



# Water and Wastewater Commission Financial Forecast FY2019-23

May 9, 2018



- **Requirements Summary**
- **Revenue Summary**
- **Rates and Bill Impacts**
- **Customer Assistance Program**
- **Capital Spending**
- **Fund Summary**
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# Requirements Assumptions

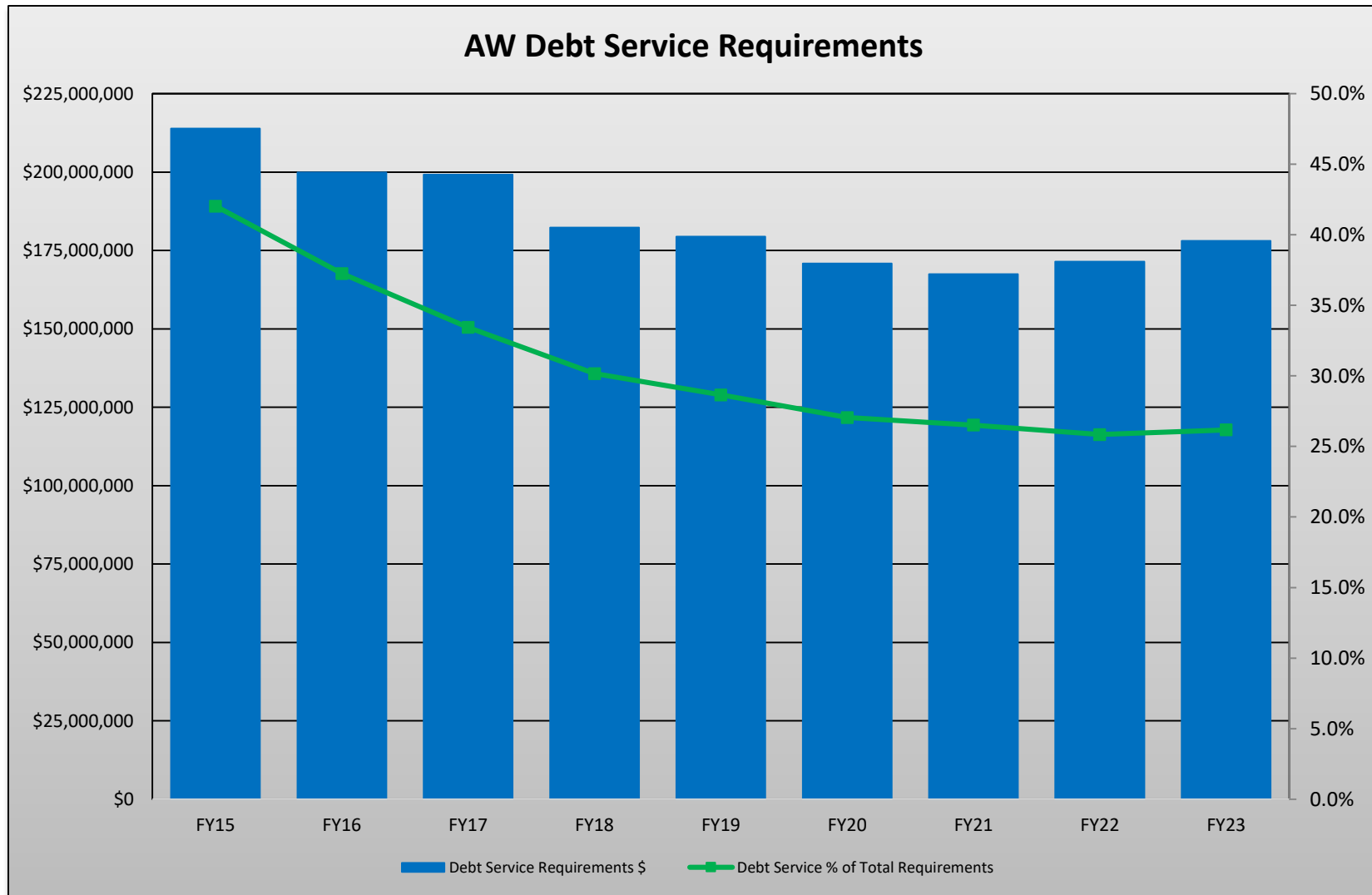
- Personnel costs
  - Wage enhancement and insurance costs as provided by Budget Office
  - New Positions – 15 new positions to address service levels
- Continued use of capital recovery fees for debt defeasance
- Increase cash funding of capital projects

# Total Requirements Summary

(In Millions)	Amended 2018	Forecast				
		2019	2020	2021	2022	2023
Operating Requirements	\$ 231.3	\$ 245.3	\$ 253.6	\$ 265.3	\$ 278.9	\$ 293.5
Debt Service	198.9	181.8	179.8	171.5	169.5	171.8
Transfers Out	191.2	175.6	194.0	192.9	187.9	199.5
<b>Total Requirements</b>	<b>\$ 621.4</b>	<b>\$ 602.7</b>	<b>\$ 627.4</b>	<b>\$ 629.7</b>	<b>\$ 636.3</b>	<b>\$ 664.8</b>

\$ Increase from Prior Year	\$ (18.7)	\$ 24.7	\$ 2.3	\$ 6.6	\$ 28.5
% Increase from Prior Year	-3.0%	4.1%	0.4%	1.0%	4.5%

# Debt Management Efforts



# Revenue Assumptions

- 4.8% retail rate reduction in 2018
- No change in wholesale rates assumed during forecast period
- 5,900 average monthly residential water consumption
- 3,900 average monthly residential wastewater flows
- Account growth of 1.3%

# Revenue Summary

	Amended	Forecast				
(In Millions)	2018	2019	2020	2021	2022	2023
Water Service	\$ 297.6	\$ 287.3	\$ 289.8	\$ 298.0	\$ 300.9	\$ 309.6
Wastewater Service	264.8	267.9	270.2	276.8	281.3	289.2
Reclaimed Service	1.9	2.0	2.4	3.0	3.6	4.2
Other Revenue	9.9	8.8	8.6	8.8	9.2	9.6
Transfers In	38.2	45.0	46.2	47.8	48.0	48.2
<b>Total Revenue</b>	<b>\$612.4</b>	<b>\$611.0</b>	<b>\$617.2</b>	<b>\$634.4</b>	<b>\$643.0</b>	<b>\$660.8</b>

\$ Increase from Prior Year	\$ (1.4)	\$ 6.2	\$ 17.2	\$ 8.6	\$ 17.8
% Increase from Prior Year	-0.2%	1.0%	2.8%	1.4%	2.8%

# Projected Rate Revenue Increases

## Projected Service Rate Revenue Increases

	2019	2020	2021	2022	2023
<b>Water:</b>	0.0%	0.0%	2.0%	0.0%	2.0%
<b>Wastewater:</b>	0.0%	0.0%	2.0%	0.0%	2.0%
<b>Reclaimed:</b>	14.6%	20.0%	20.1%	16.1%	13.4%
<b>Combined:</b>	0.0%	0.0%	2.1%	0.0%	2.0%

- Revenue Stability Reserve Fund Surcharge
  - Reduction from current \$0.19 to \$0.05 per 1,000 gallons in 2018
  - Reach 120 days of Operations & Maintenance in 2018



# Average Residential Customer Estimated 5-Year Bill Impact

	<b>Budget 2018</b>	<b>Current 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>	<b>Forecast 2022</b>	<b>Forecast 2023</b>
Water	\$ 41.59	\$ 40.95	\$ 40.31	\$ 40.31	\$ 41.09	\$ 41.09	\$ 41.87
Wastewater	41.60	40.60	40.48	40.48	41.28	41.28	42.11
Total	<u>\$ 83.19</u>	<u>\$ 81.55</u>	<u>\$ 80.79</u>	<u>\$ 80.79</u>	<u>\$ 82.37</u>	<u>\$ 82.37</u>	<u>\$ 83.98</u>
\$ Variance		\$ (1.64)	\$ (0.76)	\$ -	\$ 1.58	\$ -	\$ 1.61
% Variance		-2.0%	-0.9%	0.0%	2.0%	0.0%	1.9%

**1. Bills based on 5,800 gallons water usage and 4,000 gallons wastewater discharge**

# Customer Assistance Program (CAP) Discount Summary

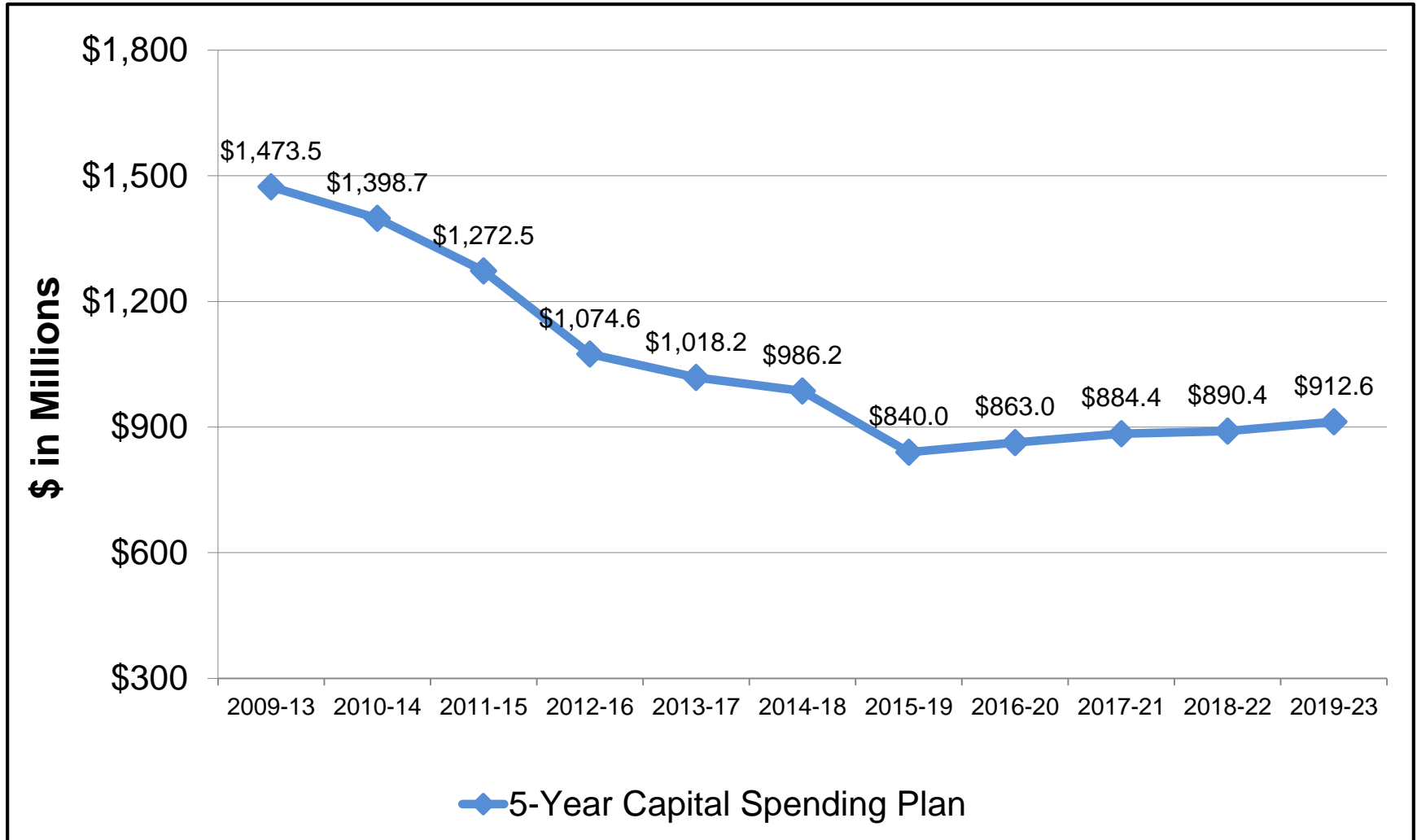
- Approximately 15,800 CAP participants
- Waived monthly water meter charge
- Waived monthly water tiered fixed fee
- Waived monthly wastewater customer charge
- Discounted volumetric water and wastewater rates
- Average CAP discount of \$26.63 per month

2019 Average Monthly Bill Comparison: Non-CAP vs. CAP				
	<u>Non-CAP</u>	<u>CAP</u>	<u>\$ Discount</u>	<u>% Discount</u>
Water	\$40.31	\$27.68	\$12.63	31.3%
Wastewater	\$40.48	\$26.48	\$14.00	34.6%
Combined	<u>\$80.79</u>	<u>\$54.16</u>	<u>\$26.63</u>	<u>33.0%</u>

Note: Bills based on 5,800 Gals water and 4,000 Gals. wastewater

# 5-Year Capital Spending Plan

## Historical Comparison



## \$912.6 Million 5-Year Capital Spending Plan

\$ in millions

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
<b>Water</b>	\$82.5	\$114.1	\$95.1	\$58.8	\$46.1	\$396.6
<b>Wastewater</b>	102.8	125.3	98.1	71.3	81.8	479.3
<b>Reclaimed</b>	<u>10.8</u>	<u>13.8</u>	<u>5.5</u>	<u>2.2</u>	<u>4.3</u>	<u>36.6</u>
<b>Combined</b>	<u>\$196.1</u>	<u>\$253.3</u>	<u>\$198.7</u>	<u>\$132.3</u>	<u>\$132.2</u>	<u>\$912.6</u>

# Fund Summary

	Amended	CYE	Forecast				
(In Millions)	2018	2018	2019	2020	2021	2022	2023
<b>Beginning Balance</b>	<b>\$ 200.3</b>	<b>\$ 214.8</b>	<b>\$ 180.2</b>	<b>\$ 188.5</b>	<b>\$ 178.3</b>	<b>\$ 183.0</b>	<b>\$ 189.7</b>
Revenue	574.2	570.8	566.0	571.0	586.6	595.0	612.5
Transfers In	38.2	41.0	45.0	46.2	47.8	48.0	48.2
<b>Available Funds</b>	<b>\$ 612.4</b>	<b>\$ 611.8</b>	<b>\$ 611.0</b>	<b>\$ 617.2</b>	<b>\$ 634.4</b>	<b>\$ 643.0</b>	<b>\$ 660.7</b>
Operating Requirements	231.3	231.3	245.3	253.6	265.3	278.9	293.5
Debt Service	198.9	204.6	181.8	179.8	171.5	169.5	171.8
Transfers Out	191.2	210.5	175.6	194.0	192.9	187.9	199.5
<b>Total Requirements</b>	<b>\$ 621.4</b>	<b>\$ 646.4</b>	<b>\$ 602.7</b>	<b>\$ 627.4</b>	<b>\$ 629.7</b>	<b>\$ 636.3</b>	<b>\$ 664.8</b>
<b>Excess (Deficiency)</b>	<b>(9.0)</b>	<b>(34.6)</b>	<b>8.3</b>	<b>(10.2)</b>	<b>4.7</b>	<b>6.7</b>	<b>(4.1)</b>
<b>Ending Balance</b>	<b>\$ 191.3</b>	<b>\$ 180.2</b>	<b>\$ 188.5</b>	<b>\$ 178.3</b>	<b>\$ 183.0</b>	<b>\$ 189.7</b>	<b>\$ 185.6</b>

Debt Coverage	1.61	1.66	1.72	1.73	1.81	1.81	1.76
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**Forecast complies with all Council approved financial policies.**

# Questions?

