

6-11-12 Council Meeting

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17343

At/bm

Sponsor: Phillips

Proposed No.: 2012-0144

*LP Moved
PASSED: 8-0 RD EXCUSED*

1 **AMENDMENT TO PROPOSED ORDINANCE 2012-0144, VERSION 2**

2 On page 2, at the beginning of line 42, delete "\$65,707,551" and insert "\$65,697,551"

3 On page 3, at the beginning of line 44, delete "\$22,378,688" and insert "\$22,378,007"

4 On page 3, line 46, after "interest income):" delete "\$294,445,034" and insert

5 "\$294,445,033"

6 On page 3, line 47, after "TOTAL:" delete "\$337,773,898" and insert "\$337,764,577"

7 Delete Attachment A and replace with Attachment A: Wastewater Treatment Division

8 Financial Plan for the 2013 Amended Proposed Sewer Rate, Revised June 11, 2012

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10 **EFFECT: Technical adjustments to operating, capital reserves, and total balance,**
11 **and updated financial plan Attachment A, to reflect rate as amended in committee**

ATTACHMENT A: Wastewater Treatment Division Financial Plan for the 2013 Amended Proposed Sewer Rate, Revised June 11, 2012

	2011	2012	2013	2014	2015	2016	2017	2018
	Unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
RESIDENTIAL CUSTOMER EQUIVALENTS (RCEs)								
MONTHLY RATE	707.26	707.26	707.28	709.05	712.59	716.15	721.53	726.94
% Increase	\$36.10	\$36.10	\$39.79	\$39.79	\$44.26	\$44.26	\$44.77	\$45.09
	0.0%	0.0%	10.2%	0.0%	11.2%	0.0%	1.1%	0.7%
BEGINNING OPERATING FUND	61,388	86,886	72,262	50,153	21,486	16,774	13,701	14,249
OPERATING REVENUE:								
Customer Charges	306,407	306,393	337,711	338,555	378,504	380,396	387,650	393,339
Investment Income	1,720	1,060	996	1,015	1,131	4,988	8,562	11,541
Capacity Charge	48,693	43,774	46,338	49,351	54,036	59,638	65,907	72,446
Rate Stabilization *	(26,500)	15,900	22,600	29,100	5,300	3,600	3,600	3,600
Other Income	7,927	9,188	9,492	10,968	11,411	11,187	11,639	11,988
TOTAL OPERATING REVENUES	339,247	376,314	417,137	428,989	450,160	480,034	473,759	489,315
OPERATING EXPENSE	(103,862)	(116,620)	(121,528)	(125,857)	(131,742)	(137,012)	(142,492)	(148,192)
DEBT SERVICE REQUIREMENT PARITY DEBT	(167,517)	(197,355)	(222,534)	(227,535)	(234,684)	(240,519)	(248,352)	(256,455)
SUBORDINATE DEBT SERVICE	(12,684)	(15,699)	(16,611)	(16,728)	(23,942)	(25,554)	(29,626)	(33,913)
DEBT SERVICE COVERAGE RATIO PARITY DEBT **	1.41	1.32	1.33	1.33	1.36	1.34	1.33	1.33
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.31	1.15	1.15	1.15	1.15	1.15	1.15	1.15
INTER-FUND LOAN REPAYMENTS	(20,300)	(20,090)	(20,030)	(433)	(589)	(527)	(548)	(570)
LIQUIDITY RESERVE CONTRIBUTION	(18)	(1,276)	(491)	(58,436)	(59,203)	(56,423)	(52,741)	(50,186)
TRANSFERS TO CAPITAL	(34,866)	(25,274)	(35,944)	(58,436)	(59,203)	(56,423)	(52,741)	(50,186)
RATE STABILIZATION RESERVE *	76,500	60,600	38,000	8,900	3,600	13,701	14,249	14,819
OPERATING LIQUIDITY RESERVE BALANCE	10,386	11,662	12,153	12,586	13,174	13,701	14,249	14,819
OPERATING FUND ENDING BALANCE	86,886	72,262	50,153	21,486	16,774	13,701	13,701	14,819
CONSTRUCTION FUND								
BEGINNING FUND BALANCE	5,000	95,579	5,461	5,361	5,000	5,000	5,000	5,000
REVENUES:								
Parity Bonds	245,000	80,000	55,000	81,699	115,816	104,912	122,895	127,541
Variable Debt Bonds	78,380	15,000	65,000	10,000	10,000	14,558	9,082	9,172
Grants & Loans	8,233	16,085	14,510	784	-	-	-	-
Other	2	500	500	500	500	500	500	500
Transfers From Operating Fund	34,866	25,274	35,944	58,436	59,203	56,423	52,741	50,186
TOTAL REVENUES	386,482	136,859	170,954	151,419	185,519	176,393	185,317	187,398
CAPITAL EXPENDITURES	(273,262)	(203,644)	(166,181)	(144,856)	(174,645)	(175,418)	(174,892)	(176,590)
DEBT ISSUANCE COSTS	(1,874)	(554)	(1,425)	(1,684)	(2,366)	(2,171)	(2,505)	(2,597)
BOND RESERVE TRANSACTIONS	11,547	(20,795)	(3,428)	(5,260)	(7,456)	2,246	(7,918)	(8,211)
DEBT SERVICE, CAPITALIZED INTEREST RESERVE ADJUSTMENTS	(28,795)	(7,366)	-	-	(1,051)	(1,051)	-	-
	16,481	5,381	-	-	(1,051)	-	-	-
ENDING FUND BALANCE	95,579	5,461	5,361	5,000	5,000	5,000	5,000	5,000
CONSTRUCTION FUND RESERVES								
Bond & Loan Reserves	160,424	181,218	184,646	189,906	198,412	197,217	205,136	213,348
Policy Reserves	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL FUND RESERVES	175,424	196,218	199,646	204,906	213,412	212,217	220,136	228,348
CONSTRUCTION FUND BALANCE	271,002	201,679	205,027	209,906	218,413	217,217	225,136	233,348

* This revenue is accounted for as a regulatory asset to be deferred to future years in accordance with FAS-71.
 ** This includes a Regulatory Asset for a \$53.9 million estimate of Environmental Remediation Liability in accordance with FAS-71 which will be amortized over a 30-year average bond term.

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