

PURPOSE

This Sewer Fund Operating Budget provides funds to operate and maintain 77 sewage pumping stations and 383 miles of sewage collection lines located throughout the Primary Service Area (PSA). Indirect operating and maintenance costs are reimbursed to the Administration Fund. Revenues are received from service charges, interest, and miscellaneous items.

BUDGET SUMMARY

| | FY 10 Adopted | FY 11 Proposed | FY 12 Proposed |
|--------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | |
| Sewer Service Charges | \$ 5,432,837 | \$ 5,119,738 | \$ 5,186,938 |
| Interest | 433,000 | 329,000 | 352,000 |
| Grinder Pump Charges | 209,100 | 209,100 | 209,100 |
| Miscellaneous | 142,000 | 142,000 | 142,000 |
| Total | \$ 6,216,937 | \$ 5,799,838 | \$ 5,890,038 |
| Expenses: | | | |
| Admin. Fund Allocation | \$ 3,461,153 | \$ 3,245,830 | \$ 3,312,020 |
| Direct Expenses | 2,366,784 | 2,200,008 | 2,225,018 |
| Grinder Pump Expenses | 309,000 | 309,000 | 309,000 |
| Capital Equipment Outlay | 80,000 | 45,000 | 44,000 |
| Total | \$ 6,216,937 | \$ 5,799,838 | \$ 5,890,038 |

PERSONNEL

| | | | |
|---------------------|----|----|----|
| Full-Time Personnel | 11 | 11 | 11 |
|---------------------|----|----|----|

PERFORMANCE MEASURE

| | FY 08 Year-end | FY 09 Year-end | FY 10 Jul-Dec | FY 11 Proposed |
|---|-------------------|-------------------|------------------|-------------------|
| Number Sewer System Spills Per 100 Miles of Sewer Pipe | 2.4 | 2.64 | 2.36 | 1.0 |
| % of Sewer Service Interruptions Repaired in 8 Hours or Less | New Measure | 75% | 100% | 90% |

BUDGET COMMENTS

The Sewer Fund Operating Budget continues to reflect customer service enhancement by placing emphasis on Sewer System Preventive Maintenance and Rehabilitative Programs. Existing systems are aging and require rehabilitative measures to meet the demands of increased usage and protect the public investment. These measures will improve wastewater collection and movement reliability.

The Sewer Fund revenues will decrease by 6.7 percent in FY 2011 and increase by 1.6 percent in FY 2012. The FY 2011 revenue decrease is due to a projected downward trend in wastewater collection service and a decline in interest earned on investments. The increase in FY 2012 is due to projected modest customer growth and interest income.

The decrease in FY 2011 expenses is due to a reduction to the Administrative Fund Allocation, operating reserve, utilities, equipment maintenance, and purchase of new equipment. There was an elimination of two Full-Time Regular positions (Operations Technician and Operations Assistant) that was offset by the transfer in of two Full-Time Regular positions (Maintenance Mechanic and Operation Technician) from the Administrative Fund. The increase in FY 2012 expenses is for health insurance premiums, wastewater infrastructure maintenance, replacement of a ¾ Ton Truck and a modest reinstatement of a operating reserve.