

FUND STATEMENT**FUND:****STORMWATER UTILITY FUND**

Stormwater is the rainfall runoff that comes from impervious surfaces, such as parking lots and rooftops, and flows into the City's streams and rivers via storm drains and drainage system infrastructure. In addition to adding pollutants to stormwater, urban development increases the quantity and velocity of runoff, so that downstream properties become more susceptible to flooding, erosion increases in channels and streams, and the land's natural beauty and habitats are lost.

Municipal governments in Texas are empowered to establish stormwater utilities and adopt a stormwater service fee under Section 552 of the Texas Local Government Code. Stormwater utility fees have been adopted in hundreds of communities nationally to pay for stormwater management programs and to fund specific stormwater functions and facilities.

Fort Worth's Stormwater Utility Fund was established in FY2006 to address runoff issues, reduce the risk of flooding in Fort Worth, preserve streams, minimize water pollution, and to more effectively operate the stormwater system in compliance with state and federal regulatory requirements. This is to be accomplished by improved master planning, enhanced coordination with developers, increased development reviews, initiating watershed studies and capital projects, more aggressive attention to infrastructure maintenance and reconstruction, and increased public education and outreach.

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 215,000 residential, commercial and industrial customers. Stormwater management is a vital issue in Fort Worth, and staff has identified over \$1.5 billion of capital projects needed to address known flooding problems. Stormwater projects are necessary to address life safety issues, mitigate flooding and erosion, and replace undersized and deteriorated stormwater infrastructure. Over \$340 million of this backlog involves areas of the city where chronic flooding has occurred and presents an urgent threat to life and property.

The Stormwater Utility rates are structured based on impervious surface area as the measure of each property's contribution to stormwater runoff, and the applicable fee is billed monthly. Impervious surface is quantified into an Equivalent Residential Unit (ERU). The City's current "per ERU rate" of \$5.40 has been effective since January 1, 2012.

Operations are completely financed through fees for service. Additionally, major capital projects are funded by long-term debt and pay-as-you-go cash funding, allowing the Fund to program and implement system expansions related to the City's growth and to replace aging infrastructure in older portions of the system in an orderly manner.

**STORMWATER UTILITY FUND BUDGET SUMMARY
FY2016**

REVENUES:

Charges for Service	\$36,870,478
Utility Fee for commercial (non-residential) customers - 59%	\$21,753,582
Utility Fee for residential (single family) customers - 41%	\$15,116,896
Use of Money & Property	\$192,000
Interest Earnings	\$192,000
Other Revenue	\$3,000
Miscellaneous Revenue	\$3,000

SUBTOTAL REVENUE **\$37,065,478**

Operating Transfers	
Sale of Capital Asset	\$20,000

SUBTOTAL OPERATING TRANSFERS **\$20,000**

USE OF NET POSITION \$0

TOTAL REVENUE **\$37,085,478**

EXPENSES:

Stormwater Utility Fund Appropriations	\$13,838,581
Debt Service	\$10,150,587
Debt Service - Principal for Aviation Loan	\$761,925
Debt Service - Interest for Aviation Loan	\$33,733
Debt Service - Principal for Energy Savings Program	\$2,810
Debt Service - Interest for Energy Savings Program	\$1,101
Debt Service - Interest for Drainage Utility	\$5,221,018
Debt Service - Principal for Drainage Utility	\$4,130,000

Transfers and Others	\$10,767,417
Capital Transfer	\$8,512,066
Other Operating Transfers:	\$944,316
Customer and billing cost of service allocation from the Water Department	\$931,816
Transfer to General Fund for Neighborhood Educators	\$12,500
Transfer for Payment in Lieu of Taxes	\$1,101,035
Bad Debt Expenses for billed receivables reclassified as write-off	\$210,000

SUBTOTAL EXPENSES **\$34,756,585**

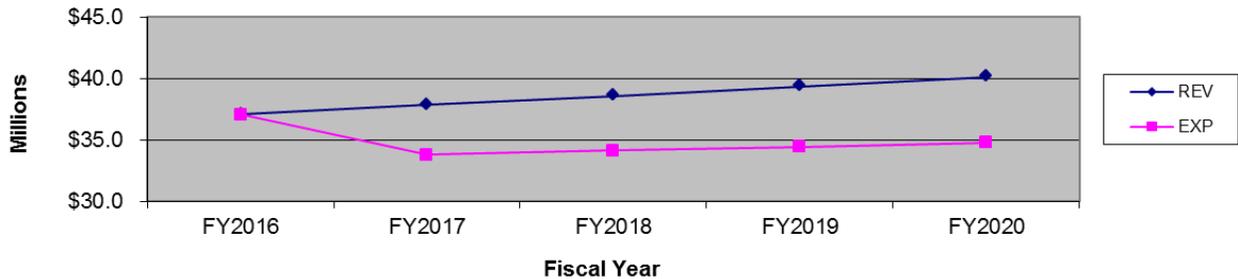
CONTRIBUTION TO NET POSITION \$2,328,893

TOTAL EXPENSES **\$37,085,478**

**STORMWATER UTILITY FUND FIVE YEAR FORECAST
FISCAL YEAR 2016 THROUGH 2020**

	FY2016 Adopted	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Beginning Working Capital	\$17,400,350	\$17,400,350	\$21,456,419	\$25,915,886	\$30,805,889
Revenues ⁽¹⁾					
Interest	\$192,000	\$192,000	\$192,000	\$192,000	\$192,000
Utility Income	\$36,870,478	\$37,607,888	\$38,360,045	\$39,127,246	\$39,909,791
Other Revenue	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Total Revenue	\$37,085,478	\$37,822,888	\$38,575,045	\$39,342,246	\$40,124,791
Total Resources	\$54,485,828	\$55,223,237	\$60,031,464	\$65,258,132	\$70,930,681
Expenses					
Personnel Services	\$5,876,451	\$5,952,507	\$5,910,257	\$5,862,783	\$5,809,708
Employee Benefits	\$2,300,366	\$2,381,209	\$2,343,842	\$2,301,349	\$2,253,355
Professional & Technical Services	\$1,927,910	\$1,947,189	\$1,966,661	\$1,986,328	\$2,006,191
Utilities, Repairs and Rentals	\$2,812,562	\$2,925,064	\$3,042,067	\$3,163,750	\$3,290,300
Other Purchased Services	\$205,698	\$213,926	\$222,483	\$231,382	\$240,638
Supplies	\$715,594	\$729,906	\$744,503	\$759,393	\$774,581
Property/Capital Assets	\$0	\$0	\$0	\$0	\$0
Debt	\$10,150,587	\$9,371,655	\$9,385,305	\$9,385,324	\$9,385,793
Transfers and Others	\$13,096,310	\$10,245,362	\$10,500,460	\$10,761,935	\$11,029,927
Total Expenditures	\$37,085,478	\$33,766,818	\$34,115,578	\$34,452,243	\$34,790,491
Projected Variance	\$0	\$4,056,069	\$4,459,467	\$4,890,003	\$5,334,300
Projected Working Capital	\$17,400,350	\$21,456,419	\$25,915,886	\$30,805,889	\$36,140,189
Reserve Requirement ⁽²⁾	\$7,143,353	\$8,066,451	\$8,528,894	\$8,613,061	\$8,697,623
Excess/(Deficit)	\$10,256,997	\$13,389,967	\$17,386,992	\$22,192,829	\$27,442,566

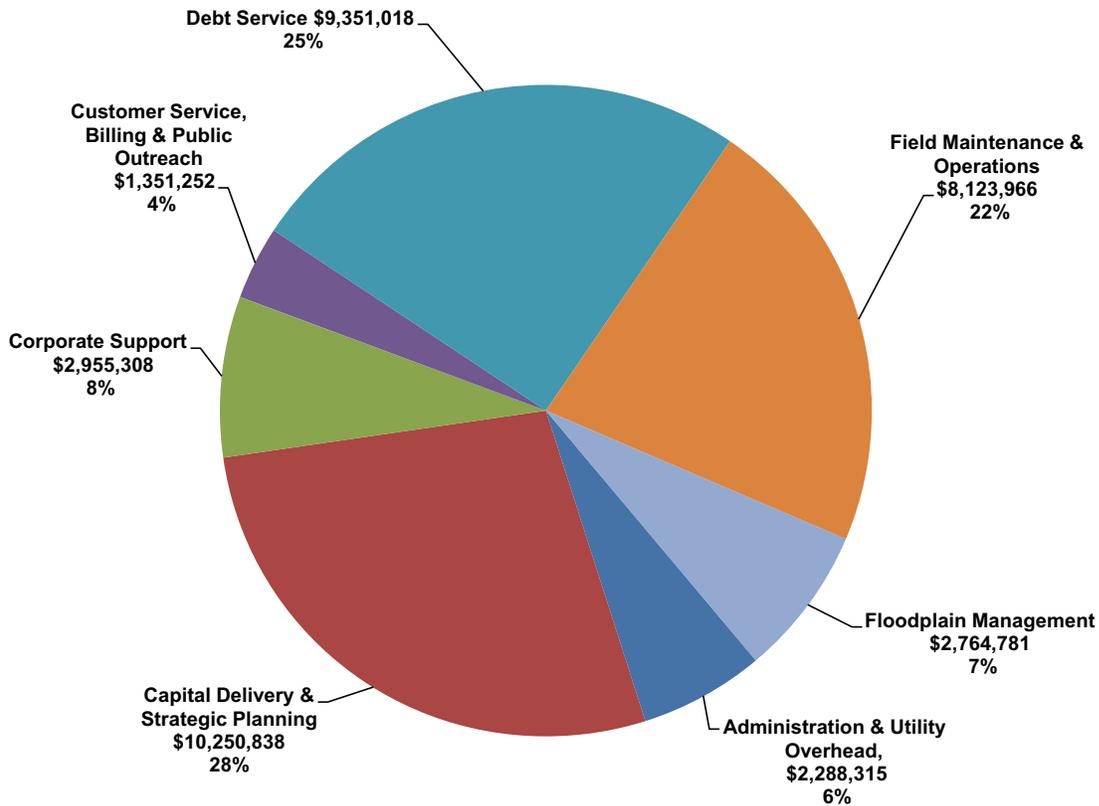
**STORMWATER UTILITY FUND
PROJECTED REVENUES AND EXPENSES**



- (1) This model does **not** reflect any rate increases for the next five years.
- (2) Enterprise Fund Reserve Policy: A minimum Fund Balance equivalent to three months (25%) of regular, on-going Operating Expenditures (including transfers out). This calculation shall not include Non-Recurring Items.

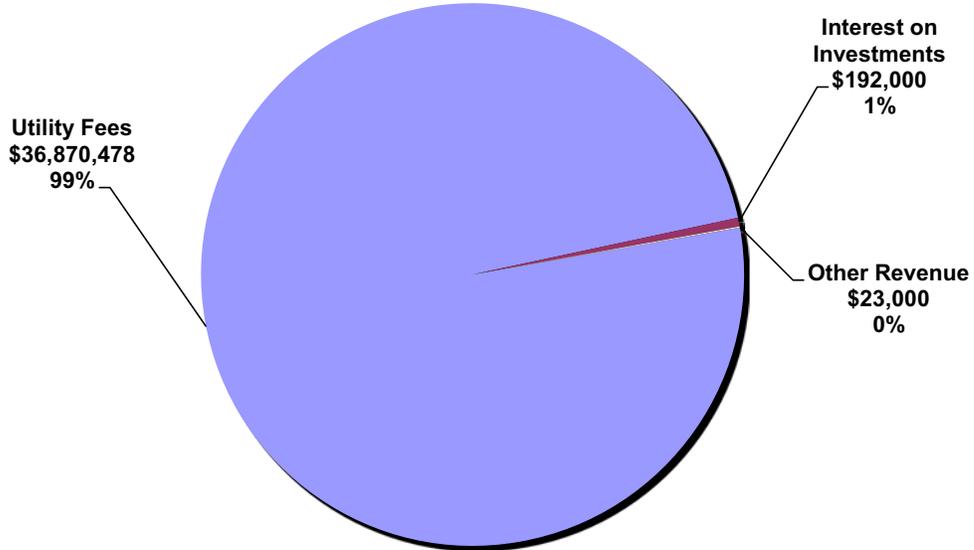
**COMPARISON OF STORMWATER UTILITY FUND
EXPENDITURES**

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	REVISED BUDGET FY2015	ADOPTED FY2016
Administration & Utility Overhead	\$8,961,474	\$4,898,929	\$3,603,503	\$3,832,811	\$2,288,315
Capital Delivery & Strategic Planning	5,802,986	6,474,527	7,793,918	9,097,090	10,250,838
Corporate Support			2,689,244	2,689,244	626,415
Customer Service, Billing & Public Outreach	441,913	291,199	583,956	583,956	1,351,252
Debt Service	13,759,946	9,539,387	10,598,334	10,598,334	9,351,018
Field Maintenance & Operations	7,834,576	7,728,347	8,564,721	9,736,440	8,123,966
Floodplain Management	1,672,558	1,993,219	2,177,906	2,577,906	2,764,781
SUBTOTAL EXPENSES	\$ 38,473,453	\$ 30,925,608	\$ 36,011,581	\$ 39,115,781	\$ 34,756,585
Contributions to Net Position	\$0	\$ 6,037,773	\$0	\$0	\$2,328,893
TOTAL EXPENSES	\$ 38,473,453	\$ 36,963,381	\$ 36,011,581	\$ 39,115,781	\$ 37,085,478



COMPARISON OF STORMWATER UTILITY FUND REVENUES

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	REVISED BUDGET FY2015	ADOPTED FY2016
Utility Fees	\$34,973,479	\$36,616,193	\$35,796,581	\$35,796,581	\$36,870,478
Interest on Investments	205,062	271,411	200,000	200,000	192,000
Salvage Sales Revenue	36,355	18,925	0	0	20,000
Miscellaneous	117,584	128,638	15,000	15,000	3,000
Unrealized Gain	128,167	(71,786)	0	0	0
SUBTOTAL REVENUE	\$35,460,647	\$36,963,381	\$36,011,581	\$36,011,581	\$37,085,478
Use of Net Position	\$3,012,806	\$0	\$0	\$3,104,200	\$0
TOTAL REVENUE	\$38,473,453	\$36,963,381	\$36,011,581	\$39,115,781	\$37,085,478



FUND BUDGET SUMMARY

DEPARTMENT:

TPW, STORMWATER UTILITY FUND

FUND/CENTER

52001/0209000:0209600

SUMMARY OF FUND RESPONSIBILITIES:

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 215,000 residential and non-residential customers in the City of Fort Worth. The Stormwater Management Division is responsible for managing the entire municipal storm drain system, including discharges to and from the municipal system.

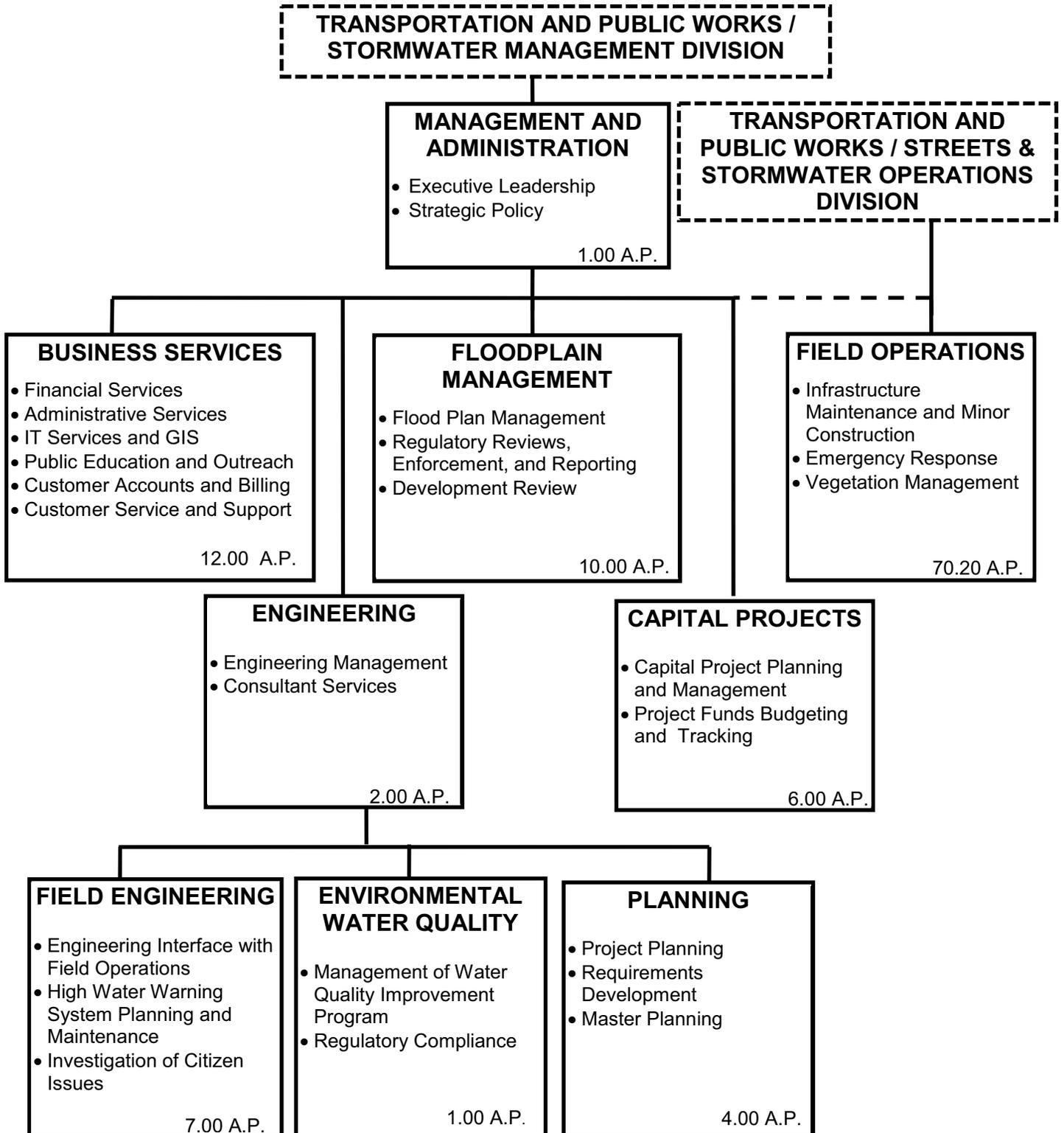
Stormwater Management is within two divisions of the Transportation and Public Works Department, formed around the recognized requirement for the City to develop and implement a cohesive, focused program to protect people and property from harmful stormwater runoff.

Stormwater Management is responsible for planning, constructing, operating and maintaining the city-owned storm system including conducting watershed studies to identify needed improvements, reviewing new development for compliance with stormwater plans and standards; cleaning open channels, catch basins, storm drains, and culverts; reestablishing vegetation following construction or due to flooding/erosion; performing repairs in response to system failures, aging and damages; and responding to storms and other emergencies.

The assessment of the stormwater infrastructure is an ongoing effort; however the current estimate for needed capital improvements to address known flooding problems is over \$1.5 billion. Stormwater projects are necessary to address life safety issues, mitigate flooding and erosion, and replace undersized and deteriorated stormwater infrastructure. Over \$340 million of this backlog involves areas of the city where chronic flooding has occurred and presents an urgent threat to life and property.

Allocations	Actual FY2014	Adopted FY2015	Proposed Budget FY2016	Adopted Budget FY2016
Personnel Services	\$ 4,759,664	\$ 5,626,442	\$ 5,876,451	\$ 5,876,451
Employee Benefits	\$ 2,993,401	\$ 2,493,670	\$ 2,300,366	\$ 2,300,366
Professional & Tech Svcs	\$ 6,017,943	\$ 5,911,066	\$ 1,927,910	\$ 1,927,910
Utilities Repairs & Rentals	\$ 1,011,873	\$ 2,820,066	\$ 2,812,562	\$ 2,812,562
Other Purchased Services	\$ 71,429	\$ 240,794	\$ 205,698	\$ 205,698
Supplies	\$ 978,408	\$ 1,191,056	\$ 715,594	\$ 715,594
Property/Capital Assets	\$ 1,221,786	\$ 964,500	\$ 0	\$ 0
Debt Service	\$ 289,389	\$ 795,658	\$ 799,569	\$ 10,150,587
Transfers and Others	\$ 13,581,715	\$ 15,968,329	\$ 22,447,328	\$ 13,096,310
Total Expenditures	\$ 30,925,608	\$ 36,011,581	\$ 37,085,478	\$ 37,085,478
Authorized Positions	113.00	113.00	113.20	113.20

STORMWATER UTILITY FUND – 113.20 A.P.



SIGNIFICANT BUDGET CHANGES

DEPARTMENT:	FUND/CENTER
STORMWATER UTILITY FUND	52001/0209000:0209600

CHANGES FROM FY2015 ADOPTED TO FY2016 ADOPTED

FY2015 ADOPTED:	\$36,011,581	A.P.	113.00
FY2016 ADOPTED:	\$37,085,478	A.P.	113.20

- A. The authorized budget increases by 0.20 authorized positions for the transfer of position from Transportation and Public Works General Fund. The transfer of the Sr. Management Analyst position will improve the department's ability to provide coordination of maintenance and operations between the Streets, Pavement Management and Stormwater Operation.
- B. The adopted budget increases by \$2,328,893 for contribution to net position to increase reserves for future capital projects.
- C. The adopted budget decreases by (\$1,106,419) based on the Debt service schedule.
- D. The adopted budget increases by \$229,816 to capture the salary and benefits cost adjustments for the proposed class and compensation study for regular employees effective first pay period in January 2016.
- E. The adopted budget increases by \$209,441 for payment in lieu of taxes to the General Fund.
- F. The adopted budget decreases by (\$169,372) for the elimination of the City's annual contribution to the PARS Trust fund for Other Post-Employment Benefits (OPEB) which includes the City's retiree healthcare and death related benefits.
- G. The adopted budget decreases by (\$126,570) based on less IT allocations related to lease computer equipment.

**DEPARTMENTAL SERVICE AREA PERFORMANCE REPORT
STORMWATER UTILITY FUND**

	FY2013	FY2014	FY2015 Estimated	FY2016 Projected
STORMWATER				
Strategically manage the City's drainage infrastructure				
<i>Substantially mitigate flood risk to private properties through capital projects</i>	60	50	42	50
<i>Protect motorist from road over-topping through capital projects</i>	N/A	35K ADT	21K ADT	25K ADT
Manage private development drainage plans				
<i>Average number of reviews to approve private drainage plans</i>	N/A	N/A	N/A	3.5
<i>Complete drainage reviews within 10 business days</i>	63%	79%	79%	80%
<i>Average customer satisfaction rating on private development review</i>	N/A	N/A	N/A	3.5
STORMWATER OPERATIONS				
To maintain drainage capacity and improve performance of inlets, channels and drainage ditches by maintaining them at their designed condition and capacity.				
<i>Drainage inlets inspected and cleaned</i>	7,165	7,250	7,500	7,500
<i>To respond quickly and appropriately to drainage issues brought to our attention by our customers by performing an initial site visit within 72 hours</i>	98%	98%	98%	98%

ADT= Average daily traffic allowed to travel without flooding risk

DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND 52001	STORMWATER UTILITY FUND	Actual Expenditures FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016	Adopted Budget FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016
Center	Center Description								
	<u>MANAGEMENT AND ADMIN</u>								
0209000	TPW GENERAL ADMIN- ISTRATION	\$ 4,898,929	\$ 6,292,747	\$ 2,288,315	\$ 2,288,315	4.00	4.00	4.00	4.00
0209001	TPW CUSTOMER SER- VICE	103,635	108,244	1,042,660	1,042,660	2.00	2.00	2.00	2.00
0209002	TPW PUBLIC OUT- REACH	187,564	475,712	308,592	308,592	1.00	1.00	1.00	1.00
0209003	TPW IT SERVICES	472,522	1,617,209	977,995	977,995	5.00	5.00	6.00	6.00
	Sub-Total	<u>\$ 5,662,650</u>	<u>\$ 8,493,912</u>	<u>\$ 4,617,562</u>	<u>\$ 4,617,562</u>	<u>12.00</u>	<u>12.00</u>	<u>13.00</u>	<u>13.00</u>
	<u>PLANNING AND ENGI- NEERING</u>								
0209201	TPW ENGINEERING	\$ 353,088	\$ 325,304	\$ 256,703	\$ 256,703	2.00	3.00	2.00	2.00
0209202	TPW PLANNING	2,861,322	1,989,680	425,851	425,851	4.00	4.00	4.00	4.00
0209203	TPW FIELD ENGINEER- ING	1,092,067	1,518,538	1,202,085	1,202,085	7.00	7.00	7.00	7.00
0209204	TPW GIS	197,774	0	0	0	0.00	0.00	0.00	0.00
0209205	TPW CAPITAL PROJ- ECTS	2,589,821	3,861,725	457,624	457,624	7.00	7.00	6.00	6.00
0209206	CONSULTANT SER- VICES	0	0	553,949	553,949	0.00	0.00	6.00	6.00

DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND 52001	STORMWATER UTILITY FUND	Actual Expenditures FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016	Adopted Budget FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016
Center	Center Description								
0209207	TPW FLOODPLAIN MAN- AGEMENT	1,986,914	2,056,412	464,707	464,707	9.00	9.00	4.00	4.00
0209208	TPW STRMWTR ENVI- RON QUALITY	6,305	121,494	121,125	121,125	2.00	1.00	1.00	1.00
	Sub-Total	<u>\$ 9,087,291</u>	<u>\$ 9,873,153</u>	<u>\$ 3,482,044</u>	<u>\$ 3,482,044</u>	<u>31.00</u>	<u>31.00</u>	<u>30.00</u>	<u>30.00</u>
	<u>OPERATION AND MAIN- TENANCE</u>								
0209301	TPW FIELD OPERA- TIONS	\$ 6,636,280	\$ 7,046,182	\$ 579,649	\$ 579,649	70.00	70.00	3.20	3.20
0209302	CHANNEL MAINTEN- ANCE SOUTH	0	0	1,851,797	1,851,797	0.00	0.00	22.00	22.00
0209303	SITE INVESTIGATION	0	0	1,144,494	1,144,494	0.00	0.00	15.00	15.00
0209304	INLET MAINTENANCE SOUTH	0	0	1,075,765	1,075,765	0.00	0.00	13.00	13.00
0209305	VEGETATION MAINTEN- ANCE SOUTH	0	0	1,186,882	1,186,882	0.00	0.00	17.00	17.00
	Sub-Total	<u>\$ 6,636,280</u>	<u>\$ 7,046,182</u>	<u>\$ 5,838,587</u>	<u>\$ 5,838,587</u>	<u>70.00</u>	<u>70.00</u>	<u>70.20</u>	<u>70.20</u>
	<u>NON DEPARTMENTAL</u>								
0209500	CORPORATE SUPPORT	\$ 0	\$ 0	\$ 13,796,267	\$ 13,796,267	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,796,267</u>	<u>\$ 13,796,267</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND 52001 STORMWATER UTILITY FUND		Actual Expenditures FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016	Adopted Budget FY2014	Adopted Budget FY2015	Proposed Budget FY2016	Adopted Budget FY2016
Center	Center Description								
	<u>DEBT SERVICE</u>								
0209600	TPW DEBT SERVICE	\$ 9,539,387	\$ 10,598,334	\$ 9,351,018	\$ 9,351,018	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 9,539,387</u>	<u>\$ 10,598,334</u>	<u>\$ 9,351,018</u>	<u>\$ 9,351,018</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL	\$ 30,925,608	\$ 36,011,581	\$ 37,085,478	\$ 37,085,478	113.00	113.00	113.20	113.20