

Enterprise Funds

Sewerage and Drainage Operating Fund

2011 Cash Balance Statement

The fund will begin 2011 with a cash balance of \$137.4 million, which includes \$60 million in a reserve fund.

2011 SEWERAGE AND DRAINAGE OPERATING FUND BALANCE SUMMARY	
Cash Balance (January 1, 2011)	\$ 137,380,752
Plus Estimated 2011 Receipts	<u>236,170,563</u>
Total Estimated Available Resources	\$ 373,551,315
Less 2011 Recommended Operating Budget (Sewers/Drains)	(235,639,836)
Less 2011 Recommended Operating Budget (Administration)	(4,772,146)
Projected Available Balance (December 31, 2011)	<u><u>\$ 133,139,333</u></u>
Note: Cash Balance at January 1, 2011 does not include "bond debt service" reserve fund balance of \$10 million	

2011 Revenue Summary

User fees completely support the operations of the Division of Sewerage and Drainage. Section 118 of the Columbus City Charter empowers the 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. This document is updated annually to reflect current appropriation levels and adjusted for actual revenues and expenditures.

Statements in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. For that reason, relative percentage change calculations for this fund are based on current year receipts only.

2011 Revenue Summary

SEWERAGE AND DRAINAGE REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2008-2011				
REVENUE SUMMARY	2008 Actual	2009 Actual	2010 Estimated	2011 Proposed
Service Charges:				
Sewer Sales	\$ 172,083,250	\$ 177,851,430	\$ 181,177,578	\$ 190,236,457
Wet Weather Charges	23,500,435	25,636,339	27,897,249	29,630,124
System Capacity Charges	5,713,215	3,471,405	4,300,521	4,343,526
Investment Income	19,040,662	6,767,844	2,700,492	2,727,497
Storm Maintenance Reimbursement	9,479,351	6,413,631	6,422,748	6,615,430
Other	3,544,042	3,020,988	2,874,069	2,617,529
Beginning Year Cash Balance	90,062,717	115,595,315	132,638,479	137,380,752
TOTAL RESOURCES	\$ 323,423,672	\$ 338,756,952	\$ 358,011,136	\$ 373,551,315
PERCENT CHANGE		4.74%	5.68%	4.34%

Does not include debt refinancing premiums

Revenue Notes:

- The Sewer and Water Advisory Board recommends a six percent increase in revenues in 2011. With this increase, revenues, excluding the beginning balance, will total \$236.17 million in 2011, over 10.7 million more than the 2010 projection.
- System capacity fees are assumed to grow by one percent. Growth of this fee has declined steadily over the last decade, as it is based on growth of the sanitary sewer system, which has also slowed in recent years.
- Due to the volatility of the market, the interest income projection is very conservative and reflects a growth rate of one percent over that of 2010. 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 2011. This transfer of funds from the storm sewer fund to the sanitary sewer fund is made to pay for shared resources.
- The low income discount is continued in 2011 on the commodity portion of the sanitary sewer bill to provide financial relief to qualified customers.

Sewer 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 on a cash basis for the period 2010 through 2020, 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 six percent more revenue in 2011.
- Sanitary sales growth is projected at zero percent per year in 2011 and 2012, at .5 percent in 2013 and 2014 and at 1 percent for the balance of the pro forma projection period.
- System capacity charges are assumed to grow by one percent annually, representing modest growth of these charges.
- Projections for personnel costs reflect the rates in affect for the various collective bargaining agreements represented in the division.
- Equipment costs in 2008 and beyond include an annual allotment to the EPA-mandated capital replacement fund.
- Included in the operations and maintenance 2011 budget is \$10.69 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
- In 2011, new debt will be issued in the form of general obligation bonds to fund various sanitary and wet-weather sewer projects related to the federally mandated projects.
- Debt service for payment of Ohio Water Development Authority (OWDA) low-interest loans has been included within the appropriate debt schedules. Use of these low-interest monies 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.

SEWERAGE SYSTEM ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2010 - 2020
IN DOLLARS - 000'S OMITTED

	Estimated		Budget								
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Cash Balance	132,638	137,381	133,139	127,766	123,683	123,969	98,023	71,070	61,908	73,011	91,091
Revenues		0.0% Growth		0.5% annual growth			1% annual growth				
Sewer Sales	181,178	181,178	191,710	203,419	218,340	236,619	257,619	281,784	308,254	335,722	344,066
Sewer Sales Increase	0	9,059	9,186	11,866	13,646	15,775	18,248	19,960	20,550	4,197	4,301
Wet Weather	27,897	28,235	29,989	31,722	33,877	36,294	39,019	42,094	45,402	48,792	49,957
Wet Weather Increase	0	1,395	1,353	1,749	1,983	2,258	2,571	2,764	2,806	568	610
Interest Income	2,700	2,727	2,755	2,782	2,810	2,838	2,867	2,895	2,924	2,953	2,983
System Capacity Charge	4,301	4,344	4,387	4,431	4,475	4,520	4,565	4,611	4,657	4,703	4,750
Other	2,874	2,618	2,632	2,678	2,725	2,773	2,821	2,872	2,859	2,881	2,939
Storm Sewer Transfer	6,423	6,615	6,814	7,018	7,229	7,446	7,669	7,899	8,136	8,380	8,632
Total Revenue	225,373	236,171	248,826	265,665	285,085	308,522	335,379	364,879	395,588	408,197	418,238
Total Resources	358,011	373,551	381,965	393,431	408,768	432,491	433,402	435,949	457,496	481,208	509,329
Expenditures											
Operations & Maintenance											
Personnel Services	35,289	38,247	39,394	40,576	41,793	43,047	44,339	45,669	47,039	48,450	49,904
Health Insurance	6,449	7,706	8,245	8,822	9,440	10,101	10,808	11,564	12,374	13,240	14,167
Supplies & Materials	8,183	8,548	8,804	9,069	9,341	9,621	9,909	10,207	10,513	10,828	11,153
Pro Rata	9,832	10,692	10,885	11,634	12,498	13,543	14,742	16,059	17,434	17,992	18,432
Contractual Services	38,981	41,115	42,349	43,619	44,928	46,276	47,664	49,094	50,567	52,084	53,646
Other	497	229	235	242	250	257	265	273	281	289	298
Equipment	2,303	2,041	2,102	2,165	2,230	2,297	2,366	2,437	2,510	2,585	2,663
Dept. Allocation	4,308	4,772	4,915	5,063	5,215	5,371	5,532	5,698	5,869	6,045	6,227
Total Operations & Maintenance	105,842	113,349	116,930	121,190	125,694	130,513	135,624	141,001	146,586	151,513	156,489
Debt Service											
Revenue Bond	18,524	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727	20,727
General Obligation	31,728	37,461	38,871	36,693	35,681	33,325	32,394	31,421	30,393	26,792	24,773
OWPCLF/OWDA Debt- Non Wet Weather	64,073	66,969	67,829	67,829	65,415	65,415	64,742	64,069	61,618	59,167	59,177
Proposed New Debt	0	1,747	9,719	23,191	37,168	84,378	108,738	116,721	125,126	131,918	138,485
Assessments	463	158	123	119	115	111	106	102	34	0	0
Total Debt Service	114,788	127,063	137,269	148,558	159,105	203,955	226,708	233,040	237,899	238,604	243,162
Total Expense	220,630	240,412	254,199	269,748	284,799	334,468	362,332	374,041	384,485	390,117	399,651
Ending Fund Balance	137,381	133,139	127,766	123,683	123,969	98,023	71,070	61,908	73,011	91,091	109,678
Projected Revenue Increase (2011)	2.00%	6.00%	5.75%	7.00%	7.50%	8.00%	8.50%	8.50%	8.00%	1.50%	1.50%

Electricity Enterprise Fund

2011 Cash Balance Statement

Parallel to the rapidly growing costs of purchase power, revenues into the electricity enterprise fund are projected to grow as the division attempts to recover these cost increases. Since there are no planned transfers from the special income tax (SIT) fund to the electricity enterprise fund to cover the purchase power cost increases, the division must continue to recover these costs through rate increases or fuel cost adjustments to its customers.

The fund will begin 2011 with a cash balance of over \$2.9 million, which includes the balance in the reserve fund as well as the operating fund.

2011 ELECTRICITY ENTERPRISE FUND BALANCE SUMMARY	
Cash Balance (January 1, 2011)	\$ 2,924,536
Plus Estimated 2011 Receipts	93,120,399
Total Estimated Available Resources	\$ 96,044,935
Less 2011 Recommended Operating Budget (Electricity)	(92,770,219)
Less 2011 Recommended Operating Budget (Administration)	(669,203)
Projected Available Balance (December 31, 2011)	\$ 2,605,513

2011 Revenue Summary

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

Statements in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. For that reason, relative percentage change calculations for this fund are based on current year receipts only.

2011 Revenue Summary

ELECTRICITY ENTERPRISE FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2008-2011				
REVENUE SUMMARY	2008 Actual	2009 Actual	2010 Estimated	2011 Proposed
Charges for Electric Service	\$ 76,330,414	\$ 73,368,942	\$ 84,476,171	\$ 88,879,118
Investment Income	686,361	207,910	77,204	77,204
Other Revenue	2,162,828	1,926,528	3,636,143	3,723,013
Street Light Assessments	424,607	480,236	468,877	441,065
Transportation Street Lighting Revenue	3,248,056	-	-	-
Beginning Year Cash Balance	10,030,038	11,868,640	4,373,873	2,924,536
TOTAL RESOURCES	\$ 92,882,304	\$ 87,852,256	\$ 93,032,267	\$ 96,044,935
PERCENT CHANGE		-5.42%	5.90%	3.24%

Does not include debt refinancing premiums

Revenue Notes:

- Revenues, excluding the beginning year cash balance are expected to be \$93.12 million in 2011, a five percent increase over 2010 estimates.
- 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 2011. What will occur in 2011 however is that the general fund will retain approximately half the proceeds of the kilowatt hour tax and return the other half to the electricity enterprise fund.
- Due to the volatility of the market, the interest income projection reflects no growth over that of 2010. Investment income, as a revenue source to the enterprise funds, is based on the amount of cash available in the treasury on which interest can be earned.

Electricity 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 2010 through 2020. 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 affect for the various collective bargaining agreements represented in the division.
- The largest portion, by far, of the Division of Electricity's budget is for the purchase of electrical power. In 2011 \$65 million is budgeted for this wholesale power, which in turn, is sold to the division's customers. In 2012 through the end of the pro forma period, the projected purchase power amounts are discounted by two percent, reflecting a more realistic scenario of purchase power costs than those established by contract.
- The 2011 budget also includes \$4.3 million for payment of pro rata.
- Revenues will increase by 5 percent in 2011 and by 1.1 percent in 2012.
- Proposed new bonded debt is conservatively projected. It is assumed that such debt will be directly bonded at 4.5 percent in 2011 and 5.0 percent thereafter. Details regarding the proposed capital expenditures are available in the capital summary section of this document.
- 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.

ELECTRICITY ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2010 - 2020
IN DOLLARS - 000'S OMITTED

	Estimated		Budget								
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Cash Balance	4,374	2,925	2,606	4,028	4,425	4,229	3,028	2,862	2,681	2,074	1,134
Revenues											
Electricity Sales											
Residential	6,538	6,604	6,670	6,736	6,804	6,872	6,940	7,010	7,080	7,151	7,222
Commercial	68,309	69,003	69,705	70,415	71,131	71,856	72,588	73,327	74,075	74,830	75,594
Kilowatt Hour Tax Reduction	-3,257	-1,541	-1,559	-1,578	-1,598	-1,618	-1,638	-1,659	-1,679	-1,700	-1,722
Increase in PCRA	12,886	14,813	14,963	15,115	15,267	15,422	16,357	17,309	17,485	17,662	17,841
Total Electric Sales	84,476	88,879	89,779	90,687	91,605	92,532	94,247	95,988	96,960	97,942	98,935
Other Revenues	4,105	4,164	4,250	4,276	4,385	4,489	4,494	4,604	4,603	4,743	4,879
Investment Earnings	77	77	77	77	77	77	77	77	77	77	77
Total Revenue	88,658	93,120	94,105	95,041	96,067	97,098	98,818	100,669	101,641	102,763	103,891
Total Resources	93,032	96,045	96,711	99,069	100,492	101,327	101,846	103,532	104,322	104,837	105,025
Expenditures											
Operations & Maintenance											
Personnel Services	7,554	8,424	8,677	8,938	9,206	9,482	9,766	10,059	10,361	10,672	10,992
Health Insurance	1,155	1,395	1,493	1,598	1,709	1,829	1,957	2,094	2,241	2,398	2,565
Purchase Power	63,953	65,000	64,015	64,728	65,450	66,183	66,925	67,678	68,441	69,215	70,000
Supplies & Materials	990	1,496	1,541	1,587	1,635	1,684	1,734	1,787	1,840	1,895	1,952
Pro Rata	3,964	4,324	4,213	4,259	4,306	4,353	4,436	4,520	4,570	4,620	4,672
Services	5,393	5,218	5,370	5,526	5,686	5,852	6,022	6,198	6,379	6,565	6,757
Other Disbursements	50	85	85	85	85	85	85	85	85	85	85
Capital Equipment	561	1,530	1,576	1,623	1,672	1,722	1,774	1,827	1,882	1,938	1,996
Dept. Allocation	610	669	696	724	753	783	814	847	881	916	952
Total Operations & Maintenance	84,229	88,142	87,666	89,067	90,502	91,972	93,514	95,094	96,679	98,305	99,972
Debt Service											
Distribution G.O. Debt	3,565	3,315	3,005	2,777	2,335	2,246	946	834	666	290	280
Street Lighting G.O. debt	1,845	1,541	1,245	999	931	893	615	419	201	88	85
Street Light Assessments	469	441	413	323	311	290	167	146	9	8	
New Distribution Debt Service			288	1,175	1,627	2,107	2,677	3,058	3,439	3,803	4,152
New Street Lighting Debt Service			67	303	558	791	1,064	1,299	1,254	1,208	1,163
Total Debt Service	5,878	5,297	5,018	5,577	5,761	6,327	5,469	5,756	5,569	5,398	5,680
Total Expense	90,108	93,439	92,683	94,643	96,263	98,299	98,983	100,851	102,248	103,702	105,653
Ending Fund Balance	2,925	2,606	4,028	4,425	4,229	3,028	2,862	2,681	2,074	1,134	-627

Water Operating Fund

2011 Cash Balance Statement

The fund will begin 2011 with a cash balance of \$30.90 million.

2011 WATER OPERATING FUND BALANCE SUMMARY		
Cash Balance (January 1, 2011)	\$	30,901,143
Plus Estimated 2011 Receipts		163,175,256
Total Estimated Available Resources	\$	194,076,399
Less 2011 Recommended Operating Budget (Water)		(159,275,876)
Less 2011 Recommended Operating Budget (Administration)		(4,256,518)
Projected Available Balance (December 31, 2011)	\$	30,544,005
Note: Cash Balance at January 1, 2011 does not include "bond debt service" reserve fund balance of \$10 million		

2011 Revenue Summary

User fees completely support the operations of the Water Division. Section 118 of the Columbus City Charter empowers the 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. This document is updated annually to reflect current appropriation levels and adjusted for actual revenues and expenditures.

Statements in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2011 Revenue Summary

WATER OPERATING FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2008-2011				
REVENUE SUMMARY	2008 Actual	2009 Actual	2010 Estimated	2011 Proposed
Water Sales	\$ 115,658,355	\$ 127,557,616	\$ 139,899,317	\$ 148,643,024
Water Penalty Fees	1,561,608	1,727,213	1,747,006	1,764,476
System Capacity Charges	4,939,564	2,987,186	2,787,361	2,815,235
Sewer Billings	8,462,673	5,796,878	5,850,811	6,026,335
Meter Service Fee	424,567	741,917	381,839	385,657
Investment Income	6,568,651	1,977,259	1,016,232	1,026,394
Other Revenue	5,198,456	1,983,692	2,489,242	2,514,134
Beginning Year Cash Balance	33,259,857	34,746,266	31,298,309	30,901,143
TOTAL RESOURCES	\$ 176,073,731	\$ 177,518,027	\$ 185,470,117	\$ 194,076,399
PERCENT CHANGE		0.82%	4.48%	4.64%

Does not include debt refinancing premiums

Revenue Notes:

- The Sewer and Water Advisory Board recommends a 7.5 percent increase in revenues in 2011, largely funded by rate increases to the various customer classes. With this increase, revenues, excluding the beginning balance, will total over \$163.17 million in 2011, an increase of 5.8 percent over the 2010 projection.
- Sewer billing charges are projected to total \$6.026 million in 2011. These charges reflect the Sewer Division's portion of the cost of operating the billing system in 2011.
- System capacity fees are assumed to grow by one percent. Growth of this fee has declined steadily over the last decade, as it is based on growth of the water system, which has also slowed in recent years.
- The low income discount is continued in 2011 on the commodity portion of the water bill to provide financial relief to qualified customers.
- Due to the volatility of the market, the interest income projection is very conservative and reflects a growth rate of one percent over that of 2010. 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 Pro Forma Operating Statement

A pro forma operating statement from 2010 through 2020 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 water pro forma's numbers are based are as follows:

- The sewer and water advisory board recommended rate increases to produce 7.5 percent more revenue in 2011.
- Water sales growth is projected at zero percent per year in 2011 and 2012, at .5 percent in 2013 and 2014 and at 1 percent for the balance of the pro forma projection period.
- System capacity charges are assumed to grow by one percent annually, representing modest growth of these charges.
- Interest rates on investments of revenues and reserves are projected to be one percent.
- Projections for personnel costs reflect the rates in affect for the various collective bargaining agreements represented in the division.
- Included in the operations and maintenance budget for 2011 is \$7.5 million for payment of pro rata, \$17.0 million for the purchase of chemicals and \$8.5 million for payment of electricity.
- Proposed new debt is issued in the form of bonds at an assumed interest rate of 4.25 percent in 2010 and 5.0 percent thereafter.
- 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.

WATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2010 - 2020
IN DOLLARS - 000'S OMITTED

	Estimated		Budget								
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Cash Balance	31,298	30,901	30,544	26,589	20,846	11,190	7,356	4,323	3,088	2,412	3,144
Revenues	0.0% Growth		0.5% annual growth			1% annual growth					
Water Sales	139,899	139,899	150,392	162,480	176,355	190,587	205,968	214,268	219,657	221,853	224,072
Water Sales Increase	0	8,744	9,399	10,832	10,287	11,118	5,149	2,678	0	0	0
Interest Income	1,016	1,026	1,037	1,047	1,057	1,068	1,079	1,090	1,100	1,111	1,123
System Capacity Charges	2,787	2,815	2,843	2,872	2,901	2,930	2,959	2,988	3,018	3,048	3,079
Sewer Billing Charges	5,851	6,026	6,207	6,393	6,585	6,783	6,986	7,196	7,412	7,634	7,863
Penalties	1,747	1,764	1,782	1,800	1,818	1,836	1,854	1,873	1,892	1,911	1,930
Meter Service Fees	382	386	390	393	397	401	405	409	413	418	422
Other	2,489	2,514	2,539	2,565	2,590	2,616	2,642	2,669	2,695	2,722	2,750
Total Revenue	154,172	163,175	174,589	188,382	201,991	217,339	227,043	233,171	236,188	238,698	241,238
Total Resources	185,470	194,076	205,133	214,971	222,838	228,529	234,399	237,495	239,276	241,110	244,381
Expenditures											
Operations & Maintenance											
Personnel Services	35,986	38,892	40,059	41,260	42,498	43,773	45,086	46,439	47,832	49,267	50,745
Health Insurance	6,826	8,096	8,663	9,269	9,918	10,612	11,355	12,150	13,001	13,911	14,884
Supplies & Materials	23,229	21,145	21,779	22,433	23,106	23,799	24,513	25,248	26,005	26,786	27,589
Pro Rata	6,938	7,493	7,857	8,477	9,090	9,780	10,217	10,493	10,628	10,741	10,856
Contractual Services	24,103	23,151	23,845	24,561	25,297	26,056	26,838	27,643	28,473	29,327	30,206
Data Processing	0	0	0	0	0	0	0	0	0	0	0
Other	592	100	103	106	109	113	116	119	123	127	130
Equipment	638	1,440	1,483	1,528	1,574	1,621	1,669	1,719	1,771	1,824	1,879
Dept. Allocation	3,796	4,257	4,384	4,516	4,651	4,791	4,934	5,083	5,235	5,392	5,554
Total Operations & Maintenance	102,107	104,573	108,173	112,150	116,243	120,545	124,729	128,894	133,068	137,374	141,844
Debt Service											
Revenue Bond	6,173	0	0	0	0	0	0	0	0	0	0
General Obligation	46,289	58,055	64,023	61,677	59,980	56,116	54,727	50,618	46,317	40,599	38,140
Proposed New Debt	0	904	6,349	20,298	35,424	44,512	50,619	54,894	57,479	59,993	62,407
Total Debt Service	52,462	58,959	70,372	81,975	95,404	100,628	105,346	105,513	103,796	100,592	100,548
Total Expense	154,569	163,532	178,544	194,124	211,647	221,173	230,075	234,407	236,864	237,966	242,392
Ending Fund Balance	30,901	30,544	26,589	20,846	11,190	7,356	4,323	3,088	2,412	3,144	1,990
Projected Revenue Increase	8.50%	7.50%	7.50%	8.00%	7.00%	7.00%	3.00%	1.50%	0.00%	0.00%	0.00%

Storm Sewer Maintenance Fund

2011 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.

The storm sewer maintenance fund will begin 2011 with a cash balance of \$13.1 million, including the \$9 million in the reserve fund. No additional reserve fund transfers are projected at this time. However, the department will request that any surplus revenues, when available, be shifted to that fund.

2011 STORM SEWER MAINTENANCE FUND BALANCE SUMMARY		
Unencumbered Cash Balance (January 1, 2011)	\$	13,121,481
Plus Estimated 2011 Receipts		<u>38,089,373</u>
Total Estimated Available Resources	\$	51,210,854
Less 2011 Recommended Operating Budget		-
Less 2011 Recommended Operating Budget (Administration)		(1,285,689)
Projected Available Balance (December 31, 2011)	\$	<u><u>49,925,165</u></u>
Note: Balance at January 1, 2011 includes reserve fund balance		

2011 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. The fee, as recommended by the Sewer and Water Advisory Board and approved by Columbus City Council, was \$2.44/ERU per month for 1995. During 1995, however, revenues exceeded original projections by nearly 50 percent, a result of higher than projected ERU's, and lower than projected credit applications. For that reason, the sewer and water advisory board recommended a rate decrease for 1996, to \$1.64/ERU per month. In 2000, the stormwater rate increased by 35 percent, after remaining static for five years. It was again increased in 2001 by 12.5 percent, by 9.5 percent in 2002, by 5 percent in 2003, by 5 percent in 2008 and by 9 percent in 2009.

The Sewer and Water Advisory Board recommends no increase to the storm sewer maintenance fee in 2011.

Statements in this section relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances.

2011 Revenue Summary

STORM SEWER MAINTENANCE FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2008-2011				
REVENUE SUMMARY	2008 Actual	2009 Actual	2010 Estimated	2011 Proposed
Storm Maintenance Fees	\$ 29,919,595	\$ 32,565,490	\$ 36,468,696	\$ 37,203,862
Investment Earnings	1,773,864	531,708	290,260	298,968
Other Revenues	8,562,253	360,357	578,090	586,543
Beginning Year Cash Balance	18,477,371	9,229,497	10,017,172	13,121,481
TOTAL RESOURCES	\$ 58,733,083	\$ 42,687,052	\$ 47,354,218	\$ 51,210,854
PERCENT CHANGE		-27.32%	10.93%	8.14%

Does not include debt refinancing premiums or transfers from other funds

Revenue Notes:

- 2011 revenues are based on a charge of \$4.57 per ERU, per month.

Storm Sewer Maintenance Pro Forma Operating Statement

- The Storm Sewer Maintenance pro forma operating statement assumes that there will be no increase to storm sewer maintenance fee in 2011 and that it will remain at \$4.57 per ERU, or equivalent residential unit.
- 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 pro forma operating statement, having been transferred from the Public Service Department. In 2008, snow removal costs were added. In 2011, both these functions total \$6.9 million, and are included in the storm sewer budget.

Enterprise Funds

**STORM SEWER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT FOR YEARS 2010 - 2020
IN DOLLARS - 000'S OMITTED**

	Estimated	Budget									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Cash Balance	10,017	13,121	15,861	17,258	17,697	17,435	16,525	15,063	13,361	11,937	11,300
Revenues		0.0% Growth			0.5% annual growth			1% annual growth			
Storm Maintenance Service Charges	36,469	37,204	37,204	37,390	38,152	39,119	39,934	40,337	40,744	41,588	42,445
Rate Increase (Decrease)	0	0	0	514	525	359	0	0	373	381	389
Investment Earnings	290	299	308	317	327	336	347	357	368	379	390
Penalties	447	451	456	460	465	470	474	479	484	489	494
Other Revenues	131	135	139	144	148	152	157	162	166	171	177
Total Revenue	37,337	38,089	38,107	38,825	39,617	40,436	40,912	41,335	42,136	43,009	43,895
Total Resources	47,354	51,211	53,968	56,083	57,313	57,871	57,436	56,397	55,497	54,945	55,194
Expenditures											
Operations & Maintenance											
Personnel Services	1,201	1,375	1,416	1,458	1,502	1,547	1,594	1,641	1,691	1,741	1,794
Health Insurance	212	308	330	353	378	404	433	463	495	530	567
Supplies & Materials	66	41	42	43	44	46	47	48	50	51	53
Contractual Services	738	488	502	517	533	549	565	582	600	618	636
Pro Rata	1,680	1,639	1,715	1,747	1,783	1,820	1,841	1,860	1,896	1,935	1,975
Equipment	0	27	27	28	29	30	31	32	33	34	35
Other	358	80	82	85	87	90	93	96	98	101	104
Reimbursement to Sanitary	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Dept. Allocation	1,146	1,286	1,324	1,364	1,405	1,447	1,490	1,535	1,581	1,629	1,678
DoT Allocation	959	1,488	1,532	1,578	1,626	1,675	1,725	1,777	1,830	1,885	1,941
Street Cleaning	6,702	6,900	7,107	7,320	7,540	7,766	7,999	8,239	8,486	8,741	9,003
Total Operations & Maintenance	21,062	21,630	22,318	22,982	23,668	24,377	25,091	25,825	26,599	27,399	28,224
Debt Service											
General Obligation	13,170	13,720	13,529	13,098	12,691	12,288	11,893	11,485	11,060	10,284	9,190
Proposed New Debt	0	0	862	2,307	3,519	4,681	5,390	5,726	5,903	5,963	5,800
Total Debt Service	13,170	13,720	14,392	15,405	16,210	16,969	17,282	17,211	16,962	16,247	14,990
Total Expense	34,233	35,350	36,710	38,386	39,878	41,346	42,374	43,036	43,561	43,646	43,214
Ending Fund Balance	13,121	15,861	17,258	17,697	17,435	16,525	15,063	13,361	11,937	11,300	11,980
Projected Revenue Increase (201'	9.00%	0.00%	0.00%	1.50%	1.50%	1.00%	0.00%	0.00%	1.00%	1.00%	1.00%