

# UTILITY FUNDS SUMMARY

On the following pages is important information about the utilities as a whole. This section identifies the emerging issues for each of the utilities, followed by a brief discussion of the operation, maintenance and capital reinvestment programs of each of the utilities. Next, the proposed utility rates for 2009 and 2010 and the underlying cost drivers are discussed. Finally, income statements for the Water, Sewer, and Storm Water Utilities are presented.



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## Emerging Issues for the Utilities

During the 2009-2010 biennium, Mercer Island's utilities will experience fiscal impacts caused by developments elsewhere in the region and new state and federal regulations. The continued pace of development in the greater Puget Sound area is driving local governments to plan and develop new utility infrastructure, manage endangered natural resources, and find ways to make our resources more sustainable. Each of the City's utilities will be affected differently. A major focus for the City's utilities, like utilities throughout our region in the post 9-11 and Hurricane Katrina era, is preparing for a major disaster or emergency. The following summarizes the emerging issues on the horizon for each utility.

### Sanitary Sewer

King County completed a Regional Wastewater Services Plan (RWSP) in 1999, describing the need for extra capacity to meet the demands of rapid population growth. The Plan addresses how to meet these demands while protecting public health and our valuable water resources. The RWSP outlines a number of important projects and programs that King County will implement over the next 30 years and work that is already well underway. King County started construction of the new Brightwater Treatment Plant in 2006 and is working to improve the conveyance system in the north end of the County. The operation and maintenance of the King County Wastewater collection and treatment facility, as well as new projects to increase system capacity, drive the King County Sewage Treatment rates paid by City of Mercer Island utility customers.

King County is attempting to control the growing demand for sewage treatment capacity in the region through a new Regional Inflow/Infiltration (I/I) Control Program that was included in the 1999 Regional Wastewater Services Plan (RWSP). I/I is a term used to describe clean storm runoff and/or groundwater that enters the sewer system through cracked pipes, leaky manholes, or improperly connected storm drains. Most inflow comes from storm water and most infiltration comes from groundwater. I/I has a major effect on the size of King County's conveyance and treatment systems and, ultimately, the rates businesses and residents pay to operate and maintain them.

This I/I Control Program is designed to determine where I/I comes from, establish that it is cost-effective to remove I/I, and recommend actions to actively control I/I in the future. The program is based on a cooperative partnership between King County and 34 local component agencies including Mercer Island.

Ten pilot projects were completed within King County's service area at a cost of approximately \$13.2 million funded by King County through sewer rates. Mercer Island was the recipient of one such project in 2003. About 16,000 linear feet of leaky mains were lined at a cost of \$1.2 million in the East Seattle neighborhood on Mercer Island. The purpose of the pilot projects is to evaluate the effectiveness of various rehabilitation techniques and to document the effectiveness of specific pilot projects in reducing excessive I/I flows in the King County conveyance and treatment system. Successes can be used as models for future projects. In 2007-2008, King County conducted an I/I reduction feasibility analysis in four candidate project areas (Bellevue, Issaquah, Renton, and Skyway). King County plans to select and implement 2-3 initial I/I reduction projects in 2010-12 to test the cost-effectiveness of I/I. The goal is to reduce I/I on a large scale and eliminate more costly improvements to King County's wastewater conveyance systems.

An update of the City's General Sewer Plan was completed in 2002. The Plan has been used as a guide for capital budget planning including this budget. The Plan is relevant and current and is not expected to require an update for years to come. Unlike the Department of Health's requirement to update Water

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System Plans every six years, the Sewer Plan must be updated only when it is no longer considered current due to changes in regulations, system needs, growth patterns, or other factors.

The long-anticipated Sewer Lake Line Replacement Project is expected to enter the construction phase this biennium. The feasibility study for the project was completed in 2002. Design and permitting continued throughout the following two biennia at a cost of \$2.1 million. Permitting for this work in Lake Washington was a challenge as a result of the recent listing of the Puget Sound Chinook salmon as a threatened species under the Endangered Species Act and the issuance of the 4d rule. In July 2007, the City opened bids to construct the project and received a low bid of \$27.4 million. Adding costs for contingency, construction management, project management, and mitigation, the total construction cost was estimated to be \$32.1 million. This cost far exceeded the estimated \$15 million construction cost. On September 17, 2007, the City Council rejected all Sewer Lake Line bids and directed staff to proceed with a peer review and project re-assessment. This process included re-visiting the original in-lake design approach, re-assessing pipe condition, exploring minimizing trenching for the in-lake Sewer Line, and bidding the Pump Station separately from the in-lake Sewer Line work. The peer review, reassessment, and redesign work completed in 2007-2008 is estimated to cost an additional \$570,000. On May 19, 2008, the Council reviewed project re-assessment work and directed staff to proceed with re-designing and re-packaging the Sewer Lake Line project with a goal of going to bid in October 2008. The project will include Reach 3 and Pump Station 4. Reach 4 was deleted for future construction. The City awarded construction contracts on December 1, 2008 for the Lake Line to Manson Construction for \$14.8 million and for Pump Station 4 to Stellar J for \$4.3 million. The project construction budget is expected to be set in February 2009, once negotiations of professional service contracts for the construction phase have been completed. The Lake Line will be the Island's largest sewer capital project in decades, with a revised construction cost estimated at \$25.3 million.

A sewer rate analysis was conducted in 2003, and was reviewed annually 2004-2008. The analysis looked at the rate impacts of the capital projects identified in the General Sewer Plan, particularly the Lake Line Replacement Project, as well as operation and maintenance costs associated with the utility. This was the first formal rate analysis and rate increase in a decade. Annual rate increases between 9% and 18.1% have been implemented between 2004 and 2009.

### **Solid Waste**

The King County Solid Waste Division remains the primary provider of waste transfer and landfill services for suburban cities. Collection services, including garbage recycling and yard waste, on the Island are provided under the City's contract with Eastside Disposal Service, which does not terminate until 2009. The County provides grant funding that provides the two special recycling events held each year on Mercer Island.

King County's 2001 Comprehensive Solid Waste Management Plan is in the process of being updated. A draft of the Comprehensive Plan should be ready for review by the end of 2008. The update process should be completed in 2009. The plan will reflect major policy decisions being made as part of the development of the Transfer and Waste Export System Plan in 2006. The Export Plan provides a blueprint for the future of the County's solid waste system as the County prepares to begin exporting waste when the Cedar Hills Regional Landfill closes in several years. The plan was developed in collaboration with cities served by the County system through the Metropolitan Solid Waste Management Advisory Committee.

The update of the Comprehensive Plan is expected to call for the expansion and modernization of several Transfer Stations, including the Factoria Transfer Station in the next 5 years. This upgrade will allow additional services to be provided that will benefit Island residents, such as expanded collection of

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bulky yard debris. A relatively new service benefiting Island residents, the collection of household hazardous waste, became available at the Factoria Transfer Station in September of 2002 and continues to be a highly popular feature of the transfer station. The update process also will analyze whether to change the County's waste reduction and recycling goals. With growing interest in sustainability, it is anticipated that more aggressive goals will be established.

## **Stormwater**

Municipal storm and surface water utilities throughout the region are working to comply with new requirements evolving from the listing of the Puget Sound chinook salmon and other species as threatened under the Endangered Species Act (ESA). At the same time, they also are facing the implementation of new Phase II National Pollution Discharge Elimination System (NPDES) permit requirements. Approximately 100 small jurisdictions including Mercer Island fall under the requirements of the permit.

NPDES requires cities to implement six "minimum control measures," including public education and involvement about the impacts of stormwater, detection and elimination of polluting discharges, post-construction management of stormwater in redevelopment and new development, and "good housekeeping" efforts for municipal operations. The City has been preparing for several years to achieve full compliance with all NPDES requirements.

The Lake Washington/Cedar/Sammamish Watershed Chinook Salmon Conservation Plan was completed in 2005. The plan is based on best available science, provides a long-term strategy for bringing salmon off the list of threatened species, and is based on adaptive management principles. This planning effort was funded by jurisdictions throughout Water Resource Inventory Area (WRIA) 8, which is the state-designated planning area that encompasses parts of King and Snohomish counties along with Mercer Island and 23 other cities. During the 2007-2008 biennium, implementation of the plan hit full stride and will continue in the new biennium.

The City's first ever Comprehensive Basin Review was completed in 2006. It identifies and prioritizes capital projects for years to come. It was updated in 2008 and used as the basis for developing the capital program included in this budget. It will also serve as a guide for future capital budget planning efforts. The Basin Review is the City's "road map" for the utility to ensure continued reliable operation while addressing ongoing erosion problems in ravines and protecting water quality in Lake Washington.

Since 1999, King County has provided the City with technical assistance to evaluate water quality conditions in several sub-basins on the Island. This effort involves sampling and analysis of stormwater in these basins. In general, the results indicate that pollutants found in the samples are typical of built-out urban cities, and capital improvements focused on erosion in watercourses correlate to an improvement to water quality.

## **Water**

The Cascade Water Alliance (Cascade) formed in 1998 with Mercer Island becoming its second member to join. Cascade's formation followed years of work by elected officials in the greater King County region to develop independent water supplies for suburban cities and water districts. Seattle initially supported the formation of a "new entity" to provide water supply outside its city limits. In 1999, a water supply contract negotiated by Seattle and the group that became Cascade failed to gain enough support (75% of Seattle's 27 wholesale purveyors) to be accepted by Seattle. Today, Seattle's policy is that they will continue to own, operate, and control the Seattle water supply system. They offered new

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wholesale contracts to individual or groups of water utilities for either full or partial water supply requirements.

In late 2002, Cascade adopted a new interlocal agreement for its members that heightened the potential for near-term water shortages and large capital expenditures for development of new supply. In January 2003, the Utility Board and City staff recommended that Mercer Island withdraw from the Cascade Water Alliance on the belief that Seattle's water system is a more certain supply for the City of Mercer Island's low-growth needs at lower long-term cost increases for our utility customers.

The City Council agreed and in June 2003 approved a new supply contract with the City of Seattle. Eleven wholesale water customers including Mercer Island, who had 30-year contracts, now have new 60-year water service agreements with Seattle. Mercer Island has a seat on the Seattle Public Utilities Operating Board that oversees the new wholesale contract.

For water utilities throughout the region, the growing pressure on limited storage capacity has meant a continuing focus on conservation. Mercer Island's "Be Responsible" conservation campaign kicked off in 2001, and will continue in the coming biennium. "Be Responsible" is designed to complement the Seattle Public Utilities' conservation programs, which are more regional in nature, by targeting residential usage during the summer when consumption is at its peak. A conservation surcharge on the summer water bills of Island customers is funding "Be Responsible".

In 2004, the City completed the Utility Vulnerability Assessment and Emergency Response Plan required by the Bioterrorism Preparedness and Response Act of 2002. This work highlighted the importance of creating more drinking water storage on the Island. In 2005, the City Council, Utility Board, and staff agreed that a small well would be the most cost-effective and reliable way to provide an emergency supply of drinking water for Island residents. Feasibility work for the well was completed in 2005, and design work was completed in 2006. Early in 2007, a test well was drilled to a depth of 570 feet, producing water of both the quality and quantity to serve as a short-term source in the event of an interruption in the Island's supply from Seattle Public Utilities. During testing, the test well produced 300 gallons per minute (gpm) for 24 hours, enough to provide about 5 gallons per person on a daily basis for up to seven days. In 2007-2008, a Temporary Use Plan for the test well and conceptual designs of the permanent well facility were developed. Feasibility, Test Well Construction, Temporary Use Planning, and Conceptual Design has been completed at a cost of \$525,000. In April 2008, Council reviewed the well project and directed staff to move forward with the design of the permanent well facility, allocating \$135,000 for final design. The City Council reviewed the design of the permanent well and authorized staff to go to bid on December 1, 2008. Construction of the permanent well facility is planned for 2009 and is estimated to cost about \$1 million. Water Utility funding is not available at this time to complete construction of the well project, and the City is pursuing sale of the First Hill property or some other outside funding to move forward with the project during this biennium.

In July 2008, the updated Comprehensive Water System Plan was adopted by the City Council. State law requires an update at least every six years. The plan looks at future demands on the system and how storage and other system requirements may change. Compliance with future water quality regulations and capital requirements also are examined.

## Operation and Maintenance of the Utilities

Water is delivered to the headworks by Seattle Public Utilities' 16" and 24" water supply lines. The water is stored in two 4-million gallon reservoirs for domestic use and fire protection. Of the 850 million gallons of water purchased on average annually, approximately 40% is supplied to the high zone

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pressure system of Mercer Island. The majority of water used is distributed through 4” to 30” waterlines and is delivered to customers through approximately 7,300 water meters. To control high water pressure in the lower elevations in the system, 87 pressure reducing valves (PRV's) are necessary. There are approximately 1,800 in-line valves installed for control and isolation purposes. There are also 1,120 fire hydrants in the system.

Sewer collection and transmission services are provided to 7,200 single-family residences, 1,300 multi-family units, and 155 businesses and schools connected to the sanitary sewer collection system. Sewage is pumped through 520,000 lineal feet of pipe and through 18 sewage pump stations to the King County/Metro Southeast and North end pumping stations. The City's goal is to perform all work in accordance with City, State, and Federal rules and regulations, including the City's Sewer Comprehensive Plan and the Growth Management Act.

The City's Storm Water system is made up of close to 7,000 catch basins and 695,000 lineal feet of storm lines. The City's goal is to comply with State and Federal regulations affecting storm water quality by performing maintenance using our established standards. Operations and Maintenance (O&M) programs are necessary to protect property from flooding and to prevent pollutants and sediments that have been captured by storm water facilities from being washed into the lake during storm events. The Storm Drainage Utility relies heavily on contracted services to perform many of these operations.

The budget for the Operation and Maintenance of the City's three Utilities is discussed in detail in Section G (Operating Budget by Department) of the Budget (see Maintenance Department).

## Capital Reinvestment in the Utilities

Capital Reinvestment in the three City Utilities is guided by the City's Comprehensive Water System Plan, the General Sewer Plan, and recently completed Comprehensive Basin Review. Due to the impact of capital costs on rates and the variation in funding levels needed over time, each utility establishes and maintains a capital projects schedule of at least six years in duration. The schedule includes project description, scheduled year of construction, and total estimated cost. Each project is identified as an improvement project or a replacement project (including repair and rehabilitation). Details of the capital replacement projects proposed for each utility for the 2009-2010 biennium are included in Section H (Capital Improvement Program) of the Budget.

## Utility Funding and Rate Setting

In 1993, the Utility Board and City staff worked closely to establish financial policies to guide future rate and budget decisions. One of the guiding policies is *“Each utility will establish rates sufficient on an annual basis to meet all utility cash requirements including operating expenses, debt service, additions to reserves and rate-funded capital costs.”* The fiscal policies are detailed in Section C (Budget Policies) of the Budget (see Utility Fiscal Policies).

The Utility Board reviews the proposed biennial budget for each of the City's three utilities and makes rate recommendations on an annual basis. During 2006, an in-depth study of the City's Water Rates was conducted by Financial Consulting Solutions Group (FCSG) with review and key decisions made by the Utility Board. The study included a review of the fiscal policies for the Water Utility, an analysis of the revenue requirement and customer cost allocations of the Water Utility, rate design incorporating cost of service adjustments, and a review of non-rate charges and miscellaneous fees charged by the Water Utility.

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The 2009-2010 biennial budget was developed assuming the following rate increases:

**Water** – Increase rates an **average** of 10.5% in 2009 and 10% in 2010 over all customer classes. This rate increase is largely driven by the cost of purchased water and planned capital improvement needs. Seattle Public Utilities plans to raise wholesale water rates by 10% in 2009. The Utility Board recommends increasing the annual capital funding level to \$1,050,000 to fund projected capital reinvestment projects for mains and hydrants. For a single family residential customer, the 2009 rate increase is estimated to be 9.5%, which translates into a \$4.25 increase in the bi-monthly bill, assuming normal water usage.

**Sanitary Sewer** – 8% in 2009 and 12% in 2010. This covers the City’s portion of operating and maintaining the sanitary sewer system and equals about 50% of the total bi-monthly sewer bill paid by the average single family residential customer. The rate increase is largely driven by the estimated funding needs of the Sewer Lake Line replacement project. This represents a \$4.21 increase to the average single family residential customer’s bi-monthly sewer bill. Sewer Rates will be reviewed again, following receipt of bids for the Sewer Lake Line project in November 2008. [The Utility Board recommended a higher rate increase of 18.0% for 2009 in order to cover project bids that come in higher than expected.]

**Sewage Treatment** – Sewage Treatment rates charged by King County METRO, which represents a “pass through” charge, will increase in 2009 by 14.13%, which represents a \$7.90 increase in the bi-monthly bill for an average single family residential customer.

**Storm Water** – To give utility customers a break in 2008 (in light of the approved 18.1% increase in sewer line maintenance rates that year), storm water rates were held at the adopted 2007 levels. In order to maintain the capital improvement program expectation of the Utility Board (one major basin project per year), as well as ongoing small neighborhood projects each year, a rate increase of 5.5% is recommended for 2009. In dollar terms, this translates into a \$1.44 increase in the bi-monthly bill of a single family residential customer.

**Emergency Medical Service (EMS)** – Emergency Medical Service rates are adjusted annually for inflation based on the Seattle metro area’s CPI-W. A rate increase of 4.94% is recommended for 2009, which corresponds to the First Half 2008 CPI-W. Rates were also adjusted between customer classes based on EMS call history. As a result, an average single family residential customer’s bi-monthly bill will decrease by 22 cents to \$3.58 per bill.

Taken together, the total (i.e. water, sewer, storm water, and EMS) bi-monthly utility bill for the average single family residential customer will go up by 9.7% in 2009 and 6.5% in 2010, which equates to a \$17.91 increase and a \$13.18 increase respectively, as noted in the table below.

Description	2008	2009	2010
Bi-Monthly Bill	\$183.85	\$201.76	\$214.94
Rate Increase over Prior Year	6.9%	9.7%	6.5%
Dollar Increase over Prior Year	\$11.88	\$17.91	\$13.18

Income statements for the Water Fund, Sewer Fund, and Storm Water Fund are presented on the following three pages.

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## Water Fund Income Statement

Description	2007 Actual	2008 Estimate	2009 Budget	2010 Budget
<b>Revenues:</b>				
Sales/Service	\$ 3,244,145	\$ 3,100,000	\$ 3,871,560	\$ 4,258,710
Conservation Surcharge	37,219	30,000	30,000	30,000
Meter Installations	180,400	130,000	131,300	132,613
<b>Total Revenues</b>	<b>\$ 3,461,764</b>	<b>\$ 3,260,000</b>	<b>\$ 4,032,860</b>	<b>\$ 4,421,323</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	\$ 780,702	\$ 779,583	\$ 846,575	\$ 885,341
Supplies	213,111	219,600	214,875	214,300
Purchased Water	1,522,431	1,470,000	1,786,000	1,805,000
Contractual Services	83,925	126,250	164,890	135,190
Equipment Rental	122,876	118,150	114,331	114,331
Other Services and Charges	93,137	118,858	127,518	133,218
Insurance	43,000	43,000	53,200	58,400
Taxes	174,112	174,112	174,112	174,112
City Administration	225,000	235,500	250,000	265,000
<b>Total Operating Expenses</b>	<b>\$ 3,258,295</b>	<b>\$ 3,285,053</b>	<b>\$ 3,731,501</b>	<b>\$ 3,784,892</b>
<b>Net Income</b>	<b>\$ 203,469</b>	<b>\$ (25,053)</b>	<b>\$ 301,359</b>	<b>\$ 636,431</b>
<b>Other Financial Sources (Uses) :</b>				
Connection Charges	\$ 250,431	\$ 175,000	\$ 150,000	\$ 150,000
Interest	72,780	40,000	20,000	25,000
Other / Sale of Property	1,667	-	1,500,000	-
Debt Service	(13,731)	(13,731)	-	-
Capital Projects	(585,042)	(558,905)	(2,397,000)	(425,000)
Capital Project Management	(75,786)	(72,094)	(99,454)	(104,058)
Interfund Trsf - CIP (Tech/Bldg)	(6,860)	(43,140)	(23,334)	(17,750)
<b>Total Sources (Uses)</b>	<b>\$ (356,541)</b>	<b>\$ (472,870)</b>	<b>\$ (849,788)</b>	<b>\$ (371,808)</b>
<b>Net Increase (Decrease) in Working Capital</b>				
	<b>\$ (153,072)</b>	<b>\$ (497,923)</b>	<b>\$ (548,429)</b>	<b>\$ 264,623</b>
<b>Working Capital:</b>				
Beginning Working Capital	\$ 1,611,889	\$ 1,458,817	\$ 960,894	\$ 412,465
Net Increase (Decrease)	(153,072)	(497,923)	(548,429)	264,623
<b>Ending Working Capital</b>	<b>\$ 1,458,817</b>	<b>\$ 960,894</b>	<b>\$ 412,465</b>	<b>\$ 677,088</b>
Less: Fiscal Policy Reserves	(687,496)	(673,436)	(764,958)	(775,903)
<b>Working Capital Available</b>	<b>\$ 771,321</b>	<b>\$ 287,458</b>	<b>\$ (352,493)</b>	<b>\$ (98,815)</b>

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## Sewer Fund Income Statement

Description	2007 Actual	2008 Estimate	2009 Budget	2010 Budget
<b>Revenues:</b>				
Sales/Service	\$ 4,918,018	\$ 5,240,000	\$ 5,843,707	\$ 6,292,431
Other Revenues / Grants	8,570	-	-	-
<b>Total Revenues</b>	<b>\$ 4,926,588</b>	<b>\$ 5,240,000</b>	<b>\$ 5,843,707</b>	<b>\$ 6,292,431</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	\$ 509,488	\$ 556,470	\$ 659,972	\$ 693,037
Supplies	34,273	34,600	49,375	48,600
Contractual Services	211,822	188,250	203,190	180,390
Metro Charges	2,827,506	2,890,000	3,298,500	3,315,000
Equipment Rental	42,261	40,066	69,148	69,148
Other Services and Charges	89,003	98,900	97,080	100,880
Insurance	43,000	43,000	53,200	58,400
Taxes	78,573	86,503	91,500	92,500
City Administration	225,000	235,500	250,000	265,000
<b>Total Operating Expenses</b>	<b>\$ 4,060,926</b>	<b>\$ 4,173,289</b>	<b>\$ 4,771,965</b>	<b>\$ 4,822,955</b>
<b>Net Income</b>	<b>\$ 865,662</b>	<b>\$ 1,066,711</b>	<b>\$ 1,071,742</b>	<b>\$ 1,469,476</b>
<b>Other Financial Sources (Uses) :</b>				
Interest Earnings	\$ 358,728	\$ 190,000	\$ 147,572	\$ 26,031
Connection Charges	10,131	10,000	10,000	10,000
Interfund Trsf - Extraord. REET	1,667	1,000,000	-	-
Federal STAG Grant	-	-	477,000	-
Debt Proceeds	-	-	10,306,735	8,034,000
Debt Service	(413,020)	(410,933)	(1,297,889)	(1,349,704)
Sewer Lake Line Project	(496,744)	(573,735)	(17,310,000)	(8,034,000)
Other Capital Projects	(41,868)	(681,700)	(580,000)	(500,000)
Capital Project Management	(49,393)	(53,944)	(46,976)	(49,083)
Interfund Trsf - CIP (Maint Bldg)	(6,860)	(43,140)	(23,333)	(17,750)
<b>Total Sources (Uses)</b>	<b>\$ (637,359)</b>	<b>\$ (563,452)</b>	<b>\$ (8,316,891)</b>	<b>\$ (1,880,506)</b>
<b>Net Increase (Decrease) in Working Capital</b>				
<b>Working Capital</b>	<b>\$ 228,304</b>	<b>\$ 503,259</b>	<b>\$ (7,245,149)</b>	<b>\$ (411,030)</b>
<b>Working Capital:</b>				
Beginning Working Capital	\$ 7,150,358	\$ 7,378,662	\$ 7,881,921	\$ 636,772
Net Increase (Decrease)	228,304	503,259	(7,245,149)	(411,030)
<b>Ending Working Capital</b>	<b>\$ 7,378,662</b>	<b>\$ 7,881,921</b>	<b>\$ 636,772</b>	<b>\$ 225,742</b>
Less: Fiscal Policy Reserves	\$ (332,023)	\$ (342,210)	\$ 391,622	\$ (395,804)
Less: Reserve for Lake Line	(4,800,000)	(7,100,000)	-	-
<b>Working Capital Available</b>	<b>\$ 2,246,639</b>	<b>\$ 439,711</b>	<b>\$ 1,028,394</b>	<b>\$ (170,062)</b>

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## Storm Water Fund Income Statement

Description	2007 Actual	2008 Estimate	2009 Budget	2010 Budget
<b>Revenues:</b>				
Sales/Service	\$ 1,453,809	\$ 1,453,664	\$ 1,533,616	\$ 1,663,973
Other Revenues / Grants	-	75,000	194,479	100,000
<b>Total Revenues</b>	<b>\$ 1,453,809</b>	<b>\$ 1,528,664</b>	<b>\$ 1,728,095</b>	<b>\$ 1,763,973</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	\$ 338,240	\$ 410,713	\$ 411,685	\$ 430,644
Supplies	24,042	37,000	22,975	22,200
Contractual Services	214,527	233,250	245,590	250,790
Other Services and Charges	144,394	30,300	33,200	35,750
Equipment Rental	54,572	51,205	61,982	61,982
Insurance	40,000	40,000	50,000	55,000
Utilities	20,240	26,000	28,600	28,600
Intergovernmental	3,069	13,600	4,630	6,630
City Administration	50,000	52,400	55,600	59,000
<b>Total Operating Expenses</b>	<b>\$ 889,084</b>	<b>\$ 894,468</b>	<b>\$ 914,262</b>	<b>\$ 950,596</b>
<b>Net Income</b>	<b>\$ 564,725</b>	<b>\$ 634,196</b>	<b>\$ 813,833</b>	<b>\$ 813,377</b>
<b>Other Financial Sources (Uses) :</b>				
Interest	109,589	15,500	20,000	20,000
Fee-in-Lieu	220,129	80,000	80,000	80,000
Interfund Trsf - Various	72,132	-	-	-
Capital Projects	\$ (561,595)	\$ (1,523,070)	\$ (405,000)	\$ (1,310,000)
Capital Project Management	(35,927)	(46,344)	(84,141)	(88,046)
Interfund Trsf - CIP (Building)	(6,860)	(43,140)	(23,333)	(17,750)
<b>Total Sources (Uses)</b>	<b>\$ (202,532)</b>	<b>\$ (1,517,054)</b>	<b>\$ (412,474)</b>	<b>\$ (1,315,796)</b>
<b>Net Increase (Decrease) in</b>				
<b>Working Capital</b>	<b>\$ 362,193</b>	<b>\$ (882,857)</b>	<b>\$ 401,359</b>	<b>\$ (502,419)</b>
<b>Working Capital:</b>				
Beginning Working Capital	\$ 1,924,242	\$ 2,286,435	\$ 1,403,578	\$ 1,804,937
Net Increase (Decrease)	362,193	(882,857)	401,359	(502,419)
<b>Ending Working Capital</b>	<b>\$ 2,286,435</b>	<b>\$ 1,403,578</b>	<b>\$ 1,804,937</b>	<b>\$ 1,302,518</b>
Less: Fiscal Policy Reserves	\$ (64,916)	\$ (74,539)	\$ (76,189)	\$ (79,216)
<b>Working Capital Available</b>	<b>\$ 2,221,519</b>	<b>\$ 1,329,039</b>	<b>\$ 1,728,748</b>	<b>\$ 1,223,301</b>

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