

Enterprise Funds

Sewerage and Drainage Operating Fund

2013 Cash Balance Statement

The projected beginning year 2013 cash balance is \$161.2 million, which includes \$66.5 million in a reserve fund.

2013 SEWERAGE AND DRAINAGE OPERATING FUND BALANCE SUMMARY		
Cash Balance (January 1, 2013)	\$	161,158,908
Plus Estimated 2013 Receipts		239,655,625
Plus Estimated Encumbrance Cancellations		4,000,000
Total Estimated Available Resources	\$	404,814,533
Less 2013 Recommended Operating Budget (Sewers/Drains)		(236,099,013)
Less 2013 Recommended Operating Budget (Administration)		(5,848,368)
Projected Available Balance (December 31, 2013)	\$	<u><u>162,867,152</u></u>
Note: Cash balance at January 1, 2013 does not include "bond debt service" reserve fund balance of \$10 million.		

2013 Revenue Summary

User fees completely 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 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.

2013 Revenue Summary

SEWERAGE AND DRAINAGE REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2010 - 2013				
REVENUE SUMMARY	2010 Actual	2011 Actual	2012 Estimated	2013 Proposed
Service Charges:				
Sewer Sales	\$ 181,154,799	\$ 184,840,574	\$ 191,159,553	\$ 192,902,864
Wet Weather Charges	26,848,511	29,117,261	29,534,092	30,138,054
System Capacity Charges	4,061,321	4,326,943	4,272,824	4,315,552
Investment Income	2,645,658	1,614,814	1,127,267	1,138,540
Storm Maintenance Reimbursement	7,007,270	7,794,381	7,774,609	8,007,847
Other*	3,750,902	4,629,293	4,863,652	7,152,768
Beginning Year Cash Balance	132,638,479	152,746,467	165,836,240	161,158,908
TOTAL RESOURCES	\$ 358,106,940	\$ 385,069,733	\$ 404,568,237	\$ 404,814,533
PERCENT CHANGE		7.53%	5.06%	0.06%

*Includes debt refinancing premiums in 2010-2012.

Revenue Notes:

- The Sewer and Water Advisory Board recommended a one percent increase in revenues in 2013. With this increase, revenues, excluding the beginning balance and encumbrance cancellations, will total \$239.6 million in 2013.
- 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 2012. 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 2013. 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 2013 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 2011 through 2022, 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 one percent more revenue in 2013.
- Sanitary sales growth is projected at one-half percent in 2013 and 2014 and at one 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 2013 and beyond include the required annual allotment to the EPA-mandated capital replacement fund.
- The 2013 operations and maintenance budget includes \$10.5 million to pay pro rata (payment to the general fund for services provided to the Utility Divisions by general fund agencies).
- In 2013, 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.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the sewerage enterprise operating fund. In 2013, \$5.8 million is allocated in this fund for this purpose.

SANITARY SEWER ENTERPRISE FUND

Pro Forma Operating Statement
For Years 2011 – 2022 (000's omitted)

	<i>Actual</i> 2011	<i>Projection</i> 2012	<i>Budget</i> 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beginning Cash Balance	152,746	165,836	161,159	162,867	170,758	163,386	160,138	132,363	110,601	97,739	86,591	76,950
Utility Revenues												
Sewer Sales	184,841	191,160	192,115	194,800	204,449	214,582	229,470	245,404	260,024	270,365	281,120	289,515
Sewer Sales Increase	-	-	788	6,493	6,815	10,729	11,474	10,225	6,501	6,759	4,685	4,825
Wet Weather	29,117	29,534	29,892	30,503	31,881	33,297	35,313	37,426	39,369	40,793	42,283	43,484
Wet Weather Increase	-	-	246	996	1,017	1,594	1,665	1,471	936	984	680	705
Interest Income	1,615	1,127	1,139	1,150	1,161	1,173	1,185	1,197	1,209	1,221	1,233	1,245
System Capacity Charge	4,327	4,273	4,316	4,359	4,402	4,446	4,491	4,536	4,581	4,627	4,673	4,720
Other	2,874	3,107	3,153	3,209	3,267	3,326	3,386	3,384	3,416	3,485	3,554	3,625
Reimbursement from Stormwater Fund	7,794	7,775	8,008	8,248	8,496	8,750	9,013	9,283	9,562	9,849	10,144	10,448
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	1,755	1,757	-	-	-	-	-	-	-	-	-	-
Total Revenue	<u>232,323</u>	<u>238,732</u>	<u>239,656</u>	<u>249,759</u>	<u>261,489</u>	<u>277,898</u>	<u>295,996</u>	<u>312,927</u>	<u>325,598</u>	<u>338,082</u>	<u>348,373</u>	<u>358,567</u>
Projected Encumbrance Cancellations	-	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Resources	<u>385,070</u>	<u>404,568</u>	<u>404,815</u>	<u>416,626</u>	<u>436,246</u>	<u>445,283</u>	<u>460,135</u>	<u>449,289</u>	<u>440,198</u>	<u>439,821</u>	<u>438,964</u>	<u>439,517</u>
Utility Expense												
Operations & Maintenance												
Personnel Services	34,693	35,666	37,643	38,772	39,935	41,133	42,367	43,638	44,947	46,296	47,685	49,115
27th Pay Period	-	-	-	-	-	-	-	-	-	1,781	-	-
Health Insurance	7,089	7,440	8,560	9,159	9,800	10,486	11,220	12,006	12,846	13,745	14,708	15,737
Supplies & Materials	6,429	7,796	7,230	7,374	7,522	7,672	7,826	7,982	8,142	8,305	8,471	8,640
Pro Rata	10,332	10,530	10,530	10,863	11,380	12,107	12,910	13,662	14,222	14,771	15,220	15,665
Contractual Services	33,245	39,369	40,748	41,970	43,229	44,526	45,862	47,238	48,655	50,115	51,618	53,167
Other	2,126	10,350	302	308	314	320	327	333	340	347	353	361
Department of Public Utilities Allocation	4,205	4,568	5,848	5,965	6,085	6,206	6,330	6,457	6,586	6,718	6,852	6,989
Total Operations & Maintenance	<u>99,518</u>	<u>119,219</u>	<u>114,183</u>	<u>117,801</u>	<u>121,722</u>	<u>125,978</u>	<u>130,439</u>	<u>134,986</u>	<u>139,480</u>	<u>145,893</u>	<u>148,801</u>	<u>153,646</u>
Debt Service												
Revenue Bond	18,482	19,032	19,949	19,949	19,949	19,949	19,949	19,949	19,949	19,949	19,949	19,949
General Obligation	35,242	37,245	39,170	40,949	38,501	37,395	36,025	34,993	31,425	29,399	28,513	27,584
OWPCLF/OWDA Debt- Non Wet Weather	65,991	67,791	68,526	66,113	86,960	88,944	88,271	85,820	83,369	83,379	82,654	77,281
Proposed New Debt	-	-	-	942	5,618	12,773	52,987	62,907	68,237	74,611	82,098	88,318
Assessments	-	123	119	115	111	106	102	34	-	-	-	-
Total Debt Service	<u>119,716</u>	<u>124,191</u>	<u>127,764</u>	<u>128,067</u>	<u>151,138</u>	<u>159,167</u>	<u>197,333</u>	<u>203,703</u>	<u>202,979</u>	<u>207,337</u>	<u>213,214</u>	<u>213,133</u>
Total Expense	<u>219,233</u>	<u>243,409</u>	<u>241,947</u>	<u>245,869</u>	<u>272,860</u>	<u>285,145</u>	<u>327,772</u>	<u>338,688</u>	<u>342,460</u>	<u>353,230</u>	<u>362,014</u>	<u>366,779</u>
Ending Fund Balance	165,836	161,159	162,867	170,758	163,386	160,138	132,363	110,601	97,739	86,591	76,950	72,738
Projected Revenue Increase	6.00%	3.00%	1.00%	4.00%	4.00%	6.00%	6.00%	5.00%	3.00%	3.00%	2.00%	2.00%

Electricity Enterprise Fund

2013 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 as the cost of purchasing power is also expected to decrease slightly. The division must continue to recover costs through rate alterations or fuel cost adjustments to its customers.

At the beginning of 2013, there is a projected cash balance of over \$7.4 million, which reflects the combined balances of the reserve and operating funds.

2013 ELECTRICITY ENTERPRISE FUND BALANCE SUMMARY		
Cash Balance (January 1, 2013)	\$	7,376,089
Plus Estimated 2013 Receipts		87,590,762
Plus Estimated Encumbrance Cancellations		300,000
Total Estimated Available Resources	\$	95,266,851
Less 2013 Recommended Operating Budget (Electricity)		(86,749,239)
Less 2013 Recommended Operating Budget (Administration)		(820,134)
Projected Available Balance (December 31, 2013)	\$	7,697,478

2013 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 investments.

2013 Revenue Summary

ELECTRICITY ENTERPRISE FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2010 - 2013				
REVENUE SUMMARY	2010 Actual	2011 Actual	2012 Estimated	2013 Proposed
Charges for Electric Service	\$ 82,177,901	\$ 86,479,846	\$ 86,295,174	\$ 84,334,668
Investment Income	64,249	56,802	74,583	60,000
Other Revenue*	3,604,537	3,038,619	2,900,512	3,173,299
Street Light Assessments	492,174	433,704	416,255	322,795
Beginning Year Cash Balance	4,373,873	2,869,936	6,688,473	7,376,089
TOTAL RESOURCES	\$ 90,712,734	\$ 92,878,907	\$ 96,374,997	\$ 95,266,851
PERCENT CHANGE		2.39%	3.76%	-1.15%

*Includes debt refinancing premiums in 2011-2012.

*Includes encumbrance cancellations in 2013.

Revenue Notes:

- Revenues, excluding the beginning year cash balance and encumbrance cancellations, are expected to be \$87.6 million in 2013.
- 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 2013. In 2013 the general fund will retain approximately half the proceeds of the kilowatt hour tax and return the other half to the electricity enterprise fund.

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 2011 through 2022. 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 electrical power. In 2013, \$60 million is budgeted for this wholesale power, which in turn, is sold to the division's customers. Purchase power costs are projected to decrease or remain stable each year until 2017 when the purchase price is expected to increase five percent each year thereafter.
- The 2013 budget includes \$4 million for payment of pro rata.
- 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 2013, \$820,134 is allocated in this fund for this purpose.

Enterprise Funds

**ELECTRICITY ENTERPRISE FUND
Pro Forma Operating Statement
For Years 2011 – 2022 (000's omitted)**

	<i>Actual</i>	<i>Projection</i>	<i>Budget</i>									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beginning Cash Balance	2,870	6,688	7,376	7,697	7,391	6,441	6,292	6,766	6,285	5,895	5,626	5,386
Utility Revenues												
Electricity Sales												
Residential	6,845	6,332	6,332	6,332	6,332	6,332	6,332	6,332	6,332	6,332	6,332	6,332
Commercial	67,289	65,313	65,330	65,348	65,366	65,385	65,404	65,424	65,445	65,466	65,488	65,510
Kilowatt Hour Tax Reduction	-1,583	-1,529	-1,493	-1,496	-1,500	-1,503	-1,507	-1,510	-1,514	-1,518	-1,522	-1,526
PCRA	13,929	16,179	14,165	9,437	8,323	8,931	12,999	15,220	18,603	23,155	26,884	30,800
Total Electric Sales	86,480	86,295	84,335	79,621	78,522	79,145	83,229	85,467	88,866	93,435	97,182	101,116
Other Revenues	3,418	3,262	3,196	3,272	3,342	3,313	3,388	3,350	3,452	3,550	3,659	3,771
Total Revenue	90,009	89,687	87,591	82,893	81,865	82,458	86,617	88,817	92,319	96,985	100,841	104,887
Projected Encumbrance Cancellations	-	-	300	300	300	300	300	300	300	300	300	300
Total Resources	92,879	96,375	95,267	90,890	89,556	89,199	93,209	95,883	98,903	103,180	106,766	110,573
Utility Expense												
Operations & Maintenance												
Personnel Services	6,783	6,609	8,391	8,864	9,352	9,855	10,373	10,684	11,004	11,334	11,674	12,025
27th Pay Period	-	-	-	-	-	-	-	-	-	436	-	-
Health Insurance	1,145	1,146	1,581	1,739	1,909	2,091	2,285	2,445	2,616	2,799	2,995	3,205
Purchase Power	62,789	64,278	60,000	55,561	54,555	55,088	57,843	60,735	63,771	66,960	70,308	73,823
Supplies & Materials	696	837	1,332	1,358	1,386	1,413	1,441	1,470	1,500	1,530	1,560	1,592
Pro Rata	4,034	4,207	4,000	3,716	3,671	3,703	3,891	3,996	4,154	4,364	4,538	4,720
Services	4,312	5,090	5,400	5,865	5,982	6,102	6,224	6,348	6,475	6,605	6,737	6,872
Other Disbursements	127	33	151	151	151	151	151	151	151	151	151	151
Capital Equipment	474	1,522	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151
Department of Public Utilities Allocation	533	615	820	837	853	870	888	905	924	942	961	980
Total Operations & Maintenance	80,893	84,337	83,474	79,928	79,732	81,183	85,044	88,722	92,623	97,189	101,034	105,518
Debt Service												
Distribution G.O. Debt	3,315	2,988	2,672	2,235	2,114	856	834	666	290	280	265	255
Street Lighting G.O. debt	1,541	1,261	1,101	1,026	979	699	419	201	88	85	82	79
Street Light Assessments	441	413	323	311	290	167	146	9	8	-	-	-
New Distribution Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
New Street Lighting Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	5,297	4,662	4,095	3,571	3,383	1,723	1,399	876	386	365	347	333
Total Expense	86,190	88,999	87,569	83,499	83,116	82,906	86,443	89,598	93,008	97,554	101,380	105,852
Ending Fund Balance	6,688	7,376	7,697	7,391	6,441	6,292	6,766	6,285	5,895	5,626	5,386	4,721
Projected Revenue Increase												
Increase in PCRA (Actual & Projected)												
PCRA (%)	20.00%	22.58%	19.77%	13.17%	11.61%	12.45%	18.12%	21.21%	25.92%	32.25%	37.43%	42.87%

Water Operating Fund

2013 Cash Balance Statement

The projected beginning year 2013 cash balance is \$57.3 million, which includes \$38.8 million in a reserve fund.

2013 WATER OPERATING FUND BALANCE SUMMARY		
Cash Balance (January 1, 2013)	\$	57,316,573
Plus Estimated 2013 Receipts		179,564,816
Plus Estimated Encumbrance Cancellations		<u>4,500,000</u>
Total Estimated Available Resources	\$	241,381,389
Less 2013 Recommended Operating Budget (Water)		(179,162,558)
Less 2013 Recommended Operating Budget (Administration)		(5,216,482)
Projected Available Balance (December 31, 2013)	\$	<u>57,002,349</u>

2013 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. This document is updated annually to reflect current appropriation levels and adjusted for actual revenues and expenditures.

2013 Revenue Summary

WATER OPERATING FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2010 - 2013				
REVENUE SUMMARY	2010 Actual	2011 Actual	2012 Estimated	2013 Proposed
Water Sales	\$ 135,745,830	\$ 142,640,540	\$ 155,457,668	\$ 161,442,788
Water Penalty Fees	1,772,802	1,862,358	1,995,034	2,014,984
System Capacity Charges	2,821,000	3,372,935	3,639,847	3,676,245
Sewer Billings	5,648,001	6,948,770	6,939,690	7,147,881
Meter Service Fee	389,160	570,974	509,113	514,204
Investment Income	1,026,337	1,004,973	879,472	888,267
Other Revenue*	14,638,736	8,723,304	7,463,481	8,380,446
Beginning Year Cash Balance	31,298,309	45,368,275	53,589,873	57,316,573
TOTAL RESOURCES	\$ 193,340,175	\$ 210,492,129	\$ 230,474,178	\$ 241,381,388
PERCENT CHANGE		8.87%	9.49%	4.73%

*Includes debt refinancing premiums in 2010-2012.

Revenue Notes:

- The Sewer and Water Advisory Board recommended a four percent increase in revenues in 2013, largely funded by rate increases to the various customer classes. With this increase, revenues, excluding the beginning balance and encumbrance cancellations, will total \$179.6 million in 2013.
- Sewer billing charges are projected to total \$7.1 million in 2013. These charges reflect the Sewer Division's portion of the cost of operating the billing system in 2013.
- 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 2013 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 2012. 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 2011 through 2022 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 rate increases to produce four percent more revenue in 2013.
- Water sales growth is projected at one-half percent in 2013 and 2014 and at 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 2013 is \$8.3 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 2013, \$5.2 million is allocated in this fund for this purpose.

WATER ENTERPRISE FUND
Pro Forma Operating Statement
For Years 2011 – 2022 (000's omitted)

	<i>Actual</i>	<i>Projection</i>	<i>Budget</i>									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beginning Cash Balance	45,368	53,590	57,317	57,002	49,361	45,612	40,321	40,214	41,755	44,542	46,683	48,660
Utility Revenues												
Water Sales	142,641	155,458	156,235	163,297	173,176	185,402	196,619	204,543	210,720	214,956	219,276	223,684
Water Sales Increase	-	-	5,208	6,804	8,659	7,725	4,915	3,409	1,756	1,791	1,827	1,864
Interest Income	1,005	879	888	897	906	915	924	934	943	952	962	971
System Capacity Charges	3,373	3,640	3,676	3,713	3,750	3,788	3,826	3,864	3,902	3,941	3,981	4,021
Sewer Billing Charges	6,949	6,940	7,148	7,362	7,583	7,811	8,045	8,286	8,535	8,791	9,055	9,326
Penalties	1,862	1,995	2,015	2,035	2,055	2,076	2,097	2,118	2,139	2,160	2,182	2,204
Meter Service Fees	571	509	514	519	525	530	535	540	546	551	557	562
Other	5,090	3,842	3,880	3,919	3,958	3,998	4,038	4,078	4,119	4,160	4,202	4,244
Debt Refinancing	3,633	3,621	-	-	-	-	-	-	-	-	-	-
Total Revenue	165,124	176,884	179,565	188,547	200,613	212,245	221,000	227,772	232,661	237,304	242,042	246,876
Projected Encumbrance Cancellations	-	-	4,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Resources	210,492	230,474	241,381	245,549	249,974	257,857	261,321	267,987	274,415	281,846	288,724	295,536
Utility Expense												
Operations & Maintenance												
Personnel Services	37,197	37,221	39,159	40,334	41,544	42,790	44,074	45,396	46,758	48,161	49,606	51,094
27th Pay Period	-	-	-	-	-	-	-	-	-	1,852	-	-
Health Insurance	7,616	7,958	9,067	9,702	10,381	11,108	11,885	12,717	13,608	14,560	15,579	16,670
Supplies & Materials	18,381	23,344	22,685	23,325	23,984	24,661	25,358	26,075	26,812	27,571	28,352	29,155
Pro Rata	7,178	7,698	8,336	8,485	9,028	9,551	9,945	10,250	10,470	10,679	10,892	11,109
Contractual Services	22,422	24,705	25,052	25,553	26,064	26,585	27,117	27,660	28,213	28,777	29,353	29,940
Other	1,381	945	163	166	169	173	176	180	183	187	191	195
Equipment	760	1,392	1,557	1,588	1,619	1,652	1,685	1,719	1,753	1,788	1,824	1,860
Department of Public Utilities Allocation	3,495	3,863	5,216	5,321	5,427	5,536	5,646	5,759	5,875	5,992	6,112	6,234
Total Operations & Maintenance	98,430	107,127	111,236	114,474	118,217	122,056	125,887	129,755	133,671	137,715	141,907	146,256
Debt Service												
Revenue Bond												
General Obligation	58,472	66,031	73,143	80,745	76,504	74,530	69,921	65,219	58,990	56,196	52,423	47,862
Debt Refinancing	-	-	-	-	-	-	-	-	-	-	-	-
Proposed New Debt	-	-	-	970	9,642	20,950	25,298	31,258	37,212	41,253	45,735	49,297
Total Debt Service	58,472	66,031	73,143	81,715	86,146	95,479	95,219	96,477	96,202	97,448	98,157	97,159
Total Expense	156,902	173,158	184,379	196,188	204,362	217,536	221,106	226,232	229,873	235,163	240,065	243,415
Ending Fund Balance	53,590	57,317	57,002	49,361	45,612	40,321	40,214	41,755	44,542	46,683	48,660	52,121
Projected Revenue Increase	7.50%	8.00%	4.00%	5.00%	6.00%	5.00%	3.00%	2.00%	1.00%	1.00%	1.00%	1.00%

Storm Sewer Maintenance Fund

2013 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 2013 beginning year cash balance of \$17.3 million is projected for this fund. This includes a \$9 million reserve balance.

2013 STORM SEWER MAINTENANCE FUND BALANCE SUMMARY		
Unencumbered Cash Balance (January 1, 2013)	\$	17,281,252
Plus Estimated 2013 Receipts		37,259,751
Plus Estimated Encumbrance Cancellations		200,000
Total Estimated Available Resources	\$	54,741,003
Less 2013 Recommended Operating Budget		(37,628,325)
Less 2013 Recommended Operating Budget (Administration)		(1,559,545)
Projected Available Balance (December 31, 2013)	\$	15,553,133

2013 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 this fee as it was determined that sufficient revenues were being generated using the current rate structure. In 2012, the Sewer and Water Advisory Board recommended a two percent decrease and for 2013 the Sewer and Water Advisory Board has again recommended no increase.

2013 Revenue Summary

STORM SEWER MAINTENANCE FUND				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2010 - 2013				
REVENUE SUMMARY	2010 Actual	2011 Actual	2012 Estimated	2013 Proposed
Storm Maintenance Fees	\$ 36,184,609	\$ 36,734,351	\$ 36,322,573	\$ 36,653,538
Investment Earnings	299,249	212,251	151,213	155,749
Other Revenues *	674,254	1,180,041	1,177,658	650,464
Beginning Year Cash Balance	10,017,172	14,589,534	17,198,169	17,281,252
TOTAL RESOURCES	\$ 47,175,284	\$ 52,716,177	\$ 54,849,613	\$ 54,741,003
PERCENT CHANGE		11.75%	4.05%	-0.20%

*Includes debt refinancing premiums in 2011-2012.

Storm Sewer Maintenance Pro Forma Operating Statement

- The storm sewer maintenance pro forma operating statement assumes that there will be no increase to the storm sewer maintenance fee in 2013.
- 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 Public Service Department. In 2008, snow removal costs were also transferred. In 2013, the cost of these services will total \$7.4 million.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the storm sewer enterprise operating fund. In 2013, \$1.6 million is allocated in this fund for this purpose.

STORM SEWER ENTERPRISE FUND
Pro Forma Operating Statement
For Years 2011 – 2022 (000's omitted)

	<i>Actual</i>	<i>Projection</i>	<i>Budget</i>									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Beginning Cash Balance	14,590	17,198	17,281	15,553	13,884	12,124	10,612	10,108	10,595	12,226	15,095	19,239
Utility Revenues												
Storm Maintenance Service Charges	36,734	36,323	36,654	36,837	37,790	39,095	40,507	41,943	43,231	44,104	44,991	45,891
Rate Increase (Decrease)	-	-	-	460	787	814	844	699	360	368	375	382
Investment Earnings	212	151	156	160	165	170	175	181	186	192	197	203
Storm Sewer Maintenance Penalties	440	443	447	452	456	461	466	470	475	480	485	490
Other Revenues	32	3	3	3	3	4	4	4	4	4	4	4
Debt Refinancing	707	732	-	-	-	-	-	-	-	-	-	-
Total Revenue	<u>38,127</u>	<u>37,651</u>	<u>37,260</u>	<u>37,913</u>	<u>39,203</u>	<u>40,544</u>	<u>41,995</u>	<u>43,296</u>	<u>44,256</u>	<u>45,147</u>	<u>46,052</u>	<u>46,970</u>
Projected Encumbrance Cancellations	-	-	200	200	200	200	200	200	200	200	200	200
Total Resources	<u>52,716</u>	<u>54,850</u>	<u>54,741</u>	<u>53,666</u>	<u>53,287</u>	<u>52,868</u>	<u>52,807</u>	<u>53,604</u>	<u>55,051</u>	<u>57,574</u>	<u>61,347</u>	<u>66,409</u>
Utility Expense												
Operations & Maintenance												
Personnel Services	1,159	1,098	1,197	1,233	1,270	1,308	1,348	1,388	1,430	1,473	1,517	1,562
27th Pay Period	-	-	-	-	-	-	-	-	-	57	-	-
Health Insurance	237	231	308	330	353	377	404	432	462	495	529	566
Supplies & Materials	11	29	32	32	33	33	34	35	36	36	37	38
Contractual Services	1,784	2,495	2,336	2,383	2,430	2,479	2,529	2,579	2,631	2,683	2,737	2,792
Pro Rata	1,681	1,736	1,698	1,706	1,764	1,824	1,890	1,948	1,992	2,032	2,072	2,114
Equipment	23	44	70	72	73	74	76	78	79	81	82	84
Other	224	41	77	78	80	81	83	84	86	88	90	91
Reimbursement to Sanitary Enterprise	7,794	7,800	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
Department of Public Utilities Allocation	996	1,162	1,560	1,591	1,623	1,655	1,688	1,722	1,756	1,791	1,827	1,864
Dept of Technology Allocation	1,089	1,421	1,493	1,523	1,554	1,585	1,617	1,649	1,682	1,716	1,750	1,785
Street Cleaning (transferred from Public Service)	5,815	6,000	7,358	7,505	7,655	7,808	7,965	8,124	8,286	8,452	8,621	8,793
Total Operations & Maintenance	<u>20,813</u>	<u>22,055</u>	<u>24,129</u>	<u>24,613</u>	<u>25,158</u>	<u>25,717</u>	<u>26,292</u>	<u>26,872</u>	<u>27,449</u>	<u>28,092</u>	<u>28,636</u>	<u>29,250</u>
Debt Service												
General Obligation	14,705	15,513	15,059	14,632	14,141	13,567	13,011	12,609	11,806	10,722	9,511	8,860
Proposed New Debt	-	-	-	537	1,864	2,972	3,397	3,528	3,570	3,664	3,961	4,250
Total Debt Service	<u>14,705</u>	<u>15,513</u>	<u>15,059</u>	<u>15,169</u>	<u>16,005</u>	<u>16,539</u>	<u>16,408</u>	<u>16,137</u>	<u>15,376</u>	<u>14,386</u>	<u>13,472</u>	<u>13,110</u>
Total Expense	<u>35,518</u>	<u>37,568</u>	<u>39,188</u>	<u>39,781</u>	<u>41,163</u>	<u>42,255</u>	<u>42,700</u>	<u>43,009</u>	<u>42,825</u>	<u>42,478</u>	<u>42,108</u>	<u>42,360</u>
Ending Fund Balance	17,198	17,281	15,553	13,884	12,124	10,612	10,108	10,595	12,226	15,095	19,239	24,049
Projected Revenue Increase	0.00%	-2.00%	0.00%	1.50%	2.50%	2.50%	2.50%	2.00%	1.00%	1.00%	1.00%	1.00%

Enterprise Funds

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