

DEPARTMENT OF UTILITIES

Water, Sewer & Solid Waste Fund Rate Adjustments



DOU Rate Adjustments

- Review FY08/09 DOU Rate Strategy
- Unanticipated FY08/09 Budget Impacts
- FY09/10 Budget Impacts
- FY09/10 & FY10/11 Rate Adjustment Scenarios

FY08/09 DOU Rate Strategy

- Minimal Rate Increase
- Use of Fund Reserves (One-Time)
- Use of Wholesale Revenue (One-Time)
- Efficiencies – Hold Vacancies, Reduce S&S

FY08/09 Unanticipated Budget Impacts

- Economic Downturn
 - Bad Debt
 - Development Revenue Shortfall
- Drought (Hodge)
 - Wholesale Revenue Shortfall
- No Rate Increase
 - User Fee Revenue Shortfall
 - Reduced Base for Future Increases
- Services & Supplies Price Spikes
 - Chemical Budget Underfunded

(6005) WATER	08-09	08-09	09-10
FORECAST	BUDGET	EOY	ESTIMATE
Typical Single-Family Monthly Charge	\$ 25.97	\$ 25.97	\$ 25.97
Projected Rate Increase	3.75%	0.00%	0.00%
BEGINNING BALANCE	4,019	4,019	803
TOTAL EXPENDITURES	73,816	71,507	81,237
ENDING BALANCE	3,177	803	(16,699)
Prudent Reserves (45 days)	7,336	7,488	8,352
Excess (Deficit)	(4,159)	(6,685)	(25,051)
TOTAL OPERATIONS	59,502	60,733	67,746
- \$1.8M Declining revenue		- \$4.5M Declining revenues	
- \$2.0M Bad Debt		- \$2.0M Bad debt	
- \$1.0M Chemical		- \$.5M Operational Cont. Reserve	
- \$2.3 No Rate Adjustment		Total: \$7.0M FY09/10	
Total: \$7.1M FY08/09			

(6006) SEWER	08-09	08-09	09-10
FORECAST	BUDGET	EOY	ESTIMATE
Typical Single-Family Monthly Charge	\$ 13.36	\$ 13.36	\$ 13.36
Projected Rate Increase	0.00%	0.00%	0.00%
BEGINNING BALANCE	3,251	3,251	2,706
TOTAL REVENUES	21,398	21,541	21,216
TOTAL EXPENDITURES	21,974	22,086	23,130
ENDING BALANCE	2,675	2,706	792
Prudent Reserves (45 Days)	2,204	2,285	2,450
Excess(Deficit)	471	421	(1,658)
TOTAL OPERATIONS	17,673	18,534	19,872

(6007) SOLID WASTE	08-09	08-09	09-10
FORECAST	BUDGET	EOY	BUDGET
Typical Single-Family Monthly Charge	\$ 35.08	\$ 35.08	\$ 35.08
Projected Rate Increase	0.00%	0.00%	0.00%
BEGINNING BALANCE	(2,720)	(2,720)	(2,539)
TOTAL REVENUES	56,119	56,826	52,992
EXPENDITURES			
TOTAL EXPENDITURES	54,526	56,645	58,410
	(1,127)	(2,539)	(7,957)
Prudent Reserve (45 Days)	6,571	6,992	7,090
Excess/(Deficit)	(7,798)	(9,530)	(15,047)

FY09/10 Budget Impacts

- > FY09 Cost Impacts
- > Declining Revenues
- > Bad Debt
- > Operational Contingency
- > Services & Supply Price Volatility
(Chemicals)

FY09/10 & FY10/11 Rate Adjustment Strategy

- Continue Efficiencies
 - Furloughs, Vacancies, Service & Supply Freezes
 - 4/10, Zonar/Routing Adjustments
- Structural Adjustments
 - Minimal Use of One-time Funding
 - Strive Towards Prudent Reserves
 - Create Operational Contingency Reserve
- Limited Support Capital Improvement Projects
- Flexibility (Multiyear Approach)

FY09/10 & FY10/11 Rate Adjustment Scenarios

Questions

