

Sewerage and Drainage Operating Fund

The sanitary sewer enterprise fund is used by the city to account for all financial activity related to the operation of the sanitary sewer enterprise. The city collects and treats effluent of city residents and residents of certain suburban areas. The city has two sewerage treatment plants. Revenues consist primarily of user charges.

2021 Cash Balance Statement

The projected beginning year 2021 cash balance is \$243.5 million, which includes \$79.5 million in two reserve funds and an Environmental Protection Agency mandated replacement fund.

2021 Sewerage and Drainage Operating Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 243,536,880
Plus Estimated 2021 Receipts	310,564,870
Total Estimated Available Resources	<u>\$ 554,101,750</u>
Less 2021 Recommended Operating Budget (Sewers/Drains)	(305,282,076)
Less 2021 Recommended Operating Budget (Administration)	(14,954,527)
Projected Available Balance (December 31, 2021)	<u><u>\$ 233,865,147</u></u>

2021 Revenue Summary

User fees support the operations of the Division of Sewerage and Drainage. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to fully recover the cost of operations, maintenance, and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time fully meet the needs of the system. To achieve this goal, a pro forma operating statement was developed. The pro forma is routinely updated to reflect changing appropriations, expenditures, and revenues.

2021 Sewerage and Drainage Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2018	2019	2020	2021
Revenue Summary	Actual	Actual	Estimated	Proposed
Sewer Sales	\$ 219,020,009	\$ 219,059,242	\$ 230,847,747	\$ 240,795,431
Wet Weather Charges	37,515,626	38,343,891	41,038,684	42,535,226
System Capacity Charges	7,334,835	8,821,484	8,309,280	8,392,373
Investment Income	5,156,888	8,772,871	8,618,776	8,661,870
Storm Maintenance Reimbursement	7,956,033	8,706,623	9,047,786	9,273,980
Other Revenue	2,023,161	2,203,665	1,732,386	905,990
Cash Balance	246,566,039	258,536,335	229,844,118	243,536,880
Total Resources	\$ 525,572,591	\$ 544,444,111	\$ 529,438,777	\$ 554,101,750
Percent Change		3.59%	-2.76%	4.66%

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in revenues for 2021. With this increase, revenues, excluding the beginning balance, will total \$310.6 million in 2021.
- The interest income projection in 2021 estimates a less than one percent increase over 2020 estimated revenue. Investment income, as a revenue source to the enterprise funds, is based on the amount of cash available in the treasury upon which interest can be earned.
- The storm maintenance reimbursement will continue in 2021. This transfer of funds from the storm to the sanitary sewer fund is a reimbursement for shared resources.
- The low income discount is continued in 2021. This discount is applied to the commodity portion of the customer’s sanitary sewer bill to provide financial relief to qualifying customers.

Sewerage and Drainage Operating Fund

Pro Forma Operating Statement

Presented below is a pro forma operating statement for the sewerage system enterprise operating fund, reflecting sanitary sewer operations only. A separate pro forma statement for storm sewer operations is presented later in this document. Represented is a projection of the sewerage and drainage operating fund revenues and expenditures for the period 2019 through 2030, the assumptions for which are outlined below. The pro forma operating statement is essential to the planning and rate setting processes. The major assumptions upon which the pro forma’s numbers are based are as follows:

- The Sewer and Water Advisory Board recommended various sewer rate increases to produce three percent more revenue in 2021.

- Growth of the sanitary system is projected to be 0.5 percent throughout the pro forma projection period.
 - System capacity charges are assumed to grow by one percent annually.
 - Projections for personnel costs reflect the rates in effect for the various collective bargaining agreements and/or management salary ordinances represented in the division.
 - The 2021 operations and maintenance budget includes \$13.9 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
 - In 2021, the division will pay over \$189 million in debt service costs related to various debt issuances over the years. This debt was issued to help fund large infrastructure improvements and upgrades at the wastewater treatment plants and wastewater system.
 - Included in the above-noted figure is \$104.3 million in debt service payments to the Ohio Water Development Authority (OWDA). Use of these low-interest moneys help to decrease the debt retirement expenses associated with sanitary sewer projects. Unlike municipal bonds, debt service on OWDA funded construction projects is not paid until construction is complete.
 - The Division of Sewerage and Drainage's capital improvements plan has been reduced by ten percent throughout the pro forma period. This reduction recognizes the likelihood that actual debt issuance in any given year will not reach levels outlined in the capital improvements budget because of unavoidable lags in the project planning and implementation process.
 - The Division of Sewerage and Drainage's pro forma statement also assumes that all general obligation debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.
 - A portion of the costs associated with the Public Utilities Director's Office is borne by the sewerage enterprise operating fund. In 2021, \$14.9 million is allocated in this fund for the Director's Office.
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SANITARY SEWER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue												
Sewer Sales	219,059	225,241	232,971	240,989	251,651	265,262	282,229	300,298	319,542	336,887	351,864	367,514
Sewer Sales Increase	-	5,607	5,824	8,033	10,485	13,263	14,111	15,015	13,314	11,230	11,729	12,250
Wet Weather	38,344	39,972	41,536	43,051	44,974	47,334	50,178	53,175	56,352	59,270	61,883	63,858
Wet Weather Increase	-	1,067	999	1,385	1,794	2,249	2,367	2,509	2,216	1,878	1,976	2,063
Interest Income	8,773	8,619	8,662	8,705	8,749	8,792	8,836	8,881	8,925	8,970	9,014	9,060
System Capacity Charges	8,821	8,309	8,392	8,476	8,561	8,647	8,733	8,820	8,909	8,998	9,088	9,179
Other	2,204	1,732	906	907	908	909	910	911	912	912	913	914
Reimbursement from Stormwater Fund	8,707	9,048	9,274	9,506	9,743	9,987	10,237	10,493	10,755	11,024	11,299	11,582
Meter Revenue AMR	-	-	2,000	2,500	2,500	2,500	2,500	500	-	-	-	-
Total Revenue	285,908	299,595	310,565	323,551	339,364	358,943	380,101	400,601	420,924	439,169	457,765	476,420
Beginning Fund Balance	258,536	229,844	243,537	233,865	225,070	211,991	194,571	167,351	148,508	143,824	182,378	175,897
Total Resources	544,444	529,439	554,102	557,416	564,434	570,934	574,671	567,952	569,432	582,993	640,144	652,317
Operating Expenses												
Personnel Services	34,075	34,642	36,777	37,512	38,262	39,028	39,808	40,604	41,417	42,245	43,090	43,952
27th Pay Period	-	1,204	-	-	-	-	-	-	-	-	-	-
Health Insurance	8,929	8,133	7,718	7,873	8,030	8,191	8,355	8,522	8,692	8,866	9,043	9,224
Supplies & Materials	9,002	12,691	12,614	12,741	12,868	12,997	13,127	13,258	13,390	13,524	13,660	13,796
Pro Rata	12,285	13,643	13,958	14,560	15,271	16,152	17,105	18,027	18,942	19,763	20,599	21,439
Contractual Services	33,564	41,982	43,173	47,490	47,965	48,445	48,929	49,418	49,913	50,412	50,916	51,425
Other	255	936	159	160	160	161	162	163	164	164	165	166
Equipment	4,553	3,669	1,657	3,313	3,479	3,653	3,835	4,027	4,229	4,440	4,662	4,895
Department of Public Utilities Allocation	12,304	12,761	14,955	15,254	15,559	15,870	16,187	16,511	16,841	17,178	17,522	17,872
AMI SAAS NAAS Costs	-	-	-	625	625	625	625	625	625	625	625	625
Total Operating Expenses	114,966	129,661	131,010	139,527	142,220	145,121	148,133	151,155	154,212	157,217	160,282	163,394
Debt Service												
Revenue Bond	21,557	23,088	16,297	16,297	25,072	30,959	44,322	32,539	31,621	11,736	71,834	72,182
General Obligation	44,215	39,256	64,498	62,685	58,598	56,343	54,632	51,311	44,149	41,338	40,030	38,819
OWPCLF/OWDA Debt - Non Wet Weather	87,107	93,239	104,322	100,741	97,901	93,117	89,531	87,478	84,419	69,019	55,610	53,192
Proposed New Debt	-	-	2,107	12,567	28,151	50,323	70,203	96,460	110,707	120,805	135,991	153,604
Fiscal Charges	1,266	658	1,973	500	500	500	500	500	500	500	500	500
Assessments	-	-	29	29	-	-	-	-	-	-	-	-
Total Debt Service	154,146	156,241	189,227	192,820	210,223	231,243	259,188	268,288	271,396	243,397	303,965	318,297
Total Expense	269,112	285,902	320,237	332,346	352,442	376,364	407,320	419,444	425,608	400,614	464,247	481,691
Ending Fund Balance	229,844	243,537	233,865	225,070	211,991	194,571	167,351	148,508	143,824	182,378	175,897	170,626

Electricity Enterprise Fund

The electricity enterprise fund is used by the city to account for all financial activity related to the operation of the electricity enterprise. The city purchases, but does not generate, electricity and sells it to its residential and commercial customers. Revenues consist primarily of user charges.

2021 Cash Balance Statement

Revenues into the electricity enterprise fund are expected to continue to parallel the expense for the purchase of power. Electrical sales revenue is expected to increase slightly over that of the previous year.

At the beginning of 2021, there is a projected cash balance of almost \$28.6 million, which reflects the combined balances of the reserve and operating funds.

2021 Electricity Enterprise Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 28,555,449
Plus Estimated 2021 Receipts	85,483,434
Total Estimated Available Resources	<u>\$ 114,038,883</u>
Less 2021 Recommended Operating Budget (Power)	(94,074,014)
Less 2021 Recommended Operating Budget (Administration)	(2,094,865)
Projected Available Balance (December 31, 2021)	<u><u>\$ 17,870,004</u></u>

2021 Revenue Summary

The Electricity Enterprise is supported by revenues generated through the sale of wholesale (purchased) power. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to fully recover the cost of operations, maintenance, and debt service. City Council must approve all rate increases before they are effective.

Electricity operating fund revenues fall into two basic categories: revenue from the retail sale of electricity and specific services (e.g. operation and maintenance of expressway lighting) and investment earnings.

2021 Electricity Enterprise Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2018	2019	2020	2021
	Actual	Actual	Estimated	Proposed
Charges for Electrical Service	\$ 83,816,049	\$ 83,582,684	\$ 79,658,122	\$ 82,492,905
Investment Income	676,213	1,069,554	1,020,504	1,071,529
Other Revenue	2,080,360	2,110,381	2,083,045	1,915,075
Street Light Assessments	101,848	17,478	8,211	3,925
Cash Balance	29,178,231	30,994,260	36,983,055	28,555,449
Total Resources	\$ 115,852,701	\$ 117,774,357	\$ 119,752,937	\$ 114,038,883
Percent Change		1.66%	1.68%	-4.77%

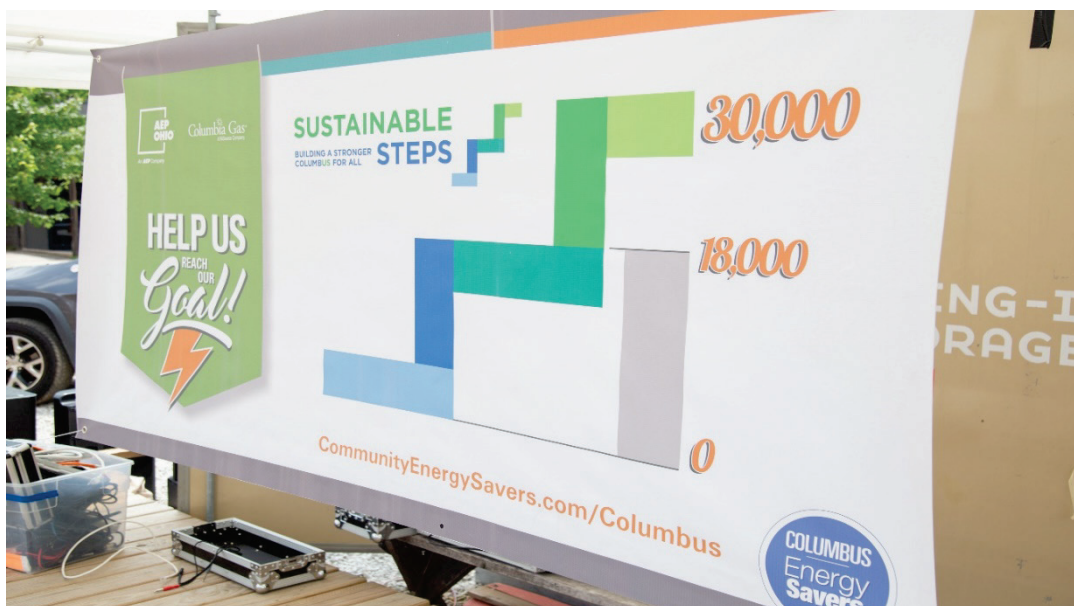
Notes:

- Revenues, excluding the beginning year cash balance are expected to be just over \$85.4 million in 2021.
- Revenues to the electricity enterprise fund are generated through the purchase of wholesale and resale of retail electricity.
- Effective May 2001, changes in state law caused the Division of Electricity to pay the proceeds of a kilowatt hour tax to the general fund. At that time, to avoid a net reduction in revenue to the division, the general fund reimbursed the payments to the electricity operating fund. However, in 2004, legislation was passed that allowed the general fund to keep the kilowatt hour proceeds. In turn, through 2008, the division received a portion of the costs associated with operation of the street light system from the street construction, maintenance and repair fund (SCMR fund). Starting in 2009, however, this intra-fund transfer was not made and will again not be made in 2020. In 2021, the general fund will retain 100 percent of the value of the kilowatt hour tax.
- 2021 includes \$331,533 of revenue anticipated from the Electric Standby Rate. This rate is charged to customers of other utility companies, who purchase backup coverage in the case of an outage.

Electricity Enterprise Fund Pro Forma Operating Statement

Presented on the next page is a pro forma operating statement for the electricity enterprise operating fund, which outlines projections of operating fund revenues and expenditures on a cash basis for the period 2019 through 2030. Assumptions are outlined below. This division does not follow the same rate setting processes as the Water, Sanitary, and Stormwater Divisions. Rather, its rates are determined by what the market will support given that there are other providers of retail electricity in the area. As such, the pro forma operating statement is essential to this division's planning, management, and decision making processes. The major assumptions upon which the pro forma's numbers are based are as follows:

- The pro forma assumes operating, maintenance, and debt service costs for the division's street lighting program through the entire pro forma period. The objective of the program is to install street lighting throughout the city with revenues derived from electric retail sales.
- The largest portion, by far, of the Division of Electricity's budget is for the purchase of wholesale electrical power. In 2021, \$54.4 million is budgeted for this commodity. This amount is 2.9 percent more than expended in 2019 and 5.2 percent less than projected spending in 2020. These reflect the division's estimates for transmission, capacity, and other ancillary charges.
- Growth of the electric system (i.e., residential sales) is projected to be five percent throughout the pro forma projection period.
- A portion of the costs associated with the Public Utilities Director's Office is borne by the electricity enterprise operating fund. In 2021, \$2.1 million is allocated in this fund for this purpose.



ELECTRICITY ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue												
Residential Electricity Sales	8,788	8,540	9,394	9,864	10,357	10,875	11,418	11,989	12,589	13,218	13,879	14,573
Commercial Electricity Sales	71,153	67,719	68,396	69,764	71,160	72,583	73,309	74,042	74,782	75,530	76,285	77,048
Expressway Lighting	664	545	548	551	553	556	559	562	565	567	570	573
Kilowatt Hour Tax Reduction	(3,369)	(3,358)	(3,374)	(3,391)	(3,408)	(3,425)	(3,442)	(3,460)	(3,477)	(3,494)	(3,512)	(3,529)
(Cogen) DOP Revenue Loss - Energy Charges	-	-	-	-	(689)	(689)	(690)	(690)	(1,379)	(1,967)	(1,968)	(1,969)
(Cogen) DOP Revenue Loss - Demand Charges	-	-	-	-	(298)	(298)	(298)	(298)	(596)	(850)	(851)	(851)
(Cogen) DOP Incremental Revenue	-	-	-	-	139	137	144	155	291	287	290	300
AMI	-	-	500	500	500	500	500	-	-	-	-	-
Electric Standby Rate	-	-	332	-	-	-	-	-	-	-	-	-
Pole Agreements	-	-	275	303	333	366	403	443	487	536	589	648
Customer Incentive Program	-	-	122	245	367	984	1,600	2,216	2,833	3,449	4,066	4,682
PCRA	6,347	6,211	6,300	6,426	6,555	6,686	6,819	6,956	7,095	7,237	7,381	7,529
Other Revenues	2,124	2,091	1,919	1,957	1,997	2,036	2,077	2,119	2,161	2,204	2,248	2,293
Investment Earnings	1,073	1,021	1,072	1,125	1,181	1,240	1,302	1,368	1,436	1,508	1,583	1,662
Total Revenue	86,780	82,770	85,483	87,343	88,746	91,551	93,702	95,401	96,787	98,225	100,563	102,960
Beginning Fund Balance	30,994	36,983	28,555	17,870	15,984	15,223	19,102	22,654	25,576	27,587	29,486	30,534
Total Resources	117,774	119,753	114,039	105,213	104,730	106,774	112,804	118,056	122,363	125,812	130,049	133,494
Operating Expenses												
Personnel Services	8,529	8,427	9,887	10,084	10,286	10,492	10,702	10,916	11,134	11,357	11,584	11,815
27th Pay Period	-	327	-	-	-	-	-	-	-	-	-	-
Health Insurance	1,926	1,780	1,858	1,895	1,933	1,972	2,011	2,052	2,093	2,134	2,177	2,221
Purchase Power	52,839	57,400	54,387	54,864	54,619	51,452	52,563	53,728	55,383	56,129	57,845	58,000
Purchase Power Co-Gen Savings	-	-	-	-	(745)	(753)	(722)	(676)	(1,432)	(2,046)	(2,048)	(2,013)
Supplies & Materials	1,320	3,599	3,433	2,500	2,625	2,756	2,894	3,039	3,191	3,350	3,518	3,694
Pro Rata	3,853	4,237	4,418	3,930	3,994	4,120	4,217	4,293	4,355	4,420	4,525	4,633
Services	6,006	9,898	12,972	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867
Other	7	5	21	21	21	21	22	22	22	22	22	23
Capital Equipment	4,176	3,104	5,436	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700
Department of Public Utilities Allocation	1,716	1,866	2,095	2,200	2,310	2,425	2,546	2,674	2,807	2,948	3,095	3,250
Total Operating Expenses	80,372	90,643	94,506	86,994	86,887	84,685	86,799	88,990	90,885	92,046	94,862	96,191
Debt Service												
General Obligation	419	554	233	223	219	210	205	-	-	-	-	-
Street Light Assessments	-	-	1,117	1,091	1,059	1,024	990	895	866	837	805	771
New Distribution Debt Service	-	-	213	821	1,242	1,653	2,056	2,495	2,925	3,343	3,749	4,142
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Premium Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal Charges	-	-	100	100	100	100	100	100	100	100	100	100
Total Debt Service	419	554	1,663	2,235	2,619	2,987	3,351	3,490	3,891	4,280	4,653	5,013
Total Expense	80,791	91,197	96,169	89,229	89,507	87,671	90,150	92,480	94,775	96,325	99,515	101,204
Ending Fund Balance	36,983	28,555	17,870	15,984	15,223	19,102	22,654	25,576	27,587	29,486	30,534	32,290

Water Operating Fund

The water enterprise fund is used by the city to account for all financial activity relating to the operation of the water enterprise. The city collects, purifies, and sells water to city residents and residents of certain suburban areas. Water is collected from surface areas (rivers) and wells. The city has three water treatment plants. Revenues consist primarily of user charges.

2021 Cash Balance Statement

The projected beginning year 2021 cash balance is \$164.8 million, which includes \$45.0 million in a reserve fund.

2021 Water Operating Fund Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 164,765,472
Plus Estimated 2021 Receipts	<u>218,377,678</u>
Total Estimated Available Resources	\$ 383,143,150
Less 2021 Recommended Operating Budget (Water)	(211,099,657)
Less 2021 Recommended Operating Budget (Administration)	(13,490,790)
Projected Available Balance (December 31, 2021)	<u><u>\$ 158,552,703</u></u>

2021 Revenue Summary

User fees completely support the operations of the Water Division. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to recover the cost of operations, maintenance, and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time fully meet the needs of the system. To achieve this goal, a pro forma operating statement was developed. The pro forma is routinely updated to reflect changing appropriations, expenditures and revenues.

Enterprise Funds

2021 Water Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2018 Actual	2019 Actual	2020 Estimated	2021 Proposed
Water Sales	\$ 182,698,556	\$ 184,540,332	\$ 192,519,961	\$ 199,167,202
Water Penalty Fee	2,322,769	2,202,372	1,457,585	1,486,736
System Capacity Charges	5,793,870	8,036,559	7,562,038	7,637,659
Sewer Billings	1,579,911	1,870,856	2,004,241	2,034,304
Meter Service Fee	800,133	808,326	642,516	648,941
Investment Income	3,079,718	5,450,284	5,397,483	5,505,433
Other Revenue	2,706,906	2,637,003	2,738,149	1,897,403
Cash Balance	115,950,179	128,093,728	145,391,058	164,765,472
Total Resources	\$ 314,932,043	\$ 333,639,460	\$ 357,713,031	\$ 383,143,150
Percent Change		5.94%	7.22%	7.11%

Notes:

- The Sewer and Water Advisory Board recommended a two percent increase in water rates for 2021. Water sales are projected to generate \$199.2 million in 2021.
- There will be no change to the water system capacity fee in 2021.
- The low income discount is continued in 2021. This discount is applied to the commodity portion of the customer's water bill to provide financial relief to qualifying customers.
- The 2021 interest income projection reflects an increase of two percent over 2020 estimated income. Investment income, as a revenue source to the enterprise funds, is based on the amount of cash available in the treasury upon which interest can be earned.

Water Operating Fund

Pro Forma Operating Statement

A pro forma operating statement from 2019 through 2030 is presented on the following page. The statement is designed to project the utility's revenues and expenditures for that period, given certain assumptions and is essential to the planning and rate setting process. The major assumptions upon which the water pro forma's numbers are based are as follows:

- The Sewer and Water Advisory Board recommended a two percent increase in water rates for 2021.
 - Growth of the water system (i.e., water sales) is projected to be 0.5 percent annually throughout the pro forma period.
 - System capacity charges are assumed to be one percent in 2021, and one percent thereafter.
 - Interest rates on investments of revenues and reserves are projected to grow by two percent annually.
 - Included in the operations and maintenance budget for 2021 is just over \$9.7 million for payment of pro rata.
 - Proposed new debt is issued both in the form of general obligation bonds and loans from the Water Supply Revolving Loan Account at an assumed interest rate of three percent.
 - The Division of Water's pro forma statement assumes that all debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.
 - The Division of Water's capital improvements budget (CIB) has been discounted by ten percent. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.
 - A portion of the costs associated with the Public Utilities Director's Office is borne by the water enterprise operating fund. In 2021, \$13.5 million is allocated in this fund for this purpose.
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Enterprise Funds

WATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue												
Water Sales	184,540	187,822	194,427	199,307	208,316	217,731	227,573	237,859	248,610	259,848	271,593	281,139
Water Sales Increase	-	4,697	3,240	6,644	6,944	7,258	7,586	7,929	8,287	8,662	6,790	7,028
Interest Income	5,450	5,397	5,505	5,616	5,728	5,842	5,959	6,078	6,200	6,324	6,450	6,580
System Capacity Charges	8,037	7,562	7,638	7,714	7,791	7,869	7,948	8,027	8,108	8,189	8,270	8,353
CUBS Billing Charges	1,871	2,004	2,034	2,065	2,096	2,127	2,159	2,192	2,224	2,258	2,292	2,326
Penalties	2,202	1,458	1,487	1,516	1,547	1,578	1,609	1,641	1,674	1,708	1,742	1,777
Meter Service Fees	808	643	649	655	662	669	675	682	689	696	703	710
Other	2,637	2,738	1,897	1,907	1,916	1,926	1,936	1,945	1,955	1,965	1,975	1,985
Meter Revenue AMR	-	-	1,500	1,500	2,000	2,000	1,500	1,000	-	-	-	-
AMI Reimbursement from Sewer	-	-	-	609	609	609	617	635	654	674	694	715
Total Revenue	205,546	212,322	218,378	227,532	237,608	247,609	257,562	267,989	278,402	290,322	300,509	310,613
Beginning Fund Balance	128,094	145,391	164,765	158,553	147,460	146,200	141,381	130,761	126,418	127,473	126,551	131,961
Total Resources	333,639	357,713	383,143	386,085	385,068	393,809	398,943	398,750	404,820	417,794	427,060	442,573
Operating Expenses												
Personnel Services	36,029	34,618	36,148	36,871	37,608	38,360	39,127	39,910	40,708	41,522	42,353	43,200
27th Pay Period	-	1,221	-	-	-	-	-	-	-	-	-	-
Health Insurance	8,944	8,006	7,516	7,666	7,820	7,976	8,136	8,298	8,464	8,634	8,806	8,982
Supplies & Materials	18,471	20,048	20,265	20,468	20,673	20,879	21,088	21,299	21,512	21,727	21,944	22,164
Pro Rata	8,941	9,455	9,794	10,239	10,692	11,142	11,590	12,060	12,528	13,064	13,523	13,978
Contractual Services	24,956	28,012	27,981	28,261	28,543	28,829	29,117	29,408	29,702	30,000	30,300	30,602
Other	23	14	56	56	57	57	57	57	58	58	58	59
Equipment	1,084	2,059	1,744	1,796	1,850	1,905	1,963	2,022	2,082	2,145	2,209	2,275
Department of Public Utilities Allocation	10,742	11,360	13,491	13,761	14,036	14,317	14,603	14,895	15,193	15,497	15,807	16,123
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
AMI SAAS NAAS Costs	-	-	1,350	1,217	1,217	1,218	1,234	1,271	1,309	1,348	1,389	1,430
Residuals	-	-	5,450	13,600	6,000	11,700	19,930	11,170	8,220	13,480	10,760	14,110
Total Operating Expenses	109,191	114,793	123,795	133,935	128,496	136,383	146,845	140,390	139,777	147,474	147,148	152,923
Debt Service												
General Obligation	77,867	77,955	97,663	95,124	92,289	88,713	86,974	85,055	82,586	80,850	75,796	73,764
Proposed New Debt	-	-	2,782	9,216	17,733	26,981	34,013	46,537	54,634	62,570	71,805	80,937
Fiscal Notes and Charges	1,191	200	350	350	350	350	350	350	350	350	350	350
Total Debt Service	79,058	78,155	100,796	104,690	110,372	116,044	121,337	131,942	137,571	143,769	147,951	155,051
Total Expense	188,248	192,948	224,590	238,625	238,868	252,428	268,182	272,332	277,347	291,244	295,099	307,974
Ending Fund Balance	145,391	164,765	158,553	147,460	146,200	141,381	130,761	126,418	127,473	126,551	131,961	134,599

Storm Sewer Maintenance Fund

The storm sewer maintenance fund is used by the city to account for all financial activity related to the operation of the storm sewer enterprise. The city has a separate storm sewerage system, as well as a combined system that also handles sanitary sewage. Revenues consist primarily of user charges.

Prior to 1993, the storm sewer maintenance special revenue fund was used only to reimburse the sanitary operating fund for stormwater management expenses. No expenditures were made directly out of this fund. This arrangement changed in 1993, when the storm sewer maintenance fund became the operating fund for stormwater management engineering and design, although the sanitary fund is still reimbursed for some storm sewer maintenance expenses. More recently, this fund's designation changed from that of special revenue to enterprise fund. This change allowed the division to set aside moneys in a reserve fund against which contracts could be certified in the absence of bond cash.

2021 Cash Balance Statement

A 2021 beginning year cash balance of \$29.9 million is projected for this fund. This includes a \$9.0 million reserve balance.

2021 Storm Sewer Maintenance Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2021)	\$ 29,854,491
Plus Estimated 2021 Receipts	45,903,817
Total Estimated Available Resources	<u>\$ 75,758,308</u>
Less 2021 Recommended Operating Budget (Storm Sewer)	(41,651,718)
Less 2021 Recommended Operating Budget (Administration)	(3,882,556)
Projected Available Balance (December 31, 2021)	<u><u>\$ 30,224,034</u></u>

2021 Revenue Summary

Storm sewer maintenance fees provide the vast majority of revenues to this fund. In August 1995, the Division of Sewerage and Drainage implemented a new fee structure based on the impervious area of a given property, which directly relates to stormwater runoff into the storm drainage system. The stormwater service fee is based upon an equitable and consistent rate system, defined in equivalent residential units (ERU), where one ERU equals 2,000 square feet of impervious area.

In 2011, there was no increase to the stormwater fee as it was determined that sufficient revenues were being generated under the current fee structure. In 2012, the Sewer and Water Advisory Board voted to decrease the fee by two percent. In 2013, the fee structure remained unchanged. More recently however, small increases have been necessary; for 2021, the board has recommended a one percent increase.

2021 Storm Sewer Maintenance Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2018 Actual	2019 Actual	2020 Estimated	2021 Proposed
Storm Maintenance Fees	\$ 41,075,693	\$ 41,575,640	\$ 43,129,601	\$ 44,373,538
Investment Income	853,926	1,255,397	1,194,469	1,254,192
Other Revenue	175,148	100,145	93,610	18,178
Penalties	407,529	397,433	245,628	257,909
Cash Balance	25,192,110	27,135,026	27,152,175	29,854,491
Total Resources	\$ 67,704,406	\$ 70,463,641	\$ 71,815,483	\$ 75,758,308
Percent Change		4.08%	1.92%	5.49%

Storm Sewer Maintenance Fund Pro Forma Operating Statement

- The storm sewer maintenance pro forma operating statement assumes a one percent increase to the storm sewer maintenance fee in 2021. This increase will fund increased costs due to capital projects to mitigate stormwater issues in neighborhoods and to maintain new green infrastructure.
- Proposed new debt is issued both in the form of general obligation bonds at an assumed interest rate of 3.0 percent, and loans from the Water Pollution Control Loan Fund at an assumed interest rate of 2.5 percent.
- The division's capital improvements plan has been discounted by ten percent throughout the pro forma period. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.
- A portion of the costs associated with the Public Utilities Director's Office is borne by the storm sewer enterprise operating fund. In 2021, \$3.9 million is allocated in this fund for this purpose.

STORM SEWER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2019	Estimated 2020	Proposed 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue												
Storm Maintenance Service Charges	41,576	42,395	44,007	44,681	46,273	47,881	49,595	50,862	51,582	52,401	53,227	54,061
Rate Increase (Decrease)	-	735	367	1,117	1,157	1,197	827	424	430	437	444	451
Investment Earnings	1,255	1,194	1,254	1,317	1,383	1,452	1,524	1,601	1,681	1,765	1,853	1,946
Storm Sewer Maintenance Penalties	397	246	258	271	284	299	313	329	346	363	381	400
Other Revenues	100	94	18	19	20	21	22	23	24	26	27	28
Total Revenue	43,329	44,663	45,904	47,405	49,117	50,849	52,282	53,239	54,062	54,991	55,932	56,885
Beginning Fund Balance	27,135	27,152	29,854	30,224	31,165	32,286	31,981	29,690	28,759	29,453	29,831	29,167
Total Resources	70,464	71,815	75,758	77,629	80,283	83,135	84,263	82,929	82,822	84,444	85,763	86,052
Operating Expenses												
Personnel Services	1,904	1,958	2,169	2,213	2,257	2,302	2,348	2,395	2,443	2,492	2,542	2,593
27th Pay Period	-	66	-	-	-	-	-	-	-	-	-	-
Health Insurance	464	409	421	429	438	447	456	465	474	483	493	503
Supplies & Materials	50	97	96	105	116	127	140	154	169	186	205	225
Contractual Services	871	1,056	656	721	793	873	960	1,056	1,162	1,278	1,406	1,546
Pro Rata	1,918	2,038	2,038	2,133	2,210	2,288	2,353	2,396	2,433	2,475	2,517	2,560
Equipment	90	28	-	-	-	-	-	-	-	-	-	-
Other	-	20	20	20	21	21	22	22	23	23	23	24
Reimbursement to Sanitary Enterprise	8,707	9,154	9,337	9,524	9,715	9,909	10,107	10,309	10,515	10,726	10,940	11,159
Department of Public Utilities Allocation	3,210	3,357	3,883	3,960	4,039	4,120	4,203	4,287	4,372	4,460	4,549	4,640
Department of Technology Allocation	1,354	1,739	1,947	1,986	2,025	2,066	2,107	2,149	2,192	2,236	2,281	2,327
Street Cleaning	9,846	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434
Total Operating Expenses	28,414	30,123	30,970	31,704	32,439	33,194	33,957	34,720	35,500	36,310	37,146	38,010
Debt Service												
General Obligation	14,222	11,693	13,675	12,978	12,284	11,663	11,239	9,368	6,999	6,207	6,034	5,822
OWDA Debt (Loan)	-	69	105	121	137	137	137	137	137	137	137	137
Proposed New Debt	-	-	191	964	1,910	2,564	3,312	3,797	4,315	4,936	5,652	6,352
Proposed New Debt (Loan)	-	-	294	495	1,026	3,396	5,729	5,946	6,218	6,822	7,427	8,032
Fiscal Charges	675	76	298	200	200	200	200	200	200	200	200	200
Total Debt Service	14,897	11,838	14,564	14,759	15,558	17,960	20,617	19,449	17,869	18,303	19,451	20,544
Total Expense	43,311	41,961	45,534	46,463	47,997	51,154	54,573	54,169	53,369	54,613	56,597	58,554
Ending Fund Balance	27,152	29,854	30,224	31,165	32,286	31,981	29,690	28,759	29,453	29,831	29,167	27,498

Enterprise Funds

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