

WATER AND SEWER FUND PROJECTION

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Revenues						
Water & Sewer Sales	\$ 78,724,503	\$ 82,337,574	\$ 87,278,519	\$ 92,652,941	\$ 98,394,685	\$ 102,819,071
Other Operating Revenues	513,000	523,260	533,725	544,400	555,288	566,394
Investment/Rental	574,069	585,550	597,261	609,206	621,390	633,818
Licenses and Permits	45,500	46,410	47,338	48,285	49,251	50,236
Frontage Fees/Assessments	276,000	281,520	287,150	292,893	298,751	304,726
Other Revenues	66,028	67,349	68,696	70,070	71,471	72,900
Transfers From Other Funds	319,595	319,595	319,595	319,595	319,595	-
Appropriation from Fund Balance	1,426,968	-	-	-	-	-
Total Revenues	\$ 81,945,663	\$ 84,161,258	\$ 89,132,284	\$ 94,537,390	\$ 100,310,431	\$ 104,447,145
Appropriations						
Personal Services	\$ 23,224,407	\$ 23,863,078	\$ 24,817,601	\$ 25,562,129	\$ 26,328,993	\$ 27,118,863
Operating	28,795,697	29,371,611	29,959,043	30,558,224	31,169,388	31,792,776
Capital Outlay	154,000	157,080	160,222	163,426	166,695	170,029
Transfer to CIP	8,070,000	10,430,000	7,850,000	15,450,000	16,750,000	21,600,000
Transfer to Other Funds	1,787,556	123,000	125,460	127,969	130,528	133,139
Debt Service	19,914,003	20,168,580	25,900,786	22,388,889	25,519,466	23,436,477
Appropriation to Fund Balance	-	47,909	319,172	286,753	245,361	195,861
Total Appropriations	\$ 81,945,663	\$ 84,161,258	\$ 89,132,284	\$ 94,537,390	\$ 100,310,431	\$ 104,447,145

Debt Coverage Ratio:

Parity Debt	3.94	4.29	2.28	2.64	2.37	2.76
All Debt	1.81	1.91	1.62	2.07	2.01	2.32

CIP Related:

Revenue or G.O. Bond Issue	\$ 27,710,000	\$ 65,370,000	\$ 35,670,000	\$ 27,050,000	\$ 37,450,000	\$ 32,600,000
CIP Appropriations	\$ 35,780,000	\$ 75,800,000	\$ 43,520,000	\$ 42,500,000	\$ 54,200,000	\$ 54,200,000
Rate Funded	\$ 8,070,000	\$ 10,430,000	\$ 7,850,000	\$ 15,450,000	\$ 16,750,000	\$ 21,600,000

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Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges is proposed for FY 2011-12. This rate increase is projected to equate to about a 4.7% increase for a tier three (average) residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 2% annually.
- Transfers from Other Funds is a repayment over five years from the General Fund for the financing of an information technology infrastructure upgrade project.

Appropriation Assumptions

- Personal Services costs increase at a rate of 2 - 4% annually.
- Operating costs increase at a rate of 2% annually.
- Capital costs increase at a rate of 2% annually.
- The non-departmental costs generally increase at a rate of 2% annually.
- Debt Service projections for existing debt as provided by the City's Finance Department are further projected with proposed future debt service on general obligation bonds to be issued as approved in the 2005 bond referendum, and future revenue bonds and/or General Obligation bonds issued to fund the proposed CIP in fiscal year 2012 and out.
- Transfers to other funds includes a transfer to Stormwater to cover an arrangement regarding the Household Hazardous Waste program, and in FY 2011-12, there is a one-time transfer to finance an information technology project.