

Supplemental Package Requests

Department **W000000 - WASTEWATER MANAGEMENT**
 Package **B - O&M FOR EXPANSION OF PLANTS**
 Program **ADMINISTRATION**

Priority **4**
 One Time Cost Continuing Cost

Type of Request

New Program Expanded Program Growth Related New Mandate
 Revenue Enhancement Capital Other (explain in description)

	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized
Personal Services	257,213	362,401	380,521	399,547	419,524
Supplies & Services	2,246,764	2,359,102	2,477,057	2,600,910	2,730,956
Capital	115,500	253,550	266,228	279,539	293,516
Total Expenditures	2,619,477	2,975,053	3,123,806	3,279,996	3,443,996
Total Revenues	5,049,828	10,889,565	16,956,442	23,841,156	31,580,987
Fund Balance Support	(2,430,351)	(7,914,512)	(13,832,636)	(20,561,160)	(28,136,991)
General Fund Support	0	0	0	0	0

Description

This Package adds the "New Capacity O&M" element and will increase the current average residential customer's monthly sewer bill by \$ 1.37, raising it from \$13.61 to \$14.98. This Package will only fund the required basic O&M and regulatory expenses plus the increased \$2 .7 million of O&M expenses for treatment plant capacity coming on-line.

Personal Services

6 new FTEs (8 positions) to operate the expansion of new treatment facilities.

Supplies & Services

Chemicals, utilities and other operating supplies needed to operate the expansion of new treatment facilities.

Capital Request

Communication, computing and supervised control and data acquisition (SCADA) equipment needed to operate the new treatment facilities.

Revenues

The Department is proposing to raise additional revenue in FY 2005/06 to support the increased treatment plant expansion costs. Note: Rate increase proposed in this supplemental package includes funding to cover negative cash/fund balance forecasted for base budget beginning in FY 06-07.

Impact if not Funded

No increase in treatment resources for plant expansion and regulatory issues – new treatment capacity cannot be brought on-line to serve new growth and development and negatively impact the ability to connect new customers.

Source of Mandate

None

Goals & Objectives

Increase treatment capacity to accept new customers and treat wastewater generated by those customers in a safe, efficient and effective manner.

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
Dollars / Gal. / Per day	\$0.18	\$0.19	\$0.19

Supplemental Package Recommended As Requested.

Supplemental Package Requests

Department **W000000 - WASTEWATER MANAGEMENT**
 Package **C - ISSUANCE OF 2004 SEWER REVENUE BONDS** Priority **3**
 Program **ADMINISTRATION** One Time Cost Continuing Cost

Type of Request

New Program Expanded Program Growth Related New Mandate
 Revenue Enhancement Capital Other (explain in description)

	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized
Personal Services	0	0	0	0	0
Supplies & Services	95,625	841,956	841,956	841,956	841,956
Capital	0	0	0	0	0
Total Expenditures	95,625	841,956	841,956	841,956	841,956
Total Revenues	2,641,866	6,015,976	9,938,045	10,637,280	11,343,719
Fund Balance Support	(2,546,241)	(5,174,020)	(9,096,089)	(9,795,324)	(10,501,763)
General Fund Support	0	0	0	0	0

Description

This Package adds the "2004 Bonds" element and will increase the current average residential customer's monthly sewer bill by \$1.75, raising it from \$13.61 to \$15.36. This Package funds basic O&M and regulatory expenses plus the new capacity O&M expenses and increased debt service for the issuance of \$8.5 million 2004 Sewer Revenue Bonds. This Package does not provide funding for the initiation of a Proactive Rehabilitation Program and emergency/reserve fund.

This Package will also increase the current average residential connection fee (24 fixture units – participating rate) by \$103.44, from an average of \$2,587.68 to \$2,691.12.

Personal Services

2.25 new FTE's (3 positions) to manage increased Capital Program. Will be allocated to capital program.

Supplies & Services

Debt service for bonds sold.

Capital Request

None

Revenues

The Department is proposing to raise additional revenue in FY 2005/06 to support increased debt service for the sale of 2004 sewer revenue bonds.

Impact if not Funded

2004 Sewer Revenue Bonds will not be sold; County will not be able to take advantage of historically low interest rates; County will not construct voter-authorized projects.

Source of Mandate

None

Goals & Objectives

Begin design/construction of five bond projects, including: Roger Road Rehabilitation, Santa Cruz Interceptor, Roger Road/Ina Road Plant Interconnect, Miscellaneous Conveyance Rehabilitation and Marana Expansion.

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
% of Debt / Revenue	1.90	1.43	1.81

Supplemental Package Recommended As Requested.

Supplemental Package Requests

Department **W000000 - WASTEWATER MANAGEMENT**
 Package **D - REHABILITATION AND EMERGENCY RESERVE** Priority **2**
 Program **ADMINISTRATION** One Time Cost Continuing Cost

Type of Request

New Program Expanded Program Growth Related New Mandate
 Revenue Enhancement Capital Other (explain in description)

	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized
Personal Services	140,244	201,487	211,561	222,139	233,246
Supplies & Services	4,958,865	4,156,808	4,364,649	4,582,881	4,812,025
Capital	0	1,320,000	1,386,000	1,455,300	1,528,065
Total Expenditures	5,099,109	5,678,295	5,962,210	6,260,320	6,573,336
Total Revenues	7,691,695	14,056,908	24,259,146	32,217,004	41,930,580
Fund Balance Support	(2,592,586)	(8,378,613)	(18,296,936)	(25,956,684)	(35,357,244)
General Fund Support	0	0	0	0	0

Description

This Package adds the "Proactive Rehabilitation" element and will increase the current average residential customer's monthly sewer bill by \$3.50, raising it from \$13.61 to \$17.11. This Package funds the same items as in Package C (for required basic O&M and regulatory expenses plus the new capacity O&M expenses); and increases debt service for the initial issuance of 2004 Sewer Revenue Bonds; initiates the funding of a Proactive Rehabilitation Program and establishes emergency/reserve funding in the System Development Fund.

This Package will also increase the current residential connection fee (24 fixture units – participating rate) by \$103.44, from an average of \$2,587.68 to \$2,691.12.

Personal Services

3 additional FTEs (4 positions) to conduct conveyance system rehabilitation operations.

Supplies & Services

R & M Building and Grounds, R & M Machinery and Equipment, and Non Medical Professional Services to conduct rehabilitation operations.

Capital Request

Infrastructure and capital equipment needed to conduct rehabilitation projects.

Revenues

The Department is proposing to raise additional revenue (User Fees & Connection Fees) in FY 2005/06 to support increased rehabilitation operations.

Impact if not Funded

Rehabilitation projects will be unfunded and not undertaken, negatively impacting the ability to connect new customers. Maintain the system in accordance with management practices.

Source of Mandate

None

Goals & Objectives

Repair and replacement program for treatment facilities and conveyance (\$5.4 million in FY 2005 - 06, increasing to \$26.6 million in FY 2009/10). The establishment of cash Emergency Reserve funding within the System Development Fund.

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
\$ / \$ Personnel Services	37	28	28

Supplemental Package Recommended As Requested.