

Memo

To: Honorable Mayor and City Council
From: Joe Kohlmann, City Administrator
Date: November 13, 2012
Re: W/S Reserve, Water, Sewer and Storm Sewer Budgets

The attached budgets highlights include:

W/S Reserve:

Capital purchase for Water:

- Dust Collector \$33,000
- 25 Fire Hydrant Flags \$750
- 2-way Radio \$500

Capital Purchases for Sewer:

- Lift Station Panel \$29,500
- Manhole Covers \$2,000

***Note:** The transfer of \$235,722 from investments for sewer lining is not noted in W/S Reserve Fund since that is coming from actual investments.

Water Operating Fund:

2012 Rates	2013 Rates
\$4.44 per 1,000	\$4.80 per 1,000
\$46.68 per year	\$51.62 per year

These proposed rates would 'break even' the Water Operating Fund if every gallon of the 52 Million gallons used was at the lowest rate. However, the City does have conservation rates in place for higher end users. Staff has projected the 2012 Water Operating Fund to break even due to the higher users extra rate charges. If the rates above are acceptable, consequently the higher tier rates would increase as well. The rates above reflect just over an 8% increase over 2012.

Sewer Operating Fund

There is no proposed increase for the Sewer rates. 2012 was a very dry year and savings can be recognized by the decrease in sewage disposal charges. Part of this budget includes the \$235,722 for the Metropolitan Grant Application for I & I (sewer lining). That is why you see the massive increase in dollars transferred in.

Storm Water Drainage

There are no major changes to the Storm Water Drainage Fund. There are anticipated expenses that may happen as a result of the MS4 Permit. Any excess revenues would be directed to handling these unforeseen expenses.