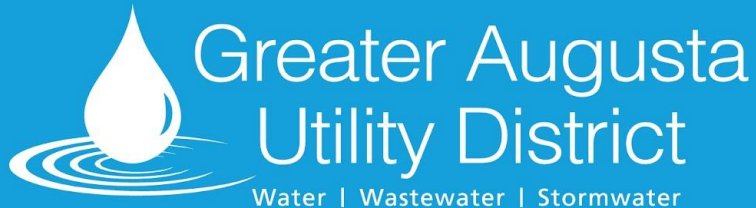


# GAUD 2026 Planning Meeting

Tuesday, October 21, 2025 | Augusta Civic Center  
Welcome & Overview



# Agenda

- Review of 2025 goals and status (handout)
- Overview of 2026 financials
- Present planned 2026 goals for discussion

Brian / Ken

Mike

Brian / Ken

# 2025 Goals - how did we do? (handout)

## Five elements

1. Financial management
2. Capital improvement
3. Communications and relationships
4. Human resources
5. Headwinds

## Fiscal Management: 2026 Proposed Budget

Total annual budget	\$18.5M
○ Drinking water & fire services revenue	\$6.9M
○ Sewer revenue	\$6.0M
○ Stormwater	\$4.2M
■ ERU stormwater revenue (non-COA)	\$2.1M
■ ERU stormwater revenue (COA)	\$1.2M
■ Catch basin stormwater revenue	\$864K
○ Other revenue	\$1.4M

# 2026 Proposed Budget - Additional information

- Wage increases are budgeted at 5%.
- Wage expense includes two (2) vacant positions:
  - 1 Utility Worker & 1 Meter Shop Worker
- Health insurance costs are estimated to increase by 15%.
- Power is budgeted to increase by 5%.
- Chemicals are budgeted to increase by 9%.
- Additionally, price increases are budgeted for software, catch basin cleaning, small tools, business insurance, and sludge disposal.
- Overall O&M expenses to increase by approximately \$782K or 6%.
- Revenues do not include any potential rate changes for the water, sewer, and storm divisions.

## Water division - 2026 Cash forecast / Rate forecast (est.)

		30.0%	3.2%	3.0%	3.0%	3.0%	3.0%	
Income Statement	Water Division	Actual 2024	Projected 2025	Proposed 2026	Projected 2027	Projected 2028	Projected 2029	
	Revenue	4,961,306	6,352,733	6,556,020	6,752,701	6,955,282	7,163,941	6
	Rate Change (annualized)	1,488,392	203,287	196,681	202,581	208,658	214,918	7
	Rate Change (cash effect)	(868,229)	(118,584)	(114,730)	(118,172)	(121,717)	(125,369)	
	New Revenues	5,581,469	6,437,436	6,637,971	6,837,110	7,042,223	7,253,490	
	(Overall % change in rates)	30.0%	3.2%	3.0%	3.0%	3.0%	3.0%	
	Other income/(expenses)	105,680	420,841	117,952	117,952	117,952	117,952	Meter Reads, Cell Tower, Misc.
	Operations and Maintenance	1,413,731	1,416,483	1,527,718	1,604,104	1,684,309	1,768,525	5% annual increases
	Salaries, wages and benefits	1,887,827	2,245,890	2,463,850	2,587,043	2,716,395	2,852,214	
	Depreciation	952,754	997,435	1,012,397	1,027,582	1,042,996	1,058,641	Base + 1.5%
	Interest expense	91,619	151,328	102,902	91,580	81,261	69,672	Per schedule
	Principal repayment	345,225	425,225	447,725	444,452	442,500	442,500	Per schedule
Net	995,993	1,621,916	1,201,331	1,200,301	1,192,714	1,179,890		
Cash Flow	Beginning cash balance	1,994,047	4,302,077	4,021,793	3,710,728	3,358,446	2,956,914	
	Net income	995,993	1,621,916	1,201,331	1,200,301	1,192,714	1,179,890	
	Add back: noncash depreciation	952,754	997,435	1,012,397	1,027,582	1,042,996	1,058,641	
	Change in working capital/other	1,522,661	(384,742)	-	-	-	-	
	Pipe replacement projects	(908,905)	(1,510,927)	(2,024,793)	(2,055,165)	(2,085,992)	(2,117,282)	2x depreciation
	Known projects	(1,159,592)	-	-	-	-	-	
	Less: other capital spending	(897,054)	(2,059,073)	(500,000)	(525,000)	(551,250)	(578,813)	5% annual increases
	Grants	1,219,296	325,777	-	-	-	-	
	Loan forgiveness (TBD)	-	-	-	-	-	-	
	New debt	582,877	729,330	-	-	-	-	
	Net change in cash for the year	2,308,030	(280,284)	(311,065)	(352,282)	(401,532)	(457,564)	
	Ending cash balance	4,302,077	4,021,793	3,710,728	3,358,446	2,956,914	2,499,350	Target: \$750K

6

7

<== rate start month

months of full rate collection = 12 - (start + 1)

5.0%

% annual increase O&M inflation

5.0%

% wage increase 2024 only

5

4

3

2

1

-

2024

2025

2026

2027

2028

2029

5.0%

% annual increase construction inflation

5.0%

% annual increase construction inflation

Pipe

1.00%

percent of total miles of pipe

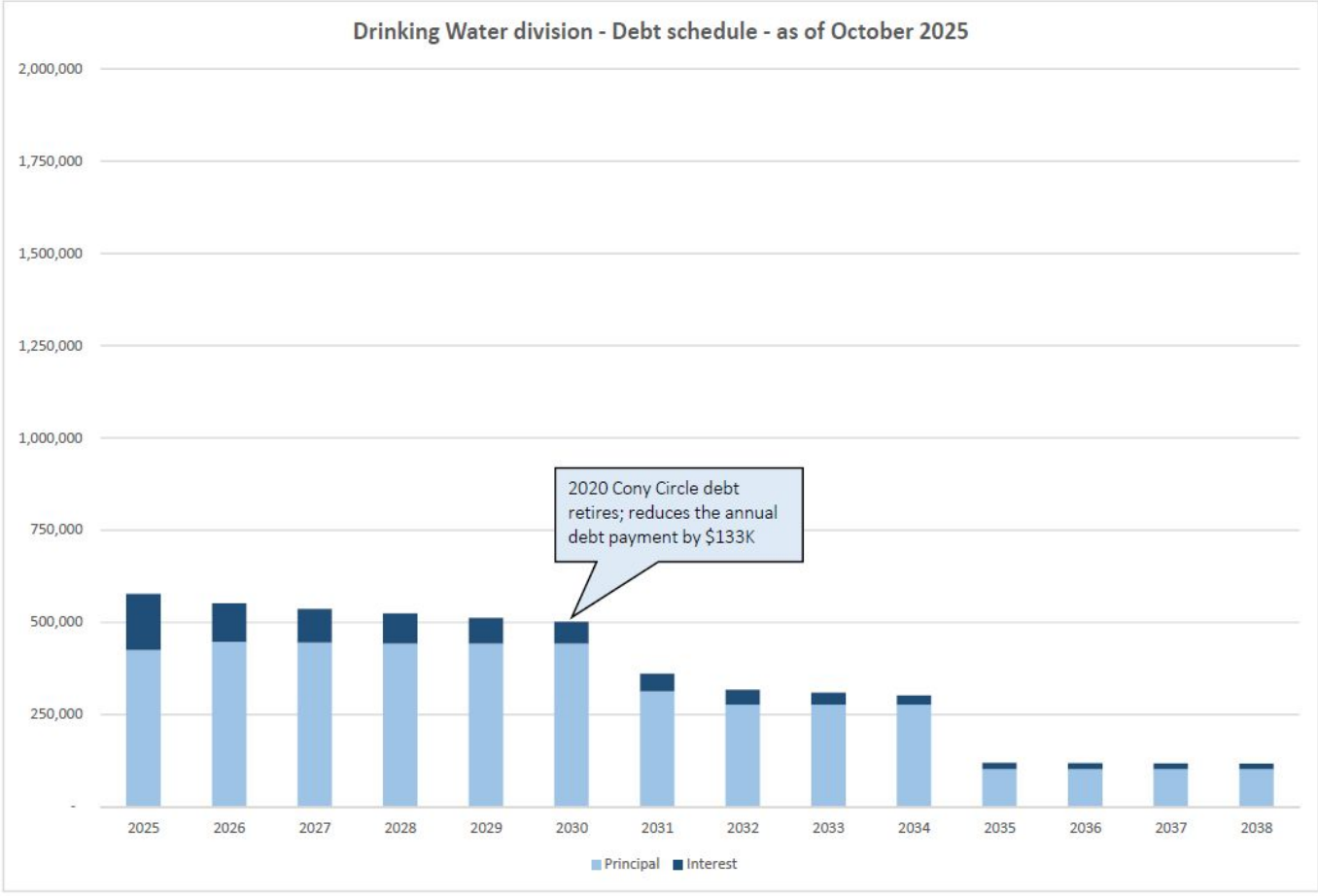
\$700

Cost per foot of pipe

\$4,804,800

cost of X% of pipe

# Drinking Water division - Debt payment schedule





# Sewer division - 2026 Cash forecast / Rate forecast (est.)

		30.0%	3.2%	3.0%	3.0%	3.0%	3.0%	
Income Statement	<b>Sewer Division</b>	Actual 2024	Projected 2025	Proposed 2026	Projected 2027	Projected 2028	Projected 2029	7,829,536
	Revenue	4,586,508	5,648,497	5,829,249	6,004,126	6,184,250	6,369,778	7,940,311
	Rate Change (annualized)	1,375,952	180,752	174,877	180,124	185,528	191,093	rates start 7/1 which reduces impact
	Rate Change (cash effect)	(802,639)	(105,439)	(102,012)	(105,072)	(108,224)	(111,471)	
	New Revenues	5,159,821	5,723,810	5,902,115	6,079,178	6,261,553	6,449,400	
	(Overall % change in rates)	30.0%	3.2%	3.0%	3.0%	3.0%	3.0%	
	Other income/(expenses)	1,348,402	1,581,366	1,316,876	1,316,876	1,316,876	1,316,876	Trunkline, Togus Debt, Misc.
	Operations and Maintenance	3,626,870	3,534,213	3,840,050	4,032,053	4,233,655	4,445,338	5% annual increases
	Depreciation	1,460,629	1,475,129	1,480,229	1,502,432	1,524,969	1,547,843	Base + 1.5%
	Interest expense	270,779	255,635	232,216	207,650	186,891	163,596	Per schedule
Cash Flow	Principal repayment	1,493,829	1,430,577	1,392,166	1,338,597	1,347,620	1,306,636	Per schedule
	Net	(343,883)	609,622	274,330	315,322	285,294	302,863	
	Beginning cash balance	1,093,794	1,037,864	1,233,520	908,838	624,039	308,085	
	Net income	(343,883)	609,622	274,330	315,322	285,294	302,863	
	Add back: noncash depreciation	1,460,629	1,475,129	1,480,229	1,502,432	1,524,969	1,547,843	
	Change in working capital/other	(26,947)	(199,857)	-	-	-	-	
	Less: Other capital spending	(1,876,371)	(873,884)	(579,240)	(527,554)	(472,467)	(413,798)	Match depreciation + \$500K
	Less: WWTP spending			(500,000)	(525,000)	(551,250)	(578,813)	
	Less: pipe replace / maintenance		(1,678,172)	(1,000,000)	(1,050,000)	(1,102,500)	(1,157,625)	
	Grants	474,483	227,683	-	-	-	-	
	Loan forgiveness (TBD)	-	-	-	-	-	-	
	New debt	256,160	635,135	-	-	-	-	
	Net change in cash for the year	(55,929)	195,656	(324,682)	(284,800)	(315,954)	(299,530)	
	Ending cash balance	1,037,864	1,233,520	908,838	624,039	308,085	8,555	Target: \$375K
		26.1%	23.9%	15.9%	12.1%	5.4%	0.1%	R&R = 10% of Prior Yr Revenue
		28.6%	34.9%	23.7%	15.5%	7.3%	0.2%	WCR = 13% - 25% of O&M

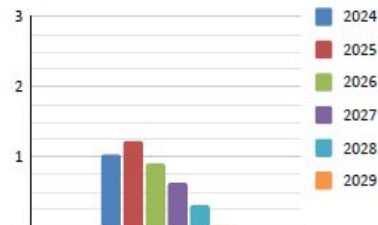
6

← rate start month

7

months of full rate collection = 12 - (start + 1)

5.0% % annual increase O&amp;M inflation





# Storm division - 2026 Cash forecast / Rate forecast (est.)

		0.0%	3.2%	3.0%	3.0%	3.0%	3.0%	
Income Statement	<b>Stormwater Division</b>	Actual	Projected	Proposed	Projected	Projected	Projected	
		2024	2025	2026	2027	2028	2029	(62,850)
	Revenue	4,169,506	3,992,165	4,125,589	4,249,357	4,374,672	4,503,719	4,519,121
	Rate Change (annualized)	-	133,424	123,768	125,315	129,047	132,853	
	Rate Change (cash effect)	-	(77,831)	(72,198)	(73,100)	(75,277)	(77,498)	
	New Revenues	4,169,506	4,125,589	4,177,159	4,301,571	4,428,441	4,559,074	
	(Overall % change in rates)	0.0%	3.3%	3.0%	2.9%	2.9%	2.9%	
	Other income/(expenses)	48,034	172,463	12,000	12,000	12,000	12,000	Miscellaneous
	Operations and Maintenance	1,900,706	1,892,088	2,033,807	2,135,497	2,242,272	2,354,386	5% annual increases
	Depreciation	887,192	909,876	913,376	927,077	940,983	955,098	Base + 1.5%
	Interest expense	74,473	106,119	97,279	89,582	81,830	71,259	Per schedule
	Principal repayment	667,593	744,821	722,353	727,690	733,082	674,764	Per schedule
	Net	687,576	645,148	422,344	433,725	442,274	515,568	
Cash Flow	Beginning cash balance	1,804,587	1,617,491	2,192,167	2,114,511	2,048,236	1,990,511	
	Net income	687,576	645,148	422,344	433,725	442,274	515,568	
	Add back: noncash depreciation	887,192	909,876	913,376	927,077	940,983	955,098	
	Change in working capital/other	(190,528)	(230,371)	-	-	-	-	
	Less: capital spending	(1,955,995)	(1,460,852)	(1,413,376)	(1,427,077)	(1,440,983)	(1,455,098)	Match depreciation + \$500K
	Grants	206,649	158,219	-	-	-	-	
	Loan forgiveness							
	New debt	178,010	552,656	-	-	-	-	
	Net change in cash for the year	(187,096)	574,676	(77,656)	(66,275)	(57,726)	15,568	
	Ending cash balance	1,617,491	2,192,167	2,114,511	2,048,236	1,990,511	2,006,078	Target: \$375K
		39.8%	52.6%	51.3%	49.1%	48.2%	48.0%	R&R = 10% of Prior Yr Revenue
		85.1%	115.9%	104.0%	95.9%	88.8%	85.2%	WCR = 13% - 25% of O&M

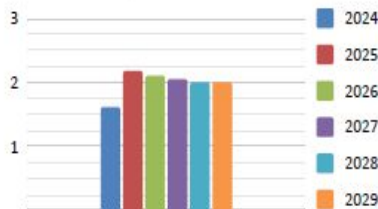
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&lt;== rate start month

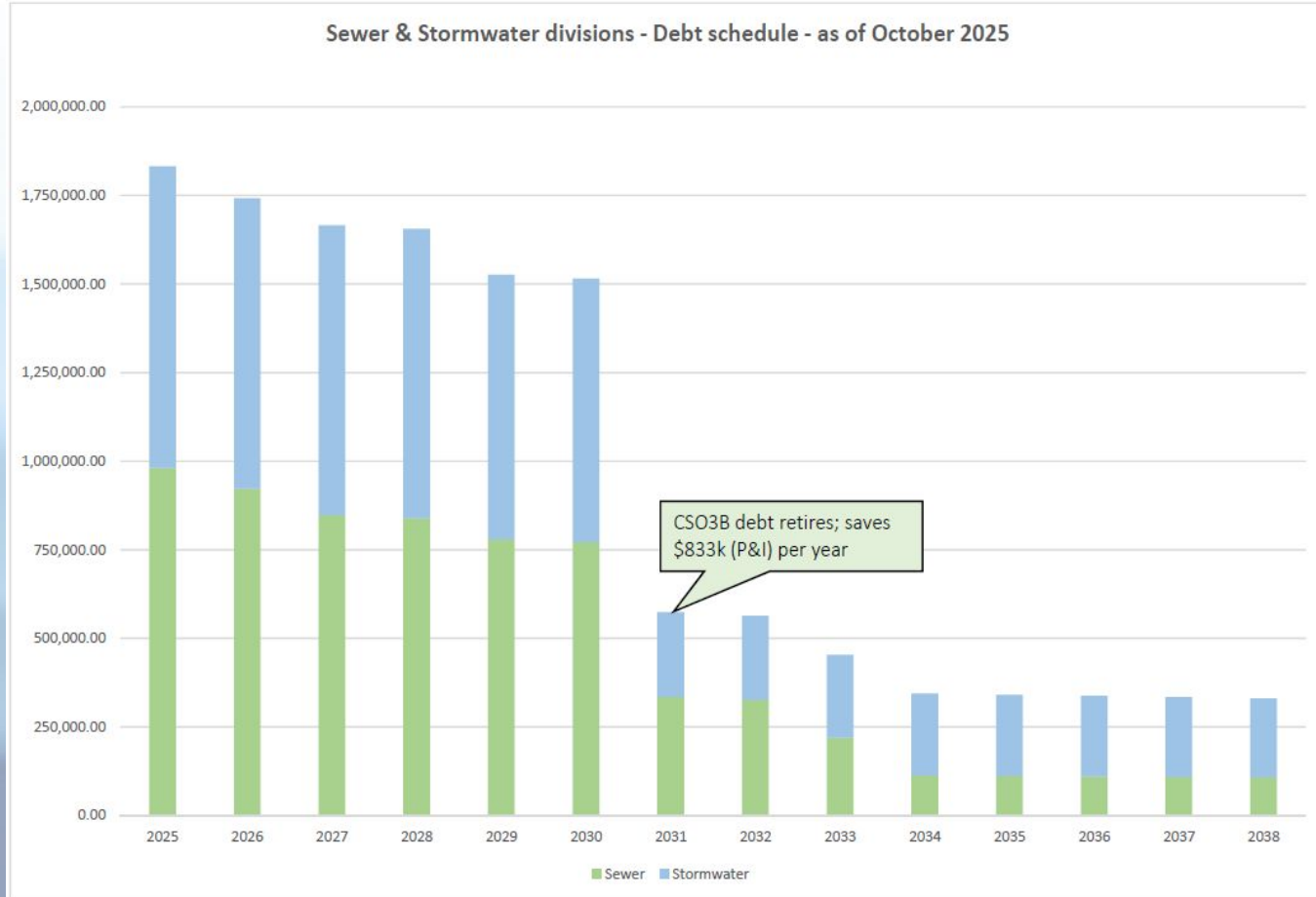
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months of full rate collection = 12 - (start + 1)

5.0% % annual increase O&amp;M inflation



# Sewer & Stormwater divisions - Debt payment schedule



## **Review and discuss draft 2026 goals (handout)**

1. Financial Management
2. Capital Improvement
3. Communications and relationships
4. Human resources
5. Regulatory

# Adjourn

2026 Board goals and budgets will be voted on  
at the December 22<sup>nd</sup> meeting

**THANK YOU!**