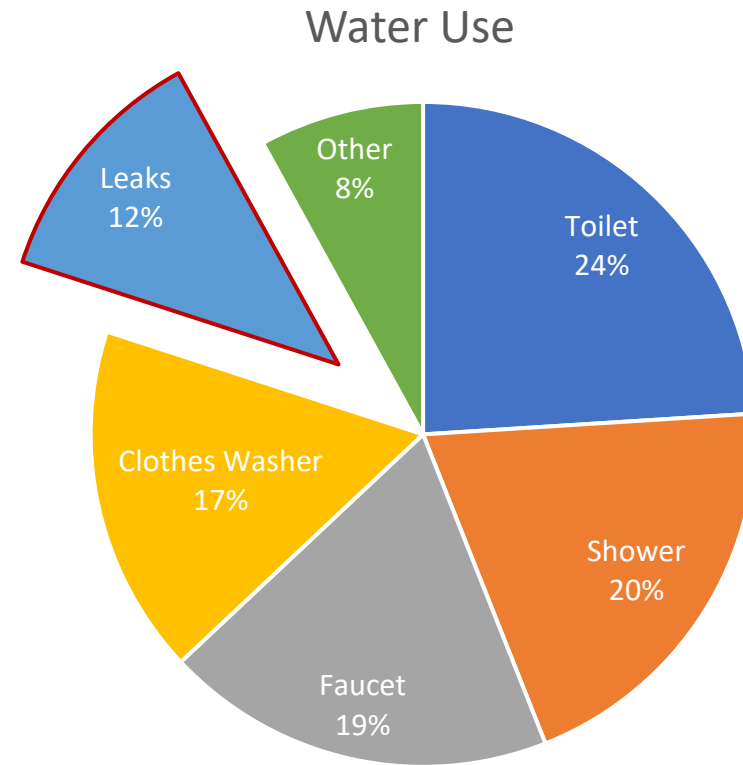
- Projected Sewer Use 600,000,000 gallons
- Middletown: New Flow Proportional Contract
- Level Funding for Operations & Maintenance

Residential Customer 4,100 Gallons Per Month Efficient Water Customer - 45 GPD

Customer Base Charge		= \$6.01
Water Charges	4.1000 x \$10.91 per 1,000 G	= \$44.73
WQP Charge	41.000 x \$.0292 per 100 G	= \$1.20
Monthly Water Bill		= \$51.94
Sewer Charge	4.1000 x \$19.80 per 1,000 G	= \$81.18
CSO Fixed Fee Charge		= \$16.00
Monthly Sewer Bill		= \$97.18
Monthly Bill Total		= \$149.12
Yearly Water Bill = \$623.28		
Yearly Sewer Bill = \$1,166.16		
Yearly Total = \$1,789.44		

Residential Customer 7,700 Gallons Per Month Average Water Customer - 85 GPD

Customer Base Charge		= \$6.01
Water Charges	7.7000 x \$10.91 per 1,000 G	= \$84.01
WQP Charge	77.000 x \$.0292 per 100 G	= \$2.25
Monthly Water Bill		= \$92.27
Sewer Charge	7.7000 x \$19.80 per 1,000 G	= \$152.46
CSO Fixed Fee Charge		= \$16.00
Monthly Sewer Bill		= \$168.46
Monthly Bill Total		= \$270.73
Yearly Water Bill = \$1,107.24		
Yearly Sewer Bill = \$2,021.52		
Yearly Total = \$3,128.76		



*Average U.S. family per year

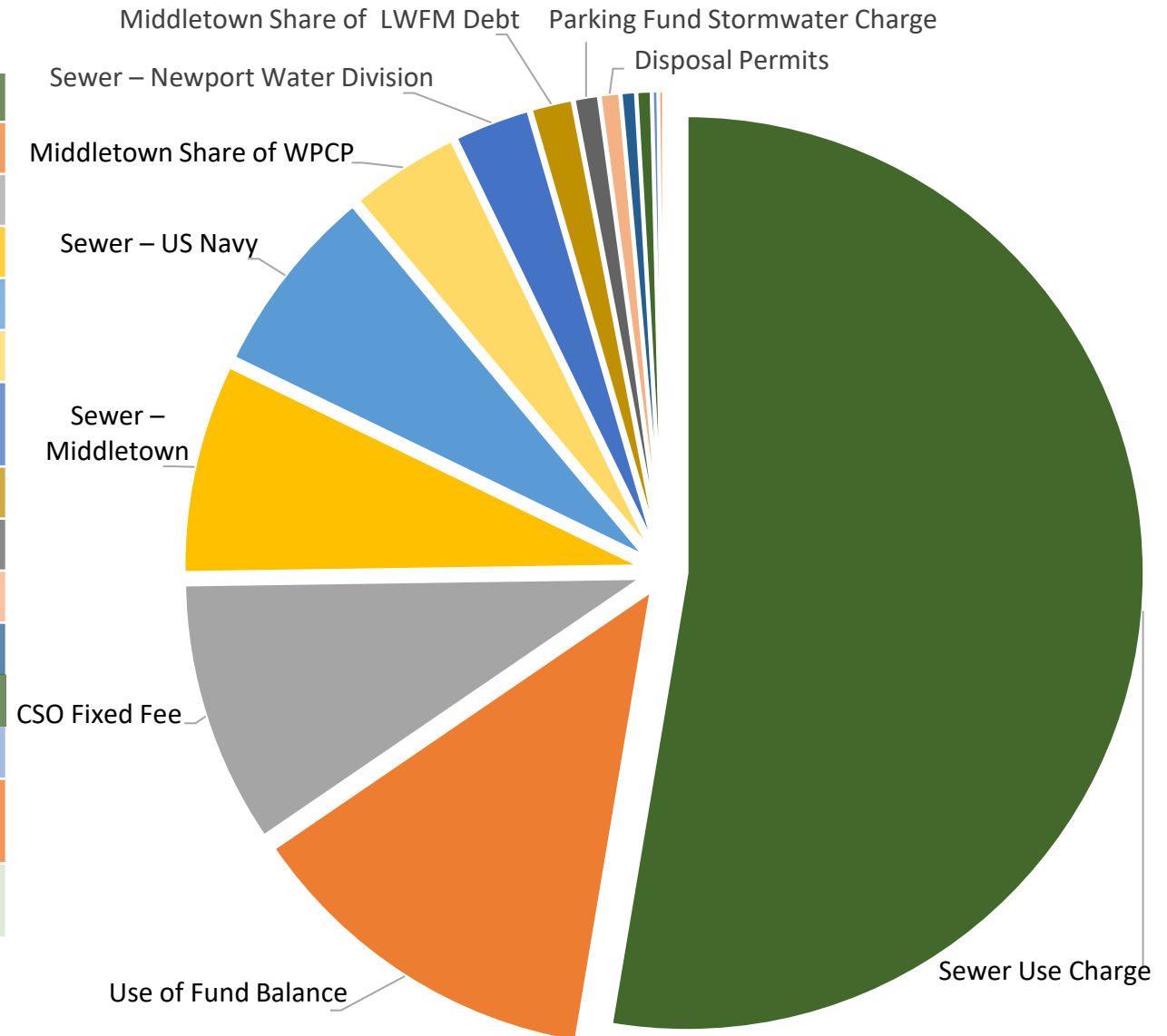
FUNDING SOURCES BY CATEGORY

Where The Money Comes From

Sewer Use Charge	\$12,078,000	52.05%
Use of Fund Balance	\$3,201,097	13.79%
CSO Fixed Fee	\$2,136,000	9.20%
Sewer Treatment Middletown	\$1,700,000	7.33%
Sewer Treatment United States Navy	\$1,550,000	6.68%
Middletown Share of WPCP	\$888,907	3.83%
Sewer Treatment, City of Newport Water Division	\$617,760	2.66%
Middletown Share of LWFM Debt	\$338,027	1.46%
Parking Fund Stormwater Charge	\$200,000	0.86%
Disposal Permits	\$162,000	0.70%
ICI Reimbursements	\$120,111	0.52%
Pretreatment Fees	\$120,000	0.52%
Maritime Fund Stormwater Charge	\$50,000	0.22%
Sewer – Penalty, Interest Income & Assessments	\$41,620	0.18%
Total	\$23,203,522	

Bond Proceeds \$12,000,000

Total with Bond Proceeds \$35,203,522



FUNDING USES BY CATEGORY

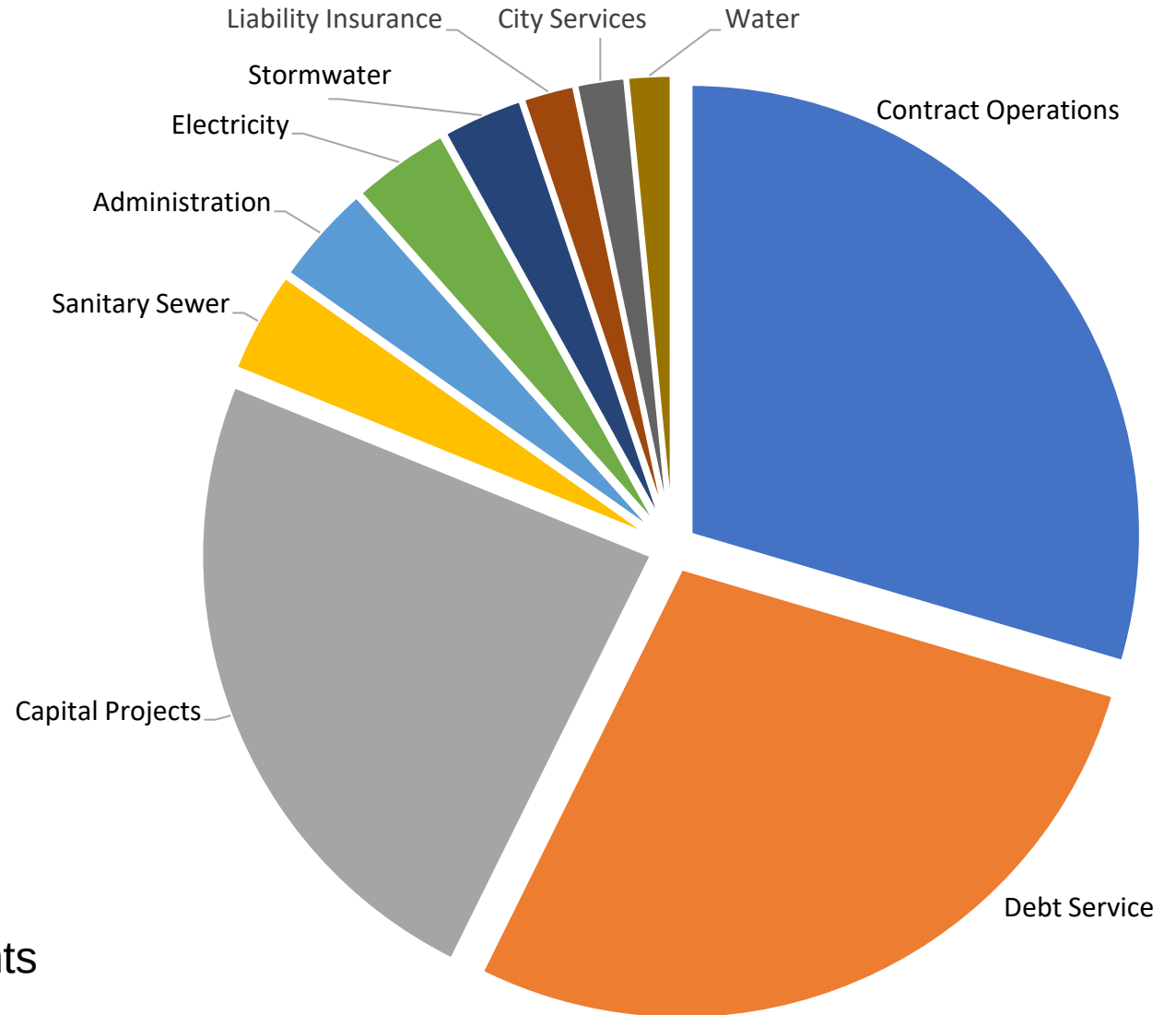
Where The Money Goes

Contract Operations	\$6,783,187	29.23%
Debt Service	\$6,638,541	28.61%
Capital Projects	\$5,520,000	23.80%
Sanitary Sewer	\$822,122	3.54%
Administration	\$766,228	3.30%
Electricity	\$805,000	3.47%
Stormwater	\$633,387	2.73%
Liability Insurance	\$474,957	2.05%
City Services	\$400,000	1.72%
Water	\$360,000	1.55%
Total	\$23,203,422	

Long Wharf Pump Station Bonds \$12,000,000

Total \$35,203,422

Revenue Shortfall = Deferred Capital Improvements



Level of Service

Current Funding Basic Level of Service

- Protection of Public Health and Safety
 - No Sanitary Sewage Overflows (SSO)
 - No Permit Violations
 - No CSO's up to 10-year 6-hour design storm events
- Regulatory Compliance
 - Regulatory Complexity
 - Rhode Island Pollutant Discharge Elimination System (RIPDES) Permit No. RI0100293
 - Consent Decree No. 08-265S
 - RIPDES Stormwater Municipal Separate Storm Sewer Systems (MS4s)
- Aging Infrastructure Hinders Service and Quality

Increase in Level of Service

- Ratepayer Expectations
- Affordability
- Acceptability
- Sustainability
- Climate Change
- Resiliency