

Enterprise Funds FY10-15 Capital Budgets



**2009 ANNUAL TOWN MEETING
ARTICLE 40: WATER ENTERPRISE
FUND
AND
ARTICLE 41: SEWER ENTERPRISE
FUND**

FY10-15 Enterprise Capital Budgets



Total Budget Requests By Department

Department	FY 2010	FY2011	FY2012	FY2013	FY2014	FY2015
Water Dept	\$41,103,129	\$32,608,726	\$23,702,975	\$18,356,301	\$3,947,654	\$15,570,000
Sewer Dept.	\$48,252,627	\$20,987,436	\$32,588,055	\$37,139,292	\$35,868,936	\$35,506,580
Enterprise Total	\$89,355,756	\$53,596,162	\$56,291,030	\$55,495,593	\$39,816,590	\$51,076,580

Total Capital Recommendations By Department

Department	FY 2010	FY2011	FY2012	FY2013	FY2014	FY2015
Water Dept	\$46,961,200	\$32,608,726	\$23,702,975	\$18,356,301	\$3,947,654	\$15,570,000
Sewer Dept.	\$49,345,850	\$20,987,436	\$32,588,055	\$37,139,292	\$35,868,936	\$35,506,580
Enterprise Total	\$96,307,050	\$53,596,162	\$56,291,030	\$55,495,593	\$39,816,590	\$51,076,580

FY10-15 Enterprise Capital Budgets



- **Water Enterprise Fund**

- Limited rolling equipment recommended (1/2)
- 86% of recommended funding is for Birch Road Wells Reactivation Project; which is eligible for federal/state Drinking Water Act funding
- Several major water main locations funded
- Two major design projects, including Route 9 water
- Three projects authorized subject to federal/state funding (\$17.8 million)
- \$5.2 million in projects deferred (2)

FY10-15 Enterprise Capital Budgets



- **Sewer Enterprise Fund**

- Limited rolling equipment recommendations (2 ½)
- 82% of recommended funding is for the East Framingham Sewer Improvement project, which is eligible for federal/state Clean Water Act funding
- Includes several major sewer main replacements
- Funds two design projects, including Route 9 sewer
- Continues the 4th phase of the sewer system evaluation study

FY2009-2014 Capital Budget
FY2009-2014 Enterprise Fund Debt Impact

		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	
WATER ENTERPRISE FUND	Recommended Water Enterprise Budget Excl. Indirect Costs	\$ 13,398,858	\$ 14,470,767	\$ 15,628,428	\$ 16,878,702	\$ 18,228,998	\$ 19,687,318	
	<i>Uniform increase assumed per year:</i>	8%						
	Debt Target*	10%	\$ 1,339,886	\$ 1,447,077	\$ 1,562,843	\$ 1,687,870	\$ 1,822,900	\$ 1,968,732
	Existing Fund Debt	\$ 1,450,894	\$ 1,406,482	\$ 1,297,823	\$ 1,168,961	\$ 1,132,138	\$ 1,104,150	
	Authorized but Unissued	\$ 664,813	\$ 3,049,906	\$ 2,895,081	\$ 2,817,672	\$ 2,740,257	\$ 2,662,846	
	Total Existing Fund Debt	\$ 2,115,707	\$ 4,456,388	\$ 4,192,904	\$ 3,986,633	\$ 3,872,395	\$ 3,766,996	
	Current Available Debt within Debt Target*	\$ (775,821)	\$ (3,009,311)	\$ (2,630,061)	\$ (2,298,763)	\$ (2,049,495)	\$ (1,798,264)	
	Debt Service for Projects Planned in FY2010 Capital Budget	\$ 299,025	\$ 1,815,629	\$ 1,743,547	\$ 1,707,505	\$ 1,671,464	\$ 1,635,424	
	Debt Service for Projects Planned in FY2011 Capital Budget		\$ 649,321	\$ 2,765,628	\$ 2,633,601	\$ 2,567,587	\$ 2,501,570	
	Debt Service for Projects Planned in FY2012 Capital Budget			\$ 432,067	\$ 2,068,970	\$ 1,980,785	\$ 1,936,693	
	Debt Service for Projects Planned in FY2013 Capital Budget				\$ 413,016	\$ 1,758,321	\$ 1,674,415	
	Debt Service for Projects Planned in FY2014 Capital Budget					\$ 88,822	\$ 390,529	
	Debt Service for Projects Planned in FY2015 Capital Budget						\$ 350,325	
	Debt Issuance Costs	\$ 35,000						
	Subtotal Future Debt Service:	\$ 334,025	\$ 2,464,950	\$ 4,941,242	\$ 6,823,092	\$ 8,066,979	\$ 8,488,956	
New Debt Service	\$ 2,449,732	\$ 6,921,338	\$ 9,134,146	\$ 10,809,725	\$ 11,939,374	\$ 12,255,952		

		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	
SEWER ENTERPRISE FUND	Recommended Sewer Enterprise Budget Excl. Indirect Costs	\$ 14,779,427	\$ 15,961,781	\$ 17,238,724	\$ 18,617,822	\$ 20,107,247	\$ 21,715,827	
	<i>Uniform increase assumed per year:</i>	8%						
	Debt Target*	10%	\$ 1,477,943	\$ 1,596,178	\$ 1,723,872	\$ 1,861,782	\$ 2,010,725	\$ 2,171,583
	Existing Fund Debt	\$ 1,433,136	\$ 1,197,557	\$ 1,152,498	\$ 1,094,196	\$ 1,099,915	1,084,072.65	
	Authorized but Unissued	\$ 523,005	\$ 2,607,255	\$ 2,491,349	\$ 2,433,396	\$2,375,445	\$2,317,492	
	Total Existing Fund Debt	\$ 1,956,141	\$ 3,804,812	\$ 3,643,847	\$ 3,527,592	\$ 3,475,360	\$ 3,401,565	
	Current Available Debt within Debt Target*	\$ (478,198)	\$ (2,208,634)	\$ (1,919,975)	\$ (1,665,809)	\$ (1,464,635)	\$ (1,229,982)	
	Debt Service for Projects Planned in FY2010 Capital Budget	\$ 403,193	\$ 1,851,117	\$ 2,373,608	\$ 2,314,854	\$ 2,266,101	\$ 2,217,347	
	Debt Service for Projects Planned in FY2011 Capital Budget		\$ 1,287,842	\$ 5,519,428	\$ 5,254,492	\$ 5,122,023	\$ 4,989,554	
	Debt Service for Projects Planned in FY2012 Capital Budget			\$ 733,231	\$ 3,287,333	\$ 3,123,454	\$ 3,041,515	
	Debt Service for Projects Planned in FY2013 Capital Budget				\$ 835,635	\$ 3,762,696	\$ 3,574,467	
	Debt Service for Projects Planned in FY2014 Capital Budget					\$ 807,051	\$ 3,725,996	
	Debt Service for Projects Planned in FY2015 Capital Budget						\$ 798,898	
	Debt Issuance Costs	\$ 35,000						
	Subtotal Future Debt Service:	\$ 438,193	\$ 3,138,959	\$ 8,626,267	\$ 11,692,314	\$ 15,081,325	\$ 18,347,777	
New Debt Service	\$ 2,394,334	\$ 6,943,771	\$ 12,270,114	\$ 15,219,906	\$ 18,556,685	\$ 21,749,342		

Estimated Rate Changes



- Debt service increases by 13.7% in Water and 20% in Sewer.
- However, when combined with the rest of the water and sewer budget components (pending TM vote), the total increase in the Water budget is .8% and Sewer budget is 7%.
- Estimated rate changes assume same consumption as FY09, no use of retained earnings for mitigating rates.

Estimated Rate Changes



FY09 to FY10					
<u>Comparison of Combined Water & Sewer Rates</u>					
	<u>Current</u>	<u>New</u>	<u>\$ Change</u>	<u>% Change</u>	
<u>Metered Rates</u>					
Tier 1	\$7.49	\$7.94	\$0.45	6.0%	
Tier 2	\$7.97	\$8.45	\$0.48	6.0%	
Tier 3	\$9.94	\$10.54	\$0.60	6.0%	
Tier 4	\$12.62	\$13.86	\$1.24	9.8%	
Tier 5	\$16.78	\$18.51	\$1.73	10.3%	
Irrigation	\$6.76	\$7.21	\$0.45	6.7%	
Elderly	\$5.48	\$5.96	\$0.48	8.7%	

Estimated Rate Changes



<u>Impact of Combined Rates on Selected Customers</u>				
	<u>Annual Bill</u>			
<u>Annual Use (100 cu ft)</u>	<u>Current</u>	<u>New</u>	<u>\$ Change</u>	<u>% Change</u>
<i>5/8 inch meter</i>				
24	\$175.44	\$190.56	\$15.12	8.6%
Elderly 24	\$131.58	\$143.04	\$11.46	8.7%
48	\$350.88	\$381.12	\$30.24	8.6%
105	\$793.20	\$862.77	\$69.57	8.8%
120	\$931.44	\$1,014.60	\$83.16	8.9%
156	\$1,276.32	\$1,394.04	\$117.72	9.2%
Irrigation 156	\$1,054.56	\$1,124.45	\$69.89	6.6%
4 Unit Apt - 420	\$3,172.80	\$3,451.08	\$278.28	8.8%
<i>2 inch meter</i>				
250	\$2,313.46	\$2,537.52	\$224.06	9.7%
500	\$5,450.96	\$6,002.52	\$551.56	10.1%
1,000	\$11,725.96	\$12,932.52	\$1,206.56	10.3%
<i>4 inch meter</i>				
60 Unit Apt 2,136	\$25,982.76	\$28,677.48	\$2,694.72	10.4%
<i>6 inch meter</i>				
5,000	\$70,245.96	\$77,672.52	\$7,426.56	10.6%
20,000	\$320,757.27	\$355,322.52	\$34,565.25	10.8%

**FY09 Combined Annual Water & Sewer Charges in Metro MWRA Communities (120HCF)
Preliminary FY10 Framingham Water & Sewer Charge**

Community (MWRA Service)	Avg. Water Rate	Water	Avg. Sewer Rate	Sewer	Combined Total
Nahant (W)	\$6.29	\$754.80	\$7.51	\$901.20	\$1,656.00
Belmont (W/S)	\$5.17	\$620.96	\$8.85	\$1,062.12	\$1,683.08
Milton (W/S)	\$4.71	\$565.20	\$8.53	\$1,023.12	\$1,588.32
Melrose (W/S)	\$4.82	\$578.40	\$8.24	\$988.80	\$1,567.20
Medford (W/S)	\$5.85	\$702.00	\$6.90	\$828.00	\$1,530.00
Needham (partial W/S)	\$4.03	\$483.00	\$8.32	\$997.80	\$1,480.80
Dedham (partial W/S)	\$3.97	\$476.40	\$8.08	\$969.60	\$1,446.00
Ashland (S)	\$3.32	\$398.00	\$8.72	\$1,046.40	\$1,444.40
Weymouth (S)	\$4.25	\$510.28	\$7.14	\$857.28	\$1,367.56
Newton (W/S)	\$4.43	\$531.20	\$6.20	\$743.60	\$1,274.80
Brookline (W/S)	\$4.55	\$546.00	\$5.95	\$714.00	\$1,260.00
Westwood (partial W/S)	\$3.97	\$476.40	\$6.21	\$745.00	\$1,221.40
Cambridge (emergency W/S)	\$3.04	\$364.80	\$7.02	\$842.00	\$1,206.80
Natick (S)	\$2.44	\$293.20	\$7.38	\$886.00	\$1,179.20
Watertown (W/S)	\$3.29	\$394.80	\$6.52	\$782.40	\$1,177.20
Hingham (S)	\$2.09	\$250.20	\$7.60	\$912.00	\$1,162.20
Wellesley (partial W/S)	\$2.64	\$316.80	\$6.50	\$780.00	\$1,096.80
Lynn (partial W)	\$3.13	\$375.60	\$5.75	\$690.00	\$1,065.60
Chelsea (W/S)	\$3.50	\$420.00	\$5.33	\$639.60	\$1,059.60
Boston (W/S)	\$3.71	\$445.68	\$4.78	\$573.12	\$1,018.80
Framingham (W/S) FY10 Prelim	\$4.36	\$523.44	\$4.09	\$491.16	\$1,014.60
Malden (W/S)	\$5.00	\$600.00	\$3.00	\$360.00	\$960.00
Framingham (W/S) FY09	\$4.11	\$493.08	\$3.65	\$438.36	\$931.44
Clinton (W/S)	\$2.75	\$330.40	\$2.07	\$247.80	\$578.20