

BPW FY 2026

Operations and Maintenance Revenues and Expense (O&M R&E)
and 5 year Capital Budget

Electric

- ▶ O&M
 - ▶ ~\$1.83M surplus
 - ▶ ~\$1.45M to operations (Unrestricted)
 - ▶ ~\$383K impact fees (Restricted)
- ▶ FY 26 Capital
 - ▶ \$1.1M BPW cash (no confirmed funding)
 - ▶ \$~62K for Developer projects
- ▶ Final Cash/Investment Balances at end of FY 26
 - ▶ ~\$3.6M unrestricted
 - ▶ ~\$435K restricted
- ▶ Required (Based on Cash Reserve Policy)
 - ▶ Overall \$45K shortage
 - ▶ ~3.51M Unrestricted funds (surplus of ~90K)
 - ▶ ~570K Restricted funds (shortage of ~135K)

Electric FY 26			
Fund Type	Actual	Required	(Shortage)/ Surplus
Operations	3,600,000	3,510,000	90,000
Capital	435,000	570,000	(135,000)
Total (Shortage)/Surplus			(45,000)

Water

- ▶ O&M
 - ▶ ~\$3.22M surplus
 - ▶ ~\$1.67M to operations (Unrestricted)
 - ▶ ~\$1.55M impact fees (Restricted)
- ▶ FY 26 Capital
 - ▶ \$465K BPW cash (no confirmed funding)
 - ▶ ~146K Debt Payments
 - ▶ ~220K Developer Projects
- ▶ Final Cash/Investment Balances at end of FY 26

- ▶ ~\$2.55M unrestricted
- ▶ ~\$1.79M restricted

- ▶ Required (Based on Cash Reserve Policy)

- ▶ Overall \$2.53M surplus
 - ▶ ~1.22M Unrestricted funds (surplus of ~1.33M)
 - ▶ ~587K Restricted funds (surplus of ~1.2M)

Water FY 26			
Fund Type	Actual	Required	(Shortage)/ Surplus
Operations	2,550,000	1,220,000	1,330,000
Capital	1,790,000	587,000	1,203,000
Total (Shortage)/Surplus			2,533,000

Wastewater

- ▶ O&M
 - ▶ ~\$1.41M surplus
 - ▶ ~\$490K to operations (Unrestricted)
 - ▶ ~\$920 impact fees (Restricted)
- ▶ FY 26 Capital
 - ▶ \$645K BPW cash (no confirmed funding)
 - ▶ ~957K Debt Payments
 - ▶ ~180K Developer Projects
- ▶ Final Cash/Investment Balances at end of FY 26
 - ▶ ~\$2.36M unrestricted
 - ▶ ~\$276K restricted
- ▶ Required (Based on Cash Reserve Policy)
 - ▶ Overall \$1.0M shortage
 - ▶ ~2.58M Unrestricted funds (shortage of ~220K)
 - ▶ ~1.07M Restricted funds (shortage of ~794K)

Wastewater FY 26			
Fund Type	Actual	Required	(Shortage)/ Surplus
Operations	2,360,000	2,580,000	(220,000)
Capital	276,000	1,070,000	(794,000)
Total (Shortage)/Surplus			(1,014,000)

Stormwater

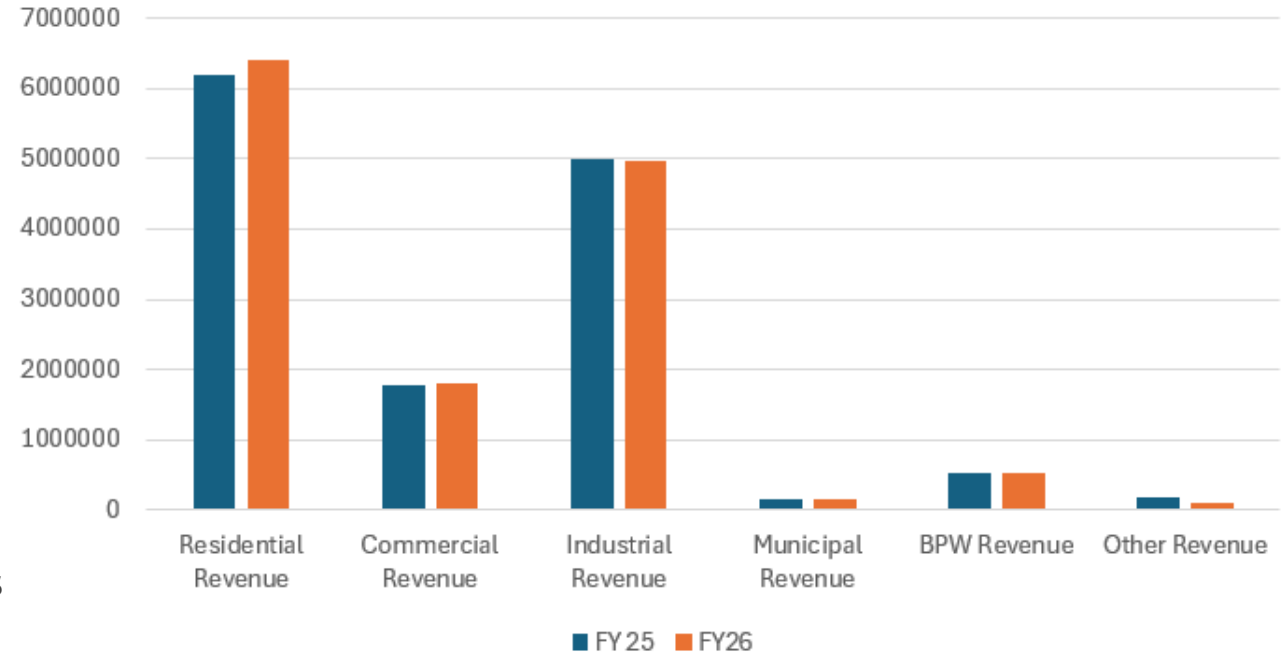
- ▶ O&M
 - ▶ ~\$165K surplus
 - ▶ ~\$165K to operations (Unrestricted)
- ▶ FY 26 Capital
 - ▶ \$275K BPW cash (no confirmed funding)
 - ▶ ~\$12K Developer Projects
- ▶ Final Cash/Investment Balances at end of FY 26
 - ▶ ~\$25K unrestricted
- ▶ Required (Based on Cash Reserve Policy)
 - ▶ Overall \$742K shortage
 - ▶ ~512K Unrestricted funds (shortage of ~487K)
 - ▶ ~255K Restricted funds (shortage of ~255K)

Stormwater FY 26			
Fund Type	Actual	Required	(Shortage)/Surplus
Operations	25,000	512,000	(487,000)
Capital	-	255,000	(255,000)
Total (Shortage)/Surplus			(742,000)

O&M Electric Revenue

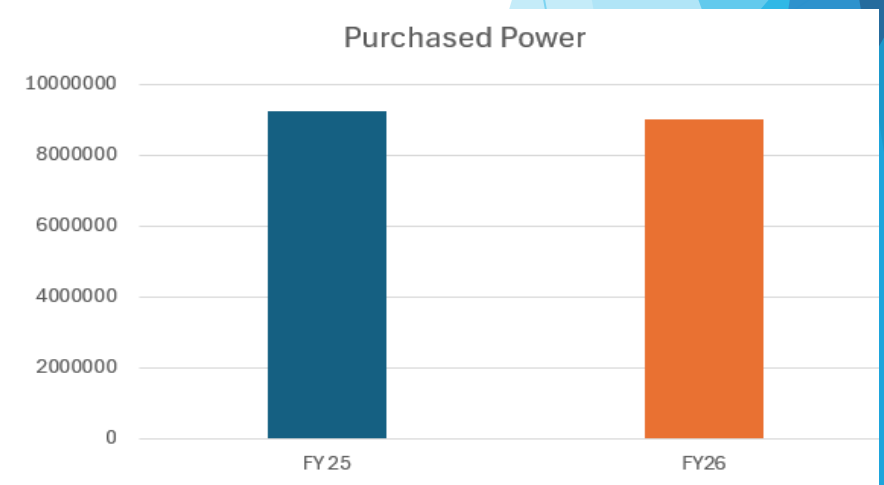
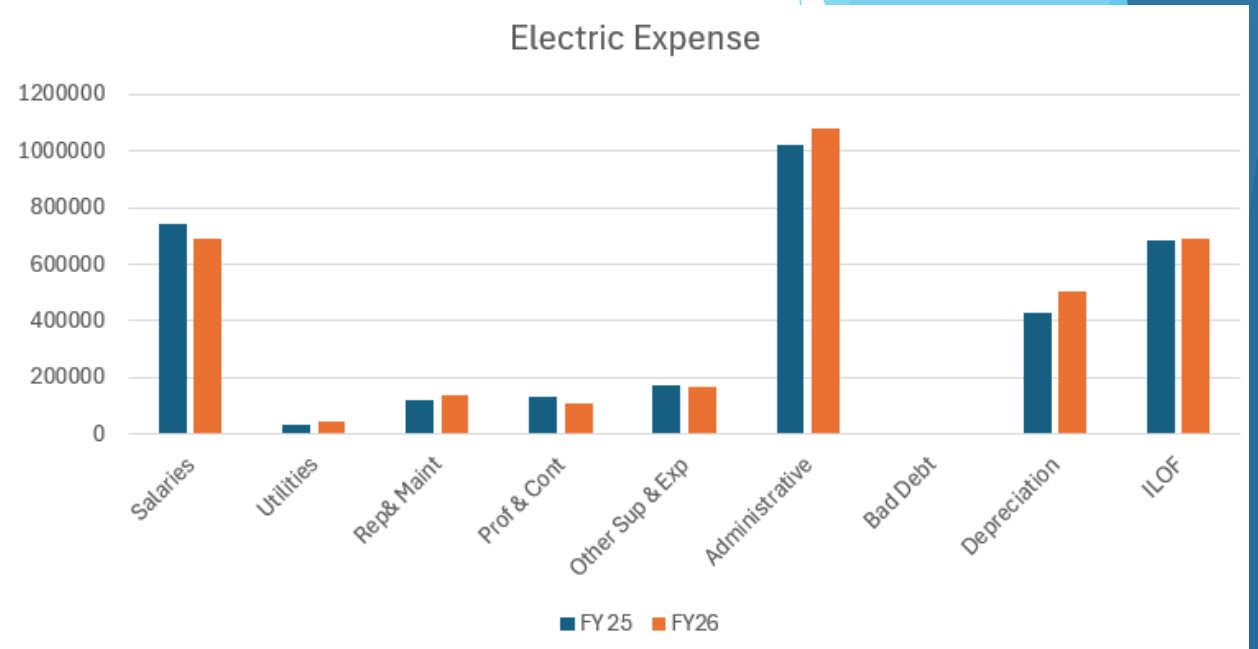
- ▶ Increasing 1.1% from FY 2025
 - ▶ No commodity rate increase
 - ▶ Ready to serve following 2022 rate resolution
 - ▶ New customers expected
 - ▶ 50 White's Pond
 - ▶ 10 Fishers Cove
 - ▶ 80 Dutchman's Harvest
 - ▶ 2 Commercial: Gibbs & The Beach House of Lewes
 - ▶ Revenue Other
 - ▶ Developer, Disconnection, and late fees
- ▶ Non-Operating Revenues increasing by 6.7%
 - ▶ Impact fees
 - ▶ Expecting 140 residential and 2 commercial customers to connect to our system

Electric Revenue



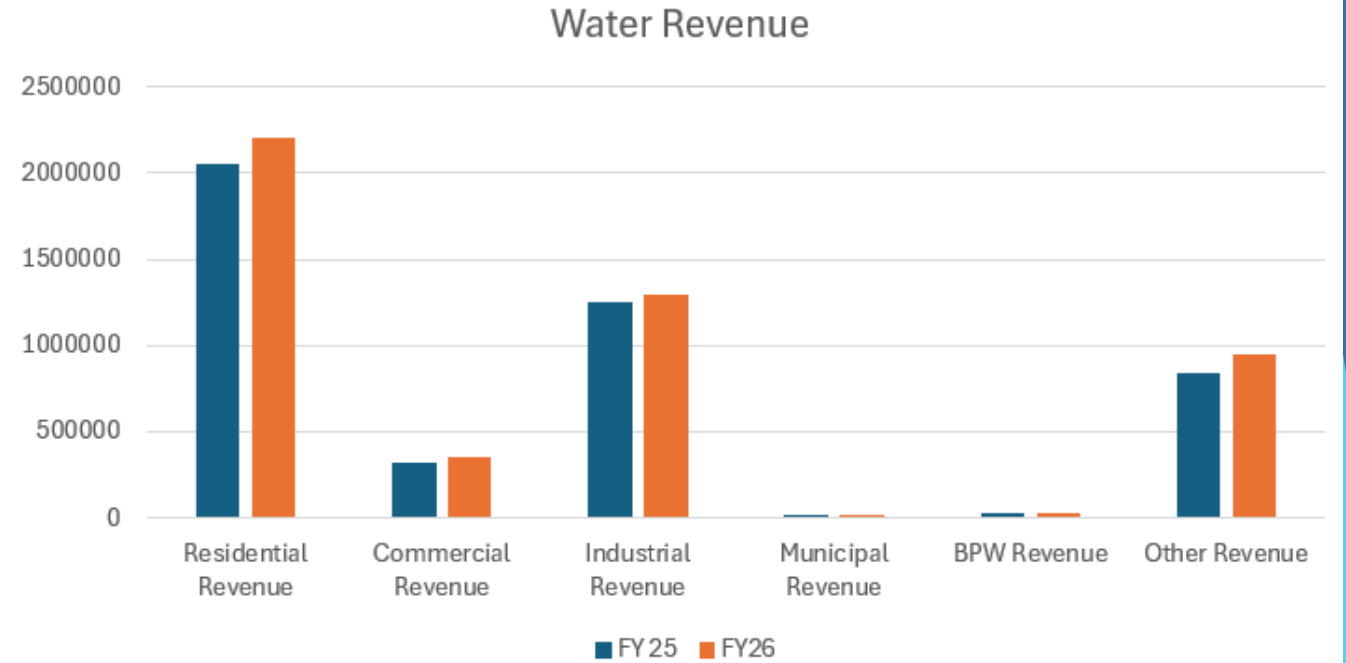
O&M Electric Expenses

- ▶ Expenses decreasing by 1%
 - ▶ Used expected CPI-U inflation of 2.7%
 - ▶ Purchase power expense is down 2.3%
 - ▶ Purchased power rate is decreasing by 3.7%
 - ▶ Salaries and Benefits are decreasing by 6.9%
 - ▶ Returning to 4 employees (George's retirement)
 - ▶ Repairs and Maintenance increased by 17.1%
 - ▶ Bi-annual substation maintenance
 - ▶ Professional and Contractual reduced by 17.6%
 - ▶ Cost of Service (COS) study reduced but added additional time for grant work
 - ▶ Administrative increased by 4.8%
 - ▶ Full year of our newest employee
 - ▶ Rent increase
 - ▶ RKL salary rate increases suggested to match market data
 - ▶ Depreciation increased by 18.2%
 - ▶ Added about 775K depreciable assets



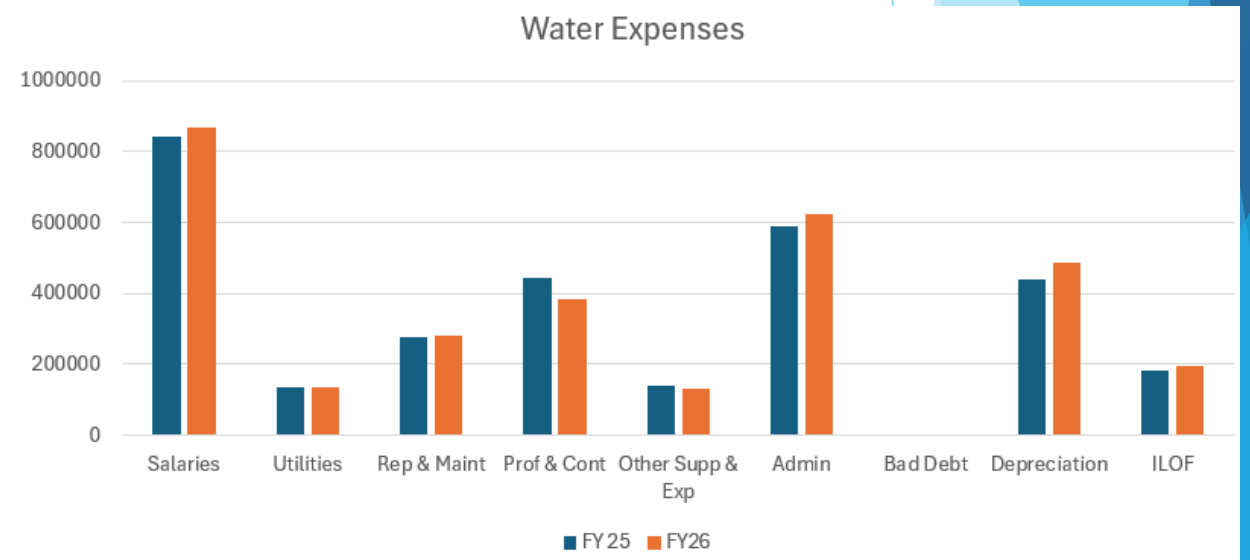
O&M Water Revenue

- ▶ Increasing by 7.5% from FY 2025
 - ▶ Following rate increases adopted in 2022
 - ▶ New customers expected
 - ▶ 50 Whites Pond
 - ▶ 10 Fishers Cove
 - ▶ 80 Dutchman’s Harvest
 - ▶ 4 Roosevelt Landing
 - ▶ 90 Tower Hill
 - ▶ 30 Mitchell’s Corner
 - ▶ 13 Capes Cove
 - ▶ 2 Commercial: Gibbs and Beach House of Lewes
 - ▶ Revenue Other
 - ▶ Developer, Plumbing Inspections, and Meter Sales
- ▶ Non-Operating Revenues decreasing by 57.9%
 - ▶ Interest Expense
 - ▶ Including 1 payment for the Canal Crossing
 - ▶ Impact Fees
 - ▶ Expecting 277 residential and 2 commercial customers to connect to our system
 - ▶ Grants/Assistance
 - ▶ Emerging Contaminants and planning grants for 4th Street and Hoornkill Ave
 - ▶ Large reduction from last year that accounts for Donovan Smith Principal Forgiveness



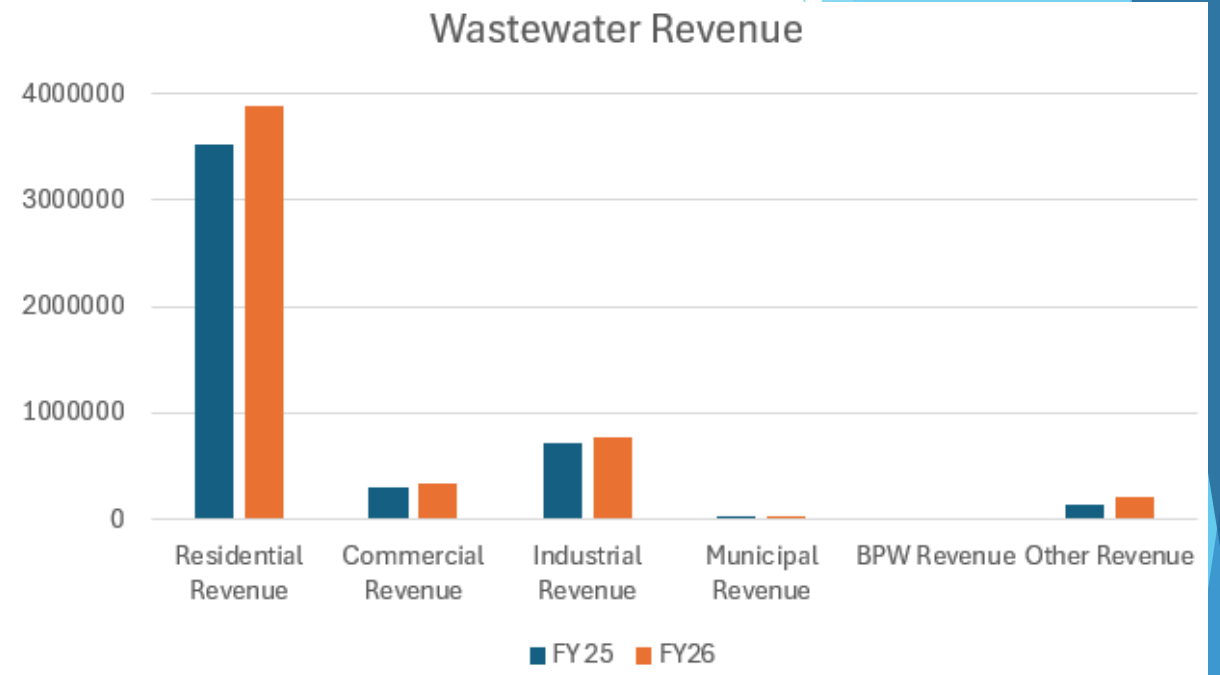
O&M Water Expenses

- ▶ Expenses increasing by 1.7%
 - ▶ Used expected CPI-U inflation of 2.7%
 - ▶ Professional and Contractual reduced by 13.6%
 - ▶ Costs incurred in FY25, not expected in FY 26
 - ▶ COS Study, LCR Postcards/Surveys, Wellhead Protection Study, Dive team
 - ▶ Administrative increased by 4.8%
 - ▶ Full year of our newest employee
 - ▶ Rent increase
 - ▶ RKL salary rate increases to match market data
- ▶ Depreciation increased by 10.5%
 - ▶ Added about 1.5M depreciable assets



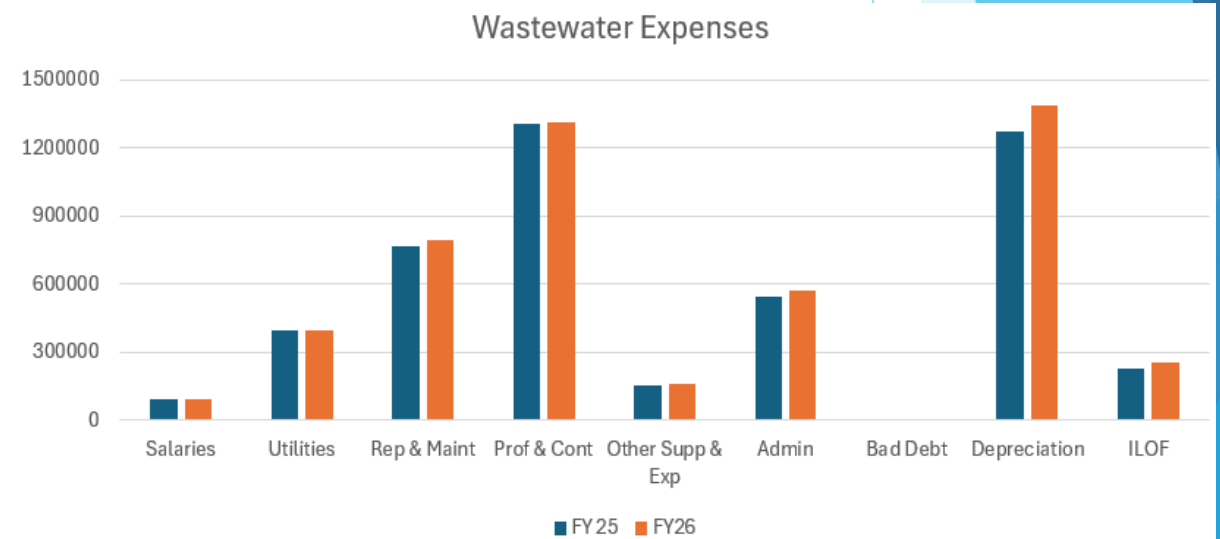
O&M Wastewater Revenue

- ▶ Increasing by 11.7% from FY 2025
 - ▶ Following rate increases adopted in 2022
 - ▶ New customers expected
 - ▶ 50 Whites Pond
 - ▶ 10 Fisher Cove
 - ▶ 80 Dutchmans Harvest
 - ▶ 4 Roosevelt Landing
 - ▶ 90 Tower Hill
 - ▶ 13 Capes Cove
 - ▶ 2 Commercial: Gibbs and Beach House of Lewes
 - ▶ Revenue Other
 - ▶ Developer Fees
- ▶ Non-Operating Revenues decreasing by 69.9%
 - ▶ Interest Expense
 - ▶ Including 1 payment for Headworks
 - ▶ Impact Fees
 - ▶ Expecting 247 residential and 2 commercial customers to connect to our system
 - ▶ Grants/Assistance
 - ▶ Pump Station Hazzard Mitigation Grant
 - ▶ Large variance from last year that accounts for Donovan Smith principal forgiveness



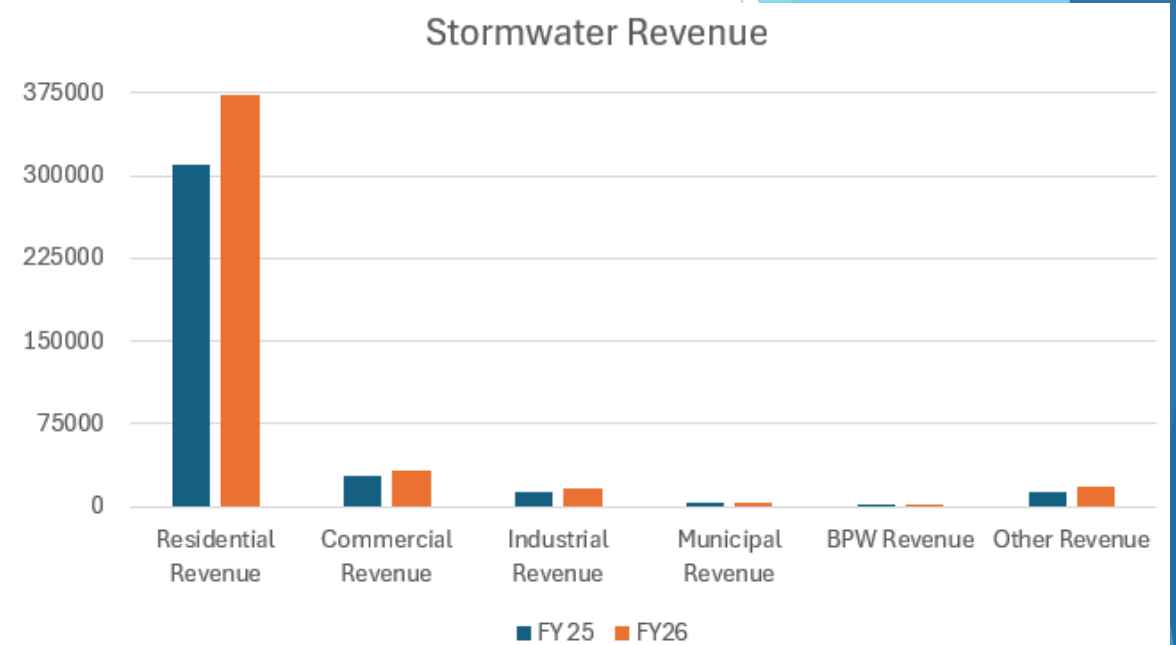
O&M Wastewater Expenses

- ▶ Expenses increasing by 4.4%
 - ▶ Used expected CPI-U inflation of 2.7%
 - ▶ Repairs and Maintenance increased by 4.2%
 - ▶ Clean Delaware rates increasing by 5.6%
 - ▶ Administrative increased by 4.8%
 - ▶ Full year of our newest employee
 - ▶ Rent increase
 - ▶ RKL salary rate increases to match market data
 - ▶ Depreciation increased by 9.2%
 - ▶ Added about 1.4M depreciable assets



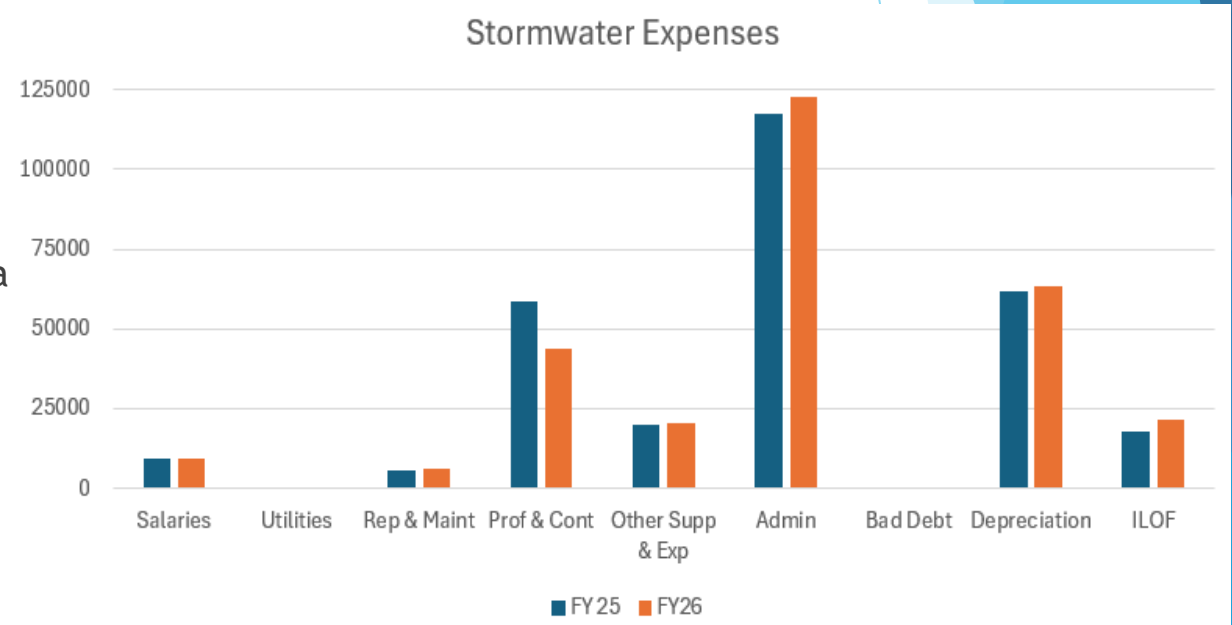
O&M Stormwater Revenue

- ▶ Increasing by 20.8% from FY 2025
 - ▶ Following rate increases adopted in 2022
 - ▶ New customers expected
 - ▶ 50 Whites Pond
 - ▶ 10 Fisher Cove
 - ▶ 4 Roosevelt Landing
 - ▶ 2 Commercial: Gibbs and Beach House of Lewes
- ▶ Revenue Other
 - ▶ Developer Fees



O&M Stormwater Expenses

- ▶ Expenses decreasing by 1%
 - ▶ Used expected CPI-U inflation of 2.7%
 - ▶ Professional and Contractual reduced by 25.2%
 - ▶ Less COS study
 - ▶ Administrative increased by 4.6%
 - ▶ Full year of our newest employee
 - ▶ Rent increase
 - ▶ RKL salary rate increases to match market data



Impact on Residential Customers

- ▶ Electric (800 kWh and single phase)
 - ▶ \$0.60 more/month
- ▶ Water (4,000 gallons and 5/8")
 - ▶ \$0.32 more/month for in-city
 - ▶ \$0.48 more/month for out-of-city
- ▶ Wastewater (3,200 gallons and 5/8")
 - ▶ \$5.60 more/ month for in-city
 - ▶ \$8.40 more/month for out-of-city
- ▶ Stormwater
 - ▶ \$1.75 more/month
- ▶ Total increase if customer has all utilities with BPW
 - ▶ \$8.27 increase for in-city
 - ▶ \$9.48 increase for out-of-city

Unknowns & Risks

- ▶ All Utilities
 - ▶ Uncertainty of federal funds availability
- ▶ Electric
 - ▶ Single feed into town
 - ▶ Still have not been able to secure assistance for AMI
 - ▶ Possible addition of conduit for 4th Street project will have a large impact on funds if we cannot get a grant
- ▶ Water
 - ▶ Regulations
 - ▶ GAC to treat PFAS/PFOS is estimated at \$16M. Potential large impact on cash if grants are not secured. We did file a NOI to build a treatment center based on our Emerging Contaminants findings and regulations.
- ▶ Wastewater
 - ▶ WWTP long-term plan
- ▶ Stormwater
 - ▶ MS4 Designation
 - ▶ Scheduled for FY 28