

# **Water and Wastewater FY12 Operating Budget FY12-16 Capital Program**

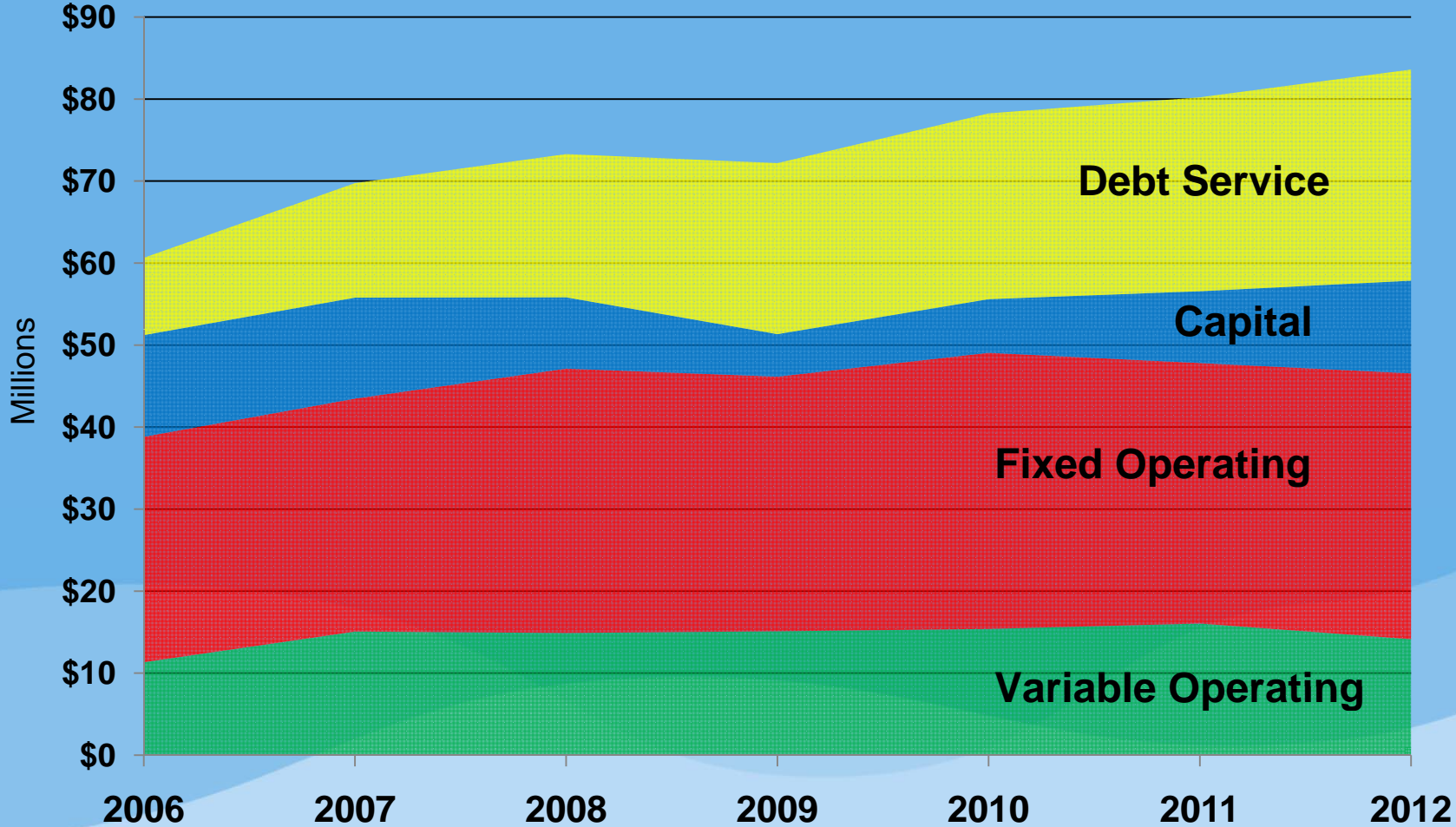
# 2012 Budget

- Operating Costs are flat
- Increase in cash financed capital program and debt service

# History of Retail Costs

- Retail costs are broken down into:
  - Variable Operating Costs
  - Fixed Operating Costs
  - Cash Financed Capital Expenses
  - Debt Service Expenses
- Both Fixed and Variable Operating costs have remained fairly flat since 2007
- Cash financed capital fluctuates
- Debt service has had steady growth since 2006 to finance capital construction projects

# Retail Cost



# Capital Program

# Program Elements

- Reliability and Quality of service
- Elimination of Septic Tanks
- Unfunded regulatory mandates

# System Reliability/Quality

- Continue system infrastructure upgrades
  - Eliminate sewer backups
  - Reduce boil water orders



# Septic Tank Elimination

- 10,500 septic tanks eliminated since 2001
  - 5,000 remain in the system to be eliminated by 2020.
- This represents about 9% of our customers.



# Unfunded Regulatory Mandates

## 2006 Water Availability Rule

- Alternative Water Supply (Floridan)
- \$90M total program costs
- \$42M in FY12-16

# Unfunded Regulatory Mandates

## 2008 Ocean Outfall Legislation

- Elimination of Ocean Outfall by 2025
- \$890M total program cost
- \$143M in FY12-16 Capital Program

# RECOMMENDED FY12-FY16 CAPITAL PROGRAM

Neighborhood Improvement Program	\$ 7M
Water Treatment and Distribution	55M
Wastewater Collection	35M
Wastewater Treatment	45M
Wastewater Transmission	14M
<b>Water Availability Rule**</b>	<b>43M</b>
<b>Ocean Outfall Elimination**</b>	<b><u>143M</u></b>
Total	\$ 342M

# RECOMMENDED FY12-FY16 CAPITAL PROGRAM

	2012	2013	2014	2015**	2016	Total
Total Capital Budget	\$34,665,650	\$61,654,080	\$52,601,210	\$137,366,580	\$57,224,960	\$343,512,480

\*\* These FY15 costs may decrease depending on our success in amending the Ocean Outfall Rule

# Future Bond Sales

April 2012     \$148.5M

2016             \$154M

# Broward County Rate Facts

- Competitive among comparable utilities
- Conservation based and rewards lowest consumers

# 2001 Rate Survey

Table 7-7  
2001 Comparative Rate Survey  
(Based on Usage of 7,000 Gallons Per Month)

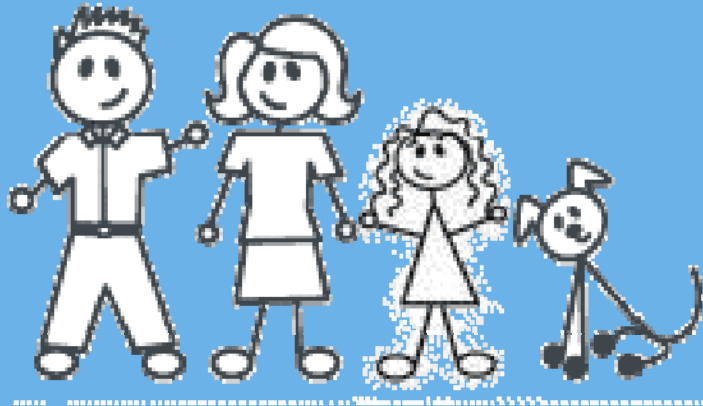
Utility	Total Bill	Water (Min + 7,000 Gallons)	Sewer (Min + 7,000 Gallons)
Parkland	70.56	22.59	47.97
Royal Utilities	59.82	29.33	30.49
Wilton Manors	55.44	32.63	22.81
Sunrise - Outside City0	55.15	25.27	29.88
<b>Broward County</b>	<b>48.89</b>	<b>20.22</b>	<b>28.67</b>
Plantation West	47.95	20.10	27.85
Coral Springs	47.40	21.42	25.98
Pembroke Pines	46.34	21.26	25.08
Cooper City	46.18	18.88	27.30
Sunrise -Weston	45.27	16.34	28.93
Oakland Park	44.73	15.83	28.90
Plantation Central	44.28	24.12	20.16
Miramar West	44.12	20.20	23.92
Tamarac East & West	41.35	18.39	22.96
Deerfield Beach	41.30	15.60	25.70
Sunrise - In-City	41.27	23.24	18.03
Ft. Lauderdale	41.22	22.84	18.38
Plantation East	39.65	15.08	24.57
Davie, Town of	39.38	14.72	24.66
Lauderhill	39.23	15.53	23.70
North Springs Improvement District	38.19	15.33	22.86
Coral Springs Improvement District	38.05	16.34	21.71
Margate	37.94	21.35	16.59
Dania	37.86	14.43	23.43
Hollywood	37.86	14.43	23.43
North Lauderdale	35.62	12.19	23.43
Hallandale	35.20	17.60	17.60
Miramar East	35.11	12.51	22.60
Coconut Creek	34.71	16.47	18.24
Pompano Beach	33.12	15.70	17.42
Seminole Industries (Seminole Reservation)	30.17	11.42	18.75
<b>Broward Average Water &amp; Sewer</b>	<b>43.01</b>	<b>18.75</b>	<b>24.25</b>
Water Only			
Broadview Park	27.20	27.20	0.00
Hillsboro Beach	18.00	18.00	0.00
Sewer Only			
Pembroke Park	21.14	0.00	21.14
Lauderdale by the Sea	9.74	0.00	9.74

# 2011 Rate Survey

Margate (outside City)	\$ 92.67
Sunrise (outside City)	78.89
Davie	77.10
Margate	74.11
Wilton Manors	72.80
Parkland	68.21
Dania	67.50
Hollywood	65.61
Oakland Park	64.37
Hillsboro Beach	63.66
Sunrise	63.09
Coconut Creek	62.62
North Lauderdale	62.31
Cooper City	60.93
Pembroke Park	64.81
<b>Broward County FY12 proposed</b>	<b>57.61</b>
Hallandale	56.81
Deerfield	52.78
Royal Utility	51.48
Pompano Beach	49.84
Tamarac	48.96
Miramar	48.96
Coral Springs	48.18
Lauderhill	46.05
Plantation	44.23
Fort Lauderdale	43.37
Coral Springs Improvement District	41.26
North Springs Improvement District	35.91
Pembroke Pines	32.82

— County wide average is \$58.44

# Impact on Average WWS Customer



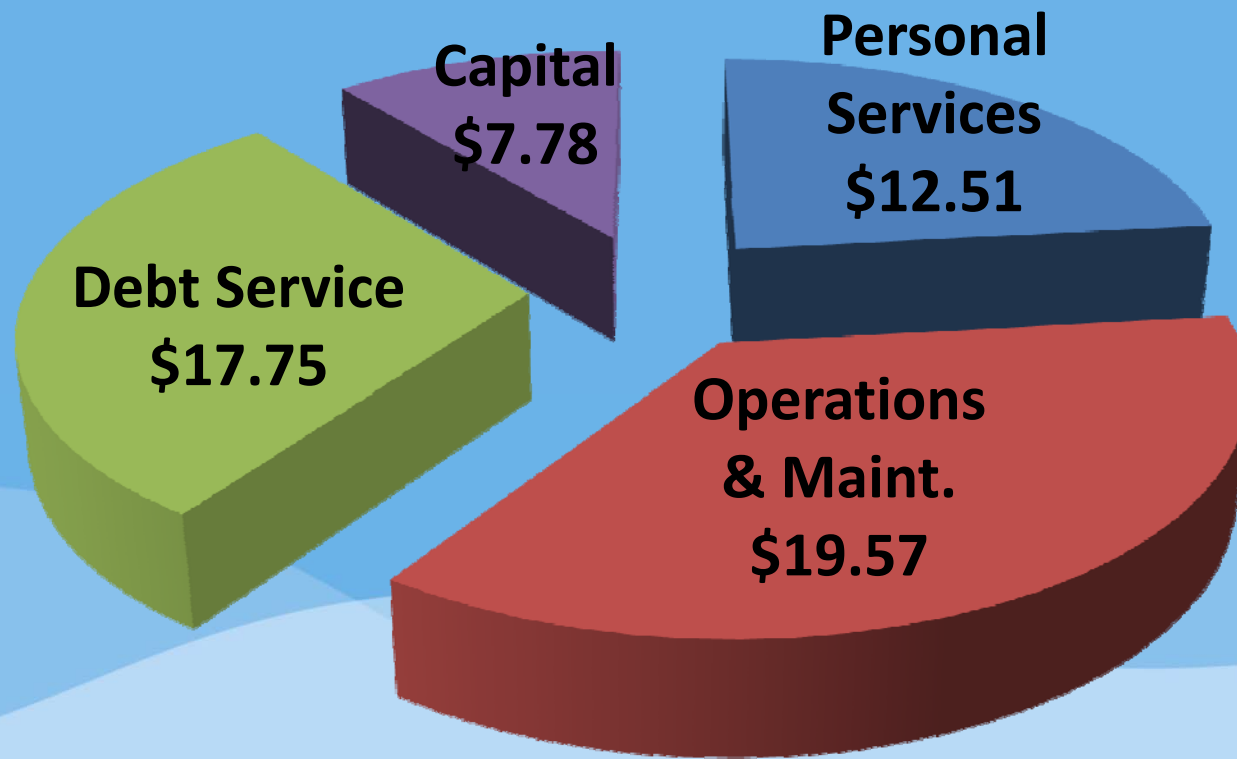
5,000 gallons  
per month



**\$1.74**

**PER MONTH**

# Breakdown of Proposed Average Customer Bill of \$57.61



# FY2012 Retail Rate Increases on Customers

Rate Impacts	1,000 gals	Current	Proposed	% increase	\$ increase
<b>Residential</b>					
5/8 inch	3	\$44.99	\$46.19	2.7%	\$1.20
5/8 inch (average)	5	55.87	57.61	3.1%	1.74
5/8 inch	10	92.99	97.12	4.4%	4.13
5/8 inch	20	169.66	178.70	5.3%	9.04
1 inch **	10	92.99	97.12	4.4%	4.13
1 inch **	20	169.66	178.70	5.3%	9.04
1 inch	25	222.82	236.65	6.2%	13.83
<b>Commercial</b>					
5/8 inch	9	102.12	107.13	4.9%	5.01
1 inch	20	244.21	254.91	4.4%	10.73
1.5 inch	39	476.24	497.74	4.5%	21.50
2 inch	106	1,298.80	1,353.61	4.2%	54.81
<b>Resale (Coconut Creek)</b>	48746	\$150,097.13	\$156,746.44	4.4%	6,649.31

Note: Rate increase is factor of demand on the system

\*\* 1 inch customers with 20,000 gallons per month or less are classified as 5/8" meter customers

# In Summary

- Retail Rate Increase
  - Improve system reliability/quality
  - Eliminate septic tanks
  - Fund Regulatory Mandates
  - Future year annual rate increases are projected to fund capital needs

# Wholesale Rates

- Large User wastewater rates decrease of 6.56% and raw water rates decrease 15.3% based on formulas provided in agreement.
- Large Users meet regularly to discuss issues such as rates to facilitate budget planning
- By contract, Large User revenues are “trued up” to actual costs at the end of the fiscal year and the appropriate adjustments are made.
- Because of the “true up” provision in current agreement, rate stabilization is not currently available to the large users
- Future capital costs (\$890M) will significantly impact Large User rates as a result of the outfall elimination.

# Questions?