

# 2025 ASC and ALCA Budget Presentation



## **Budget & Financial Planning Committee Meetings for 2025 Budget**

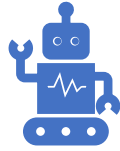
- **7/17/24 Mid-year review**
- **8/10/24 ASC Budget & Capital and Reserve Study discussion**
- **9/09/24 Review of ASC Budget, Long Range Forecast & Reserve Study**
- **9/14/24 Review of ASC Budget and various forecast models**
- **09/25/24 ALCA Budget Review**
- **10/2/24 ALCA Budget Review**
- **10/09/24 Final Reviews and Recommendation**
- **10/19/24 Final discussions for Budgets & Forecast Models**
- **10/29/24 Budget & Forecast Recommendations sent to Board.**



# Arrowhead Sewer Company 2025 Budget



# 2025 Assumptions & Facts



**Staffing will increase by 1 Full Time Employee. This will assist in efficient operations and to provide full coverage for all sewer services.**



**Inflow & Infiltration Remediation has shown excellent results however, we must stay the course. The 2025 budget for collection laterals is \$70,000.**



**The reserve study, completed by Kipcon in 2023, has been reworked by management to better align with what is realistic in terms of replacement cost and useful life expectancy.**



# Arrowhead Sewer Company

## Sewer Service Fees

|                   | 2025       | 2024       | Increase | %   |
|-------------------|------------|------------|----------|-----|
| • House Annual    | \$1,000.00 | \$1,000.00 | 0        | 0.0 |
| • House Quarterly | 250.00     | 250.00     | 0        | 0.0 |
| • Lot Annual      | 500.00     | 500.00     | 0        | 0.0 |
| • Lot Quarterly   | 125.00     | 125.00     | 0        | 0.0 |

**\*A sewer discount, if paid in full, will be evaluated by management in the first quarter of 2025 to determine if we can implement in the 2026 budget.**



# Arrowhead Sewer Company

## Selected Operating Measures 2025 Budget versus 2023 Budget



**Flat Sewer Fee – Revenue**

**\$1,394,937**



**Increase in total Operating Expense    \$63,856    8.1% (B)**



**(A) No increase in Sewer Fee**



**(B) Additional Staff and addition of \$15,000 line item for miscellaneous engineering**





# Arrowhead Sewer Company

## 2025 Capital Projects

|                               |           |
|-------------------------------|-----------|
| • Collection Laterals         | 70,000    |
| • Treatment Tank Cleaning     | 40,000    |
| • Tank Refurbish              | 35,000    |
| • Pump Station 2 Driveway     | 31,000    |
| • Pump Station 2 Overhaul     | 85,000    |
| • Intercompany Loan Repayment | 509,061   |
| • Roof Repair                 | 12,100    |
| • UV Disinfection Panel       | 30,000    |
| • NPDES Renewal               | 7,500     |
| • CCTV Camera Sewer Lateral   | 20,433    |
| • Total Capital Projects      | \$855,094 |

*\*All capital projects will be paid by reserve fund savings*



# 2025 ASC Operational Goals

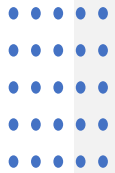
**Continue to remediate I&I in all basins, in order of priority concerns and task focus.**

**Continue to support professional development of personnel.**

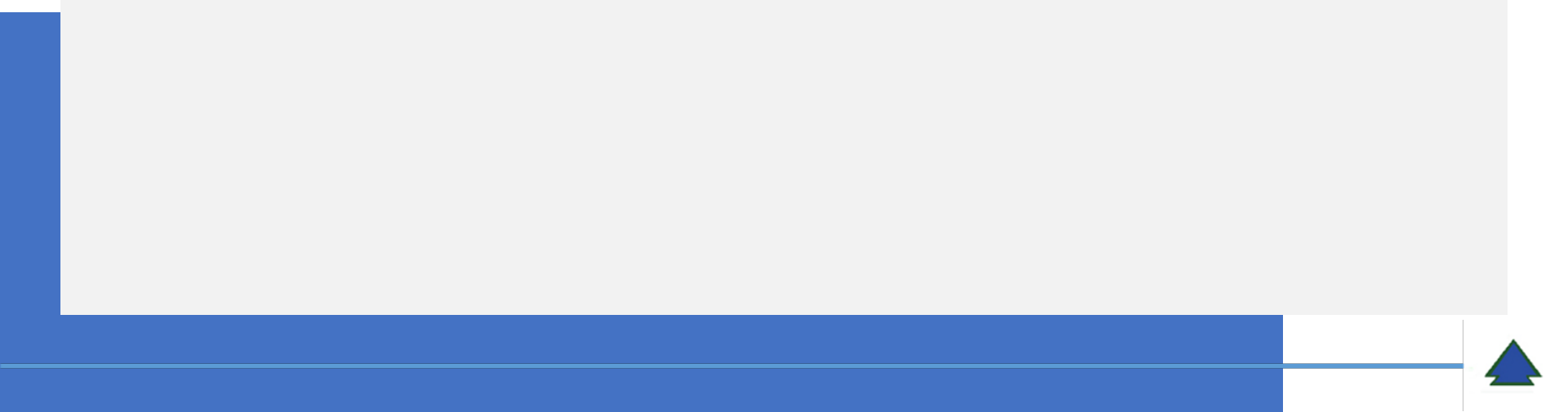
**Continue PADEP required trainings for certified operators.**

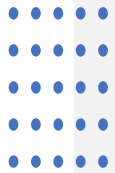
**Continue lateral deficiency notification and repair program.**





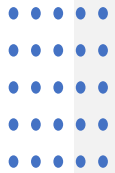
Comments/Questions....





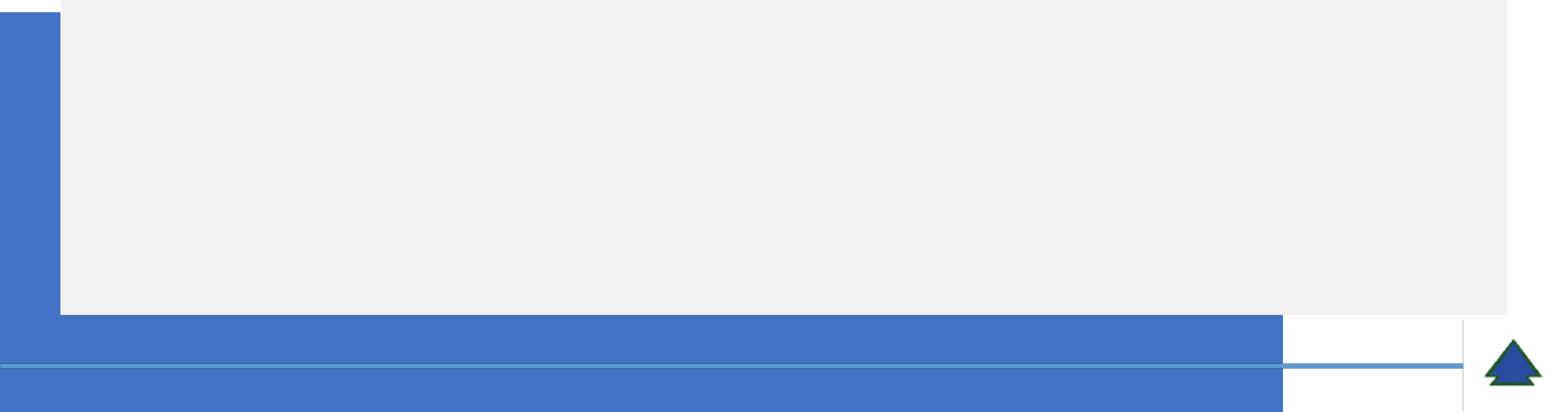
# Break.... Up next: ALCA 2025 Budget





# Arrowhead Lake Community Association

**2025 Budget**



# 2025 Assumptions & Facts

- The 2025 Budget is presented with 2.0% Assessment increase (\$106,000).
- Increase in Rental Revenue by \$171,000 from 2024 budget to 2025 budget.
- OPEX – Expenses reflect an increase of \$372,000, or 4.3%. The largest increases are in the following areas:
  - Significant inflationary increases in Insurance and supplies
  - Increased need for Professional and Legal Services
  - Increased cost and additions to Outside Services
  - Federal Income Taxes increased due to higher investment earnings.
- Capital – Reserve Fund will pay for \$1.6 million in Capital Projects during 2025



# Arrowhead Lake Community Association

## 2025 Assessment Schedule

|                                     | <u>2025</u> | <u>2024</u> | <u>Increase<br/>(Decrease)</u> | <u>%</u> |
|-------------------------------------|-------------|-------------|--------------------------------|----------|
| • House Assessment paid by March 31 | \$1,970     | \$1,930     | \$ 40                          | 2.1%     |
| • Full House Assessment             | 2,070       | 2,030       | 100                            | 2.0%     |
| • Lot Assessment paid by March 31   | 985         | 965         | 20                             | 2.1%     |
| • Full Lot Assessment               | 1,035       | 1,015       | 20                             | 2.0%     |



# Arrowhead Lake Community Association

## Selected Operating Measures 2025 Budget versus 2024 Budget



**Increase in Assessment Revenue**  
**2.0%**

**\$106,085**



**Increase in Other Revenue**  
**4.78%**

**\$82,899**



**Increase in Operating Expenses**  
**4.3%**

**\$371,947**



# Arrowhead Lake Community Association History of Reserve Fund Contributions

|                                 |              |
|---------------------------------|--------------|
| • 2005 Contribution to Reserves | \$151,000    |
| • 2011 Contribution to Reserves | \$515,000    |
| • 2014 Contribution to Reserves | \$836,000    |
| • 2017 Contribution to Reserves | \$1,099,151  |
| • 2020 Contribution to Reserves | \$1,028,674  |
| • 2021 Contribution to Reserves | \$1,092,869  |
| • 2022 Contribution to Reserves | \$1,092,869  |
| • 2023 Contribution to Reserves | \$2,070,591  |
| • 2024 Contribution to Reserves | \$1,157,178  |
| • 2025 Contribution to Reserves | \$ 1,100,574 |



# Arrowhead Lake Community Association

## Major Projects > \$50,000 in 2025

- **Inhouse Roads and Drainage - \$357,000**
  - **Tar & Chip Multiple Roads - \$328,000**
    - **Paved Road Rehab - \$150,000**
- **Lodge Water Well Structure - \$200,000**
- **Replace 2 Public Safety Vehicles \$100,000**



# Major Future Projects

|                                        |             |             |
|----------------------------------------|-------------|-------------|
| • North Lake Spillway                  | \$4,268,223 | TBD         |
| • Lehigh Drive Road Project (Pennvest) | \$4,000,000 | 2025 – 2027 |
| • Annual Inhouse Road Maintenance      | \$357,000   | Annual      |



# Arrowhead Lake Community Association Reserve Savings Status

|                                       |                      |
|---------------------------------------|----------------------|
| <b>Projected Reserves at 12/31/24</b> | <b>\$7.6 million</b> |
|---------------------------------------|----------------------|

|                                                                                                              |                      |
|--------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Projected Reserves at 12/31/25 after<br/>spending \$1.6 million on community<br/>Development projects</b> | <b>\$7.6 million</b> |
|--------------------------------------------------------------------------------------------------------------|----------------------|



# Comments/Questions....

