



# Stormwater Rate FY 2014

May 6, 2013



# Stormwater Enterprise Fund

- The fund receives no tax support.
- Stormwater Fee is the primary source of revenue.
- FY13 Annual budget:
  - \$12.9M (93 FTEs)
- FY 14 CIP projects address:
  - Stormwater retrofit design and construction
  - Stormwater infrastructure improvements
  - Watershed planning
- Activities are requirements of the ***National Pollution Discharge Elimination System (NPDES) permit*** including state regulations.
- New Permit issued February 2013.



# Why is a Rate Increase Needed

- A rate increase is required in FY 14 to support capital projects.
- Capital Projects will peak during FY15-17, then begin to level out.
- Short-term internal borrowing is recommended to ensure moderate rate increases.
- The reexamination of Falls Lake Rules through Upper Neuse River Basin Association (UNRBA).
- Request to include Duke Diet & Fitness Center acquisition in FY 14 CIP.



# FY14 Proposed Budget Summary

## Revenues

Current Rate Fees	12,008,266
8.5% Rate Increase	1,018,783
Misc. Revenues	361,553
Transfer from Fund Balance	40,000
<b>Total</b>	<b>13,428,602</b>

## Expenditures

CIP Transfer	3,965,000
Fleet Transfer	400,000
Operations and Staff	7,960,279
Other	1,103,323
<b>Total</b>	<b>13,428,602</b>



# Multiyear Rate Model Overview

Projected Revenues	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Stormwater Fee	\$ 13,027,049	\$ 14,155,972	\$ 15,392,095	\$ 16,736,712	\$ 17,273,487	\$ 17,663,914	\$ 18,056,753	\$ 18,282,207	\$ 18,320,500
Other Revenues	361,553	363,797	366,086	368,421	370,802	373,231	375,709	378,236	380,814
App From Fund Bal	40,000	150,000	460,000	480,000	-	362,000	70,000	425,000	-
<b>Total</b>	<b>\$ 13,428,602</b>	<b>\$ 14,669,769</b>	<b>\$ 16,218,181</b>	<b>\$ 17,585,133</b>	<b>\$ 17,644,289</b>	<b>\$ 18,399,145</b>	<b>\$ 18,502,462</b>	<b>\$ 19,085,443</b>	<b>\$ 18,701,314</b>
Projected Expenses	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Personnel	\$ 6,248,383	\$ 6,685,280	\$ 6,969,566	\$ 7,282,665	\$ 7,593,343	\$ 7,935,088	\$ 8,274,677	\$ 8,647,858	\$ 9,019,222
Operating	2,809,317	2,908,741	3,000,334	3,078,858	3,158,777	3,241,153	3,326,075	3,413,637	3,503,936
Fleet	400,000	400,000	500,000	600,000	600,000	700,000	700,000	700,000	750,000
CIP - Cash	3,965,000	4,500,000	5,000,000	5,875,000	4,525,000	5,775,000	5,450,000	5,750,000	5,100,000
Debt Service	-	175,368	747,620	747,620	747,620	747,620	747,620	572,252	-
App To Fund Bal	5,903	380	661	989	1,019,549	284	4,090	1,696	328,156
<b>Total</b>	<b>\$ 13,428,602</b>	<b>\$ 14,669,769</b>	<b>\$ 16,218,181</b>	<b>\$ 17,585,133</b>	<b>\$ 17,644,289</b>	<b>\$ 18,399,145</b>	<b>\$ 18,502,462</b>	<b>\$ 19,085,443</b>	<b>\$ 18,701,314</b>
Other Information	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Projected Rate Inc	8.5%	8.5%	8.5%	8.5%	3.0%	2.0%	2.0%	1.0%	0.0%
Fund Balance	\$ 1,161,619	\$ 1,011,999	\$ 552,660	\$ 73,649	\$ 1,093,198	\$ 731,482	\$ 665,572	\$ 242,268	\$ 570,424



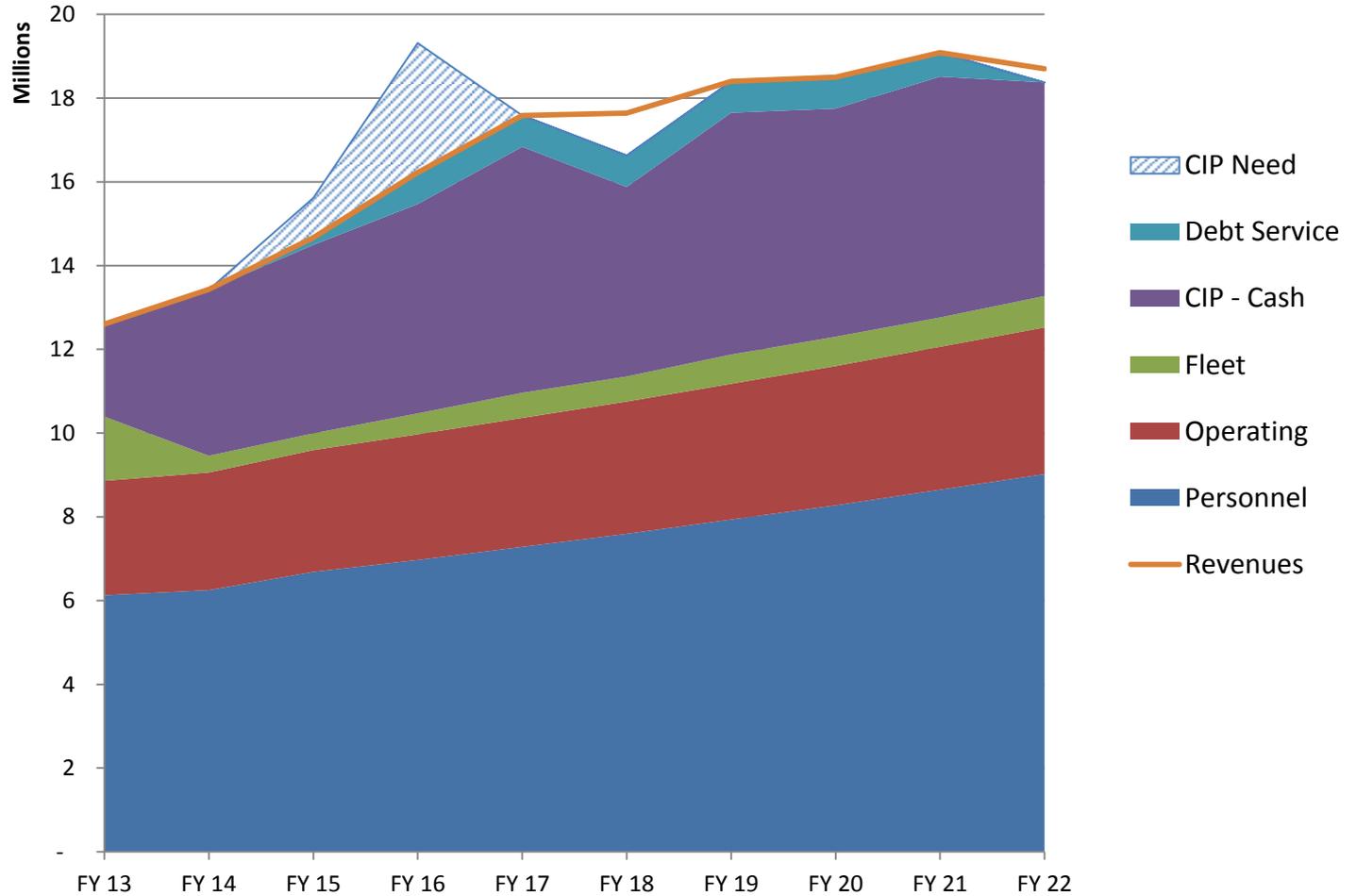
# FY14 – FY18 CIP Project Funding

Project Category	FY14	FY15	FY16	FY17	FY18
Watershed Plans	1,100,000	2,500,000	1,600,000	1,600,000	-
Stormwater Retrofits	2,100,000	1,250,000	4,750,000	2,450,000	2,700,000
City Property Drainage	-	500,000	550,000	550,000	550,000
Private Property Program	-	200,000	200,000	225,000	225,000
ROW Drainage Imprvmnts	765,000	650,000	650,000	700,000	700,000
Floodplain Mitigation		350,000	350,000	350,000	350,000
<b>Total CIP Costs:</b>	<b>3,965,000</b>	<b>5,450,000</b>	<b>8,100,000</b>	<b>5,875,000</b>	<b>4,525,000</b>

Use internal debt to manage FY15-16 CIP needs



# Multiyear Expenses Summary





# Customer Bill Impact FY14 8.5% Increase

Tier	Current Monthly Rate	With 8.5% Increase	Monthly Increase	Annual Increase
<b>1 - Residential</b>	\$2.79	\$3.03	\$0.24	\$2.85
<b>2 - Residential</b>	\$5.79	\$6.28	\$0.49	\$5.91
<b>3 - Residential</b>	\$11.59	\$12.58	\$0.99	\$11.82
<b>Avg. All Non-Residential *</b>	\$104.22	\$113.08	\$8.86	\$106.30

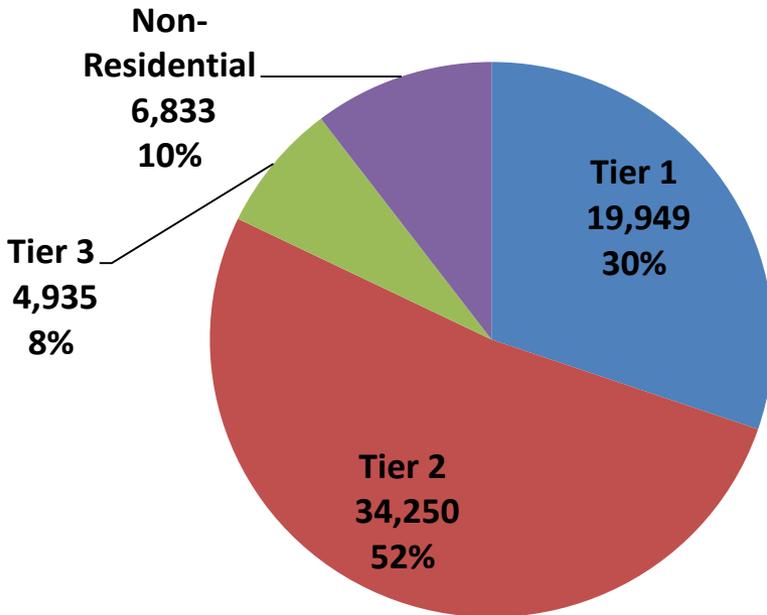
\*Includes ERU based monthly, bimonthly. There is a significant range of actual billing amounts in non-residential bills as they are based on the actual number of ERUs.

Residential bills are annual with customer option for monthly or bimonthly billing.

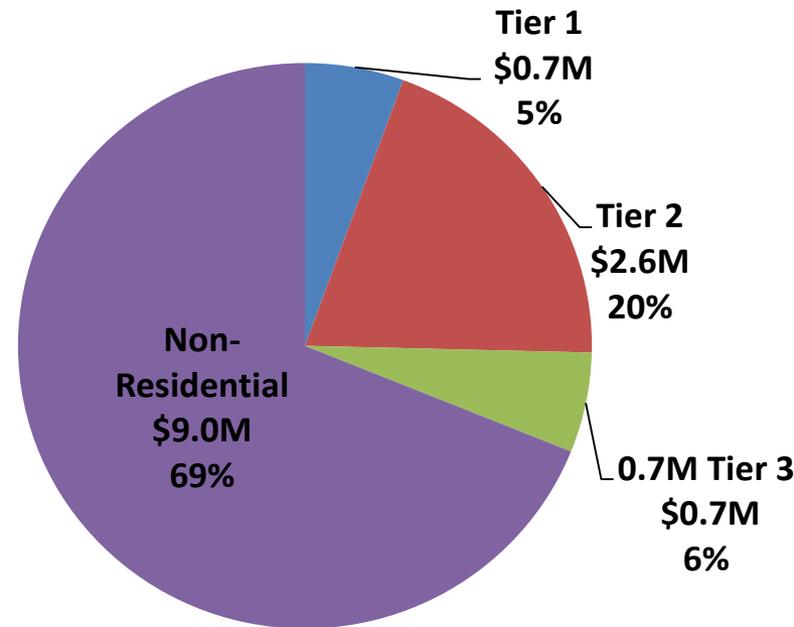


# Projected Accounts and Revenues by Tier

### Accounts by Tier – 66,000 Total



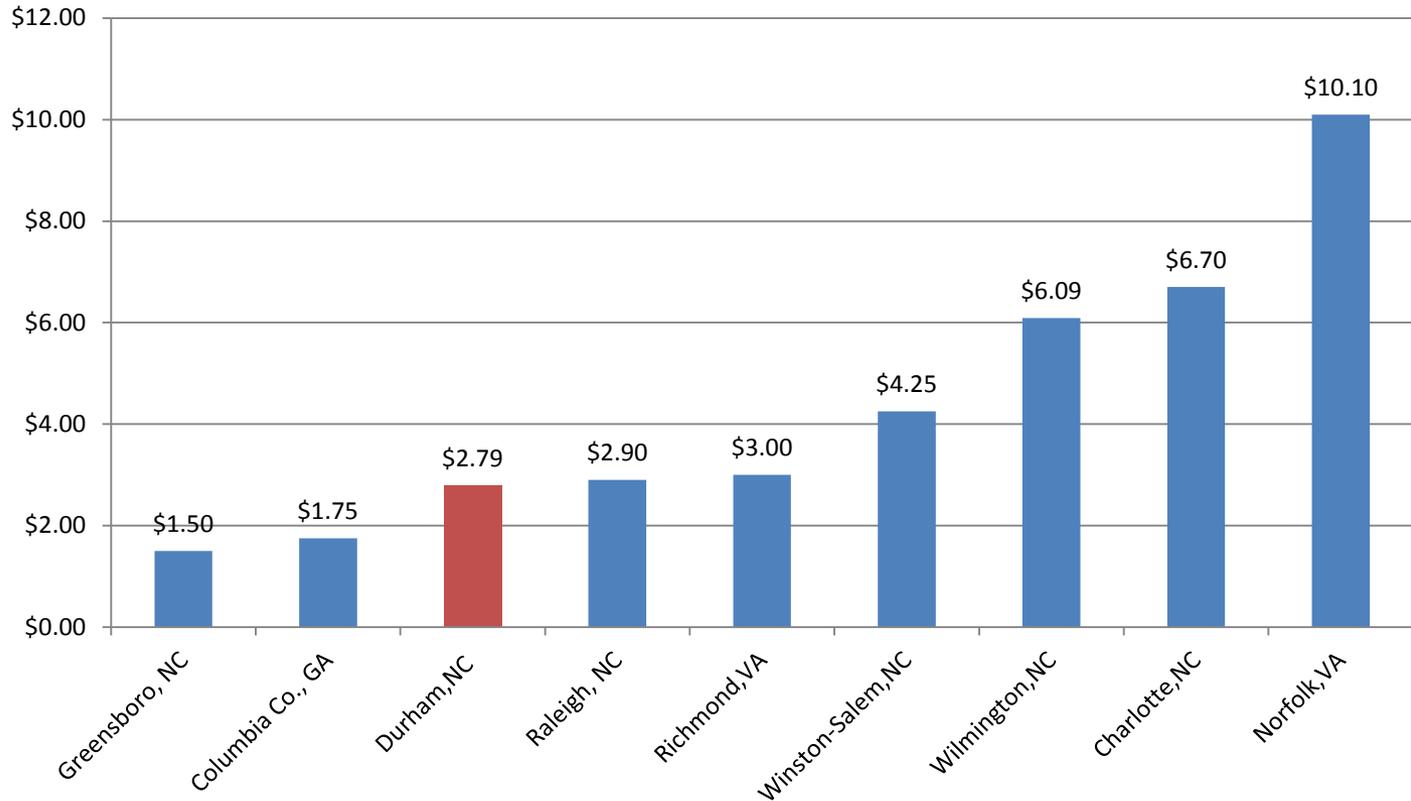
### Projected Revenue by Tier - \$13M Total





# Monthly Bill Benchmarking

Equivalent Residential Tier 1  
< 2,000 sq. ft. Monthly Rate

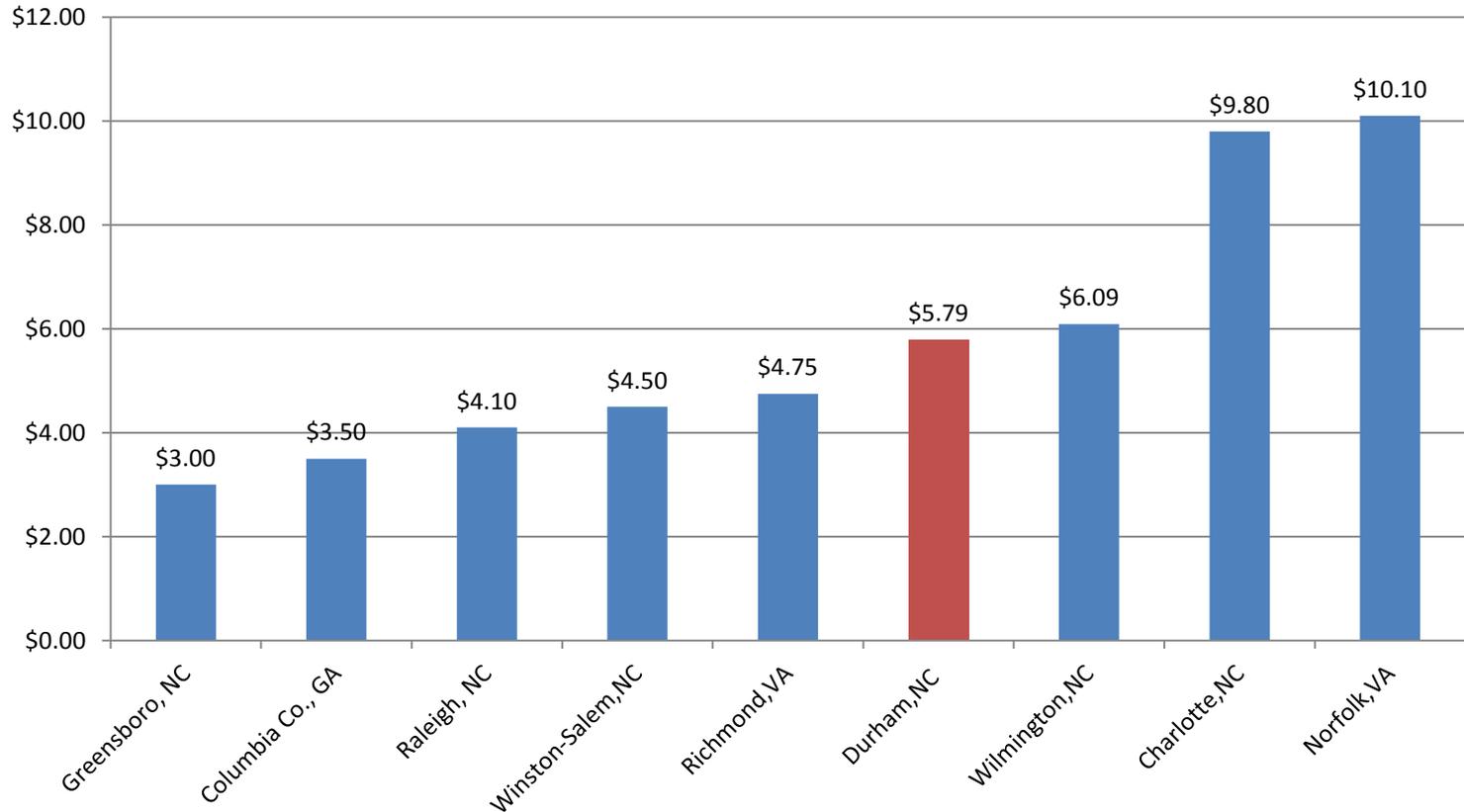


Benchmark cities of Augusta, GA, Baton Rouge, LA, Little Rock, AR, Montgomery, AL and Shreveport LA have no stormwater utility or fees.



# Monthly Bill Benchmarking

Equivalent Residential Tier 2  
2,000 - 4,000 sq. ft. Monthly Rate

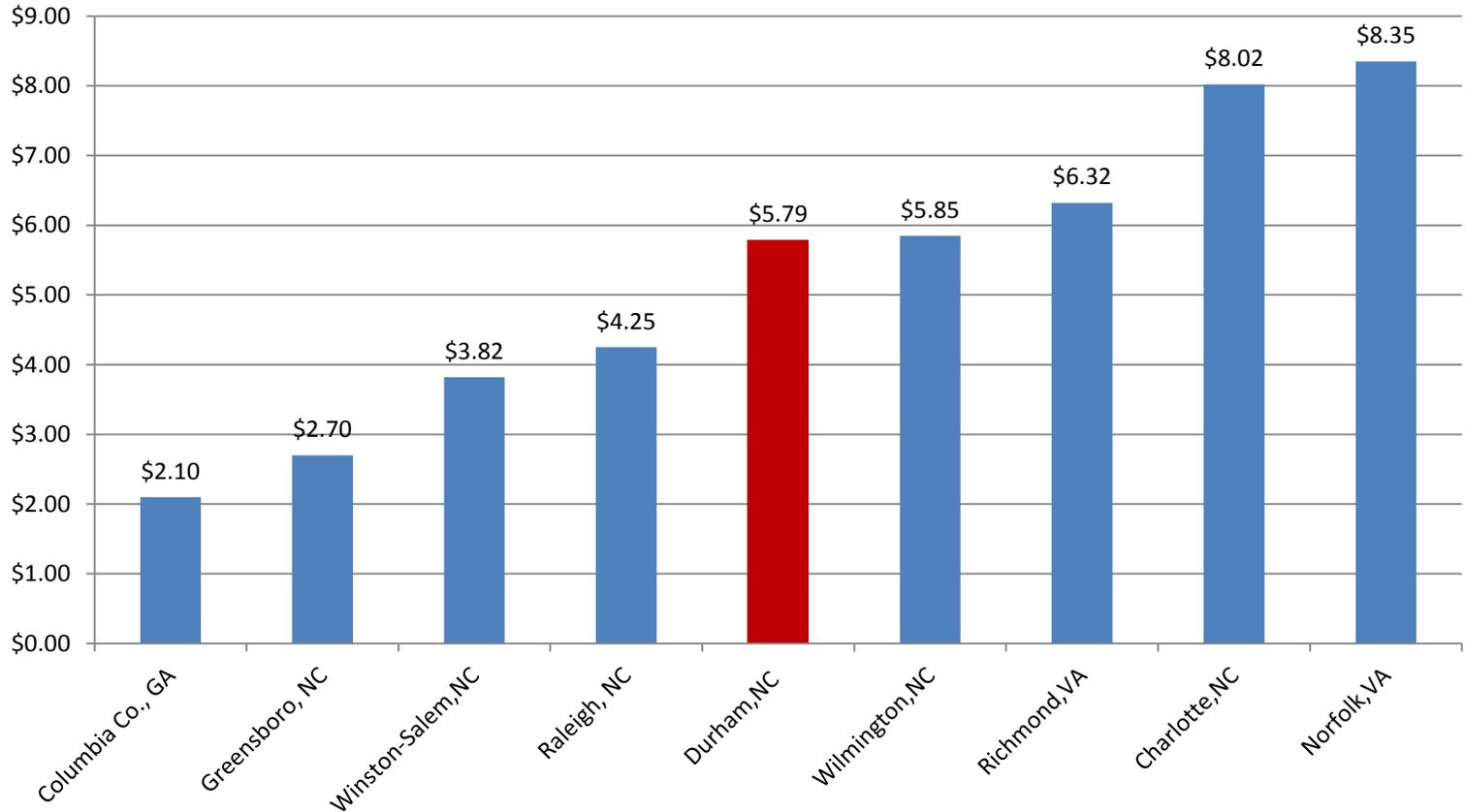


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# Monthly Bill Benchmarking

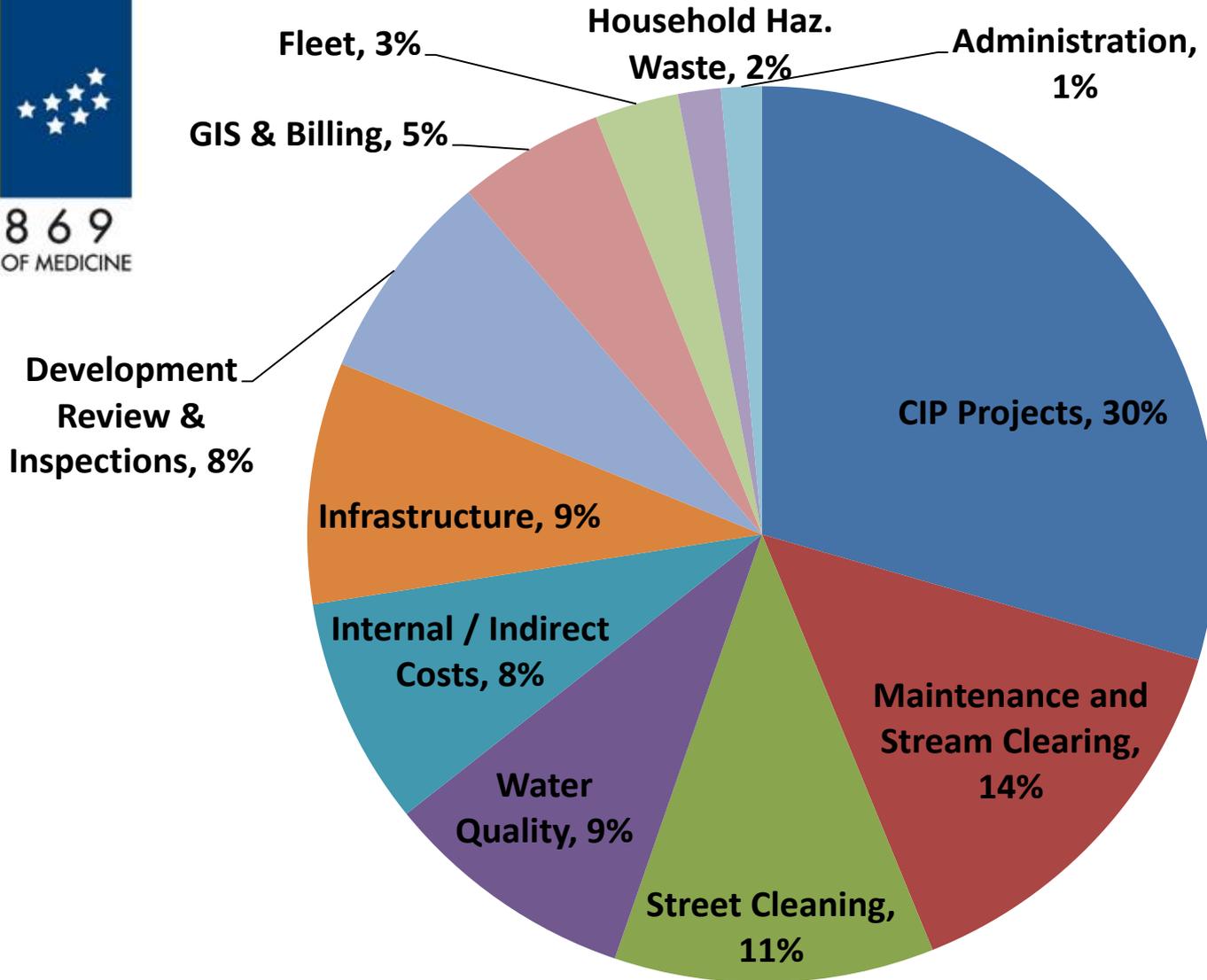
## Multi-Family & Commercial Monthly Rate Per ERU



Benchmark cities of Augusta, GA, Baton Rouge, LA, Little Rock, AR, Montgomery, AL and Shreveport LA have no stormwater utility or fees.



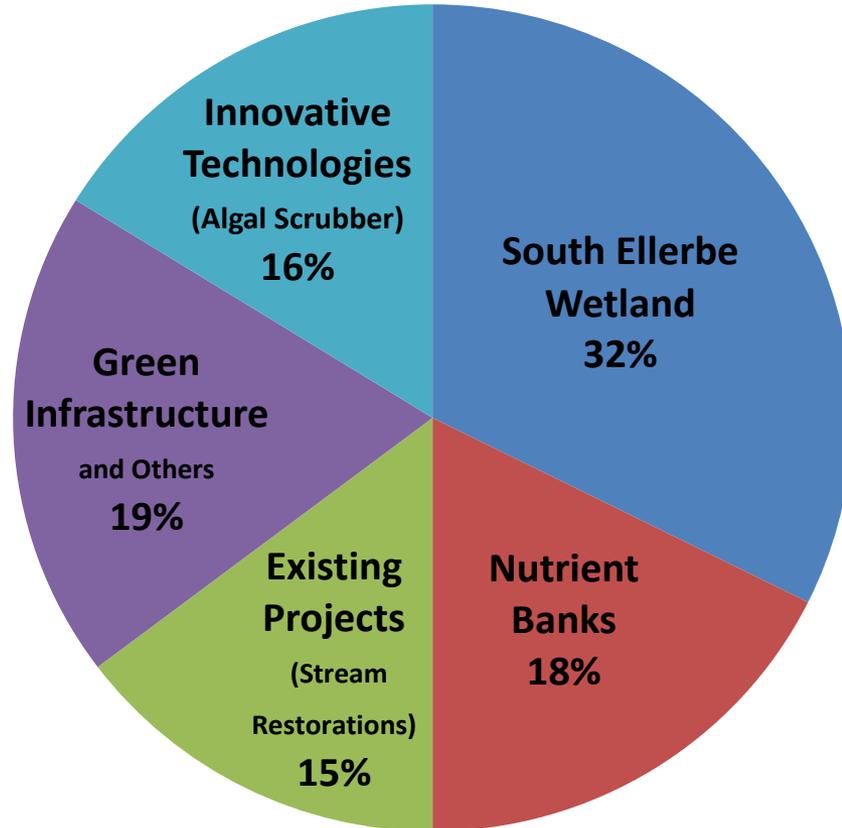
# Proposed FY14 Expenses by Program





# Falls Stage 1

Stage 1 Existing  
Development Goal:  
Reduce Nitrogen  
~3500 lbs/yr



# Completed Project Highlights





# Questions?