

Environmental Services Budget and Financial Workshop

March 20, 2012





Water/Wastewater System

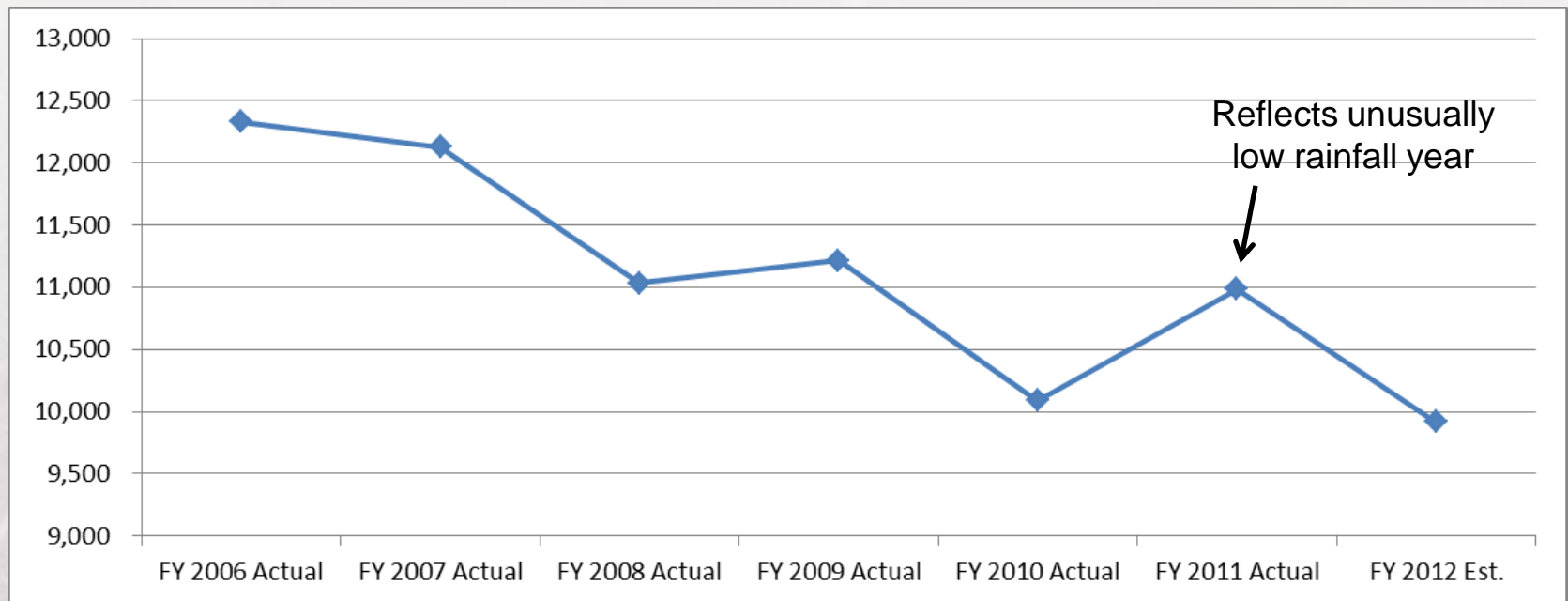
Water/Wastewater Fund

FY 2011 Results

- **Personnel 95% (budget vs. actual)**
- **Operating 95% (budget vs. actual)**
 - **Continue to Seek Reductions**
- **Unrestricted Reserves \$18.8 million**

Water/Wastewater Key Issues

- **Recent Reductions in Water & Sewer Billed Consumption**
 - **Average Monthly consumption per Equivalent Residential Connection (ERC)**



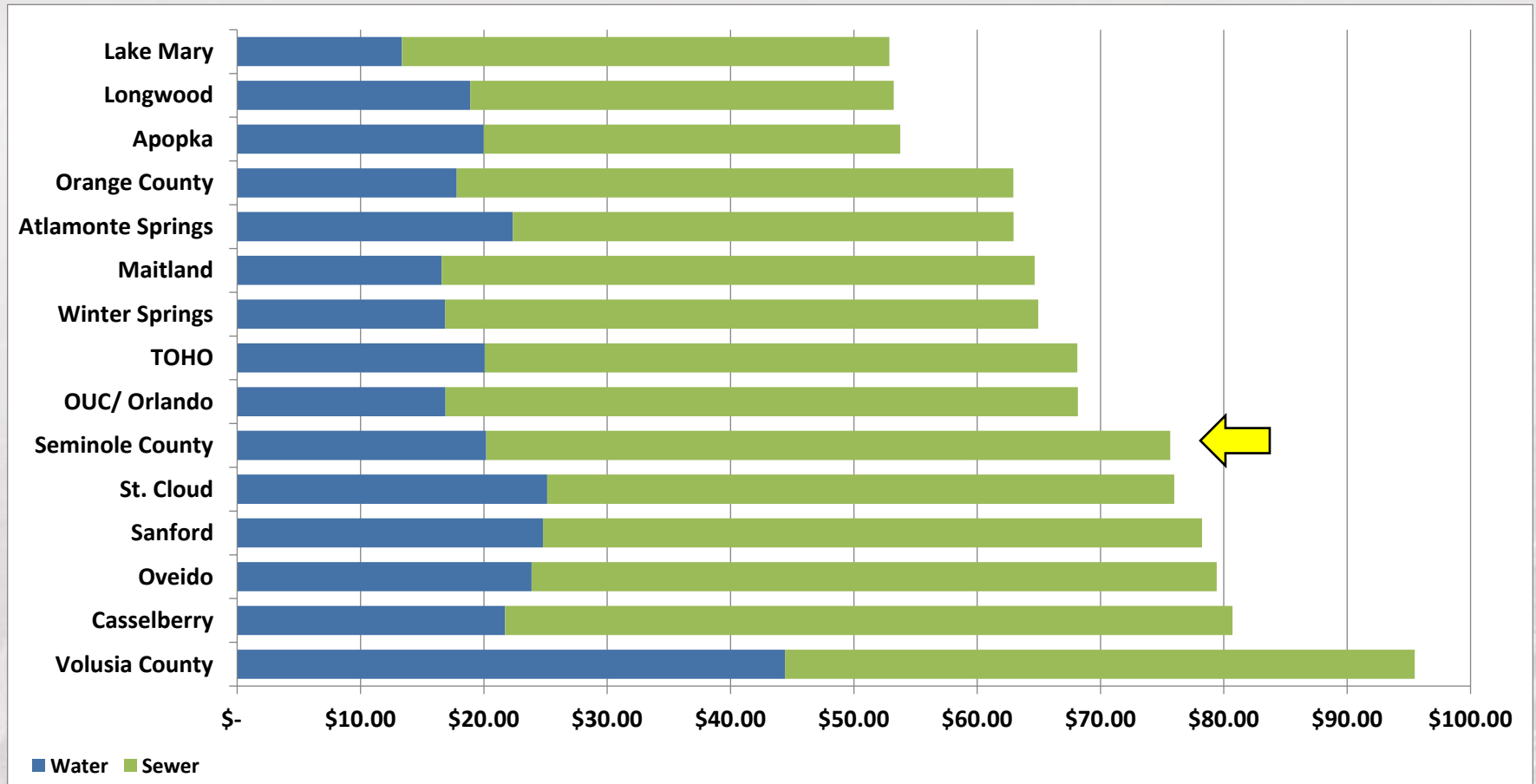
- **Results in Lower Annual Rate Revenue, Increasing Pressure on Operating Reserves and Debt Service Coverage**

Water/Wastewater Key Issues

- **Efficiency Measures Applied to Capital Funding**
 - **Use of Connection Fees for Payment of Eligible Debt Service**
 - **Applicable Only to Expansion-Related Portion of Series 2006 and Series 2010 Revenue Bonds**
 - **Results in Ability to Fund More Capital, Including Identified High Priority Renewal & Replacement Needs (FY 2013 – FY 2015)**

FY 2012 Residential Rate Comparison

- Combined Water and Sewer Bill at 9,000 Gals/Month



Water/Wastewater Results Sustainable Plan

Strong Debt Service Coverage

Current Plan is Adequate

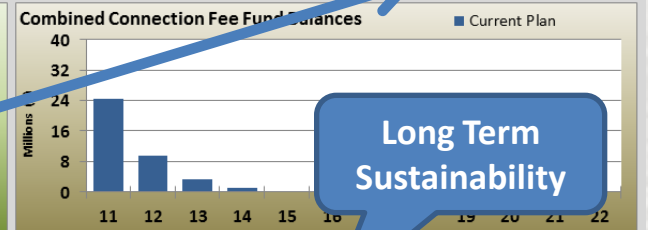
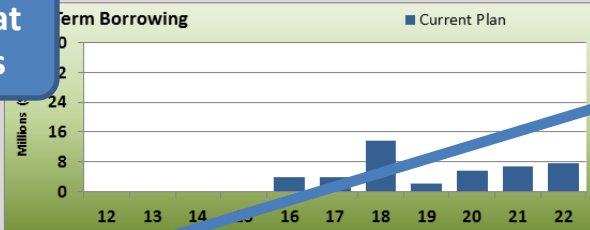
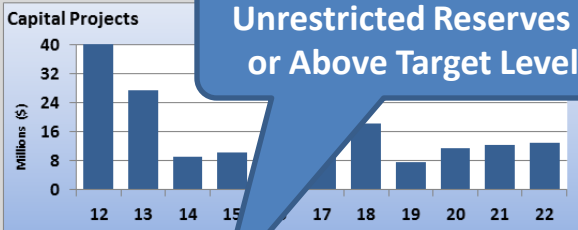
Reduced O&M Costs

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

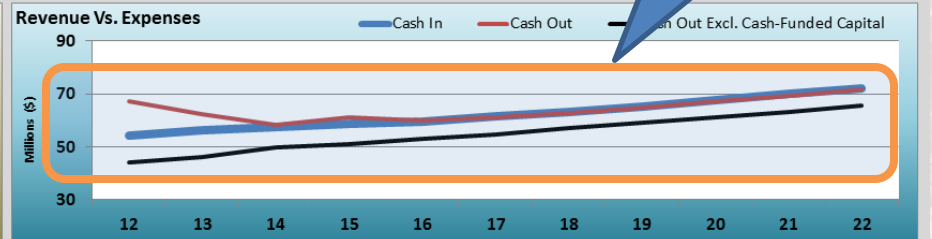
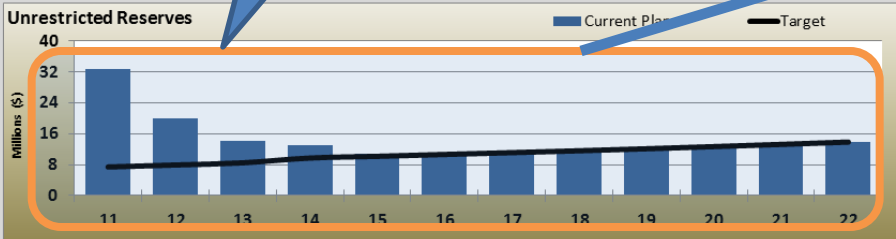
SEMIWATKINS COUNTY, FL

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Change FY 2012	Change FY 2022
Water Rate Increases	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	15.7%	34.2%
Sewer Rate Increases	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	15.9%	34.3%
Rate Covenant (I)	1.10	1.41	1.40	1.29	1.31	1.32	1.30	1.30	1.30	1.30	1.28	O&M FY12	100%
Rate Covenant (II)	1.25	1.49	1.46	1.34	1.39	1.40	1.36	1.36	1.38	1.37	1.36	Demand Δ	-10%
CIP Execution Percentage ▶	100%	118%	138%	133%	100%	76%	87%	74%	100%	100%	100%	Elasticity	0.10
Water	\$20.19	20.80	21.42	22.05	22.70	23.36	24.03	24.71	25.49	26.29	27.10	DS w/ CF?	YES
Sewer	\$55.46	57.09	58.82	60.57	62.43	64.30	66.19	68.19	70.21	72.34	74.49	AWS	NO
Average Bill (9 Tgal/Mnth)	\$75.65	77.89	80.24	82.62	85.13	87.66	90.22	92.90	95.70	98.63	101.59	Reserve Target	4.00
												Mos. O&M	

Unrestricted Reserves at or Above Target Levels



Long Term Sustainability



Water/Wastewater Results

No Additional Adjustments

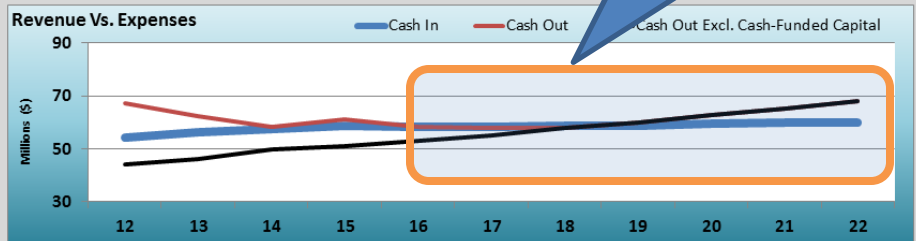
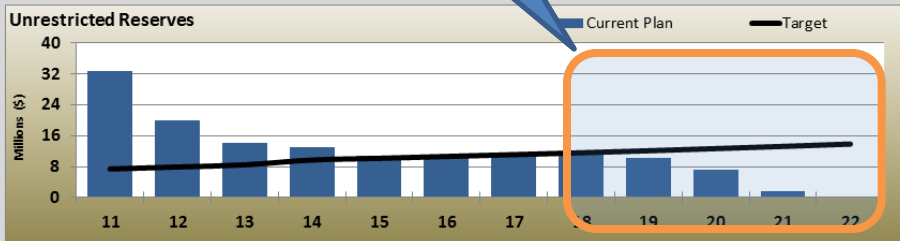
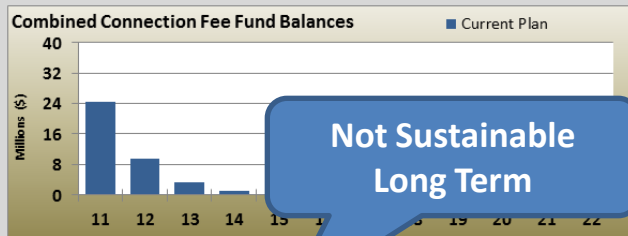
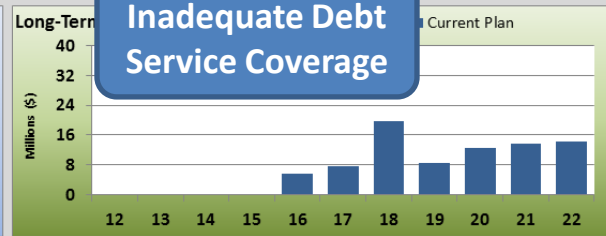
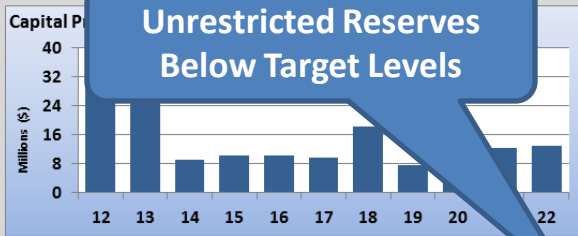
Current Plan Is Adequate Through FY 2015

If There Are No Adjustments Thereafter...

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SEMINOLE COUNTY FL

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Cumulative Change		
												FY 2017	FY 2022	
Water Rate Increases	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.2%	9.2%	
Sewer Rate Increases	0.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.2%	9.2%	
Rate Covenant (I)	1.10	1.41	1.40	1.29	1.31	1.23	1.15	1.04	0.95	0.86	0.76	0.67	O&M FY12	100%
Rate Covenant (II)	1.25	1.49	1.46	1.34	1.39	1.31	1.23	1.10	1.00	0.93	0.83	0.73	Demand Δ	-10%
CIP Execution Percentage ▶	100%	118%	138%	133%	100%	76%	87%	74%	100%	100%	100%		Elasticity	0.10
Water	\$20.19	20.80	21.42	22.05	22.05	22.05	22.05	22.05	22.05	22.05	22.05		DS w/ CF?	YES
Sewer	\$55.46	57.09	58.82	60.57	60.57	60.57	60.57	60.57	60.57	60.57	60.57		AWS	NO
Average Bill (9 Tgal/Mnth)	\$75.65	77.89	80.24	82.62	82.62	82.62	82.62	82.62	82.62	82.62	82.62		Reserve Target	
												4.00	Mos. O&M	



Water/Wastewater Results Alternative Water Supply

Strong Debt Service Coverage

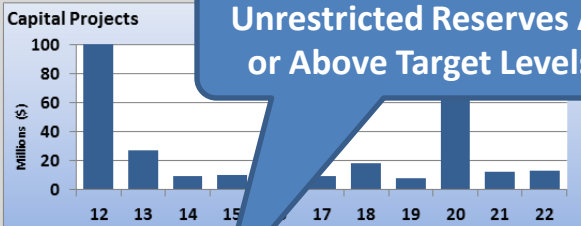
Current Plan Is Adequate Through FY 2015

Annual Adjustments to Avoid Rate Spike in FY 2021

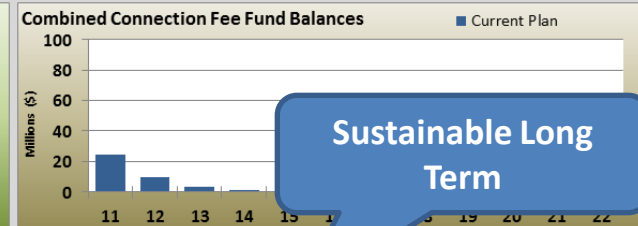
FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SEMINOLE COUNTY, FL

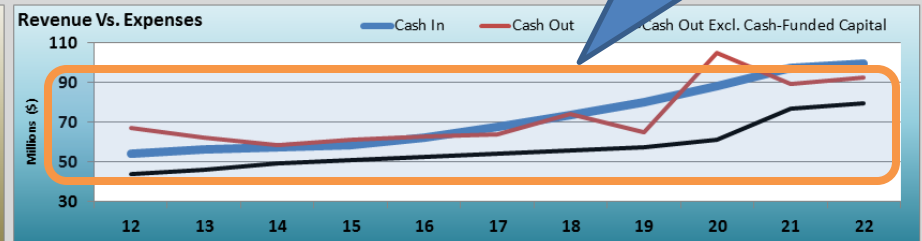
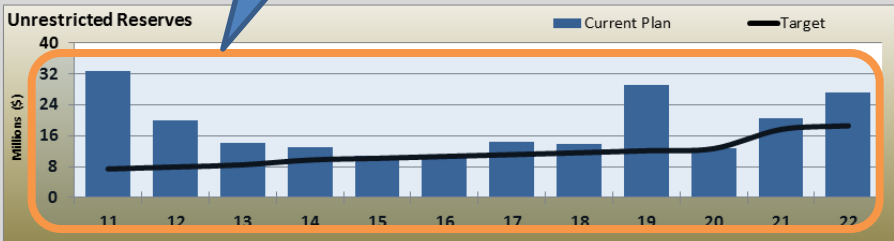
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Cumulative Change	
												FY 2017	FY 2022
Water Rate Increases	0.00%	3.00%	3.00%	3.00%	17.00%	17.00%	17.00%	17.00%	17.00%	16.85%	0.74%	49.5%	182.1%
Sewer Rate Increases	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	15.9%	34.3%
Rate Covenant (I)	1.10	1.41	1.40	1.29	1.31	1.47	1.67	1.90	2.17	2.21	1.88	O&M FY12	100%
Rate Covenant (II)	1.25	1.49	1.46	1.34	1.39	1.55	1.75	1.97	2.24	2.29	1.96	Demand Δ	-10%
CIP Execution Percentage ▶	100%	118%	138%	133%	100%	76%	87%	74%	100%	100%	100%	Elasticity	0.10
Water	\$20.19	20.80	21.42	22.05	25.80	30.18	35.34	41.36	48.41	56.54	56.96	DS w/ CF?	YES
Sewer	\$55.46	57.09	58.82	60.57	62.43	64.30	66.19	68.19	70.21	72.34	74.49	AWS	YES
Average Bill (9 Tgal/Mnth)	\$75.65	77.89	80.24	82.62	88.23	94.48	101.53	109.55	118.62	128.88	131.45	Reserve Target	
												4.00	Mos. O&M



Unrestricted Reserves At or Above Target Levels



Sustainable Long Term



Water/Wastewater Summary

- **Water/Wastewater Utility Financial Plan is Sustainable Based on Current Assumptions**
- **Future Effort will be Focused on System Renewal & Replacement Needs**
- **Continue Annual Monitoring to Ensure Long-Term Sustainability**

An aerial photograph of a wastewater treatment plant. The image shows several large circular tanks, some with white structures on top, and various industrial buildings and piping. The background is a light, hazy sky. The title 'Solid Waste System' is overlaid in the center in a bold, black, sans-serif font.

Solid Waste System

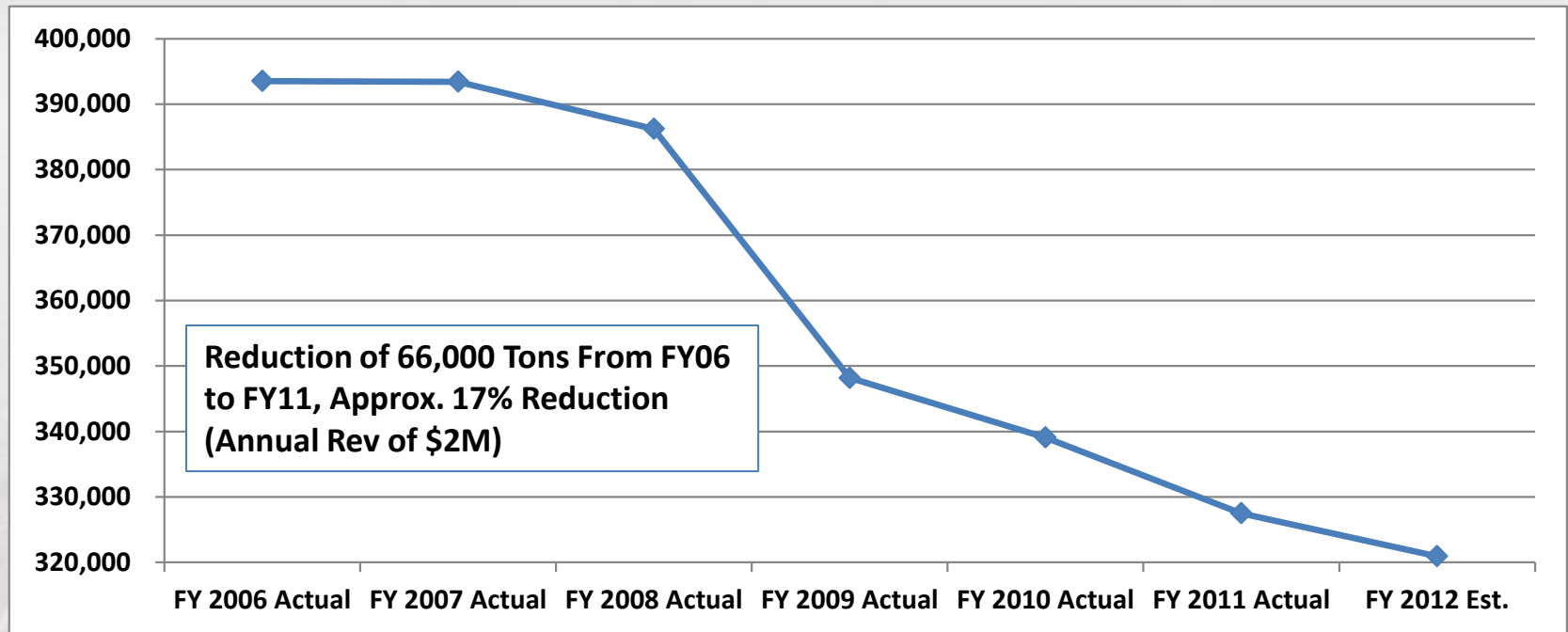
Solid Waste Fund

FY 2011 Results

- **Personnel 91% (budget vs. actual)**
- **Operating 86% (budget vs. actual)**
 - **Continue to Seek Reductions**
- **Unrestricted Reserves \$22.2 million**

Solid Waste Key Issues

- **Recent Reductions in Solid Waste Tonnage**



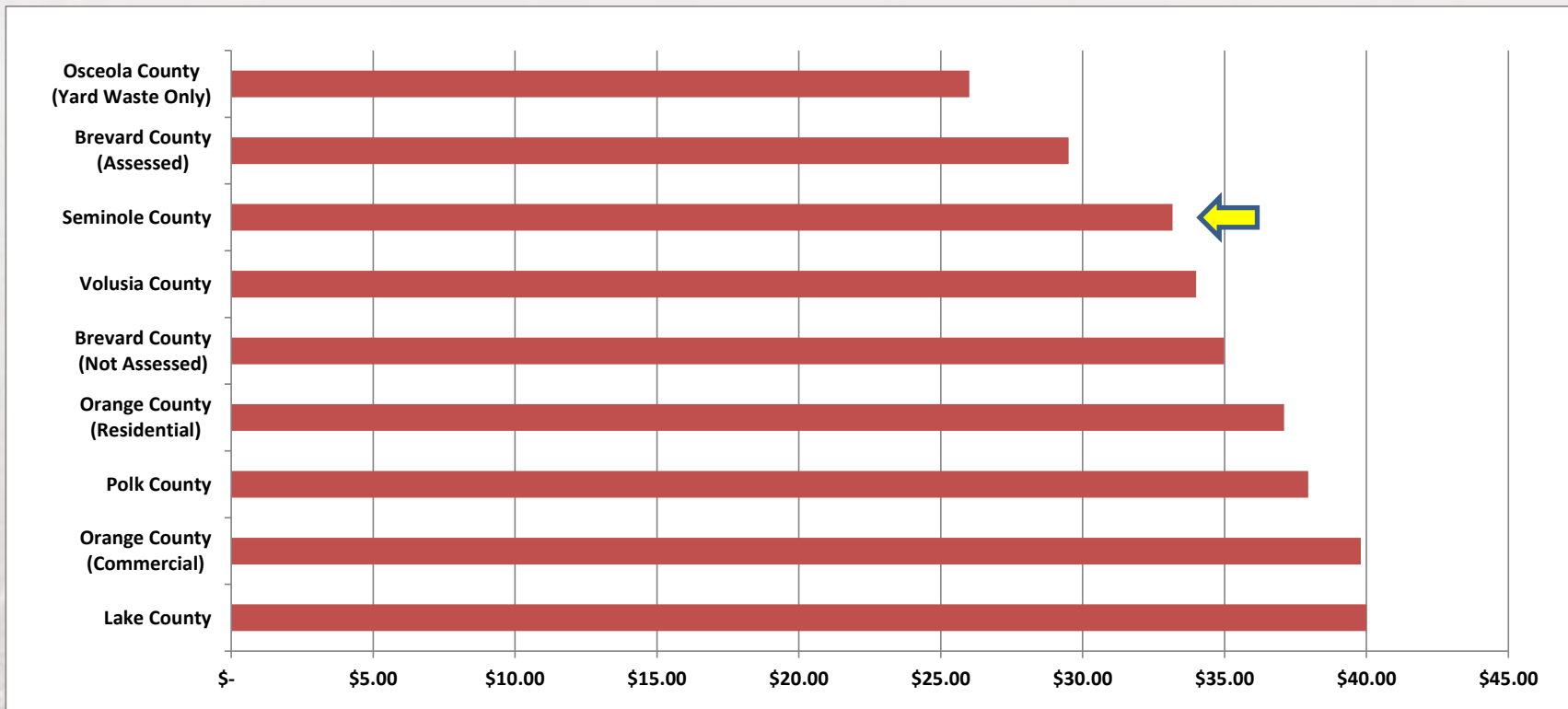
- **Results in Lower Annual Rate Revenue, Increasing Pressure on Operating Reserves and Debt Service Coverage**

Solid Waste Key Issues

- **Potential Efficiency Measure to Apply to Operating Expenses**
 - **Option to Landfill Yard Waste to Reduce Operating Expenses**
 - **Net Annual Savings of Approximately \$400K**
- **One-Time Savings on Calling Debt, 10/1/2013**
 - **Net One-Time Savings of Approximately \$400K**

FY 2012 Tipping Fee Comparison

- Rate per Ton in Surrounding Area



Solid Waste Results

Current Plan (Green) Requires Annual Inflationary Adjustments Beginning in FY 2015

Landfilling Yard Waste (Blue) Delays Annual Inflationary Adjustments for Two Years

Reduced Tonnage

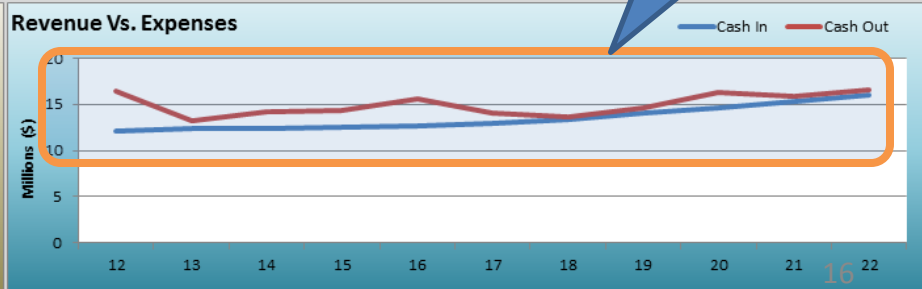
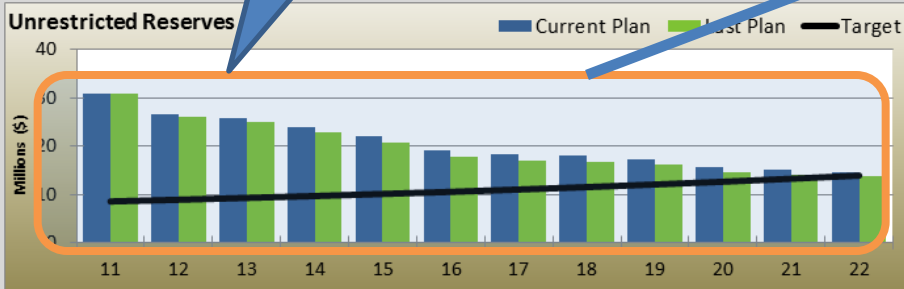
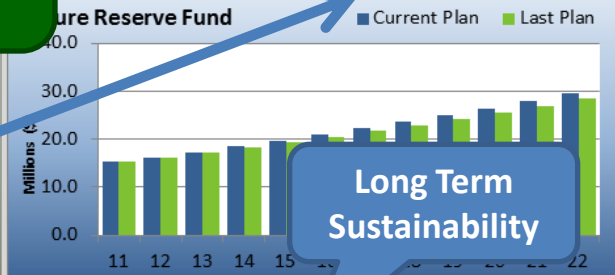
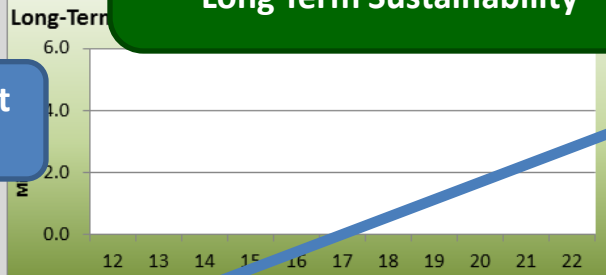
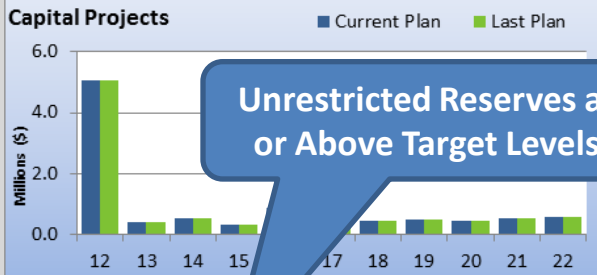
Strong Debt Service Coverage

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Change
Tipping Fee Rate	0.00%	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	16.0%
Last Plan	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	21.8%
Rate Covenant	1.25	2.77	2.60	2.35	2.11	1.75						FY12 Ton Δ -2.00%
Last Plan	2.36	2.17	1.90	1.85	1.71							Growth Scen 2
O&M Execution	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	NO
CIP Execution	100%	80%	80%	80%								30
												Landfilling YES
Tipping Fee per Ton	\$33.17	33.17	33.17	33.17					61	37.53	38.47	Reserve Target
Last Plan	\$33.17	33.17	33.17	34.00					47	39.43	40.41	12.00
												Mos. O&M

While Maintaining Strong Debt Service Coverage, Reserves and Long Term Sustainability

Unrestricted Reserves at or Above Target Levels

Long Term Sustainability



Solid Waste Summary

- **Solid Waste System Financial Plan is Sustainable Based on Current Assumptions**
- **Continue Annual Monitoring to Ensure Long-Term Sustainability**

Discussion

