

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.

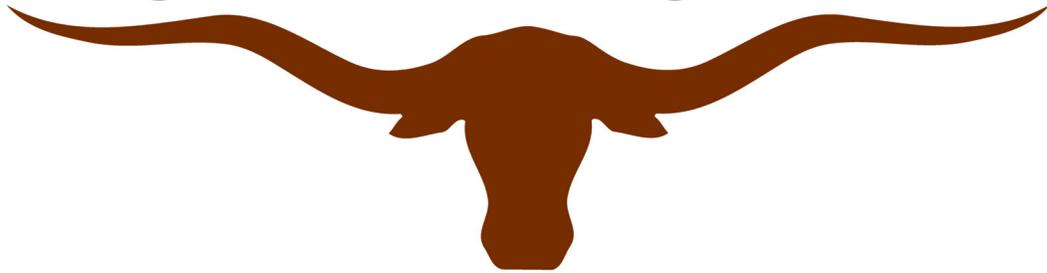
Fort Worth's Stormwater Utility Fund was established in 2006 to address runoff issues, reduce the risk of flooding in Fort Worth, preserve streams, minimize water pollution, and to more effectively operate the stormwater system in compliance with state and federal regulatory requirements. This is to 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 200,000 residential, commercial and industrial customers. It serves approximately 757,810 residents in Fort Worth. Stormwater management is a vital issue in Fort Worth, and staff has identified over \$1 billion of capital projects necessary to address life safety issues, flooding, and infrastructure damage.

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, was initiated January 1, 2012 and will not increase for the 2013 calendar year.

Operations are completely financed through fees for service. Additionally, major capital projects are funded by long-term debt 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.

FORT WORTH



**STORM WATER FUND BUDGET SUMMARY
FY2013**

REVENUES:

| | |
|-------------------------|---------------|
| Utility Fees | \$34,386,588 |
| Interest on Investments | 292,631 |
| Miscellaneous Revenues | <u>15,000</u> |

| | |
|----------------------|---------------------|
| TOTAL REVENUE | \$34,694,219 |
|----------------------|---------------------|

| | |
|-------------------------------|------------|
| Uses/(Source) of Fund Balance | <u>\$0</u> |
|-------------------------------|------------|

| | |
|------------------------------|---------------------|
| TOTAL REVENUE SOURCES | \$34,694,219 |
|------------------------------|---------------------|

EXPENDITURES:

| | |
|----------------------|-------------------|
| Personnel Services | \$7,645,188 |
| Supplies | 1,732,735 |
| Contractual Services | <u>14,851,901</u> |

| | |
|---------------------------------|---------------------|
| TOTAL RECURRING EXPENSES | \$24,229,824 |
|---------------------------------|---------------------|

DEBT SERVICE AND CAPITAL OUTLAY:

| | |
|----------------|------------------|
| Capital Outlay | \$1,085,990 |
| Debt Service | <u>9,378,405</u> |

| | |
|--|---------------------|
| TOTAL DEBT SERVICE AND CAPITAL OUTLAY | \$10,464,395 |
|--|---------------------|

| | |
|---------------------------|---------------------|
| TOTAL EXPENDITURES | \$34,694,219 |
|---------------------------|---------------------|

**PROJECTED
FY2013 CASHFLOW
STORMWATER UTILITY FUND**

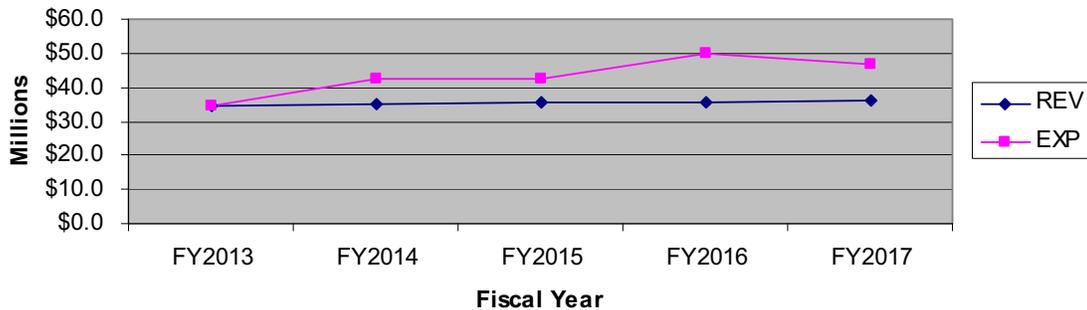
| | |
|--|---------------------|
| Cash Balance as of 9/30/12* | \$17,634,335 |
| Plus: Projected Revenues | \$34,694,219 |
| Less: Projected Expenditures | (\$34,694,219) |
| Estimated Available Cash as of 9/30/13 | \$17,634,335 |

* Preliminary balance due to pending audit of actual cash balances

**STORMWATER UTILITY FUND FIVE YEAR FORECAST
FISCAL YEAR 2013 THROUGH 2017**

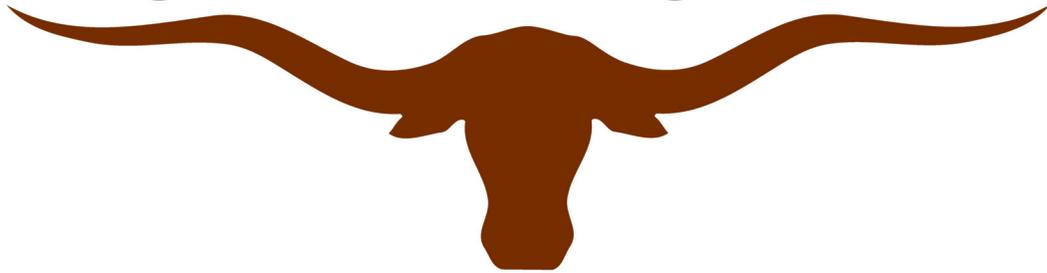
| | FY2013 Adopted | FY2014 Projected | FY2015 Projected | FY2016 Projected | FY2017 Projected |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Cash Balance | \$17,634,335 | \$17,634,335 | \$10,371,055 | \$3,330,113 | (\$10,702,189) |
| Revenues* | | | | | |
| Interest | \$292,631 | \$231,178 | \$231,178 | \$231,178 | \$231,178 |
| Utility Income | \$34,386,588 | \$34,730,454 | \$35,077,758 | \$35,428,536 | \$35,782,821 |
| Other Revenue | \$15,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Total Revenue | \$34,694,219 | \$34,971,632 | \$35,318,936 | \$35,669,714 | \$36,023,999 |
| Total Resources | \$52,328,554 | \$52,605,967 | \$45,689,991 | \$38,999,827 | \$25,321,810 |
| Expenditures | | | | | |
| Personnel Services | \$7,645,188 | \$7,829,379 | \$8,023,359 | \$8,225,715 | \$8,474,191 |
| Supplies | \$1,732,735 | \$1,776,053 | \$1,829,335 | \$1,884,215 | \$1,940,741 |
| Contractual | \$14,851,901 | \$15,475,681 | \$16,125,659 | \$16,802,937 | \$17,508,660 |
| Capital | \$1,085,990 | \$750,000 | \$750,000 | \$750,000 | \$750,000 |
| Debt Service | \$9,378,405 | \$16,403,799 | \$15,631,525 | \$22,039,149 | \$18,047,705 |
| Total Expenditures | \$34,694,219 | \$42,234,912 | \$42,359,878 | \$49,702,016 | \$46,721,298 |
| Projected Variance | \$0 | (\$7,263,280) | (\$7,040,942) | (\$14,032,302) | (\$10,697,298) |
| Projected Cash Balance | \$17,634,335 | \$10,371,055 | \$3,330,113 | (\$10,702,189) | (\$21,399,487) |
| Reserve Requirement (20%) | \$4,845,965 | \$5,016,223 | \$5,195,671 | \$5,382,573 | \$5,584,719 |
| Excess/(Deficit) | \$12,788,370 | \$5,354,832 | (\$1,865,558) | (\$16,084,762) | (\$26,984,206) |

**STORMWATER UTILITY FUND
PROJECTED REVENUES AND EXPENDITURES**



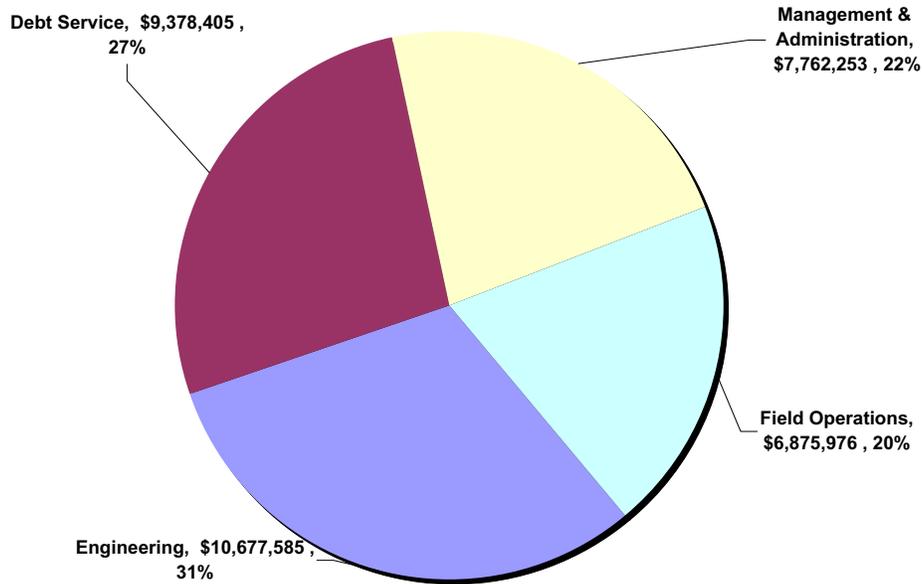
* This model reflects anticipated future bond sales and does **not** reflect any rate increases for the next five years.

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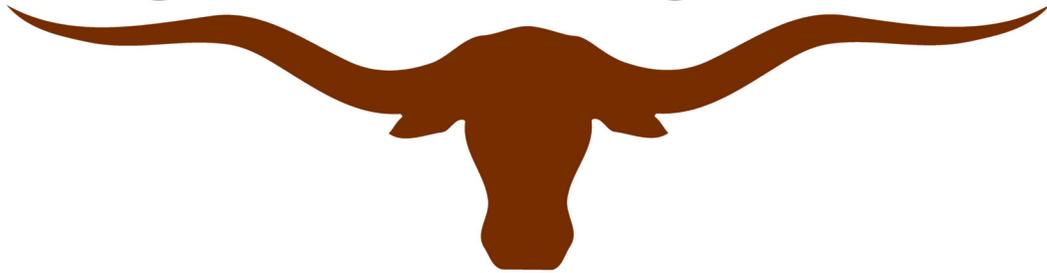


**COMPARISON OF STORMWATER UTILITY FUND
EXPENDITURES**

| | ACTUAL FY2010 | ACTUAL FY2011 | BUDGET FY2012 | REVISED BUDGET FY2012 | RE-ESTIMATE FY2012 | ADOPTED FY2013 |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-------------------------------|---------------------------|
| Engineering | \$10,011,805 | \$11,055,308 | \$7,492,371 | \$9,487,627 | \$4,953,163 | \$10,677,585 |
| Debt Service | 6,416,106 | 3,956,909 | 10,608,956 | 10,608,956 | 9,375,224 | 9,378,405 |
| Management & Administration | 7,621,114 | 11,223,998 | 6,001,969 | 13,565,924 | 13,565,924 | 7,762,253 |
| Field Operations | <u>6,023,402</u> | <u>5,970,046</u> | <u>7,351,423</u> | <u>7,714,420</u> | <u>6,014,420</u> | <u>6,875,976</u> |
| TOTAL | \$30,072,427 | \$32,206,261 | \$31,454,719 | \$41,376,927 | \$33,908,731 | \$34,694,219 |

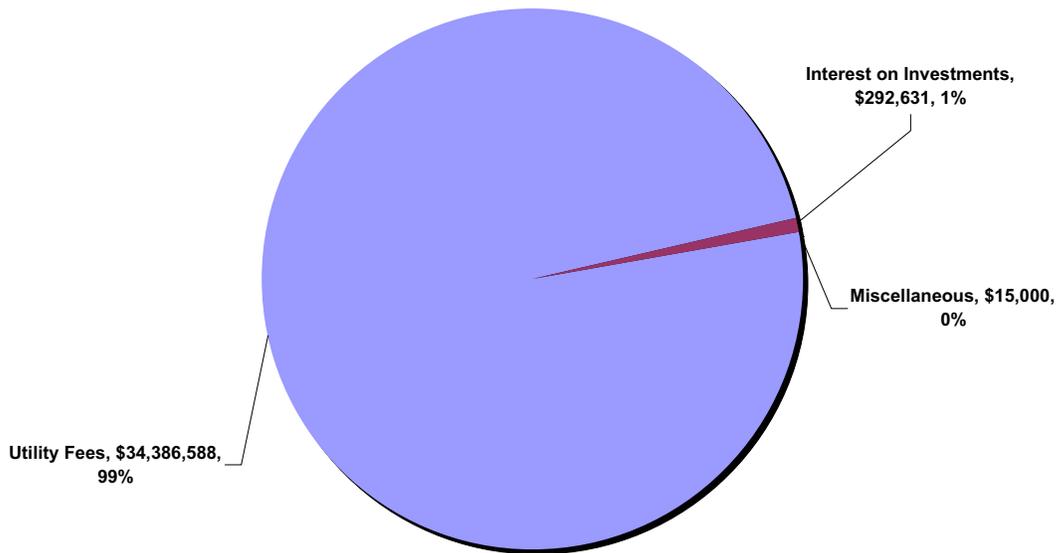


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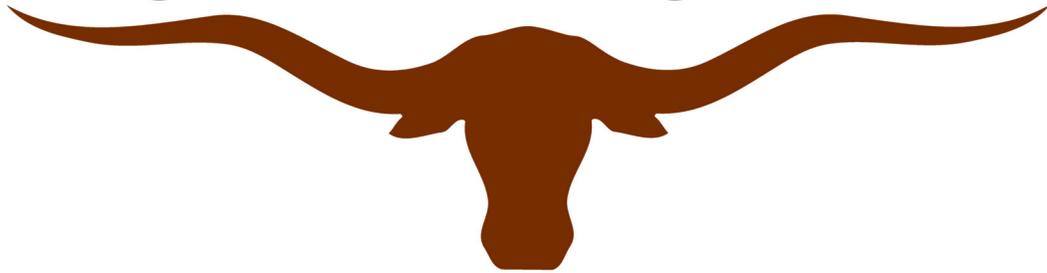


COMPARISON OF STORMWATER UTILITY FUND REVENUES

| | ACTUAL FY2010 | ACTUAL FY2011 | BUDGET FY2012 | REVISED BUDGET FY2012 | RE-ESTIMATE FY2012 | ADOPTED FY2013 |
|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-------------------------------|---------------------------|
| Utility Fees | \$26,529,913 | \$29,397,392 | \$31,189,719 | \$31,189,719 | \$31,189,719 | \$34,386,588 |
| Interest on Investments | 291,323 | 290,952 | 250,000 | 250,000 | 323,000 | 292,631 |
| Miscellaneous | 47,895 | 71,450 | 15,000 | 15,000 | 103,804 | 15,000 |
| Unrealized Gain | <u>11,460</u> | <u>90,432</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | \$26,880,591 | \$29,850,226 | \$31,454,719 | \$31,454,719 | \$31,616,523 | \$34,694,219 |



FORT WORTH



FUND BUDGET SUMMARY**DEPARTMENT:**

T/PW, STORMWATER UTILITY FUND

FUND/CENTER

PE69/0209000:0209600

SUMMARY OF FUND RESPONSIBILITIES:

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 200,000 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.

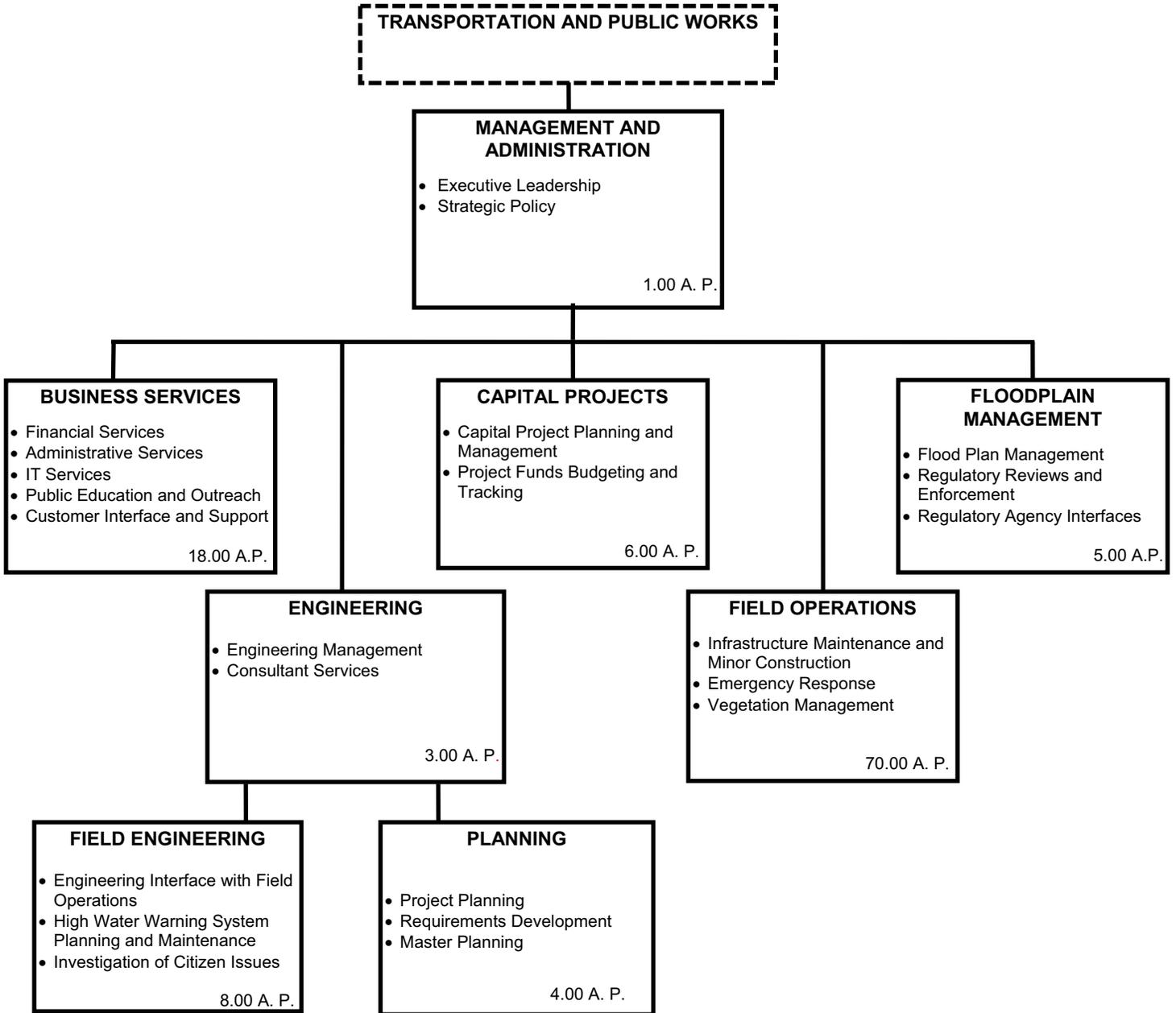
Stormwater Management is a division within the Transportation and Public Works Department, formed around the recognized requirement for the City to develop and implement a cohesive, focused program to protect people and property from harmful stormwater runoff.

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 projects to address life safety issues, flooding and infrastructure protection is over \$1.0 billion.

| Allocations | Actual FY2011 | Adopted FY2012 | Proposed Budget FY2013 | Adopted Budget FY2013 |
|-----------------------------|--------------------------|---------------------------|-----------------------------------|----------------------------------|
| Personnel Services | \$ 7,859,813 | \$ 7,025,348 | \$ 7,645,188 | \$ 7,645,188 |
| Supplies | 1,392,702 | 1,565,694 | 1,732,735 | 1,732,735 |
| Contractual | 18,686,311 | 10,870,721 | 14,851,901 | 14,851,901 |
| Capital Outlay | 321,916 | 1,384,000 | 1,085,990 | 1,085,990 |
| Debt Service | 3,945,519 | 10,608,956 | 9,378,405 | 9,378,405 |
| Total Expenditures | \$ 32,206,261 | \$ 31,454,719 | \$ 34,694,219 | \$ 34,694,219 |
| Authorized Positions | 102.75 | 105.00 | 115.00 | 115.00 |

STORMWATER UTILITY FUND - 115.00 A. P.



SIGNIFICANT BUDGET CHANGES

| | |
|-------------------------|----------------------|
| DEPARTMENT: | FUND/CENTER |
| STORMWATER UTILITY FUND | PE69/0209000:0209600 |

CHANGES FROM FY2012 ADOPTED TO FY2013 ADOPTED

| | | | |
|------------------------|--------------|-------------|--------|
| FY2012 ADOPTED: | \$31,454,719 | A.P. | 105.00 |
| FY2013 ADOPTED: | \$34,694,219 | A.P. | 115.00 |

A) The adopted budget increases by \$659,411 and 10.0 authorized positions for the transfer of one Professional Engineer from the Capital Projects Fund, the addition of the following: two Senior Professional Engineers, one Senior Engineering Technician, one Professional Engineer, one IT Programmer Analyst II, and the conversion of the following: two overage Senior Professional Engineers, one overage Senior Administrative Assistant and one overage Graduate Engineer to permanent status. The addition of these positions will improve the Department's ability to complete complex stormwater design, study and engineering projects in a more cost effective manner than hiring outside consultants and professionals at higher rates.

B) The adopted budget increases by \$2,510,055 for transfers to the Stormwater Capital Projects Fund. This increase will improve the Department's ability to execute stormwater infrastructure projects.

C) The adopted budget increases by \$1,701,000 in contractual services mainly for new initiatives including the Flood Warning Study, an audit of stormwater billing, the Condition Assessment Program, the Stormwater Billing Tools update, locating and mapping easements, the CCTV Software and the GPS Survey of Assets.

D) The adopted budget decreases by (\$785,449) for consultants and professional services due to the completed implementation of the Work Order Asset Management System.

E) The adopted budget decreases by (\$298,010) for vehicles based on the approved FY2013 vehicle replacement plan.

F) The adopted budget increases by \$158,738 for street rental fees paid to the General Fund as a result of increased utility revenues.

G) The adopted budget decreases by (\$126,000) in overtime cost based on historical usage.

H) The adopted budget increases by \$103,625 for payment in lieu of taxes (PILOT) to the General Fund.

I) The adopted budget increases by \$100,835 for information technology supplies to implement the mobile field units for the Work Order Asset Management System.

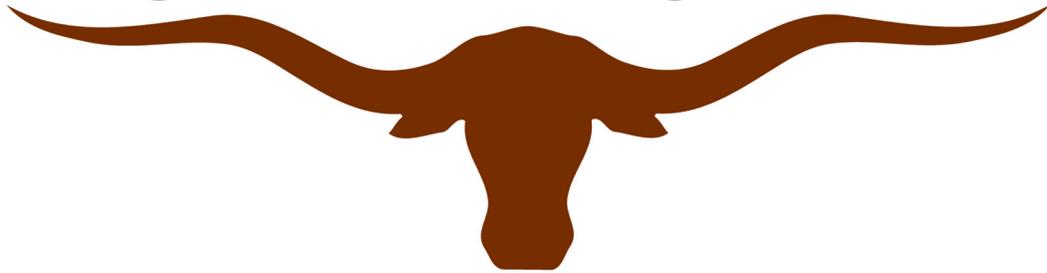
J) The adopted budget increases by \$99,400 for Equipment Services Department (ESD) Outside Repairs, Parts, Labor and Fuel based on ESD projected expenditure in this department for FY2013.

K) The adopted budget increases by \$84,686 for the continuation of the contribution to the retiree healthcare other post employment benefits (OPEB).

L) The adopted budget increases by \$82,464 for group health based on plan migration, turnover and an 8% increase in the City's contribution to group health.

M) The adopted budget increased by \$73,886 for facility rentals office space occupied on the 3rd and 5th floors of the Gordon Swift Building.

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DEPARTMENTAL OBJECTIVES AND MEASURES

DEPARTMENT:
STORMWATER UTILITY FUND

DEPARTMENT PURPOSE

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to residential and non-residential customers in the City of Fort Worth. Stormwater Management is a division within the Transportation and Public Works Department, formed around the recognized requirement for the City to develop and implement a cohesive, focused program to reduce the harmful effects of stormwater runoff.

FY2013 DEPARTMENTAL OBJECTIVES

Complete Phase V of the GIS infrastructure mapping and condition assessment initiative.

Maintain an aggressive capital program.

Protect people and property at low water crossings.

Improve performance and maintainability of drainage channels.

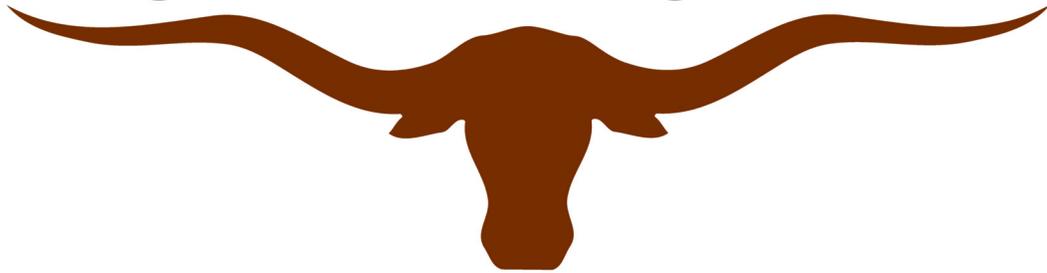
Inspect 25% of inlets and clean as needed.

Achieve formal participation in FEMA's Community Rating System (CRS).

Acquire and implement a commercial, off-the-shelf Work Order and Asset Management System to permit comprehensive tracking, costing and managing of maintenance and repair activities, as well as strategic asset, risk and budget management through full asset lifecycle forecasting

| DEPARTMENTAL MEASURES | ACTUAL FY2011 | ESTIMATED FY2012 | PROJECTED FY2013 |
|--|--------------------------|-----------------------------|-----------------------------|
| Install new high water warning system | 0 | 6 | 24 |
| Awarded value of design, study, and construction contracts | \$20M | \$25M | \$40M |
| In-house channel maintenance | 6 Miles | 7 Miles | 8 Miles |
| Inlets inspected and cleaned | 6,780 | 7,000 | 7,000 |

FORT WORTH



DEPARTMENTAL SUMMARY BY CENTER

| DEPARTMENT TRANSPORTATION & PUBLIC WKS | | ALLOCATIONS | | | | AUTHORIZED POSITIONS | | | |
|---|---------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| FUND PE69 STORMWATER UTILITY FUND | | Actual Expenditures FY2011 | Adopted Budget FY2012 | Proposed Budget FY2013 | Adopted Budget FY2013 | Adopted Budget FY2011 | Adopted Budget FY2012 | Proposed Budget FY2013 | Adopted Budget FY2013 |
| Center | Center Description | | | | | | | | |
| | <u>STREET SERVICES</u> | | | | | | | | |
| 0208005 | SOUTHEAST ROUTINE MAINTENANCE | \$ 15,750 | \$ 0 | \$ 0 | \$ 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub-Total | \$ 15,750 | \$ 0 | \$ 0 | \$ 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <u>MANAGEMENT AND ADMIN</u> | | | | | | | | |
| 0209000 | GENERAL ADMINISTRATION | \$ 10,539,267 | \$ 5,139,748 | \$ 5,527,310 | \$ 5,527,310 | 4.00 | 4.00 | 4.00 | 4.00 |
| 0209001 | CUSTOMER SERVICE | 412,665 | 449,831 | 456,060 | 456,060 | 8.00 | 8.00 | 8.00 | 8.00 |
| 0209002 | PUBLIC OUTREACH | 255,192 | 412,390 | 483,064 | 483,064 | 0.00 | 1.00 | 1.00 | 1.00 |
| 0209003 | IT SERVICES | 0 | 0 | 1,295,819 | 1,295,819 | 0.00 | 0.00 | 1.00 | 1.00 |
| | Sub-Total | \$ 11,207,124 | \$ 6,001,969 | \$ 7,762,253 | \$ 7,762,253 | 12.00 | 13.00 | 14.00 | 14.00 |
| | <u>CUSTOMER SERVICE</u> | | | | | | | | |
| 0209101 | SERVICE REQUESTS | \$ 1,118 | \$ 0 | \$ 0 | \$ 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0209102 | PUBLIC OUTREACH | 6 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub-Total | \$ 1,124 | \$ 0 | \$ 0 | \$ 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <u>PLANNING AND ENGINEERING</u> | | | | | | | | |
| 0209201 | ENGINEERING | \$ 711,232 | \$ 256,514 | \$ 368,686 | \$ 368,686 | 2.00 | 2.00 | 3.00 | 3.00 |

DEPARTMENTAL SUMMARY BY CENTER

| DEPARTMENT TRANSPORTATION & PUBLIC WKS | | ALLOCATIONS | | | | AUTHORIZED POSITIONS | | | |
|---|----------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| FUND PE69 STORMWATER UTILITY FUND | | Actual Expenditures FY2011 | Adopted Budget FY2012 | Proposed Budget FY2013 | Adopted Budget FY2013 | Adopted Budget FY2011 | Adopted Budget FY2012 | Proposed Budget FY2013 | Adopted Budget FY2013 |
| Center | Center Description | | | | | | | | |
| 0209202 | PLANNING | 2,833,475 | 2,249,904 | 3,410,832 | 3,410,832 | 2.00 | 2.00 | 4.00 | 4.00 |
| 0209203 | FIELD ENGINEERING | 3,943,364 | 1,336,905 | 1,322,736 | 1,322,736 | 8.00 | 8.00 | 8.00 | 8.00 |
| 0209204 | GIS | 2,624,967 | 2,629,599 | 322,932 | 322,932 | 3.00 | 4.00 | 4.00 | 4.00 |
| 0209205 | CAPITAL PROJECTS | 193,185 | 190,107 | 3,520,088 | 3,520,088 | 2.00 | 2.00 | 7.00 | 7.00 |
| 0209206 | CONSULTANT SERVICES | 216 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0209207 | FLOODPLAIN MANAGEMENT | 748,869 | 829,342 | 1,732,311 | 1,732,311 | 3.75 | 4.00 | 5.00 | 5.00 |
| | Sub-Total | <u>\$ 11,055,308</u> | <u>\$ 7,492,371</u> | <u>\$ 10,677,585</u> | <u>\$ 10,677,585</u> | <u>20.75</u> | <u>22.00</u> | <u>31.00</u> | <u>31.00</u> |
| | <u>OPERATION AND MAINTENANCE</u> | | | | | | | | |
| 0209301 | FIELD OPERATIONS | \$ 5,970,046 | \$ 7,351,423 | \$ 6,875,976 | \$ 6,875,976 | 70.00 | 70.00 | 70.00 | 70.00 |
| | Sub-Total | <u>\$ 5,970,046</u> | <u>\$ 7,351,423</u> | <u>\$ 6,875,976</u> | <u>\$ 6,875,976</u> | <u>70.00</u> | <u>70.00</u> | <u>70.00</u> | <u>70.00</u> |
| | <u>DEBT SERVICE</u> | | | | | | | | |
| 0209600 | DEBT SERVICE | \$ 3,956,909 | \$ 10,608,956 | \$ 9,378,405 | \$ 9,378,405 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub-Total | <u>\$ 3,956,909</u> | <u>\$ 10,608,956</u> | <u>\$ 9,378,405</u> | <u>\$ 9,378,405</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| | TOTAL | \$ 32,206,261 | \$ 31,454,719 | \$ 34,694,219 | \$ 34,694,219 | 102.75 | 105.00 | 115.00 | 115.00 |