

ENTERPRISE FUNDS

Sewerage and Drainage Operating Fund

2015 Cash Balance Statement

The projected beginning year 2015 cash balance is \$206.8 million, which includes \$77.4 million in two reserve funds.

2015 Sewerage and Drainage Operating Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2015)	\$ 206,846,525
Plus Estimated 2015 Receipts	249,173,864
Plus Estimated Encumbrance Cancellations	6,145,996
Total Estimated Available Resources	<u>\$ 462,166,385</u>
Less 2015 Recommended Operating Budget (Sewers/Drains)	(266,195,276)
Less 2015 Recommended Operating Budget (Administration)	(8,112,898)
Projected Available Balance (December 31, 2015)	<u><u>\$ 187,858,211</u></u>

2015 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 sewer and water 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.

2015 Revenue Summary

2015 Sewerage and Drainage Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2012	2013	2014	2015
	Actual	Actual	Estimated	Proposed
Sewer Sales	\$ 195,127,125	\$ 190,692,377	\$ 192,381,688	\$ 201,284,465
Wet Weather Charges	30,093,503	31,125,466	32,072,155	31,481,666
System Capacity Charges	3,799,556	4,990,726	6,178,163	4,414,710
Investment Income	1,161,039	1,073,981	1,534,850	1,226,140
Storm Maintenance Reimbursement	7,526,542	8,072,050	7,799,207	8,050,480
Other*	4,534,499	2,831,058	8,671,106	8,862,399
Unencumbered Cash Balance	176,836,240	186,076,576	197,037,026	206,846,525
Additional Appropriation**	-	-	33,573,531	-
Total Resources	\$ 419,078,504	\$ 424,862,234	\$ 479,247,726	\$ 462,166,385
Percent Change		1.38%	14.36%	-3.56%

*Includes debt refinancing premiums in 2012, 2013, & 2014 and encumbrance cancellations in 2014 & 2015.
** This was appropriated from the unallocated balance of the fund, then transferred to the reserve fund.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in revenues for 2015. With this increase, revenues, excluding the beginning balance and encumbrance cancellations, will total \$249.2 million in 2015.
- There will be no change to the sewer system capacity fee in 2015.
- Due to the volatility of the market, the interest income projection is normally very conservative, with a projected 20 percent decrease in 2015. 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 2015. 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 2015. This discount is applied to the commodity portion of the sanitary sewer 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 2013 through 2024, 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 2015.
- Growth of the sanitary system is projected to be 0.5 percent in 2015 and 1 percent for the balance of 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.
- Equipment costs in 2015 and beyond include the required annual allotment to the EPA-mandated capital replacement fund. The division has \$4.5 million budgeted in its operating budget for capital outlay as well as additional funds budgeted in an equipment reserve.
- The 2015 operations and maintenance budget includes \$10.9 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
- In 2015, the division will pay \$131.7 million in debt service costs related to various municipal bond issuances over the years. These bonds were issued to help fund large infrastructure improvements and upgrades at the wastewater treatment plants and to the wastewater system. In 2015, new debt will be issued in the form of general obligation bonds to fund various sanitary and wet-weather sewer projects in response to federal mandates.
- Payment of debt service to the Ohio Water Development Authority (OWDA) has been included in the appropriate debt schedules. Use of these low-interest moneys 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 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 are borne by the sewerage enterprise operating fund. In 2015, \$8.1 million is allocated in this fund for this purpose.

SANITARY SEWER ENTERPRISE FUND

Pro Forma Operating Statement
For Years 2013 - 2024 (000's omitted)

	Actual 2013	Estimated 2014	Proposed 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Cash Balance	186,077	197,037	206,847	187,858	172,007	153,533	130,321	117,382	101,899	91,677	86,825	86,437
Utility Revenues												
Sewer Sales	190,692	192,382	197,198	208,742	221,179	234,366	248,346	263,169	277,576	291,399	305,915	318,113
Sewer Sales Increase	-	-	4,086	8,698	9,216	9,765	10,348	9,869	9,253	9,713	7,648	7,953
Wet Weather	31,125	32,072	30,723	31,863	33,545	35,295	37,137	39,076	40,959	42,773	44,673	46,297
Wet Weather Increase	-	-	759	1,280	1,328	1,398	1,471	1,393	1,303	1,365	1,069	1,117
Interest Income	1,074	1,535	1,226	1,238	1,251	1,263	1,276	1,289	1,302	1,315	1,328	1,341
System Capacity Charge	4,991	6,178	4,415	4,459	4,503	4,548	4,594	4,640	4,686	4,733	4,780	4,828
Other	1,959	2,729	2,716	1,732	1,758	1,722	1,689	1,723	1,758	1,793	1,829	1,865
Reimbursement from Stormwater Fund	8,072	7,799	8,050	8,292	8,541	8,797	9,061	9,333	9,613	9,901	10,198	10,504
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	872	245	-	-	-	-	-	-	-	-	-	-
Additional Appropriation	-	33,574	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>238,786</u>	<u>276,514</u>	<u>249,174</u>	<u>266,304</u>	<u>281,321</u>	<u>297,155</u>	<u>313,922</u>	<u>330,491</u>	<u>346,448</u>	<u>362,992</u>	<u>377,440</u>	<u>392,018</u>
Projected Encumbrance Cancellations		5,697	6,146	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Resources	<u>424,862</u>	<u>479,248</u>	<u>462,166</u>	<u>458,162</u>	<u>457,328</u>	<u>454,688</u>	<u>448,243</u>	<u>451,873</u>	<u>452,347</u>	<u>458,669</u>	<u>468,265</u>	<u>482,455</u>
Utility Expense												
Operations & Maintenance												
Personnel Services	34,610	35,914	37,043	38,155	39,299	40,478	41,693	42,943	44,232	45,559	46,925	48,333
27th Pay Period	-	-	-	-	-	-	-	1,652	-	-	-	-
Health Insurance	7,847	8,219	8,541	8,969	9,417	9,888	10,382	10,901	11,446	12,019	12,620	13,251
Supplies & Materials	7,045	8,041	8,141	8,304	8,470	8,639	8,812	8,988	9,168	9,352	9,539	9,729
Pro Rata	10,482	10,716	10,885	11,604	12,269	12,973	13,719	14,452	15,158	15,889	16,526	17,168
Contractual Services	35,446	41,418	45,399	46,761	48,164	49,609	51,097	52,630	54,209	55,835	57,510	59,236
Other	257	176	298	304	310	317	323	329	336	343	350	357
Equipment	3,900	3,427	4,519	4,609	4,701	4,795	4,891	4,989	5,089	5,190	5,294	5,400
Department of Public Utilities Allocation	4,921	39,599	8,113	8,275	8,441	8,609	8,782	8,957	9,136	9,319	9,506	9,696
Transfer	-	18,669	19,689	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance	<u>104,508</u>	<u>166,180</u>	<u>142,630</u>	<u>126,981</u>	<u>131,072</u>	<u>135,309</u>	<u>139,699</u>	<u>145,843</u>	<u>148,774</u>	<u>153,506</u>	<u>158,270</u>	<u>163,170</u>
Debt Service												
Revenue Bond	18,434	16,577	17,452	19,689	19,949	19,949	19,949	19,949	19,949	19,949	25,467	31,619
General Obligation	36,877	35,117	36,323	40,797	39,356	38,255	34,537	31,892	30,998	30,067	26,883	25,417
OWPCLF/OWDA Debt- Non Wet Weather	68,005	54,408	74,943	89,096	88,423	85,973	83,522	83,522	82,807	77,434	74,295	69,260
Proposed New Debt	-	-	2,816	9,451	24,861	44,816	53,154	68,769	78,142	90,888	96,913	102,758
Assessments	-	119	145	140	134	66	-	-	-	-	-	-
Total Debt Service	<u>123,317</u>	<u>106,222</u>	<u>131,678</u>	<u>159,174</u>	<u>172,723</u>	<u>189,058</u>	<u>191,162</u>	<u>204,132</u>	<u>211,895</u>	<u>218,338</u>	<u>223,559</u>	<u>229,054</u>
Total Expense	<u>227,825</u>	<u>272,401</u>	<u>274,308</u>	<u>286,155</u>	<u>303,795</u>	<u>324,367</u>	<u>330,861</u>	<u>349,974</u>	<u>360,670</u>	<u>371,844</u>	<u>381,828</u>	<u>392,223</u>
Ending Fund Balance	197,037	206,847	187,858	172,007	153,533	130,321	117,382	101,899	91,677	86,825	86,437	90,232
Projected Revenue Increase	1.00%	2.00%	3.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.00%	4.00%	3.00%	3.00%

Electricity Enterprise Fund

2015 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 decrease slightly from the previous year. The division must continue to recover costs through rate alterations or fuel cost adjustments to its customers.

At the beginning of 2015, there is a projected cash balance of nearly \$18.9 million, which reflects the combined balances of the reserve and operating funds.

2015 Electricity Enterprise Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2015)	\$ 18,850,388
Plus Estimated 2015 Receipts	83,706,612
Plus Estimated Encumbrance Cancellations	1,500,000
Total Estimated Available Resources	<u>\$ 104,057,000</u>
Less 2015 Recommended Operating Budget (Electricity)	(84,876,389)
Less 2015 Recommended Operating Budget (Administration)	(1,140,649)
Projected Available Balance (December 31, 2015)	<u><u>\$ 18,039,962</u></u>

2015 Revenue Summary

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.

2015 Revenue Summary

2015 Electricity Enterprise Fund Revenue by Source and Year Historical and Projected				
Revenue Summary	2012	2013	2014	2015
	Actual	Actual	Estimated	Proposed
Charges for Electrical Service	\$ 86,147,038	\$ 84,148,067	\$ 81,957,954	\$ 80,538,793
Investment Income	121,293	102,566	85,736	-
Other Revenue*	3,196,438	3,617,544	3,590,284	4,377,551
Street Light Assessments	433,704	376,199	310,706	290,268
Unencumbered Cash Balance	6,688,474	9,756,907	15,700,015	18,850,388
Total Resources	\$ 96,586,947	\$ 98,001,283	\$ 101,644,694	\$ 104,057,000
Percent Change		1.46%	3.72%	2.37%

*Includes encumbrance cancellations in 2014 & 2015.

Notes:

- Revenues, excluding the beginning year cash balance and encumbrance cancellations, are expected to be \$83.7 million in 2015.
- 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 2015. In 2015, the general fund will retain 100 percent of the value of the kilowatt hour tax.

Electricity Enterprise Fund

Pro Forma Operating Statement

Presented below 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 2013 through 2024. 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.
- 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 largest portion, by far, of the Division of Electricity's budget is for the purchase of wholesale electrical power. In 2015, \$55.9 million is budgeted for this commodity. This amount is 4.5 percent less than expended in 2013 and only one percent more than it projects to spend in 2014, as the division was successful in securing favorable wholesale rates. The pro forma reflects a growth rate of one percent per annum for wholesale power.
- The Division of Electricity's pro forma statement also assumes 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.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the electricity enterprise operating fund. In 2015, \$1,140,649 is allocated in this fund for this purpose.

ELECTRICITY ENTERPRISE FUND												
Pro Forma Operating Statement												
For Years 2013 - 2024 (000's omitted)												
	Actual	Estimated	Proposed	2016	2017	2018	2019	2020	2021	2022	2023	2024
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Cash Balance	9,757	15,700	18,850	18,040	18,548	16,265	11,459	4,719	-563	-4,675	-8,629	-10,790
Utility Revenues												
Electricity Sales												
Residential	6,152	6,255	6,047	6,047	6,047	6,047	6,047	6,047	6,047	6,047	6,047	6,047
Commercial	65,385	65,956	67,380	67,399	67,417	67,437	67,456	67,477	67,498	67,520	67,542	67,565
Kilowatt Hour Tax Reduction	-1,689	-1,524	-3,160	-3,167	-3,173	-3,180	-3,187	-3,195	-3,202	-3,210	-3,218	-3,226
PCRA	14,300	11,272	10,271	10,387	8,269	6,365	4,468	7,163	9,993	10,964	14,084	16,359
Total Electric Sales	84,148	81,958	80,539	80,666	78,561	76,669	74,784	77,492	80,336	81,321	84,455	86,745
Other Revenues	3,994	3,601	3,168	3,133	3,203	3,160	3,256	3,347	3,450	3,556	3,665	3,778
Total Revenue	88,244	85,645	83,707	83,799	81,764	79,828	78,040	80,840	83,786	84,877	88,120	90,523
Projected Encumbrance Cancellations	-	300	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	2,000
Total Resources	98,001	101,645	104,057	103,339	101,812	97,594	91,500	87,559	85,223	82,202	81,491	81,733
Utility Expense												
Operations & Maintenance												
Personnel Services	7,065	7,806	8,614	8,872	9,139	9,413	9,695	9,986	10,286	10,594	10,912	11,239
27th Pay Period	-	-	-	-	-	-	-	-	396	-	-	-
Health Insurance	1,326	1,484	1,714	1,799	1,889	1,984	2,083	2,187	2,296	2,411	2,532	2,658
Purchase Power	58,513	55,420	55,900	56,459	57,024	57,594	58,170	58,751	59,339	59,932	60,532	61,137
Supplies & Materials	1,144	1,393	1,605	1,638	1,670	1,704	1,738	1,773	1,808	1,844	1,881	1,919
Pro Rata	3,925	4,040	3,690	3,763	3,673	3,592	3,511	3,638	3,770	3,819	3,965	4,074
Services	4,275	5,693	7,185	7,329	7,475	7,625	7,777	7,933	8,091	8,253	8,418	8,587
Other	33	247	51	51	51	51	51	51	51	51	51	51
Capital Equipment	1,275	2,437	2,804	2,060	2,101	2,143	2,186	2,230	2,274	2,320	2,366	2,414
Department of Public Utilities Allocation	688	789	1,141	1,163	1,187	1,210	1,235	1,259	1,285	1,310	1,336	1,363
Total Operations & Maintenance	78,244	79,308	82,703	83,135	84,208	85,315	86,446	87,808	89,596	90,535	91,994	93,441
Debt Service												
Distribution G.O. Debt	2,421	2,173	2,062	808	786	623	251	242	233	223	219	215
Street Lighting G.O. debt	1,261	1,003	961	682	406	188	75	73	70	72	69	66
Street Light Assessments	376	310	290	167	146	9	8	-	-	-	-	-
Total Debt Service	4,058	3,486	3,314	1,657	1,338	820	335	314	302	295	288	281
Total Expense	82,301	82,794	86,017	84,791	85,546	86,135	86,780	88,122	89,898	90,831	92,282	93,722
Ending Fund Balance	15,700	18,850	18,040	18,548	16,265	11,459	4,719	-563	-4,675	-8,629	-10,790	-11,989
Projected Revenue Increase												
PCRA (%)	19.99%	15.61%	13.99%	14.14%	11.26%	8.66%	6.08%	9.74%	13.59%	14.90%	19.14%	22.22%

Water Operating Fund

2015 Cash Balance Statement

The projected beginning year 2015 cash balance is nearly \$82 million, which includes \$38.9 million in a reserve fund.

2015 Water Operating Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2015)	\$ 81,966,106
Plus Estimated 2015 Receipts	189,922,320
Plus Estimated Encumbrance Cancellations	5,902,887
Total Estimated Available Resources	<u>\$ 277,791,313</u>
Less 2015 Recommended Operating Budget (Water)	(197,205,768)
Less 2015 Recommended Operating Budget (Administration)	(7,235,565)
Projected Available Balance (December 31, 2015)	<u><u>\$ 73,349,980</u></u>

2015 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 sewer and water 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.

2015 Revenue Summary

2015 Water Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2012 Actual	2013 Actual	2014 Estimated	2015 Proposed
Water Sales	\$ 161,821,636	\$ 158,672,628	\$ 161,173,654	\$ 170,342,500
Water Penalty Fee	2,044,188	2,063,031	2,224,856	2,051,310
System Capacity Charges	3,867,888	4,763,123	5,309,371	4,848,000
Sewer Billings	6,730,001	6,355,055	6,313,167	6,655,860
Meter Service Fee	503,401	582,490	970,792	559,540
Investment Income	1,064,763	1,241,051	1,365,292	1,304,920
Other Revenue*	8,468,891	10,026,630	10,954,430	10,063,077
Unencumbered Cash Balance	53,589,873	71,225,117	82,967,405	81,966,106
Total Resources	\$ 238,090,641	\$ 254,929,125	\$ 271,278,967	\$ 277,791,313
Percent Change		7.07%	6.41%	2.40%

*Includes debt refinancing premiums in 2012, 2013, & 2014 and encumbrance cancellations in 2014 & 2015.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in water rates for 2015. Water sales are projected to generate \$170.3 million in 2015.
- There will be no change to the water system capacity fee in 2015.
- The low income discount is continued in 2015. This discount is applied to the commodity portion of the water bill to provide financial relief to qualifying customers.
- The interest income projection is expected to decrease by four percent. 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 2013 through 2024 is presented below. 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 three percent increase in water rates for 2015.
- Growth of the water system is projected to be one-half percent in 2015 and one percent for the balance of the pro forma projection period.
- System capacity charges are assumed to grow by one percent annually.
- Interest rates on investments of revenues and reserves are projected 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.
- Included in the operations and maintenance budget for 2015 is \$8.5 million for payment of pro rata.
- Proposed new debt is issued in the form of bonds at an assumed interest rate of four 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 20 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 are borne by the water enterprise operating fund. In 2015, \$7.2 million is allocated in this fund for this purpose.

WATER ENTERPRISE FUND

Pro Forma Operating Statement

For Years 2013 - 2024 (000's omitted)

	Actual 2013	Estimated 2014	Proposed 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Cash Balance	71,225	82,967	81,966	73,350	62,460	57,894	57,233	61,448	72,475	86,541	102,022	118,476
Utility Revenues												
Water Sales	158,673	161,174	166,188	172,885	181,599	190,751	200,365	208,440	216,840	223,388	227,879	232,459
Water Sales Increase	-	-	4,155	5,763	6,053	6,358	5,009	5,211	3,614	1,862	1,899	0
Interest Income	1,241	1,365	1,305	1,318	1,331	1,344	1,358	1,371	1,385	1,399	1,413	1,427
System Capacity Charges	4,763	5,309	4,848	4,896	4,945	4,995	5,045	5,095	5,146	5,198	5,250	5,302
Sewer Billing Charges	6,355	6,313	6,656	6,856	7,061	7,273	7,491	7,716	7,947	8,186	8,431	8,684
Penalties	2,063	2,225	2,051	2,072	2,093	2,113	2,135	2,156	2,178	2,199	2,221	2,243
Meter Service Fees	582	971	560	565	571	576	582	588	594	600	606	612
Other	8,144	4,983	4,160	4,202	4,244	4,286	4,329	4,372	4,416	4,460	4,505	4,550
Debt Refinancing	1,883	467	-	-	-	-	-	-	-	-	-	-
Total Revenue	183,704	182,807	189,922	198,557	207,897	217,698	226,314	234,950	242,120	247,292	252,204	255,278
Projected Encumbrance Cancellations		5,504	5,903	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Resources	254,929	271,279	277,791	274,907	273,357	278,592	286,547	299,398	317,595	336,833	357,226	376,754
Utility Expense												
Operations & Maintenance												
Personnel Services	36,688	36,514	40,351	41,561	42,808	44,093	45,415	46,778	48,181	49,627	51,115	52,649
27th Pay Period	-	-	-	-	-	-	-	1,799	-	-	-	-
Health Insurance	8,157	8,552	9,393	9,863	10,356	10,874	11,417	11,988	12,588	13,217	13,878	14,572
Supplies & Materials	19,598	22,291	22,649	23,102	23,564	24,035	24,516	25,006	25,506	26,016	26,537	27,067
Pro Rata	8,015	8,461	8,515	8,935	9,355	9,796	10,184	10,573	10,895	11,128	11,349	11,488
Contractual Services	22,768	26,565	27,410	27,958	28,517	29,088	29,669	30,263	30,868	31,485	32,115	32,757
Other	307	378	261	266	271	277	282	288	294	299	305	312
Equipment	973	2,386	2,432	2,481	2,531	2,581	2,633	2,686	2,739	2,794	2,850	2,907
Department of Public Utilities Allocation	4,212	4,942	7,236	7,380	7,528	7,678	7,832	7,989	8,148	8,311	8,478	8,647
Total Operations & Maintenance	100,717	110,090	118,247	121,546	124,930	128,422	131,949	135,570	139,220	142,878	146,627	150,398
Debt Service												
General Obligation	71,245	79,223	79,928	75,356	70,727	66,022	59,544	54,941	51,322	46,928	43,547	40,782
Proposed New Debt	-	-	6,267	15,545	19,805	26,916	33,607	36,413	40,513	45,004	48,576	51,028
Total Debt Service	71,245	79,223	86,195	90,901	90,532	92,938	93,150	91,354	91,835	91,933	92,123	91,810
Total Expense	171,962	189,313	204,441	212,447	215,462	221,359	225,099	226,923	231,054	234,811	238,750	242,208
Ending Fund Balance	82,967	81,966	73,350	62,460	57,894	57,233	61,448	72,475	86,541	102,022	118,476	134,546
Projected Revenue Increase			3.00%	4.00%	4.00%	4.00%	3.00%	3.00%	2.00%	1.00%	1.00%	1.00%

Storm Sewer Maintenance Fund

2015 Cash Balance Statement

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 monies in a reserve fund against which contracts could be certified in the absence of bond cash.

A 2015 beginning year cash balance of \$20.8 million is projected for this fund. This includes a \$9 million reserve balance.

2015 Storm Sewer Maintenance Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2015)	\$ 20,768,637
Plus Estimated 2015 Receipts	39,936,128
Plus Estimated Encumbrance Cancellations	<u>200,000</u>
Total Estimated Available Resources	\$ 60,904,765
Less 2015 Recommended Operating Budget (Storm Sewer)	(38,335,087)
Less 2015 Recommended Operating Budget (Administration)	(2,162,630)
Projected Available Balance (December 31, 2015)	<u><u>\$ 20,407,048</u></u>

2015 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. In 2014, the stormwater fee was increased by one percent. The Board recommended another one percent increase for 2015.

2015 Revenue Summary

2015 Storm Sewer Maintenance Fund				
Revenue by Source and Year				
Historical and Projected				
	2012	2013	2014	2015
Revenue Summary	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 36,190,628	\$ 35,974,336	\$ 37,327,119	\$ 38,978,988
Investment Income	147,324	125,908	183,927	116,390
Other Revenue*	1,214,369	722,407	751,456	1,040,750
Unencumbered Cash Balance	17,198,170	18,380,951	19,323,225	20,768,637
Total Resources	\$ 54,750,491	\$ 55,203,602	\$ 57,585,727	\$ 60,904,765
Percent Change		0.83%	4.32%	5.76%

*Includes debt refinancing premiums in 2012, 2013, & 2014 and encumbrance cancellations in 2014 & 2015.

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 2015.
- Proposed new debt is issued in the form of bonds at an assumed interest rate of four percent.
- The division's capital improvements plan has been discounted by 15 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.
- In 2005, costs associated with the street cleaning function were added to the storm sewer budget, having been transferred from the Department of Public Service. In 2008, snow removal costs were also transferred. In 2015, the cost of these services will total \$7.49 million.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the storm sewer enterprise operating fund. In 2015, \$2.2 million is allocated in this fund for this purpose.

STORM SEWER ENTERPRISE FUND
Pro Forma Operating Statement
For Years 2013 - 2024 (000's omitted)

	Actual 2013	Estimated 2014	Proposed 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Cash Balance	18,381	19,323	20,769	20,407	18,134	15,654	13,692	12,418	12,206	13,199	14,802	16,939
Utility Revenues												
Storm Maintenance Service Charges	35,974	37,327	38,657	38,332	38,715	39,530	40,703	41,547	42,403	43,272	44,155	45,050
Rate Increase (Decrease)	-	-	322	329	323	659	339	346	353	361	368	375
Investment Earnings	126	184	116	120	123	127	131	135	139	143	147	152
Storm Sewer Maintenance Penalties	430	454	455	459	464	468	473	478	482	487	492	497
Other Revenues	-	86	386	398	410	422	435	448	461	475	489	504
Debt Refinancing	292	12	-	-	-	-	-	-	-	-	-	-
Total Revenue	36,823	38,063	39,936	39,638	40,035	41,207	42,081	42,954	43,839	44,738	45,652	46,579
Projected Encumbrance Cancellations	-	200	200	200	200	200	200	200	200	200	200	200
Total Resources	55,204	57,586	60,905	60,245	58,369	57,061	55,973	55,572	56,245	58,138	60,653	63,717
Utility Expense												
Operations & Maintenance												
Personnel Services	1,061	1,122	1,419	1,462	1,505	1,551	1,597	1,645	1,694	1,745	1,798	1,851
27th Pay Period	-	-	-	-	-	-	-	63	-	-	-	-
Health Insurance	231	245	313	328	345	362	380	399	419	440	462	485
Supplies & Materials	19	15	26	26	27	27	28	28	29	29	30	30
Contractual Services & Internal Billing	17,443	17,934	20,358	20,765	21,181	21,604	22,036	22,477	22,926	23,385	23,853	24,330
Pro Rata	1,638	1,698	1,783	1,784	1,802	1,854	1,894	1,933	1,973	2,013	2,054	2,096
Equipment	44	100	50	51	52	53	54	55	56	57	59	60
Other	53	20	28	28	29	30	30	31	31	32	33	33
Department of Public Utilities Allocation	1,271	1,489	2,163	2,206	2,250	2,295	2,341	2,388	2,435	2,484	2,534	2,585
Total Operations & Maintenance	21,761	22,625	26,138	26,650	27,190	27,775	28,360	29,019	29,564	30,186	30,821	31,470
Debt Service												
General Obligation	14,119	14,192	13,624	13,452	12,905	12,523	11,739	10,607	9,420	8,799	8,262	7,767
Proposed New Debt	-	-	735	2,009	2,621	3,071	3,456	3,740	4,062	4,351	4,631	4,903
Total Debt Service	14,119	14,192	14,360	15,461	15,525	15,594	15,195	14,347	13,482	13,150	12,893	12,671
Total Expense	35,880	36,817	40,498	42,111	42,715	43,369	43,555	43,366	43,046	43,336	43,715	44,141
Ending Fund Balance	19,323	20,769	20,407	18,134	15,654	13,692	12,418	12,206	13,199	14,802	16,939	19,577
Projected Revenue Increase	0.00%	1.00%	1.00%	0.00%	1.00%	2.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

This page has been intentionally left blank.