

FUND STATEMENT**FUND:****STORM WATER UTILITY FUND**

Storm Water is the rainfall runoff that comes from impervious surfaces, such as parking lots and rooftops, and flows into our streams and rivers via storm drains and drainage system infrastructure. In addition to adding pollutants to storm water, 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.

Texas cities are empowered to establish storm water utilities and adopt a storm water service fee under section 402 of the Texas Administrative Codes. Storm Water utility fees have been adopted in hundreds of communities nationally to pay for storm water management programs and to fund specific storm water functions and facilities.

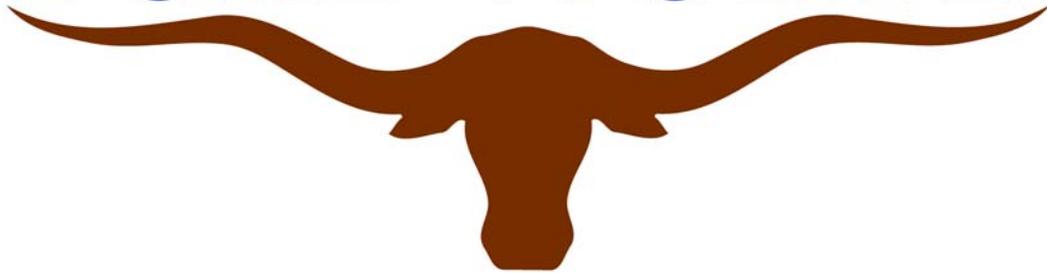
Fort Worth's Storm Water Utility Fund was established in 2006 to address runoff issues, reduce the risk of flooding in Fort Worth, preserve streams, minimize water pollution, and to more effectively operate the storm water system in compliance with state and federal regulatory requirements. This is to 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 Storm Water Utility Fund is an Enterprise Fund with the responsibility for providing storm water management to approximately 200,000 residential, commercial and industrial customers. It serves approximately 720,000 residents in Fort Worth. Storm Water management is a vital issue in Fort Worth, and staff has identified approximately \$1 billion of capital projects necessary to address life safety issues, flooding, and infrastructure damage.

The Storm Water utility rates are structured based on impervious surface area as the measure of each property's contribution to storm water runoff, and the applicable fee is billed monthly. Impervious surface is quantified into an Equivalent Residential Unit (ERU) and, for FY2010, the City's "per ERU rate" increases by \$1.00/month, from \$3.75 to \$4.75, effective January 1, 2010.

Operations are completely financed through fees for services. 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
FISCAL YEAR
2010**

REVENUES:

Utility Fees	25,378,028
Interest on Investments	\$300,000
Litigation Settlements	<u>15,000</u>

TOTAL REVENUE	\$25,693,028
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Uses/(Source) of Fund Balance	<u>\$0</u>
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TOTAL REVENUE SOURCES	<u>\$25,693,028</u>
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EXPENDITURES:

Personal Services	\$6,584,745
Supplies	2,140,631
Contractual Services	<u>10,211,164</u>

TOTAL RECURRING EXPENSES	\$18,936,540
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DEBT SERVICE AND CAPITAL OUTLAY:

Capital Outlay	\$1,049,500
Debt Service	<u>5,706,988</u>

TOTAL DEBT SERVICE AND CAPITAL OUTLAY	\$6,756,488
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TOTAL EXPENDITURES	\$25,693,028
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FORT WORTH



**PROJECTED
FY2009-10 CASHFLOW
STORMWATER UTILITY FUND**

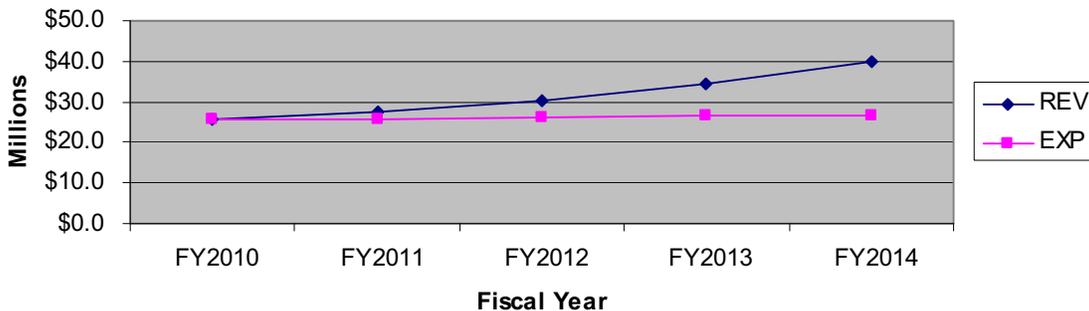
Cash Balance as of 9/30/09*	\$15,192,960
Plus: Projected Revenues	\$25,693,028
Less: Projected Expenditures	(\$25,693,028)
Estimated Available Cash as of 9/30/10	\$15,192,960

* Preliminary balance due to pending audit of actual cash balances

**STORMWATER UTILITY FUND FIVE YEAR FORECAST
FISCAL YEAR 2010 THROUGH 2014**

	FY2009-10 Adopted	FY2010-11 Projected	FY2011-12 Projected	FY2012-13 Projected	FY2013-14 Projected
Beginning Cash Balance	\$15,192,960	\$10,455,728	\$11,952,959	\$16,188,919	\$24,227,972
Revenues*					
Interest	\$300,000	\$303,000	\$306,030	\$309,090	\$312,181
Utility Income	\$25,378,028	\$27,164,983	\$30,188,874	\$34,248,252	\$39,538,706
Other Revenue	\$15,000	\$15,150	\$15,302	\$15,455	\$15,609
Total Revenue	\$25,693,028	\$27,483,133	\$30,510,206	\$34,572,797	\$39,866,496
Total Resources	\$36,148,756	\$37,938,861	\$42,463,165	\$50,761,716	\$64,094,468
Expenditures					
Personnel Services	\$6,584,745	\$6,686,536	\$6,781,886	\$6,846,461	\$6,915,169
Supplies	\$2,140,631	\$2,162,037	\$2,183,658	\$2,205,494	\$2,227,549
Contractual	\$10,211,164	\$10,313,276	\$10,416,408	\$10,520,572	\$10,625,778
Capital	\$1,049,500	\$1,059,995	\$1,070,595	\$1,081,301	\$1,092,114
Debt Service	\$5,706,988	\$5,764,058	\$5,821,698	\$5,879,915	\$5,938,715
Total Expenditures	\$25,693,028	\$25,985,902	\$26,274,245	\$26,533,744	\$26,799,325
Projected Variance	\$0	\$1,497,231	\$4,235,960	\$8,039,053	\$13,067,171
Projected Cash Balance	\$10,455,728	\$11,952,959	\$16,188,919	\$24,227,972	\$37,295,143
Reserve Requirement (20%)	\$3,997,208	\$4,044,369	\$4,090,509	\$4,130,766	\$4,172,122
Excess/(Deficit)	\$6,458,520	\$7,908,590	\$12,098,410	\$20,097,206	\$33,123,021

**STORMWATER UTILITY FUND
PROJECTED REVENUES AND EXPENDITURES**



* This model does **not** reflect any rate increases for the next five years.

**COMPARISON OF STORMWATER UTILITY FUND
EXPENDITURES**

	ACTUAL 2006-07	ACTUAL 2007-08	BUDGET 2008-09	RE-ESTIMATE 2008-09	ADOPTED 2009-10
Management & Administration	\$0	\$2,561,095	\$2,885,104	\$2,862,005	\$2,758,515
Customer Service	0	507,811	0	0	0
Engineering	0	2,628,599	6,608,122	6,555,217	8,419,395
Field Operations	0	9,511,460	8,156,238	8,090,938	8,808,130
Debt Service	<u>0</u>	<u>1,912,827</u>	<u>1,678,100</u>	<u>1,664,665</u>	<u>5,706,988</u>
TOTAL	\$0	\$17,121,792	\$19,327,564	\$19,172,825	\$25,693,028

FORT WORTH



**COMPARISON OF STORMWATER UTILITY FUND
REVENUES**

	ACTUAL 2006-07	ACTUAL 2007-08	BUDGET 2008-09	RE-ESTIMATE 2008-09	ADOPTED 2009-10
Utility Fees	\$0	\$17,753,576	\$20,046,922	\$19,390,614	\$25,378,028
Interest on Investments	0	534,409	200,000	388,505	300,000
Unrealized Gain	0	59,506	0	135,826	0
Intra-Fund Transfer	0	0	0	1,500,000	0
Miscellaneous	<u>0</u>	<u>84,826</u>	<u>1,000</u>	<u>18,222</u>	<u>15,000</u>
TOTAL	\$0	\$18,432,317	\$20,247,922	\$21,433,167	\$25,693,028

FORT WORTH



FUND BUDGET SUMMARY

DEPARTMENT:	FUND/CENTER
T/PW, STORM WATER UTILITY FUND	PE69/0209000:0209600

SUMMARY OF FUND RESPONSIBILITIES:

The Storm Water Utility Fund is an Enterprise Fund with the responsibility for providing Storm Water management to approximately 200,000 residential and non-residential customers in the City of Fort Worth. The Storm Water Management Division is responsible for managing the entire municipal storm drain system, including discharges to and from the municipal system.

Storm Water Management is 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 flooding, protect lives and property, and ensure storm water runoff water quality.*

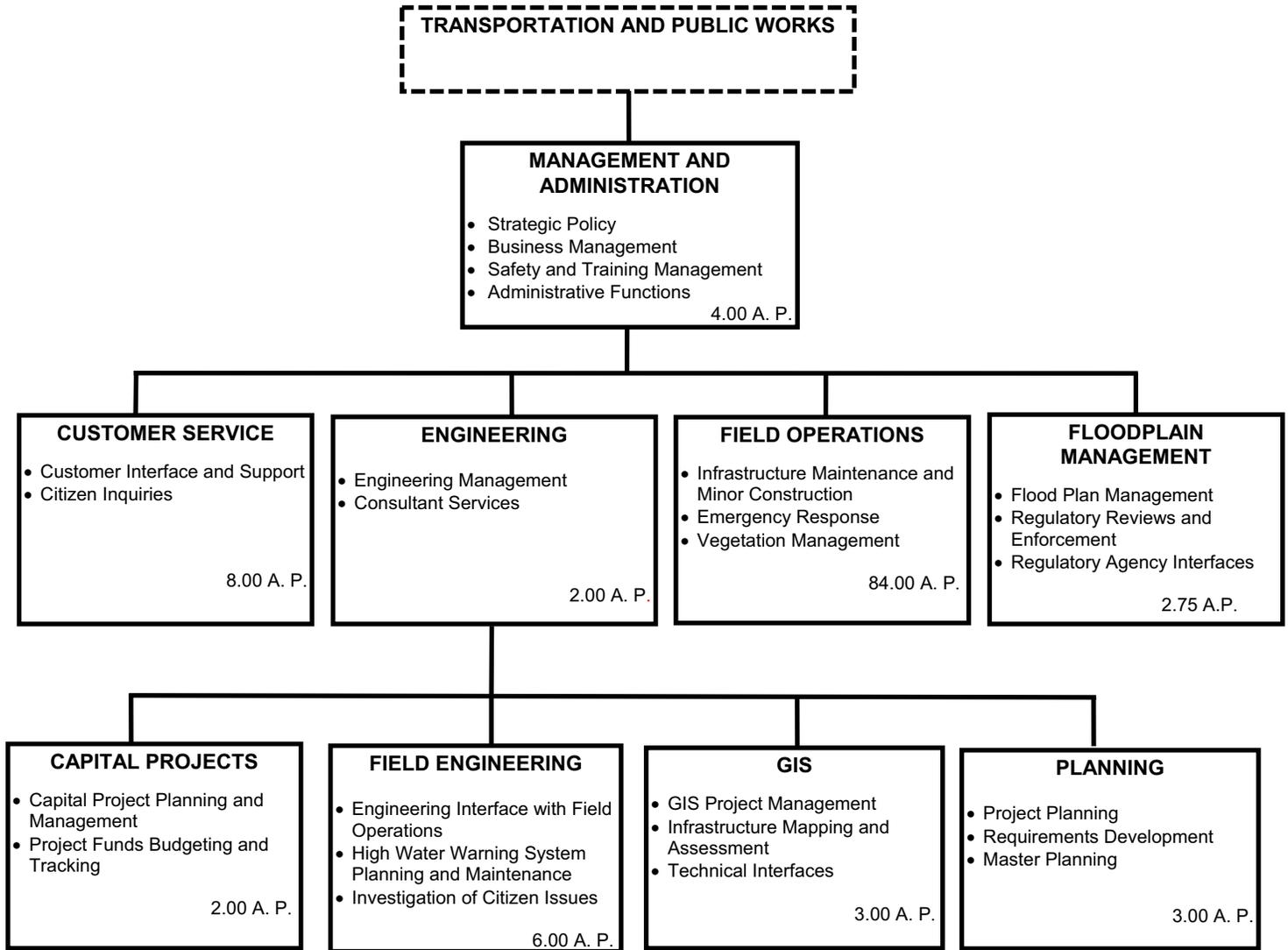
Storm Water Management is responsible for planning, constructing, operating and maintaining the city-owned storm system including:

- Conducting watershed studies to identify needed improvements
- Reviewing new development for compliance with storm water plans and standards
- Cleaning open channels, catch basins, storm drains, and culverts
- Reestablishing vegetation following construction or due to flooding/erosion
- Performing minor repairs in response to system failures, aging and damages
- Responding to storms and other emergencies.

The assessment of the Storm Water infrastructure is an ongoing effort; however the current estimate for projects to address life safety issues, flooding and infrastructure protection is approximately \$1.0 billion.

Allocations	Actual FY2008	Adopted FY2009	Proposed Budget FY2010	Adopted Budget FY2010
Personnel Services	\$ 4,251,106	\$ 6,127,987	\$ 6,584,744	\$ 6,584,744
Supplies	1,079,806	2,804,312	2,140,632	2,140,632
Contractual	5,254,182	8,132,855	10,211,164	10,211,164
Capital Outlay	4,623,861	584,310	1,049,500	1,049,500
Debt Service	1,912,837	1,678,100	5,706,988	5,706,988
Total Expenditures	\$ 17,121,792	\$ 19,327,564	\$ 25,693,028	\$ 25,693,028
Authorized Positions	75.00	112.75	114.75	114.75

STORM WATER UTILITY FUND - 114.75 A. P.



SIGNIFICANT BUDGET CHANGES

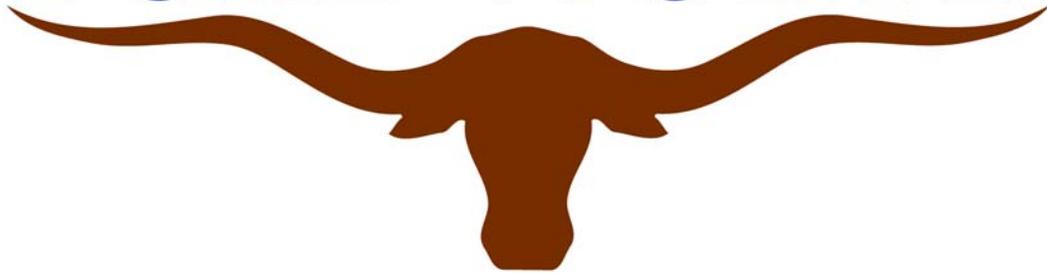
DEPARTMENT: STORM WATER UTILITY FUND	FUND/CENTER PE69/0209000:0209600
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CHANGES FROM 2008-09 ADOPTED TO 2009-10 ADOPTED

2008-09 ADOPTED:	\$19,327,564	A.P.	112.75
2009-10 ADOPTED:	\$25,693,028	A.P.	114.75

- A) The adopted budget increases by \$76,190 for Floodplain Management with one authorized position. In order to begin a Map Revision and Floodplain Development Permit inspection program, in addition to numerous other related reports and projects, this position is necessary.
- B) The adopted budget increases by \$49,624 for administrative support of one authorized position in the Capital Projects Program. This position would provide administrative support for the Storm Water Capital Projects Program. It is anticipated that in FY2010, 64 projects will be active at an estimated cost of \$175M.
- C) The adopted budget increases by \$4,028,888 for principal, interest and handling charges necessary to service the debt associated with the Series 2009 Revenue Bonds to be sold in the fall of 2009. The bonds will be the second two-year increment of Storm Water Utility revenue bonds to be sold, and will fund drainage related capital projects throughout the City in the years 2010 and 2011.
- D) The adopted budget increases by \$1,400,000 for consultants and professional services associated with the major GIS infrastructure assessment and mapping contract currently underway. FY10 is year two of this projected four year effort, and was approved by Council action in September, 2008.
- E) The adopted budget increases by \$665,696 for other contractual services primarily related to the introduction of a new channel mowing contract. Other significant contractual working relationships in the adopted budget include multiple watershed studies, minor drainage system construction and infrastructure rehabilitation, high-water crossing warning system (flashers/signs) maintenance, vegetation management (herbicide) work, tree removal and stump grinding.
- F) The adopted budget increases by \$562,377 for Street Rental fees to be paid as a transfer to the General Fund. These fees are charged at 5% of utility revenue.
- G) The adopted budget increases by \$465,190 for replacement vehicles. This increase is for replacement vehicles only and adds no new or additional vehicles to the Utility's fleet.
- H) The adopted budget increases by \$305,600 for rental of field equipment associated with the increased infrastructure maintenance, repair and minor construction.
- I) The adopted budget decreases by (\$265,626) for the implementation of eight mandatory furlough days city wide. Staff will not work on those specific days and will not be paid.
- J) The adopted budget increases by \$191,312 for an additional contribution to Retiree Healthcare costs.
- K) The adopted budget increases by \$88,669 due to a 2% increase in the City's contribution to the employee retirement fund.

FORT WORTH



DEPARTMENTAL OBJECTIVES AND MEASURES

DEPARTMENT:
STORM WATER UTILITY FUND

DEPARTMENT PURPOSE

The Storm Water Utility Fund is an Enterprise Fund with the responsibility for providing Storm Water management to residential and non-residential customers in the City of Fort Worth. Storm Water 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 flooding, protect lives and property, and ensure storm water runoff water quality.

FY2009-10 DEPARTMENTAL OBJECTIVES

Execute effective planning, construction, and maintenance programs to reduce the threat of flooding to citizens and visitors to the City

Update one-year and five-year budgets; implement internal capital project financing program

Expedite capital project design and construction

Continue an aggressive and well-structured channel maintenance and vegetation program

Implement a three-year plan for acquiring detailed GIS inventory and condition assessment

Complete studies and continue installation of High Water Warning Systems

Continuously improve the scheduled and unscheduled maintenance program

Continuously update customer billing database so that it is current and accurate

Continue aggressive public outreach program to ensure citizens are aware of the activities and benefits of the Storm Water Management program

Continuously improve the Citizen Response Tracking System to document and track incoming issues

Produce the Storm Water Program annual report card

DEPARTMENTAL MEASURES	ACTUAL FY2008	ESTIMATED FY2009	PROJECTED FY2010
Install new High Water Warning System	0	5	25
Awarded value of design, study, and construction contracts	\$10M	\$12.5M	\$20M
In-House Channel Maintenance and construction	7 Miles	3.5 miles	5 miles

FORT WORTH



DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND PE69 STORMWATER UTILITY FUND		Actual Expenditures FY2008	Adopted Budget FY2009	Proposed Budget FY2010	Adopted Budget FY2010	Adopted Budget FY2008	Adopted Budget FY2009	Proposed Budget FY2010	Adopted Budget FY2010
Center	Center Description								
	<u>MANAGEMENT AND ADMIN</u>								
0209000	GENERAL ADMINISTRATION	\$ 2,422,866	\$ 2,099,472	\$ 2,758,515	\$ 2,758,515	5.00	4.00	4.00	4.00
0209001	CUSTOMER SERVICE	1,059	473,012	499,812	499,812	0.00	8.00	8.00	8.00
0209002	PUBLIC OUTREACH	73,279	312,620	196,980	196,980	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 2,497,204</u>	<u>\$ 2,885,104</u>	<u>\$ 3,455,307</u>	<u>\$ 3,455,307</u>	<u>5.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>
	<u>CUSTOMER SERVICE</u>								
0209101	SERVICE REQUESTS	\$ 259,954	\$ 0	\$ 0	\$ 0	5.00	0.00	0.00	0.00
0209102	PUBLIC OUTREACH	169,619	0	0	0	1.00	0.00	0.00	0.00
0209103	SAFETY AND TRAINING	3,900	0	0	0	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 433,473</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>6.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>PLANNING AND ENGINEERING</u>								
0209201	ENGINEERING	\$ 1,723,367	\$ 278,377	\$ 298,532	\$ 298,532	6.00	2.00	2.00	2.00
0209202	PLANNING	721,615	4,302,801	3,191,024	3,191,024	2.00	3.00	2.00	2.00
0209203	FIELD ENGINEERING	221,831	1,485,630	1,086,935	1,086,935	2.00	6.00	6.00	6.00
0209204	GIS	51,119	187,108	2,683,882	2,683,882	1.00	3.00	3.00	3.00

DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND PE69	STORMWATER UTILITY FUND	Actual Expenditures FY2008	Adopted Budget FY2009	Proposed Budget FY2010	Adopted Budget FY2010	Adopted Budget FY2008	Adopted Budget FY2009	Proposed Budget FY2010	Adopted Budget FY2010
Center	Center Description								
0209205	CAPITAL PROJECTS	0	211,022	161,848	161,848	0.00	1.00	2.00	2.00
0209206	CONSULTANT SERVICES	45,630	0	0	0	0.00	0.00	0.00	0.00
0209207	REGULATION AND ENFORCEMENT	0	143,184	300,382	300,382	0.00	1.75	3.75	3.75
	Sub-Total	<u>\$ 2,763,562</u>	<u>\$ 6,608,122</u>	<u>\$ 7,722,603</u>	<u>\$ 7,722,603</u>	<u>11.00</u>	<u>16.75</u>	<u>18.75</u>	<u>18.75</u>
	<u>OPERATION AND MAINTENANCE</u>								
0209301	FIELD OPERATIONS	\$ 9,511,460	\$ 8,156,238	\$ 8,808,130	\$ 8,808,130	53.00	84.00	84.00	84.00
	Sub-Total	<u>\$ 9,511,460</u>	<u>\$ 8,156,238</u>	<u>\$ 8,808,130</u>	<u>\$ 8,808,130</u>	<u>53.00</u>	<u>84.00</u>	<u>84.00</u>	<u>84.00</u>
	<u>NON DEPARTMENTAL</u>								
0209500	NON DEPARTMENTAL	\$ 3,257	\$ 0	\$ 0	\$ 0	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 3,257</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>DEBT SERVICE</u>								
0209600	DEBT SERVICE	\$ 1,912,837	\$ 1,678,100	\$ 5,706,988	\$ 5,706,988	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 1,912,837</u>	<u>\$ 1,678,100</u>	<u>\$ 5,706,988</u>	<u>\$ 5,706,988</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL	\$ 17,121,792	\$ 19,327,564	\$ 25,693,028	\$ 25,693,028	75.00	112.75	114.75	114.75