

## 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.

### 2022 Cash Balance Statement

The projected beginning year 2022 cash balance is \$251.2 million, which includes \$79.5 million in two reserve funds and an Environmental Protection Agency mandated replacement fund.

<b>2022 Sewerage and Drainage Operating Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2022)	\$ 251,201,330
Plus Estimated 2022 Receipts	300,310,977
Total Estimated Available Resources	<u>\$ 551,512,307</u>
Less 2022 Recommended Operating Budget (Sewers/Drains)	(311,051,657)
Less 2022 Recommended Operating Budget (Administration)	(15,153,882)
Projected Available Balance (December 31, 2022)	<u><u>\$ 225,306,768</u></u>

### 2022 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.

<b>2022 Sewerage and Drainage Operating Fund</b>				
<b>Revenue by Source and Year</b>				
<b>Historical and Projected</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenue Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
Sewer Sales	\$ 219,059,242	\$ 229,482,255	\$ 233,711,114	\$ 234,020,608
Wet Weather Charges	38,343,891	40,792,447	40,376,598	\$ 42,531,506
System Capacity Charges	8,821,484	7,889,516	8,359,772	\$ 8,443,370
Investment Earnings	8,772,871	7,248,140	3,815,501	\$ 4,902,767
Storm Maintenance Reimbursement	8,706,623	7,899,551	7,481,362	\$ 9,505,831
Other Revenue	2,203,665	5,581,979	1,700,000	\$ 906,896
Cash Balance	258,536,335	229,844,118	262,432,378	\$ 251,201,330
<b>Total Resources</b>	<b>\$ 544,444,111</b>	<b>\$ 528,738,006</b>	<b>\$ 557,876,725</b>	<b>\$ 551,512,307</b>
Percent Change		-2.88%	5.51%	-1.14%

**Notes:**

- The Sewer and Water Advisory Board recommended a four percent increase in rates for 2022. With this increase, revenues, excluding the beginning balance, will total \$300.3 million in 2022.
- The interest earnings projection in 2022 estimates a 28.5 percent increase over 2021 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 2022. 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 2022. 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 2020 through 2031, 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 four percent more revenue in 2022.
  - 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 2022 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 2022, the division will pay over \$195 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 to the wastewater system.
  - Included in the above-noted figure is \$100.8 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 substantially 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 first 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 2022, \$15.1 million is allocated in this fund for the Director's Office.
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Enterprise Funds

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

	Actuals 2020	Estimated 2021	Proposed 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Revenue</b>												
Sewer Sales	229,482	230,473	222,260	234,334	249,386	265,418	282,492	300,678	320,047	340,677	355,893	371,795
Sewer Sales Increase	-	3,238	9,261	11,717	12,469	13,271	14,125	15,034	16,002	11,356	11,863	12,393
Wet Weather	40,792	39,977	40,866	43,047	45,636	48,362	51,252	54,314	57,559	60,998	62,917	64,950
Wet Weather Increase	-	400	1,666	2,043	2,152	2,282	2,418	2,563	2,716	1,919	2,033	2,097
Investment Earnings	7,248	3,816	4,903	4,927	4,952	4,977	5,002	5,027	5,052	5,077	5,102	5,128
System Capacity Charges	7,890	8,360	8,443	8,528	8,613	8,699	8,786	8,874	8,963	9,052	9,143	9,234
Other	5,582	1,700	907	908	909	910	911	911	912	913	914	915
Reimbursement from Stormwater Fund	7,900	7,481	9,506	9,743	9,987	10,237	10,493	10,755	11,024	11,299	11,582	11,871
Meter Revenue AMR	-	-	2,500	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>298,894</b>	<b>295,444</b>	<b>300,311</b>	<b>315,247</b>	<b>334,105</b>	<b>354,155</b>	<b>375,478</b>	<b>398,155</b>	<b>422,275</b>	<b>441,291</b>	<b>459,448</b>	<b>478,384</b>
Beginning Fund Balance	229,844	262,432	251,201	225,307	197,763	164,692	131,496	112,089	102,642	90,828	67,994	42,348
<b>Total Resources</b>	<b>528,738</b>	<b>557,877</b>	<b>551,512</b>	<b>540,554</b>	<b>531,868</b>	<b>518,847</b>	<b>506,974</b>	<b>510,244</b>	<b>524,916</b>	<b>532,119</b>	<b>527,442</b>	<b>520,733</b>
<b>Operating Expenses</b>												
Personnel Services	34,424	34,274	37,755	37,943	38,133	38,324	38,515	38,708	38,901	39,096	39,291	39,488
27th Pay Period	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurance	8,147	6,961	7,505	8,030	8,593	9,194	9,838	10,526	11,263	12,051	12,895	13,798
Supplies & Materials	8,621	12,749	13,338	13,472	13,606	13,743	13,880	14,019	14,159	14,301	14,444	14,588
Pro Rata	12,334	13,958	13,958	14,186	15,035	15,937	16,896	17,917	19,002	19,858	20,675	21,527
Contractual Services	35,144	41,837	40,931	41,750	42,585	43,437	44,305	45,191	46,095	47,017	47,958	48,917
Other	320	119	157	158	158	159	160	161	162	162	163	164
Equipment	3,699	960	2,070	4,500	4,725	4,961	5,209	5,470	5,743	6,030	6,332	6,649
Department of Public Utilities Allocation	11,654	11,860	15,154	15,457	15,766	16,081	16,403	16,731	17,066	17,407	17,755	18,110
Transfers	-	19,246	-	-	-	-	-	-	-	-	-	-
AMI SAAS NAAS Costs	-	-	-	625	625	625	625	625	625	625	625	-
<b>Total Operating Expenses</b>	<b>114,342</b>	<b>141,963</b>	<b>130,868</b>	<b>136,121</b>	<b>139,226</b>	<b>142,461</b>	<b>145,832</b>	<b>149,348</b>	<b>153,017</b>	<b>156,548</b>	<b>159,513</b>	<b>163,240</b>
<b>Debt Service</b>												
Revenue Bond	19,378	19,211	26,047	33,226	43,653	42,213	36,567	20,223	47,611	73,481	76,659	78,384
General Obligation	39,200	41,776	64,826	60,681	58,507	56,804	53,428	50,210	47,223	45,739	44,353	40,175
OWPCLF/OWDA Debt - Non Wet Weather	93,239	102,811	100,810	99,192	94,610	91,023	88,966	85,903	70,511	57,094	54,676	51,912
Proposed New Debt	-	-	2,472	13,072	30,681	54,349	69,592	101,418	115,227	130,762	149,392	167,161
Fiscal Charges	147	915	1,154	500	500	500	500	500	500	500	500	500
Assessments	-	-	29	-	-	-	-	-	-	-	-	-
<b>Total Debt Service</b>	<b>151,963</b>	<b>164,712</b>	<b>195,338</b>	<b>206,670</b>	<b>227,950</b>	<b>244,890</b>	<b>249,052</b>	<b>258,255</b>	<b>281,072</b>	<b>307,576</b>	<b>325,580</b>	<b>338,132</b>
<b>Total Expense</b>	<b>266,306</b>	<b>306,675</b>	<b>326,206</b>	<b>342,792</b>	<b>367,176</b>	<b>387,351</b>	<b>394,884</b>	<b>407,603</b>	<b>434,089</b>	<b>464,124</b>	<b>485,094</b>	<b>501,373</b>
<b>Ending Fund Balance</b>	<b>262,432</b>	<b>251,201</b>	<b>225,307</b>	<b>197,763</b>	<b>164,692</b>	<b>131,496</b>	<b>112,089</b>	<b>102,642</b>	<b>90,828</b>	<b>67,994</b>	<b>42,348</b>	<b>19,360</b>

## 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.

### 2022 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 2022, there is a projected cash balance of almost \$28.4 million, which reflects the combined balances of the reserve and operating funds.

<b>2022 Electricity Enterprise Fund Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2022)	\$ 28,375,300
Plus Estimated 2022 Receipts	<u>88,603,266</u>
Total Estimated Available Resources	\$ 116,978,566
Less 2022 Recommended Operating Budget (Power)	(99,266,609)
Less 2022 Recommended Operating Budget (Administration)	(2,128,512)
Projected Available Balance (December 31, 2022)	<u><u>\$ 15,583,445</u></u>

### 2022 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.

<b>2022 Electricity Enterprise Fund</b>				
<b>Revenue by Source and Year</b>				
<b>Historical and Projected</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenue Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
Charges for Electrical Service	\$ 83,582,684	\$ 79,898,714	\$ 83,915,632	\$ 85,928,240
Investment Earnings	1,069,554	902,734	450,077	\$ 585,100
Other Revenue	2,110,381	2,285,372	2,043,362	\$ 2,086,083
Street Light Assessments	17,478	8,211	5,585	\$ 3,843
Cash Balance	30,994,260	36,983,055	33,536,224	\$ 28,375,300
<b>Total Resources</b>	<b>\$ 117,774,357</b>	<b>\$ 120,078,086</b>	<b>\$ 119,950,880</b>	<b>\$ 116,978,566</b>
Percent Change		1.96%	-0.11%	-2.48%

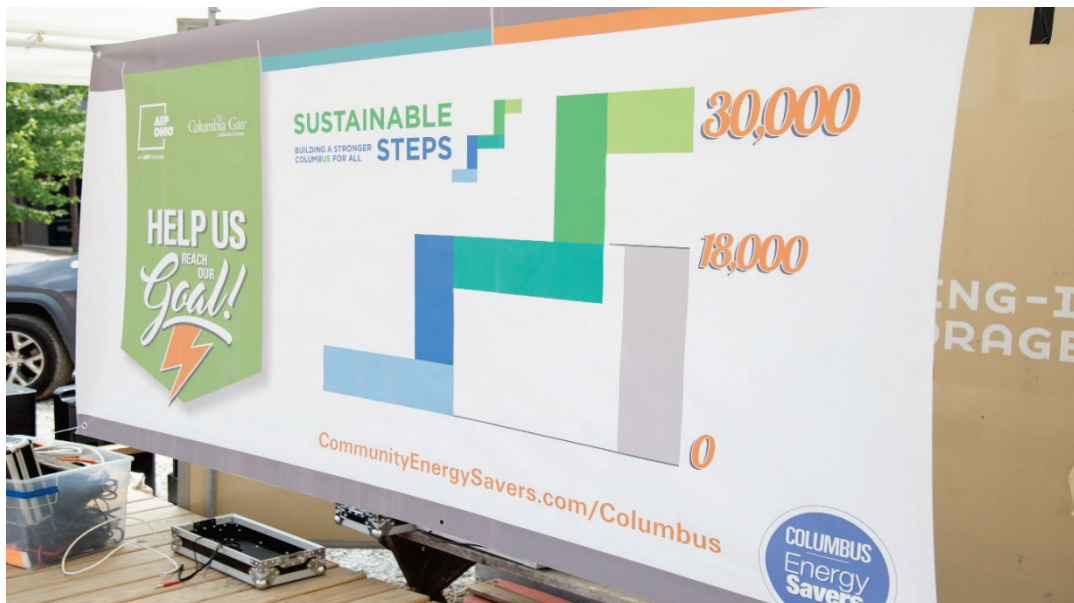
**Notes:**

- Revenues, excluding the beginning year cash balance are expected to be just over \$88.6 million in 2022.
- 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 2021. In 2022, the general fund will retain 100 percent of the value of the kilowatt hour tax.
- 2022 includes \$335,320 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 2020 through 2031. 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 2022, \$56.4 million is budgeted for this commodity. These figures 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 six 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 2022, \$2.1 million is allocated in this fund for this purpose.



## ELECTRICITY ENTERPRISE FUND

### PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2020	Estimated 2021	Proposed 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Revenue</b>												
Residential Electricity Sales	8,400	9,698	10,086	10,692	11,333	12,013	12,734	13,498	14,308	15,166	16,076	17,041
Commercial Electricity Sales	67,303	68,981	70,015	70,715	71,423	72,137	72,858	73,587	74,323	75,066	75,816	76,575
Expressway Lighting	426	631	634	638	641	644	647	650	654	657	660	664
Kilowatt Hour Tax Reduction	(3,192)	(3,200)	(3,216)	(3,232)	(3,249)	(3,265)	(3,281)	(3,298)	(3,314)	(3,331)	(3,347)	(3,364)
(Cogen) DOP Revenue Loss - Energy Charges	-	-	-	(689)	(689)	(690)	(690)	(1,379)	(1,967)	(1,968)	(1,969)	(1,969)
(Cogen) DOP Revenue Loss - Demand Charges	-	-	-	(298)	(298)	(298)	(298)	(596)	(850)	(851)	(851)	(851)
(Cogen) DOP Incremental Revenue	-	-	-	139	137	144	155	291	287	290	300	300
AMI	-	-	500	500	500	500	-	-	-	-	-	-
Electric Standby Rate	-	332	335	339	342	345	349	352	356	360	363	367
Pole Agreements	-	275	303	333	366	403	443	487	536	589	648	713
Customer Incentive Program	-	-	-	-	-	-	-	-	-	-	-	-
PCRA	6,962	7,199	7,271	7,343	7,417	7,491	7,566	7,642	7,718	7,795	7,873	7,952
Other Revenues	2,294	2,049	2,090	2,132	2,174	2,218	2,262	2,307	2,354	2,401	2,449	2,498
Investment Earnings	903	450	585	614	645	677	711	747	784	823	864	908
<b>Total Revenue</b>	<b>83,095</b>	<b>86,415</b>	<b>88,603</b>	<b>89,225</b>	<b>90,742</b>	<b>92,320</b>	<b>93,456</b>	<b>94,289</b>	<b>95,187</b>	<b>96,998</b>	<b>98,883</b>	<b>100,832</b>
Beginning Fund Balance	36,983	33,536	28,375	15,583	12,489	9,726	10,702	10,405	11,349	12,408	12,963	12,932
<b>Total Resources</b>	<b>120,078</b>	<b>119,951</b>	<b>116,979</b>	<b>104,808</b>	<b>103,231</b>	<b>102,046</b>	<b>104,158</b>	<b>104,694</b>	<b>106,535</b>	<b>109,406</b>	<b>111,846</b>	<b>113,763</b>
<b>Operating Expenses</b>												
Personnel Services	8,762	8,721	10,170	8,270	8,352	8,436	8,520	8,605	8,691	8,778	8,866	8,955
Health Insurance	1,696	1,430	1,771	1,789	1,807	1,825	1,843	1,861	1,880	1,899	1,918	1,937
Purchase Power	56,473	54,387	56,400	57,012	57,661	54,352	55,809	54,920	54,995	55,867	56,762	56,514
Purchase Power Co-Gen Savings	-	-	-	(745)	(753)	(722)	(676)	(1,432)	(2,046)	(2,048)	(2,013)	(2,013)
Supplies & Materials	2,599	3,649	4,998	3,748	4,122	4,535	4,988	5,487	6,036	6,639	7,303	8,033
Pro Rata	3,639	4,418	4,418	4,015	4,083	4,154	4,206	4,243	4,283	4,365	4,450	4,537
Services	7,230	11,397	13,123	8,000	8,400	8,820	9,261	9,724	10,210	10,721	11,257	11,820
Other	1	20	21	21	21	21	22	22	22	22	22	23
Capital Equipment	3,999	4,900	5,714	5,135	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
Department of Public Utilities Allocation	1,590	1,766	2,129	1,923	1,981	2,040	2,102	2,165	2,230	2,297	2,365	2,436
<b>Total Operating Expenses</b>	<b>85,988</b>	<b>90,687</b>	<b>98,743</b>	<b>89,168</b>	<b>90,449</b>	<b>88,379</b>	<b>91,139</b>	<b>90,812</b>	<b>91,675</b>	<b>94,074</b>	<b>96,631</b>	<b>98,114</b>
<b>Debt Service</b>												
General Obligation	554	889	2,128	2,068	2,000	1,938	1,614	1,561	1,509	1,456	1,399	1,337
Street Light Assessments	-	-	4	4	4	4	4	3	3	-	-	-
New Distribution Debt Service	-	-	420	980	952	924	896	868	840	812	784	756
Fiscal Charges	-	-	100	100	100	100	100	100	100	100	100	100
<b>Total Debt Service</b>	<b>554</b>	<b>889</b>	<b>2,652</b>	<b>3,152</b>	<b>3,056</b>	<b>2,965</b>	<b>2,613</b>	<b>2,533</b>	<b>2,452</b>	<b>2,368</b>	<b>2,283</b>	<b>2,193</b>
<b>Total Expense</b>	<b>86,542</b>	<b>91,576</b>	<b>101,395</b>	<b>92,319</b>	<b>93,504</b>	<b>91,344</b>	<b>93,753</b>	<b>93,345</b>	<b>94,127</b>	<b>96,443</b>	<b>98,914</b>	<b>100,307</b>
<b>Ending Fund Balance</b>	<b>33,536</b>	<b>28,375</b>	<b>15,583</b>	<b>12,489</b>	<b>9,726</b>	<b>10,702</b>	<b>10,405</b>	<b>11,349</b>	<b>12,408</b>	<b>12,963</b>	<b>12,932</b>	<b>13,456</b>



## 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.

### 2022 Cash Balance Statement

The projected beginning year 2022 cash balance is \$173.5 million, which includes \$45.0 million in a reserve fund.

<b>2022 Water Operating Fund Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2022)	\$ 173,531,637
Plus Estimated 2022 Receipts	<u>219,595,533</u>
Total Estimated Available Resources	\$ 393,127,170
Less 2022 Recommended Operating Budget (Water)	(227,651,617)
Less 2022 Recommended Operating Budget (Administration)	(13,664,439)
Projected Available Balance (December 31, 2022)	<u><u>\$ 151,811,115</u></u>

### 2022 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.

<b>2022 Water Operating Fund</b> <b>Revenue by Source and Year</b> <b>Historical and Projected</b>				
<b>Revenue Summary</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
Water Sales	\$ 184,540,332	\$ 193,273,710	\$ 197,129,500	\$ 203,750,655
Water Penalty Fee	2,202,372	1,078,318	1,486,736	\$ 1,516,471
System Capacity Charges	8,036,559	6,672,970	7,367,578	\$ 7,441,254
Sewer Billings	1,870,856	2,172,740	2,034,304	\$ 2,064,819
Meter Service Fee	808,326	688,598	874,414	\$ 655,430
Investment Earnings	5,450,284	4,786,613	3,013,653	\$ 3,073,926
Other Revenue	2,637,003	6,113,601	2,682,521	\$ 1,092,979
Cash Balance	128,093,728	145,391,058	172,677,466	\$ 173,531,637
<b>Total Resources</b>	<b>\$ 333,639,460</b>	<b>\$ 360,177,608</b>	<b>\$ 387,266,172</b>	<b>\$ 393,127,170</b>
Percent Change		7.95%	7.52%	1.51%

**Notes:**

- The Sewer and Water Advisory Board recommended a four percent increase in water rates for 2022. Water sales are projected to generate \$203.7 million in 2022.
- There will be no change to the water system capacity fee in 2022.
- The low income discount is continued in 2022. This discount is applied to the commodity portion of the customer's water bill to provide financial relief to qualifying customers.
- The 2022 investment earnings projection reflects an increase of two percent over 2021 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 2020 through 2031 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 four percent increase in water rates for 2022.
  - 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 2022, 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 2022 is just over \$9.9 million for payment of pro rata.
  - Proposed new debt is issued both in the form of general obligation bonds at an assumed interest rate of 3.5 percent, and loans from the Water Supply Revolving Loan Account at an assumed interest rate of 2.5 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 first 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 2022, \$13.6 million is allocated in this fund for this purpose.
-

## WATER ENTERPRISE FUND

### PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2020	Estimated 2021	Proposed 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Revenue</b>												
Water Sales	193,274	193,055	195,726	204,573	215,876	227,803	242,679	256,087	270,235	285,166	300,921	311,499
Water Sales Increase	-	4,075	6,524	8,524	8,995	11,390	10,112	10,670	11,260	11,882	7,523	7,787
Investment Earnings	4,787	3,014	3,074	3,135	3,198	3,262	3,327	3,394	3,462	3,531	3,602	3,674
System Capacity Charges	6,673	7,368	7,441	7,516	7,591	7,667	7,743	7,821	7,899	7,978	8,058	8,138
CUBS Billing Charges	2,173	2,034	2,065	2,096	2,127	2,159	2,192	2,224	2,258	2,292	2,326	2,361
Penalties	1,078	1,487	1,516	1,547	1,578	1,609	1,641	1,674	1,708	1,742	1,777	1,812
Meter Service Fees	689	874	655	662	669	675	682	689	696	703	710	717
Other	6,114	2,683	1,093	1,098	1,104	1,109	1,115	1,121	1,126	1,132	1,137	1,143
Meter Revenue AMR	-	-	1,500	2,000	2,000	1,500	1,000	-	-	-	-	-
AMI Reimbursement from Sewer	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>214,787</b>	<b>214,589</b>	<b>219,596</b>	<b>231,151</b>	<b>243,137</b>	<b>257,175</b>	<b>270,491</b>	<b>283,680</b>	<b>298,643</b>	<b>314,425</b>	<b>326,054</b>	<b>337,131</b>
Beginning Fund Balance	145,391	172,677	173,532	151,811	135,953	119,604	100,080	76,950	60,399	52,853	56,601	64,903
<b>Total Resources</b>	<b>360,178</b>	<b>387,266</b>	<b>393,127</b>	<b>382,962</b>	<b>379,091</b>	<b>376,779</b>	<b>370,571</b>	<b>360,630</b>	<b>359,042</b>	<b>367,278</b>	<b>382,655</b>	<b>402,034</b>
<b>Operating Expenses</b>												
Personnel Services	35,465	34,286	37,415	37,789	38,167	38,549	38,934	39,324	39,717	40,114	40,515	40,921
Health Insurance	8,016	6,852	7,363	7,731	8,118	8,524	8,950	9,397	9,867	10,361	10,879	11,423
Supplies & Materials	18,288	21,087	23,213	23,445	23,680	23,916	24,156	24,397	24,641	24,888	25,136	25,388
Pro Rata	8,909	9,795	9,914	10,402	10,941	11,573	12,172	12,766	13,439	14,149	14,672	15,171
Contractual Services	26,372	29,902	31,531	31,846	32,164	32,486	32,811	33,139	33,470	33,805	34,143	34,484
Other	4	25	54	54	55	55	55	55	56	56	56	56
Equipment	2,006	1,742	1,830	1,885	1,942	2,000	2,060	2,122	2,185	2,251	2,318	2,388
Department of Public Utilities Allocation	10,486	10,743	13,664	13,938	14,216	14,501	14,791	15,087	15,388	15,696	16,010	16,330
Transfers	-	19,505	-	-	-	-	-	-	-	-	-	-
AMI SAAS NAAS Costs	-	1,350	-	-	-	-	-	-	-	-	-	-
Residuals	-	-	11,450	5,612	8,538	12,228	12,115	11,333	9,140	5,450	3,463	1,495
<b>Total Operating Expenses</b>	<b>109,545</b>	<b>135,286</b>	<b>136,435</b>	<b>132,703</b>	<b>137,820</b>	<b>143,831</b>	<b>146,044</b>	<b>147,619</b>	<b>147,904</b>	<b>146,769</b>	<b>147,193</b>	<b>147,656</b>
<b>Debt Service</b>												
General Obligation	77,955	78,448	102,241	99,922	96,538	95,837	97,841	95,191	93,272	88,036	85,823	79,506
Proposed New Debt	-	-	2,290	14,034	24,778	36,682	49,386	57,071	64,663	75,520	84,387	93,136
Fiscal Notes and Charges	-	-	350	350	350	350	350	350	350	350	350	350
<b>Total Debt Service</b>	<b>77,955</b>	<b>78,448</b>	<b>104,881</b>	<b>114,306</b>	<b>121,666</b>	<b>132,869</b>	<b>147,577</b>	<b>152,612</b>	<b>158,285</b>	<b>163,907</b>	<b>170,559</b>	<b>172,992</b>
<b>Total Expense</b>	<b>187,500</b>	<b>213,735</b>	<b>241,316</b>	<b>247,009</b>	<b>259,486</b>	<b>276,700</b>	<b>293,621</b>	<b>300,231</b>	<b>306,189</b>	<b>310,676</b>	<b>317,752</b>	<b>320,648</b>
<b>Ending Fund Balance</b>	<b>172,677</b>	<b>173,532</b>	<b>151,811</b>	<b>135,953</b>	<b>119,604</b>	<b>100,080</b>	<b>76,950</b>	<b>60,399</b>	<b>52,853</b>	<b>56,601</b>	<b>64,903</b>	<b>81,386</b>

## 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.

### 2022 Cash Balance Statement

A 2022 beginning year cash balance of \$34.7 million is projected for this fund. This includes a \$9.0 million reserve balance.

<b>2022 Storm Sewer Maintenance Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2022)	\$ 34,687,175
Plus Estimated 2022 Receipts	<u>46,718,385</u>
Total Estimated Available Resources	\$ 81,405,560
Less 2022 Recommended Operating Budget (Storm Sewer)	(42,982,497)
Less 2022 Recommended Operating Budget (Administration)	(4,039,912)
Projected Available Balance (December 31, 2022)	<u><u>\$ 34,383,151</u></u>

### 2022 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 2022, the board has recommended a three percent increase.

<b>2022 Storm Sewer Maintenance Fund</b> <b>Revenue by Source and Year</b> <b>Historical and Projected</b>				
	2019	2020	2021	2022
Revenue Summary	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 41,575,640	\$ 43,002,869	\$ 42,968,340	\$ 45,797,946
Investment Earnings	1,255,397	1,053,131	547,589	\$ 630,547
Other Revenue	100,145	363,778	490,607	\$ 19,087
Penalties	397,433	187,235	19,000	\$ 270,805
Cash Balance	27,135,026	27,152,175	32,991,068	\$ 34,687,175
<b>Total Resources</b>	<b>\$ 70,463,641</b>	<b>\$ 71,759,188</b>	<b>\$ 77,016,604</b>	<b>\$ 81,405,560</b>
Percent Change		1.84%	7.33%	5.70%

## 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 2022. This increase will fund additional costs 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 3.5 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 2022, \$4.0 million is allocated in this fund for this purpose.

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

	Actuals	Estimated	Proposed									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Revenue</b>												
Storm Maintenance Service Charges	43,003	42,616	44,681	46,273	47,881	49,595	51,325	53,165	55,583	58,118	60,771	63,544
Rate Increase (Decrease)	-	352	1,117	1,157	1,197	1,240	1,283	1,772	1,853	1,937	2,026	2,118
Investment Earnings	1,053	548	631	662	695	730	766	805	845	887	932	978
Storm Sewer Maintenance Penalties	187	19	271	284	299	313	329	346	363	381	400	420
Other Revenues	364	491	19	20	21	22	23	24	26	27	28	30
<b>Total Revenue</b>	<b>44,607</b>	<b>44,026</b>	<b>46,718</b>	<b>48,397</b>	<b>50,092</b>	<b>51,900</b>	<b>53,727</b>	<b>56,112</b>	<b>58,669</b>	<b>61,350</b>	<b>64,157</b>	<b>67,091</b>
Beginning Fund Balance	27,152	32,991	34,687	34,383	34,269	29,831	25,014	20,478	18,743	18,044	17,957	18,490
<b>Total Resources</b>	<b>71,759</b>	<b>77,017</b>	<b>81,406</b>	<b>82,780</b>	<b>84,362</b>	<b>81,731</b>	<b>78,741</b>	<b>76,589</b>	<b>77,412</b>	<b>79,394</b>	<b>82,114</b>	<b>85,581</b>
<b>Operating Expenses</b>												
Personnel Services	1,941	1,657	2,213	2,235	2,257	2,280	2,303	2,326	2,349	2,372	2,396	2,420
Health Insurance	415	321	390	409	430	451	474	497	522	548	576	605
Supplies & Materials	129	96	149	164	180	198	218	240	264	290	319	351
Contractual Services	1,339	848	1,570	1,727	1,899	2,089	2,298	2,528	2,781	3,059	3,364	3,701
Pro Rata	2,191	2,038	2,102	2,178	2,254	2,336	2,418	2,525	2,640	2,761	2,887	3,019
Equipment	69	-	35	36	37	38	38	39	40	41	41	42
Other	-	85	20	20	21	21	22	22	23	23	23	24
Transfers	-	1,660	-	-	-	-	-	-	-	-	-	-
Reimbursement to Sanitary Enterprise	7,900	9,500	9,502	9,692	9,886	10,084	10,286	10,491	10,701	10,915	11,133	11,356
Department of Public Utilities Allocation	2,277	3,161	4,040	4,121	4,203	4,287	4,373	4,460	4,550	4,641	4,733	4,828
Department of Technology Allocation	1,768	1,814	1,950	1,989	2,029	2,069	2,111	2,153	2,196	2,240	2,285	2,331
Street Cleaning	8,967	8,800	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682
<b>Total Operating Expenses</b>	<b>26,995</b>	<b>29,979</b>	<b>32,583</b>	<b>33,395</b>	<b>34,237</b>	<b>35,115</b>	<b>36,026</b>	<b>36,998</b>	<b>38,016</b>	<b>39,079</b>	<b>40,193</b>	<b>41,359</b>
<b>Debt Service</b>												
General Obligation	11,693	11,736	13,408	12,692	12,225	11,885	9,997	7,610	6,800	6,610	6,380	5,670
OWDA Debt (Loan)	69	105	251	309	309	309	309	309	309	309	309	309
Proposed New Debt	-	-	450	1,422	2,439	3,107	3,632	4,067	4,601	5,192	5,890	6,571
Proposed New Debt (Loan)	-	-	122	493	5,120	6,101	8,099	8,662	9,441	10,046	10,651	10,651
Fiscal Charges	11	509	209	200	200	200	200	200	200	200	200	200
<b>Total Debt Service</b>	<b>11,773</b>	<b>12,350</b>	<b>14,439</b>	<b>15,115</b>	<b>20,294</b>	<b>21,603</b>	<b>22,237</b>	<b>20,849</b>	<b>21,352</b>	<b>22,357</b>	<b>23,431</b>	<b>23,401</b>
<b>Total Expense</b>	<b>38,768</b>	<b>42,329</b>	<b>47,022</b>	<b>48,510</b>	<b>54,531</b>	<b>56,717</b>	<b>58,263</b>	<b>57,847</b>	<b>59,368</b>	<b>61,437</b>	<b>63,624</b>	<b>64,760</b>
<b>Ending Fund Balance</b>	<b>32,991</b>	<b>34,687</b>	<b>34,383</b>	<b>34,269</b>	<b>29,831</b>	<b>25,014</b>	<b>20,478</b>	<b>18,743</b>	<b>18,044</b>	<b>17,957</b>	<b>18,490</b>	<b>20,821</b>

## Mobility Enterprise Fund

As part of this proposed budget, the mobility enterprise fund will be established on January 1, 2022. All on-street and off-street parking revenues and parking violation revenues will be deposited into the mobility enterprise fund.



The mobility enterprise fund will support the Division of Parking Services, a division of the Department of Public Service that is responsible for the administration, enforcement, operations, and management of both on-street and off-street public parking in the City of Columbus. The division is separated into five different sections including the Business Office, Enforcement, Meter Operations, Garage Operations, and Policies and Strategies. In addition, fund revenues will be used for several significant expansions including new off-street parking assets (garages) and the shared mobility programs. The mobility enterprise fund will be responsible for providing a high quality parking experience in the City of Columbus by holistically managing on-street and off-street parking assets under one system to increase access in high demand parking areas across the city.

### 2022 Cash Balance Statement

At the beginning of 2022, there is a projected cash balance of \$1.9 million. The fund anticipates \$13.6 million in revenues, including fees for all on-street and off-street parking, as well as revenues for all tickets and fines issued. Expenditures are estimated at \$15,252,612, resulting in a closing balance of \$302,011.

<b>2022 Mobility Enterprise Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2022)	\$ 1,901,631
Plus Estimated 2022 Receipts	13,602,992
Plus Estimated Encumbrance Cancellations	50,000
Total Estimated Available Resources	\$ 15,554,623
Less 2022 Recommended Operating Budget	(15,252,612)
Projected Available Balance (December 31, 2022)	<b>\$ 302,011</b>

### 2022 Revenue Summary

In 2022, \$13,602,992 of revenues reported below will support the mobility enterprise fund. Of which, \$1,902,992 will be supported by parking garage revenues, \$5,200,000 will be supported by parking violations fines, and \$6,500,000 will be supported by on-street parking assets.

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<b>2022 Parking Meter Program Fund</b>				
<b>Revenue by Source and Year</b>				
<b>Historical and Projected</b>				
<b>Revenue Summary</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Estimated</b>	<b>2022 Proposed</b>
Other Permits	\$ 89,957	\$ 8,994	\$ -	\$ 120,000
Investment Earnings	52,256	27,281	18,913	30,000
Parking Space Revenue	8,160,832	4,720,886	7,295,348	5,850,000
Off-Street Parking	-	-	-	1,902,992
Parking Volations Fines	-	-	-	5,200,000
Residential Permits	430,307	422,488	320,568	400,000
Miscellaneous Revenue	46,678	386,283	3,019,931	100,000
Encumbrance Cancellations	-	184,056	50,000	50,000
Unencumbered Cash Balance	1,497,121	1,608,373	(60,614)	1,901,631
<b>Total Resources</b>	<b>\$10,277,151</b>	<b>\$ 7,358,361</b>	<b>\$10,644,146</b>	<b>\$15,554,623</b>
Percent Change		-28.40%	44.65%	46.13%

## Mobility Enterprise Fund Pro Forma Operating Statement

- This pro forma reflects the significant shift from a special revenue fund to an enterprise fund, most notably in the revenue sources and the expenditures related to debt. In 2022 and moving forward, this fund will absorb all revenues related to parking, including all fines and fees. Additionally, this fund will assume the responsibility for the principal, interest, and all finance charges related to issuing debt for the parking garages.
- In 2023 and all years after, personnel charges are estimated to increase by 3 percent annually.
- After an initial \$1.5 million investment in parking software and other professional services in 2023, that category is expected to be reduced by that amount and instead grow by 3 percent annually.
- Interest for year 2022 is based on known actuals associated with the issuance of a one year note. For years 2023 and beyond, interest charges are estimated based on an assumed interest rate of 2 percent if the note would be converted to a bond.
- Fiscal charges related to the service of debt for all years are estimated to be \$75,000.

Enterprise Funds

<b>Mobility Enterprise Fund</b> <b>PRO FORMA OPERATING STATEMENT</b>												
	Actual	Estimated	Proposed									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Revenue</b>												
Off-Street Parking	-	-	1,902,992	3,493,185	4,866,914	5,907,429	6,097,933	6,232,299	6,294,622	6,357,568	6,421,144	6,485,355
Parking Violations and Fines	-	-	5,200,000	5,252,000	5,304,520	5,357,565	5,411,141	5,465,252	5,519,905	5,575,104	5,630,855	5,687,163
On-Street Parking	5,565,932	10,654,761	6,500,000	6,695,000	6,895,850	7,102,726	7,315,807	7,535,281	7,761,340	7,994,180	8,234,006	8,481,026
<b>Total Revenue</b>	<b>5,565,932</b>	<b>10,654,761</b>	<b>13,602,992</b>	<b>15,440,185</b>	<b>17,067,284</b>	<b>18,367,720</b>	<b>18,824,881</b>	<b>19,232,832</b>	<b>19,575,866</b>	<b>19,926,852</b>	<b>20,286,004</b>	<b>20,653,544</b>
Beginning Fund Balance	1,608,372	(60,614)	1,901,631	302,011	787,820	2,559,256	5,277,919	8,088,443	10,929,166	13,722,344	16,462,718	19,144,846
Encumbrance Cancellations	184,056	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,001	50,002	50,003
<b>Total Resources</b>	<b>7,358,360</b>	<b>10,644,147</b>	<b>15,554,623</b>	<b>15,792,196</b>	<b>17,905,104</b>	<b>20,976,977</b>	<b>24,152,800</b>	<b>27,371,276</b>	<b>30,555,033</b>	<b>33,699,197</b>	<b>36,798,724</b>	<b>39,848,393</b>
<b>Operating Expenses</b>												
Personnel	4,031,975	3,745,579	4,904,923	5,052,071	5,203,633	5,359,742	5,520,534	5,686,150	5,856,735	6,032,437	6,213,410	6,399,812
Materials & Supplies	39,604	2,082,813	190,500	196,215	202,101	208,164	214,409	220,842	227,467	234,291	241,320	248,559
Services	3,306,058	2,884,624	8,850,389	7,615,901	7,844,378	8,079,709	8,322,100	8,571,763	8,828,916	9,093,784	9,366,597	9,647,595
Other	41,336	-	53,000	54,590	56,228	57,915	59,652	61,442	63,285	65,183	67,139	69,153
Capital	-	29,500	120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573
Principal	-	-	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Interest	-	-	108,800	937,000	887,200	837,400	787,600	737,800	688,000	638,200	588,400	538,600
Fiscal Charges	-	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<b>Total Operating Expenses</b>	<b>7,418,973</b>	<b>8,742,516</b>	<b>15,252,612</b>	<b>15,004,376</b>	<b>15,345,848</b>	<b>15,699,057</b>	<b>16,064,357</b>	<b>16,442,109</b>	<b>16,832,689</b>	<b>17,236,479</b>	<b>17,653,878</b>	<b>18,085,292</b>
<b>Ending Fund Balance</b>	<b>(60,614)</b>	<b>1,901,631</b>	<b>302,011</b>	<b>787,820</b>	<b>2,559,256</b>	<b>5,277,919</b>	<b>8,088,443</b>	<b>10,929,166</b>	<b>13,722,344</b>	<b>16,462,718</b>	<b>19,144,846</b>	<b>21,763,101</b>