

DURHAM

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CITY OF MEDICINE**CITY OF DURHAM**

DEPARTMENT OF WATER MANAGEMENT
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To: John Allore, Budget and Management Services
From: Martha Zeigler, Department of Water Management
Date: January 15, 2014
RE: Estimated Utility Life Cycle Costs – Corners at Brier Creek (Scenario A)

The Department of Water Management sets rates and fees to recover operational costs and to provide current and future infrastructure necessary to supply water and wastewater for the City and surrounding service area. Any revenues not expended on operations and maintenance are accumulated to provide funding, including debt service, required to repair, rehabilitate, replace, and/or expand capacity of infrastructure.

Below is a table of annual estimated revenues when the project is completed with an allocation of revenue between operational and capital expenditures. Revenue and expenses are estimated based on the average consumption considering the number of residences and square footage of retail and actual may vary based on actual number of persons and activities taking place at the particular business(es). The operational expenditures may be considered short term operating. The long-term or life-cycle expenditures for this and any other project may be reasonably determined by contributions to capital improvement projects from both rates and one-time capital facility fees which cover not only the pipe in the ground contributed by the developer, but also include all the other connecting infrastructure as well as the treatment plants that provide water and sewer treatment services. Any changes in short and long-term life cycle costs will be managed by adjusting rates and facility fees based on actual performance data.

If the property is not annexed and the project were constructed outside of city limits, water and sewer revenue would be charged at the doubled outside rates. Capital Facility Fees are the same inside and outside the City.

Inside City FY 13-14	Water	Sewer	Total
Revenues	\$ 2,634	\$ 3,419	\$ 6,053
Op & Maintenance	\$ 1,686	\$ 2,188	\$ 3,874
CIP	\$ 948	\$ 1,231	\$ 2,179
Capital Facility Fees	\$ 12,888	\$ 7,736	\$ 20,624
Outside City FY 13-14	Water	Sewer	Total
Revenues	\$ 5,269	\$ 6,837	\$ 12,106
Op & Maintenance	\$ 1,686	\$ 2,188	\$ 3,874
CIP	\$ 3,583	\$ 4,649	\$ 8,232
Capital Facility Fees	\$ 12,888	\$ 7,736	\$ 20,624

Inside City FY 14-15	Water	Sewer	Total
Revenues	\$ 12,818	\$ 17,931	\$ 30,749
Op & Maintenance	\$ 8,204	\$ 11,476	\$ 19,680
CIP	\$ 4,614	\$ 6,455	\$ 11,069
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166
Outside City FY 14-15	Water	Sewer	Total
Revenues	\$ 25,635	\$ 35,861	\$ 61,496
Op & Maintenance	\$ 8,204	\$ 11,476	\$ 19,680
CIP	\$ 17,431	\$ 24,385	\$ 41,816
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166

Inside City FY 15-16	Water	Sewer	Total
Revenues	\$ 23,478	\$ 33,397	\$ 56,875
Op & Maintenance	\$ 15,026	\$ 21,374	\$ 36,400
CIP	\$ 8,452	\$ 12,023	\$ 20,475
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166
Outside City FY 15-16	Water	Sewer	Total
Revenues	\$ 46,957	\$ 66,795	\$ 113,752
Op & Maintenance	\$ 15,026	\$ 21,374	\$ 36,400
CIP	\$ 31,931	\$ 45,421	\$ 77,352
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166

Inside City FY 16-17	Water	Sewer	Total
Revenues	\$ 34,635	\$ 49,776	\$ 84,411
Op & Maintenance	\$ 22,166	\$ 31,857	\$ 54,023
CIP	\$ 12,469	\$ 17,919	\$ 30,388
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166
Outside City FY 16-17	Water	Sewer	Total
Revenues	\$ 69,269	\$ 99,552	\$ 168,821
Op & Maintenance	\$ 22,166	\$ 31,857	\$ 54,023
CIP	\$ 47,103	\$ 67,695	\$ 114,798
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Capital Facility Fees	\$ 75,717	\$ 45,449	\$ 121,166