



**DATE:** May 16, 2017

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

**SUBJECT** Recommended FY 2018 and FY 2019 Water and Sewer Service Rates and Connection Fees

## **RECOMMENDATION**

That Council reads this report and provides comments.

## **SUMMARY**

Staff has prepared cost of service analyses for providing water and sewer service to Hayward residents and businesses to calculate appropriate water rates and sewer service charges for FY 2017 and FY 2018. This report provides an overview of cost of service issues, revenue requirements, and recommended FY 2018 and FY 2019 water and sewer service rates. Staff is bringing the proposed rates to Council at this time to obtain Council's comments. After receiving and addressing Council comments, staff will implement appropriate and necessary public noticing procedures in accordance with state law prior to a public hearing, currently scheduled for July 11. The recommended rate adjustments would take effect on October 1, 2017 and 2018.

The recommended water rate adjustments would include no change to the water usage fee, which pays for the costs associated with water consumption. The fixed bimonthly water service fee, which is currently \$16 per bimonthly billing period for a typical 5/8" meter, is proposed to be increased to \$20 in FY 2018 and \$24 in FY 2019, with similar percentage increase proposed for larger meters. This would result in an increase of \$2 per month, or about 3% for a single family home with average water consumption.

Regarding sewer service charges, staff is proposing increases of 5% in residential rates in each of the two years, with non-residential increases of up to 7% per year. Commercial customers with very large volume and/or varying degrees of complexity of the discharge to treat, will see increases of up to 7% per year. These rate adjustments will allow the City to keep pace with the cost of sewer service collection, treatment, and disposal.

Staff has also prepared an analysis of water and sewer connection fees. These are fees typically paid at the time a new development requests water or sewer service. Although the analysis indicates that increases in both fees are warranted, in the interest of maintaining the economic recovery and fostering business development, staff is not recommending such adjustments in the next two years.

## **BACKGROUND**

Water rates are established to pay for the costs of purchasing and delivering water to customers and are determined through an assessment of revenue requirements and anticipated water purchase volumes. Bimonthly water bills consist of two parts: 1) the fixed service fee, which pays for services that do not vary with the volume of water purchased, such as meter reading and debt service; and 2) the water usage fee, which pays for costs associated with water consumption, such as the purchase of water from SFPUC and energy related expenses. The City Council approved water rate adjustments in July 2015 for FY 2016 and FY 2017, which resulted in average increases of 15% in FY 2016 and 9% in FY 2017. The second of the two adjustments went into effect on October 1, 2016. The increases were required to pay for a two-year 40% wholesale water rate increase approved by San Francisco Public Utilities Commission (SFPUC). The fixed service fee was last adjusted in October 2016, when the bimonthly fee for a 5/8" meter (the standard size in most single-family residential homes) increased from \$14 to \$16. Similar percent increases were implemented for other meter sizes.

Sewer service charges are established to pay for the cost of collecting, treating and disposing of wastewater. Rate calculations follow the guidelines developed by the State Water Resources Control Board, to ensure that sufficient revenues are collected to operate and maintain the system, cover all obligations of the Sewer Fund, and that the costs of providing service are equitably distributed among customer classes based on their use of the system. Sewer service charges are billed as standard fixed amounts for residential customers and as a cost per hundred cubic feet (ccf) of water consumed for non-residential customers, based on the strength of the discharged wastewater. The City last adjusted sewer service rates two years ago, effective October 1, 2015, which resulted in a 3% increase in residential rates in FY 2016 and FY 2017.

Water and sewer connection fees are fees paid by those wishing to connect a new development to the public water and sewer system to pay for improvement and expansion of the water and sewer systems to accommodate the development and to defray the expenses paid by customers over the recent years for development and improvement of the systems. The fees also cover an incremental cost of future expansion and improvements necessary to accommodate new development. The connection fees are developed using accepted procedures to ensure that costs are allocated fairly to new development. Water connection fees were last adjusted in October 2015, with the assessment methodology modified to distribute the cost of infrastructure improvements more equitably among new customers and commensurate with demand they place on the water system. Sewer connections fees have not been adjusted since October 2011.

## **DISCUSSION**

### **Water Rates**

Based on anticipated overall costs of providing service during the next two years, staff is recommending water rate adjustments in FY 2018 and FY 2019 that will result in average increases for the majority of customers of about 3% in each year. The adjustments are comprised of no increase to the water usage charges, which are based on the quantity of water delivered to the customer as measured by a water meter, and a \$2 per month (\$4 per bimonthly billing period) increase to fixed service fee paid by the typical residential and business customers, which is independent of the consumption.

### **Factors Considered in Water Rate Analysis**

#### *Wholesale Water Purchase Cost*

Following a 40% increase over the past two years, SFPUC, which is the City's sole water supplier, had projected a moderate wholesale water rate increase in FY 2018. However, after a wet water year and moderately increased system-wide consumption, the projection has been revised to maintain the current wholesale water rate, \$4.10 per hundred cubic feet (ccf) for FY 2018 and FY 2019. In addition to payments to SFPUC, the overall cost of purchasing water also includes a separate annual payment of about \$2.6 million for prepayment of capital debt. This surcharge, which is administered by the Bay Area Water Supply and Conservation Agency (BAWSCA), is payable by wholesale agencies until 2034 and adds over 9% to the wholesale cost.

#### *Water Consumption*

Water consumption is a key component of the City's water usage fee calculation and difficult to forecast with certainty, given the impact of unknown and unknowable factors such as weather conditions, business activity, and the effect of cost increases on customer's water use. For these reasons, staff has been conservative in estimating future water consumption and is projecting consumption in FY 2018 to remain consistent with estimated FY 2017 annual water use. Projected consumption for the planning period in its entirety assumes it will remain relatively flat, with small increases on the order of around 1 percent. Staff believes this is a reasonable assumption even with recent reductions in per-capita consumption. The level of business and residential development projected in the next few years may result in increases in the total volume of water consumed, even though the per-capita consumption will decrease with enhanced conservation.

#### *Operating, Maintenance, and Replacement Costs*

While some increases in operating, maintenance and replacement costs are normal and unavoidable, staff has implemented efficiencies to keep expenses as low as possible and additional measures are taken to reduce costs whenever the opportunity arises. At the same time, it is important to ensure that the water system remains robust, well maintained, and

capable of delivering water where and when it is needed under normal operating conditions and during emergencies. Overall, the estimates are that operating, maintenance and replacement costs, excluding the cost of water purchases, will remain fairly unchanged in FY 2018 and FY 2019, with the exception of a \$500K increase in the capital replacement transfer in each year. The increase is to cover recent cost escalations in water infrastructure replacement and renewal.

## Proposed Water Rates

### *Water Service Fees*

The fixed bimonthly service fee pays for costs that do not vary with water purchases, such as meter reading, customer service, debt service and the like. Water service fees were last adjusted in October 2015. The current fee for a 5/8" meter, typical of most homes, is \$16 per bimonthly billing period, or \$8 per month. To keep pace with increasing costs, staff recommends adjusting the bimonthly fee to \$20 in FY 2018, with a further increase in FY 2019 to \$24. Similar percentage increases are proposed for larger meters. On average, most residential customers will see around a 3% increase in their total water bill. The following table summarizes the current and proposed bimonthly service fees for all meter sizes in use.

<b>Current and Proposed Bimonthly Water Service Fees</b>			
<b>Meter Size</b>	<b>Current Fee</b>	<b>Proposed Fee FY 2018</b>	<b>Proposed Fee FY 2019</b>
5/8" Low Income	\$5.60	\$7.00	\$8.40
5/8"	\$16.00	\$20.00	\$24.00
3/4"	\$21.75	\$27.19	\$32.63
1"	\$32.95	\$41.19	\$49.43
1.5"	\$72.15	\$90.19	\$108.23
2"	\$127.00	\$158.75	\$190.50
3"	\$320.50	\$400.63	\$480.75
4"	\$634.90	\$793.63	\$952.35
6"	\$1,120.00	\$1,400.00	\$1,680.00
8"	\$1,550.50	\$1,938.13	\$2,325.75

Hayward has traditionally maintained a low service fee to provide customers with greater control over their water bills. Because the highest portion of the bill is based on water usage, customers can manage their costs through efficient water usage. Even with the proposed adjustments, Hayward's fixed fee is still very low when compared to nearby water agencies, as illustrated in the following table.

**Comparison of Current and Proposed Bimonthly Water Service Fees**

<b>Agency</b>	<b>Bimonthly Service Fee (5/8" Meter)</b>
Alameda County Water District	\$51.92
East Bay Municipal Utility District	\$45.20
Contra Costa Water District	\$35.40
Dublin San Ramon Services District	\$35.23
<b>Hayward (Proposed FY 2018)</b>	<b>\$20.00</b>
<b>Hayward (Current)</b>	<b>\$16.00</b>

*Comparisons with Other Water Agencies*

Attachment I to this report shows how Hayward’s current and proposed water rates compare to other nearby agencies. While this comparison is provided in keeping with a long-standing practice and the Council’s desire to know how the City’s rates compare with neighboring agencies, some factors should be kept in mind when considering this information. First and foremost, the agencies in “Figure A – Immediate Area Agencies” either use no SFPUC water as part of their water supply (e.g., EBMUD and DSRSD) or SFPUC comprises only a small fraction of their total supply (e.g., ACWD). Therefore they are unaffected, or affected to a lesser degree, by the significant wholesale water rate increases that have been and will continue to be implemented by SFPUC. “Figure B – 100% SFPUC Wholesale Agencies” compares the City’s water rates to those agencies with the same water supply conditions. System size also plays a role in rate setting since large agencies benefit from economies of scale. Staff is not aware of any of these agencies offering discounts to low income residents, as the City does, which affects the rates. Finally, a water agency’s rate should be considered in light of the system’s performance, its operational robustness, and its flexibility to operate in both normal and emergency situations.

**Sewer Service Charge**

Staff is recommending increases in residential sewer rates in FY 2018 and FY 2019 of 5% in each year. The current monthly charge for a single-family residential property is \$29.80. The proposed increase would bring this charge to \$31.29 in FY 2018 and \$32.85 in FY 2019. The same percent increases are proposed for multi-family and mobile home community customers. Staff is recommending increases of 2.5% in the two lower single-family rates known as economy and lifeline, with some changes proposed to the applicability thresholds.

These two reduced rates, which make single-family sewer charges commensurate with water use, encourage water conservation and reward customers who use low amounts of water. The current rates are automatically applied to single-family bills when water usage during a billing period is 0-5 ccf (lifeline) or 6-10 ccf (economy), and are not dependent on the income level of the customer.

Non-residential customers would see increases over the two-year period of up to 7%, depending on the volume and strength of their wastewater discharge. Staff uses actual and anticipated sampling data to measure the impact of large industrial users and calculates appropriate rates based on their contribution to the wastewater system. Appropriate fees for other business customers, such as restaurants, are based on water consumption and standard waste strengths.

Factors Affecting Sewer Rates

*Operating, Maintenance and Replacement Costs*

The sewer service rate adjustments result primarily from the rising cost of providing wastewater collection, treatment and disposal services. Staff anticipates that the 5% increases in each of the next two years for most residential customers, and increases up to 7% each year for non-residential customers will be sufficient to cover the additional expenses based on estimated costs through FY2019.

*Changes in Industrial Wastewater Discharge*

A critical factor that affects sewer rates are ongoing changes in the industrial wastewater strengths and volume. Some industries are discharging less wastewater due to water conservation, or making changes to their pretreatment processes such that the discharged wastewater has less waste strength. Given that most sewer collection and treatment costs are fixed and not affected by flow volume and strength, these changes have the effect of shifting more of the cost to other customers to achieve the overall revenue target.

**Proposed Sewer Service Charges**

The following table summarizes current and proposed monthly residential sewer service fees.

**Residential Monthly Sewer Service Fees (Per Dwelling Unit)**

<b>Customer</b>	<b>Current</b>	<b>Proposed FY 2018</b>	<b>% Change</b>	<b>Proposed FY 2019</b>	<b>% Change</b>
Single Family	\$29.80	\$31.29	5%	\$32.85	5%
Multi-Family	\$26.52	\$27.85	5%	\$29.24	5%
Mobile Home	\$20.86	\$21.90	5%	\$22.99	5%
Economy	\$17.45	\$17.88	2.5%	\$18.77	2.5%
Lifeline	\$8.72	\$8.94	2.5%	\$9.39	2.5%

Given reduced consumption, staff is proposing to also reduce the water usage requirements for the subject tiers, as follows:

Rate	Current Water Usage	Proposed Water Usage
Economy	6-10 ccf	5-8 ccf
Lifeline	0-5 ccf	0-4 ccf

The economy and lifeline rates are approximately 60% and 30% of the standard rate, respectively. Average single family residential water usage had dropped from 8 ccf per month (16 ccf per bi-monthly billing period) to 7 ccf per month (14 ccf per bi-monthly billing period). Using this information, the recommended rates have been calculated using the ratio of the highest allowed usage under the proposed tiers over average single family residential water usage. This methodology allows for a slightly smaller percentage increase, while accurately representing decreased consumption.

	Current	Proposed	%	No Change to Usage Tiers	%
Economy	\$17.45	\$17.88	2.5%	\$22.35	28%
Lifeline	\$8.72	\$8.94	2.5%	\$11.18	28%

The table below summarizes current and proposed non-residential wastewater component costs, as well as examples of impacts on businesses.

#### Non-Residential Sewer Service Fees

Customer	Current	Proposed FY 2018	% Change	Proposed FY 2019	% Change
Volume (per ccf of water) Carbonaceous Biochemical	\$2.53178	\$2.61182	3.2%	\$2.69187	3.2%
Oxygen Demand (per pound)	\$0.61383	\$0.66570	8.5%	\$0.71758	8.5%
Suspended Solids (per pound)	\$0.75254	\$0.79276	5.4%	\$0.83300	5.4%

#### Comparisons with other Wastewater Agencies

As shown in the table below, the proposed FY 2018 rates would continue to place Hayward in the low-range compared to other nearby agencies. It must be noted that unlike the overwhelming majority of other sewer agencies, the City not only provides a lower rate for multi-family and mobile home units, but also in effect offers tiered sewer rates to all single family customers, based on water usage. While we compare the City's standard rate to the other agencies, the overall average payment by all customers in the City is always less than the top rate.

**Comparison of Current and Proposed Single-Family Sewer Service Fees**

Agency	Monthly Single-Family Sewer Service Fee
City of Oakland	
Collection (Oakland) – \$37.57	\$59.60
Treatment (EBMUD) – \$22.03	
Castro Valley Sanitary District	\$34.92
City of San Leandro	\$34.03
Union Sanitary District	\$32.78
Dublin San Ramon Services District	\$31.86
<b>City of Hayward (Proposed)</b>	<b>\$31.29</b>
<b>City of Hayward (Current)</b>	<b>\$29.80</b>
Oro Loma Sanitary District*	\$19.83

*\*Oro Loma SD also receives a lump sum payment from Castro Valley Sanitary District*

**ECONOMIC IMPACT**

The typical single family resident will see an increase of \$2 per month in water cost and a \$1.49 per month in sewer cost. This is a total of \$3.49 per month on an average bill of \$85.91 or about 4%. Commercial and industrial customers will see modest increases as well. While staff recognizes that any rate increase will affect customers and should be minimized, it is critical that the City maintain reliable and robust utilities systems in the interest of economic viability, quality of life, maintaining public health, and meeting increasingly stringent regulations. Given the significant water conservation that residents and businesses have achieved in Hayward, their water bill may not increase under the new rates.

**FISCAL IMPACT**

The Water and Wastewater Funds maintain a working capital balance, or fund balance, in order to manage emergencies, maintain positive cash flows, the Fund’s credit worthiness and, at times, smooth out needed rate adjustments so that the City is not forced to implement a significant increase in a single year, which can result in customer discontent. It must be noted that the fiscal impacts discussed below are based on current projections and as always are subject to change based on a variety factors such as consumption trends, new regulations, and future changed in wholesale water rates.

*Water Fund*

While there is no simple formula which can apply to all water agencies, the City has been advised by various financial consultants in the past that reserves equal to 50% of annual expenditures are appropriate targets for the Water Fund. While this percentage is a good



goal, it is not always practical to maintain, particularly when mitigating the long term effect of significant wholesale water rate increases.

Under current water use projections, the recommended rates are expected to generate about \$45.6 million and \$46.8 million in total revenue in FY 2018 and FY2019 respectively, including interest and miscellaneous fees, and result in a year-end fund balance of \$18.9 million in FY 2018, an increase of about \$700,000 from the projected FY 2017 year-end balance. The Water Fund is recovering from a deficit position in the FY 2016 and FY 2017 due in large part to the implementation of the \$12M Advanced Metering Infrastructure (AMI) system. To pay for anticipated SFPUC wholesale water rate increases over the next several years, rate adjustments of around 6% are anticipated for the planning period, after which it may be possible to reduce the percent increase or hold rates at the same level for a period of time. Attachment III depicts year-end working capital balances in the recent past and projected through FY2020.

### *Wastewater Fund*

For the Wastewater Fund, given the stringent current and anticipated regulations and the wastewater treatment plant operation, a more appropriate target is 100% of annual expenditures, a challenging target to meet without significant rate adjustments. Although the current and projected working capital balances do not always meet the targets, staff believes that they are sufficient to maintain reliable utilities operations in the next few years.

The proposed rates are expected to generate about \$23.7 million and \$24.7 million, including interest and miscellaneous fees, in FY 2018 and FY 2019 respectively. Staff anticipates a \$600,000 contribution to working capital in FY 2017, with an ending fund balance of \$20 million. Revenues are expected to meet expenditures in FY2017, ending the year with a fund balance of \$19.6 million. As with the Water Fund, the working capital balance was utilized strategically over the past years to minimize the need for sewer rate adjustments at a time when significant water rate adjustments were anticipated. The ten-year Sewer Fund forecasts indicate that a further 3% rate adjustment will be needed in FY 2020 and then every other year afterwards. Based on these projections, the fund would remain in a positive situation. Attachment IV illustrates the working capital balances in the recent past through projected through FY2020.

## **SUSTAINABILITY FEATURES**

Water conservation programs, such as the high efficiency fixture replacement and lawn replacement rebate programs, are funded through water rate revenue and provide customers with the tools to assist them in efficiently managing water usage. These, and other conservation programs will continue to be funded in FY 2018 and FY 2019 (projected annual budget of \$500,000). Slightly higher water costs as proposed can work as a reminder to all customers of the previous resource and the need to continue to use water wisely.

The proposed sewer rates will allow the City to continue to operate and maintain the sewer collection system and WPCF in a manner to meet all legal and regulatory requirements to protect public health and the environment. It will also enable the City to continue the operation of the existing green and renewable energy generation systems in the sewer utility and their expansion over time.

## **ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA), includes an exemption for revisions to rates and charges that are for 1) meeting operating expenses; 2) purchasing or leasing supplies, equipment, and materials; 3) meeting financial reserve requirements; or 4) obtaining funds for capital projects necessary to maintain services and system reliability within existing service areas. No additional CEQA review is required.

## **PUBLIC CONTACT**

With the City Council's concurrence with the proposed rates, staff will implement the legal noticing requirements of Proposition 218, which mandates written notice of the proposed rates to all affected property owners at least 45 days in advance of the public hearing, currently scheduled for July 11. In instances where a party other than the property owner is the account holder of record, notice will also be sent to that party. The notice describes the proposed increases and lists current and proposed rates. The notice will also discuss the property owners' right to protest the rates. Council may not act on the rates if a majority of affected property owners file written protests. Staff will also post the information on the City's website and publish the required notice in the newspaper.

## **NEXT STEPS**

Council is scheduled to consider the rate adjustments and hold a public hearing at its July 11 meeting. If adopted, the rate adjustments would be effective on October 1, 2017 and October 1, 2018. Council has traditionally used October 1 as an effective date, rather than July 1 when the wholesale rate adjustment takes effect, in order to avoid increasing rates at during the time that water use is highest.

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*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:



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Kelly McAdoo, City Manager

Figure A1

Immediate Area Water Agencies - Bimonthly Water Bill Comparison

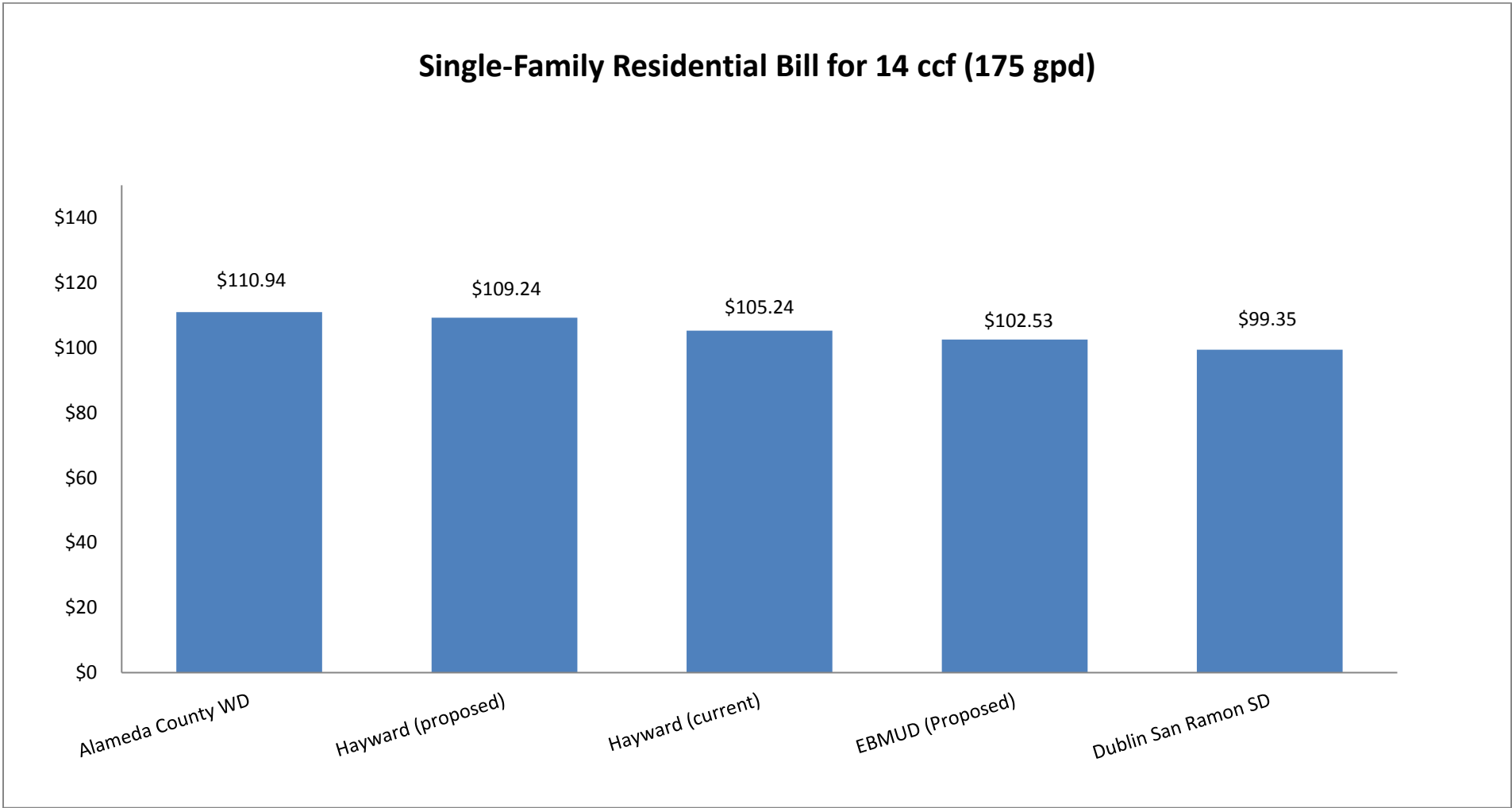
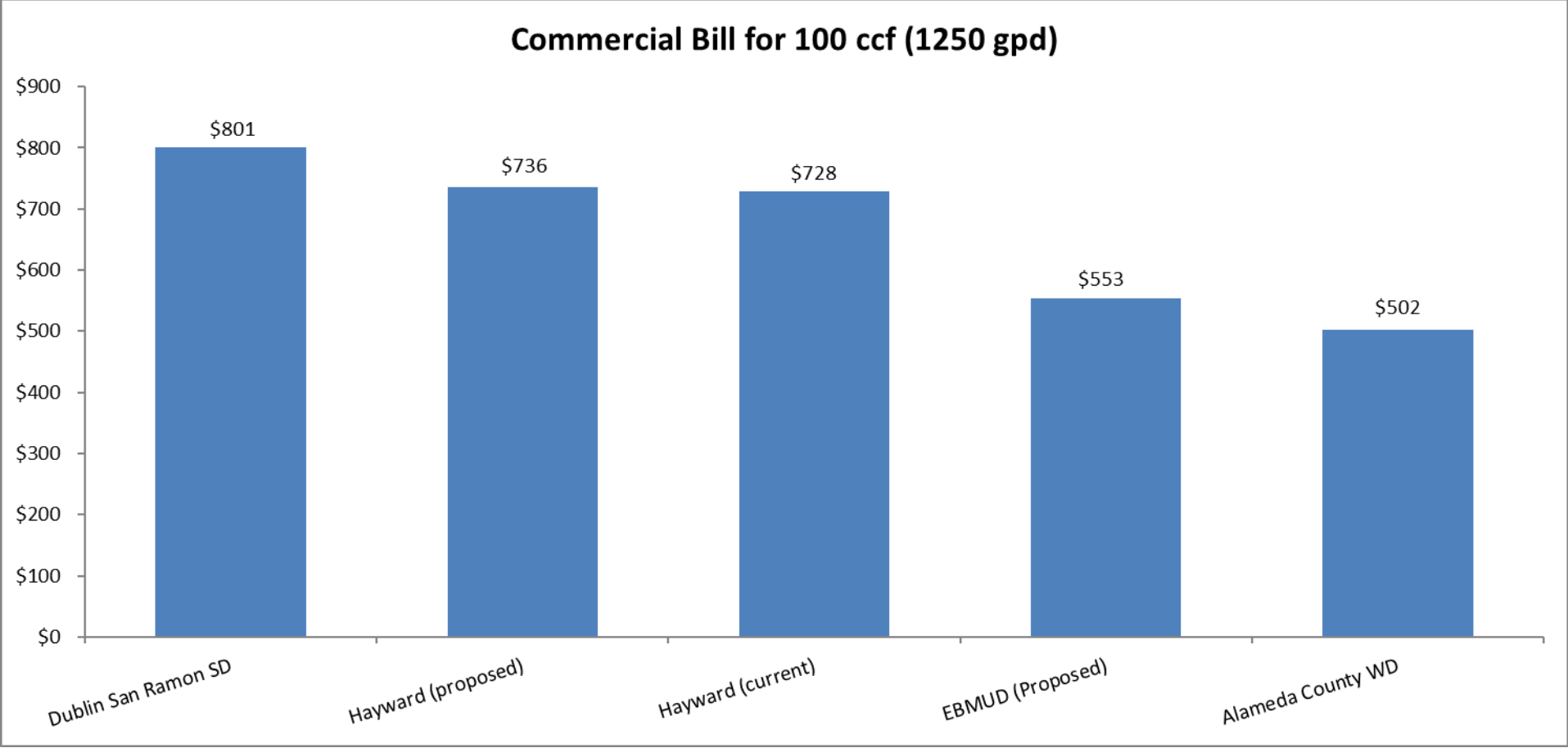
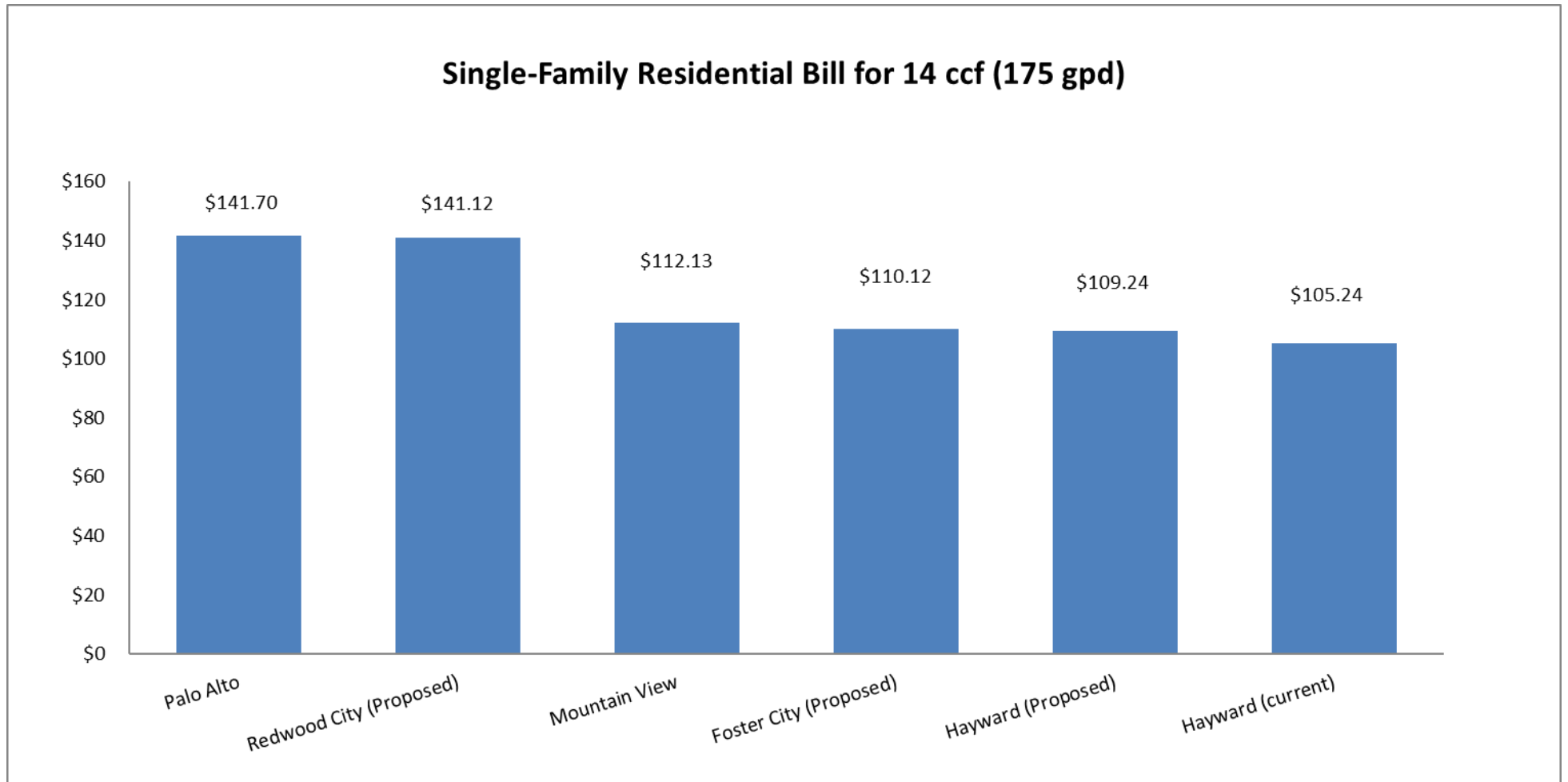


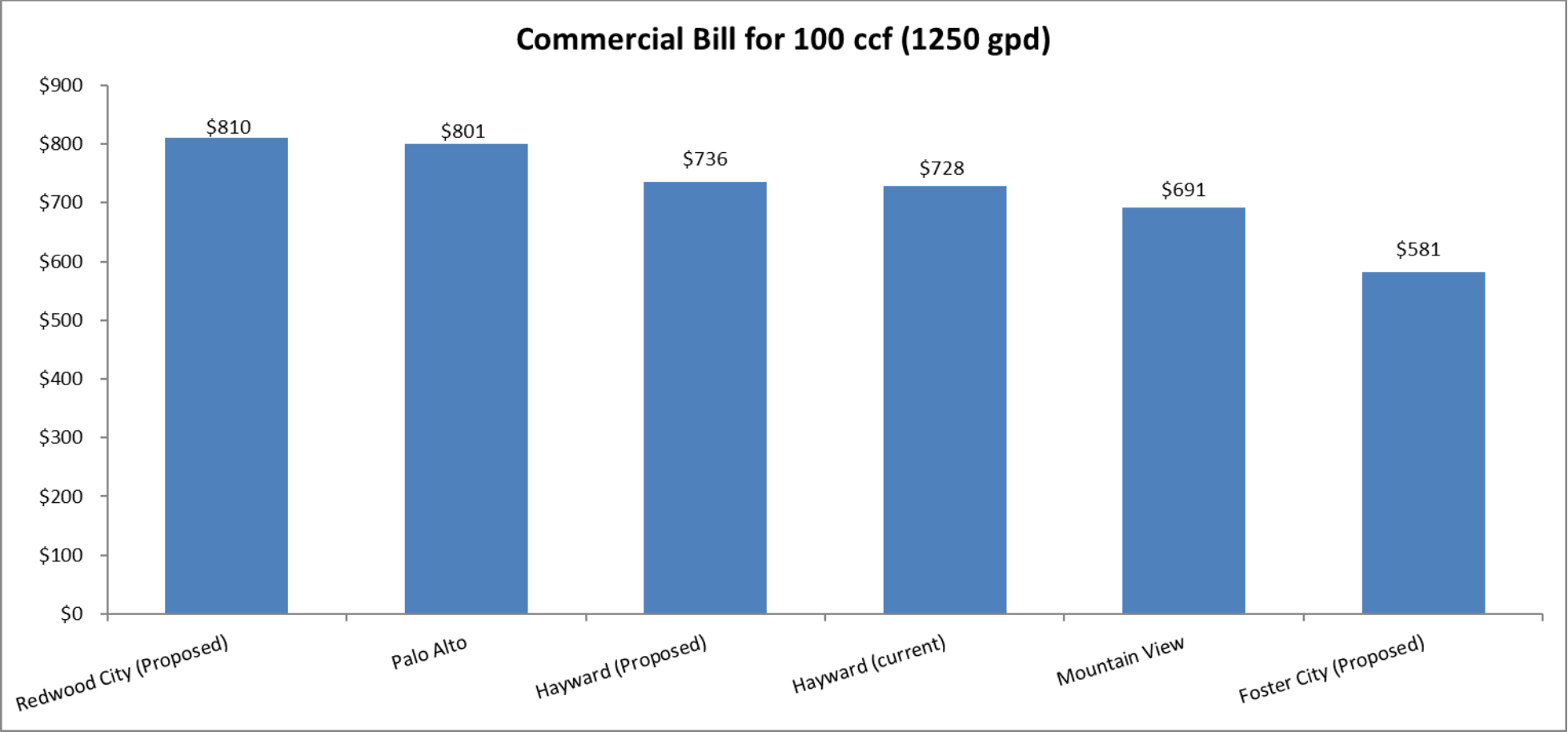
Figure A2  
Immediate Area Water Agencies - Bimonthly Water Bill Comparison



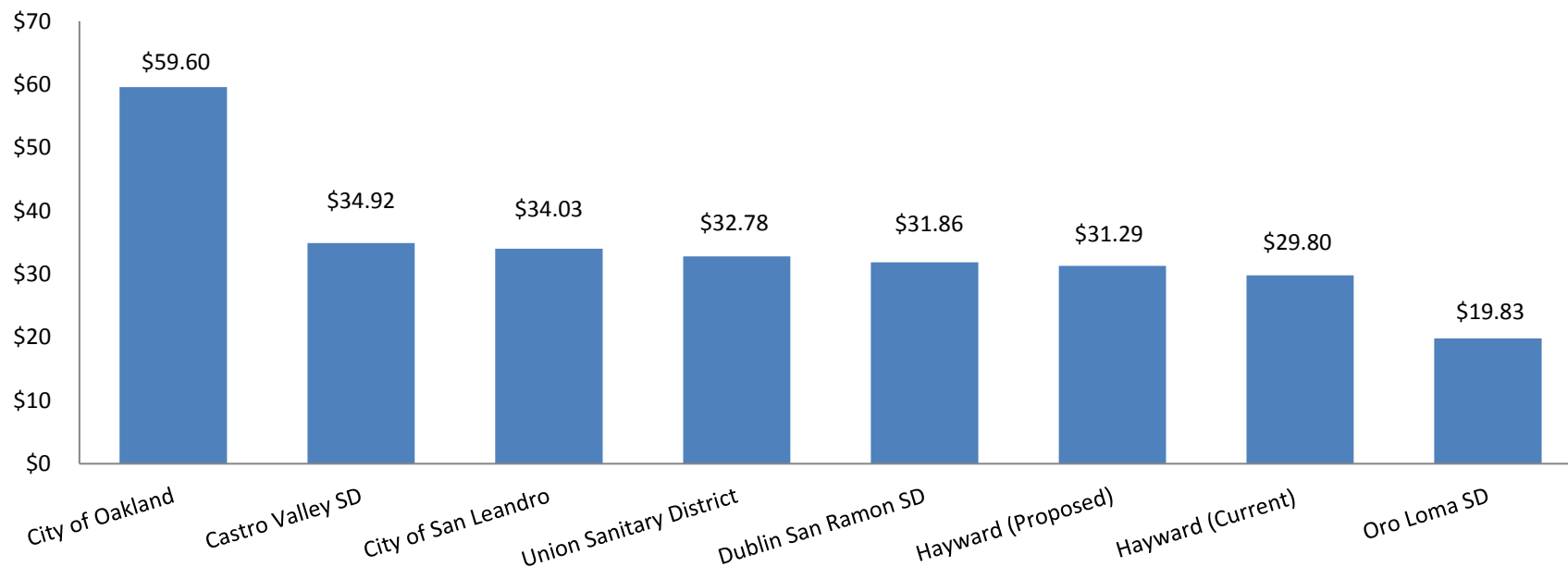
**Figure B1**  
**100% SFPUC Wholesale Agencies - Bimonthly Water Bill Comparison**



**Figure B2**  
**100% SFPUC Wholesale Agencies - Bimonthly Water Bill Comparison**



### Single-Family Residential Sewer Service Bill



**Water Maintenance & Operations Fund 605**

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
	<b>Actual</b>	<b>Revised</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>Beginning Fund Balance</b>	<b>28,355,249</b>	<b>21,221,721</b>	<b>21,221,721</b>	<b>18,178,443</b>	<b>18,587,682</b>	<b>20,380,282</b>	<b>22,048,582</b>	<b>22,108,182</b>
<b>Program Revenues</b>								
Water Sales	34,545,573	39,100,000	38,000,000	39,200,000	39,500,000	41,500,000	43,800,000	46,500,000
Service Charges	4,946,223	4,900,000	4,900,000	5,800,000	6,700,000	6,700,000	6,700,000	6,700,000
Installation Fees	334,225	250,000	250,000	250,000	250,000	250,000	250,000	300,000
Other Revenues	667,077	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Interest	155,361	97,000	97,000	105,000	91,000	104,000	114,000	115,000
Transfers In	288,484	405,593	405,593	395,641	397,300	396,900	398,300	397,500
<b>Total Revenues</b>	<b>40,936,944</b>	<b>45,012,593</b>	<b>43,912,593</b>	<b>46,010,641</b>	<b>47,198,300</b>	<b>49,210,900</b>	<b>51,522,300</b>	<b>54,272,500</b>
<b>Expenditures</b>								
Personnel	6,306,694	7,825,586	7,825,586	8,064,105	8,232,600	8,644,400	9,033,400	9,440,000
Non-Personnel	5,215,829	5,579,744	5,579,744	5,451,333	5,045,300	5,127,400	5,214,300	5,299,100
Water Purchases	24,864,482	28,300,000	27,600,000	27,600,000	27,600,000	28,800,000	32,200,000	35,400,000
Transfers Out	11,683,466	5,950,541	5,950,541	4,485,964	4,527,800	4,970,800	5,015,000	5,060,500
<b>Total Expenditures</b>	<b>48,070,472</b>	<b>47,655,871</b>	<b>46,955,871</b>	<b>45,601,402</b>	<b>45,405,700</b>	<b>47,542,600</b>	<b>51,462,700</b>	<b>55,199,600</b>
<b>Annual Surplus/(Shortfall)</b>	<b>(7,133,528)</b>	<b>(2,643,278)</b>	<b>(3,043,278)</b>	<b>409,239</b>	<b>1,792,600</b>	<b>1,668,300</b>	<b>59,600</b>	<b>(927,100)</b>
<b>Ending Fund Balance</b>	<b>21,221,721</b>	<b>18,578,443</b>	<b>18,178,443</b>	<b>18,587,682</b>	<b>20,380,282</b>	<b>22,048,582</b>	<b>22,108,182</b>	<b>21,181,082</b>



**Wastewater Maintenance & Operations Funds 610**

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
	<b>Actual</b>	<b>Revised</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>Beginning Fund Balance</b>	<b>18,105,599</b>	<b>19,606,198</b>	<b>19,606,198</b>	<b>19,581,061</b>	<b>20,183,027</b>	<b>22,015,791</b>	<b>22,731,455</b>	<b>23,122,818</b>
<b>Program Revenues</b>								
Sewer Service Charges	18,995,440	19,600,000	19,600,000	20,500,000	21,500,000	22,300,000	22,500,000	23,000,000
Sewer Connection Fees	13,685,782	4,500,000	4,500,000	3,000,000	3,000,000	3,000,000	3,000,000	3,500,000
Other Revenues	180,676	96,000	96,000	96,000	96,000	96,000	96,000	96,000
Interest	153,560	66,000	66,000	66,000	101,000	110,000	114,000	116,000
Transfers In	1,949,946	1,734,189	1,734,189	1,515,071	1,363,800	1,583,500	1,583,500	1,583,500
<b>Total Revenues</b>	<b>34,965,404</b>	<b>25,996,189</b>	<b>25,996,189</b>	<b>25,177,071</b>	<b>26,060,800</b>	<b>27,089,500</b>	<b>27,293,500</b>	<b>28,295,500</b>
<b>Expenditures</b>								
Personnel	6,910,586	8,227,256	8,227,256	8,361,455	8,659,400	9,099,900	9,516,100	9,951,000
Non-Personnel	8,093,359	8,140,368	8,140,368	7,989,992	7,312,636	8,992,936	9,071,036	9,150,836
Transfers Out	18,460,860	9,653,702	9,653,702	8,223,657	8,256,000	8,281,000	8,315,000	8,842,000
<b>Total Expenditures</b>	<b>33,464,805</b>	<b>26,021,326</b>	<b>26,021,326</b>	<b>24,575,104</b>	<b>24,228,036</b>	<b>26,373,836</b>	<b>26,902,136</b>	<b>27,943,836</b>
<b>Annual Surplus/(Shortfall)</b>	<b>1,500,599</b>	<b>(25,137)</b>	<b>(25,137)</b>	<b>601,967</b>	<b>1,832,764</b>	<b>715,664</b>	<b>391,364</b>	<b>351,664</b>
<b>Ending Fund Balance</b>	<b>19,606,198</b>	<b>19,581,061</b>	<b>19,581,061</b>	<b>20,183,027</b>	<b>22,015,791</b>	<b>22,731,455</b>	<b>23,122,818</b>	<b>23,474,482</b>