



*SEMINOLE COUNTY, FLORIDA*

# ***Water & Sewer System***

**Environmental Services Department**



## Financial Forecasts Environmental Services

- **Current Economic Conditions**
- **Regulatory Environment**
- **Financial Results 2007 and 2008**
- **Long-term Strategy**



## Current Economic Conditions

- **Utilities are energy intensive enterprises**
- **Impacts directly to power and transportation**
- **System growth has moderated will not support new programs**
- **Interest rates remain favorable for stable entities**
- **Capital project bidding environment remains favorable**



## Regulatory Environment

### **Water and Sewer**

- **Impact from surface water programs**
- **System operating permits and FDEP mandates**
- **Cross Connection Control**

### **Solid Waste**

- **Operating permit issuance**
- **Some pressure on slurry wall facilities and long-term viability**





## Financial Results 2007

- **Both enterprise funds performed well financially**
- **Reserved \$2.9 and \$3.1M for rate stabilization for Water and Sewer, and Solid Waste, respectively**
- **W&S CIP revalidated and updated estimates of projects through the 2013 horizon**
- **Ten-year Solid Waste proformas have only minor issues. Can be addressed with reserves**



## Financial Results 2007

### **Water and Sewer**

- **Revenues at \$43.0M budgeted at \$43.3M or 99%**
- **Expenses at \$23.1M, budgeted at \$24.7M or 94%**
- **Connection fees actual at \$4.7M budgeted at \$3.6M or 131%**
- **Customer growth 2.25% at 1,100 water and 774 sewer**
- **Utility is in the early stage of maturity and performing well in the current challenging economy**



## Financial Results 2007

### **Solid Waste**

- **Tipping fee revenue at \$12.9M budgeted at \$12.0M or 108%**
- **Expenses at \$10.0M, budgeted at \$12.0M or 83%**
- **Annual fuel costs \$530K**
- **Tonnage 407,000 and is unchanged from the prior year**



## Financial Results 2008

### **Water and Sewer through June 30th**

- **Billed revenues at \$32.8M budgeted at \$43.5M or 76%**
- **Expenses at \$16.8M, budgeted at \$26.5M or 63% (data lags)**
- **Connection fees actual at \$2.6M budgeted at \$3.1M or 84%**
- **Growth for 2008 should be 1.0-1.5%**
- **Consistent with the life-cycle position of the utility but less than the 3% originally forecasted in 2006**





## Financial Results 2008

### **Solid Waste through June 30th**

- **Billed tipping fee revenues at \$9.6M, budgeted at \$12.3M or 76%**
- **Expenses at \$8.2M, budgeted at \$13.2M or 62%**
- **Fuel costs now approaching \$1.0M annually**



## Beyond 2009

### **Water and Sewer**

- **Recurring impacts from regulatory mandates will begin in 2012**
  - **Surface water sources (\$5.8M)**
  - **Cross Connection Control (\$.83M)**
  - **Updates to CIP and funding requirements**
  - **Additional regulatory mandates**
  - **General inflationary pressures**

### **Solid Waste**

- **Disposal challenges**
  - **Regulatory mandates/interim closure**
  - **General inflationary pressures**



## Long-Term Strategy

### **Water and Sewer**

- **Finalize approach to regulatory mandates**
- **Finalize projects and financing approach**
- **Update and adopt five-year rate needs**

### **Solid Waste**

- **Determine approach to waste challenge**
- **Reach consensus on collection contract**
- **Update and adopt five-year rate needs**



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## Questions and Discussion



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