

Water and Sewer Rates

FY 12/13 Budget Overview
February 2, 2012



March 2011

	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Water	8%	10%	10%	0%

February 2012

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	10% 3%	10% 6%	0% 0%	7%

March 2011

	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Sewer	9%	10%	10%	6%

February 2012

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Sewer	9%	10% 5%	10% 5%	8% 8%	0%

February 2012

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3%	6%	0%	7%
Sewer	9%	5%	5%	8%	0%

Assumptions

- All projects funded by revenue-abated general obligation bonds.
 - 20 years
 - 2.25%

- All expenses incurred in FY 12/13.

- Debt service begins in FY 12/13.

General Impacts on Rates

Water Fund

- \$1,000,000 = \$62,700 in annual debt service
- ~ 0.8% increase in water rates

Sewer Fund

- \$1,000,000 = \$62,700 in annual debt service
- ~ 1.2% increase in sewer rates

Example

- Estimated cost to construct 1 million gallon elevated tank = \$3,000,000
 - Deferring the tank would reduce the needed rate increase by:
$$(\$3,000,000) \times (0.8\% \text{ per million}) = 2.4\%$$

Eastern Growth – Scenario 1

- Water - \$3.8 Million
 - Adds \$238,000 in annual debt service
 - Adds 3% to rate increases
- Sewer - \$4.5 Million
 - Adds \$282,000 in annual debt service
 - Adds 5.5% to rate increases

February 2012

Eastern Growth
Scenario 1

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 10.5%	5%	8%	0%

February 2012

Eastern Growth
Scenario 1

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 8%	5% 7.5%	8%	0%

Eastern Growth – Scenario 2

- Water - \$3.8 Million
 - Adds \$238,000 in annual debt service
 - Adds 3% to rate increases

- Sewer - \$4.9 Million
 - Adds \$307,000 in annual debt service
 - Adds 6% to rate increases

February 2012

*Eastern Growth
Scenario 2*

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 8%	5% 8%	8%	0%

Eastern Growth – Scenario 3

- Water - \$3.8 Million
 - Adds \$238,000 in annual debt service
 - Adds 3% to rate increases

- Sewer - \$10.5 Million
 - Adds \$658,000 in annual debt service
 - Adds 12.5% to rate increases

February 2012

*Eastern Growth
Scenario 3*

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 11.5%	5% 11%	8%	0%

Eastern Growth – Scenario 4

- Water - \$3.8 Million
 - Adds \$238,000 in annual debt service
 - Adds 3% to rate increases

- Sewer - \$11.2 Million
 - Adds \$702,000 in annual debt service
 - Adds 13.5% to rate increases

February 2012

*Eastern Growth
Scenario 4*

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 12%	5% 11.5%	8%	0%

February 2012

*Eastern Growth
Scenario 4*

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 6%	6%	0%	7%
Sewer	9%	5% 11%	5% 11.5%	8% 10%	0%

Infrastructure for Northern Growth

- Water - \$703,000
 - Adds \$44,000 in annual debt service
 - Adds 0.5% to rate increases

- Sewer - \$698,000
 - Adds \$44,000 in annual debt service
 - Adds 0.8% to rate increases

February 2012

*Northern
Growth
Scenario*

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Water	8%	3% 3.5%	6%	0%	7%
Sewer	9%	5% 5.8%	5%	8%	0%