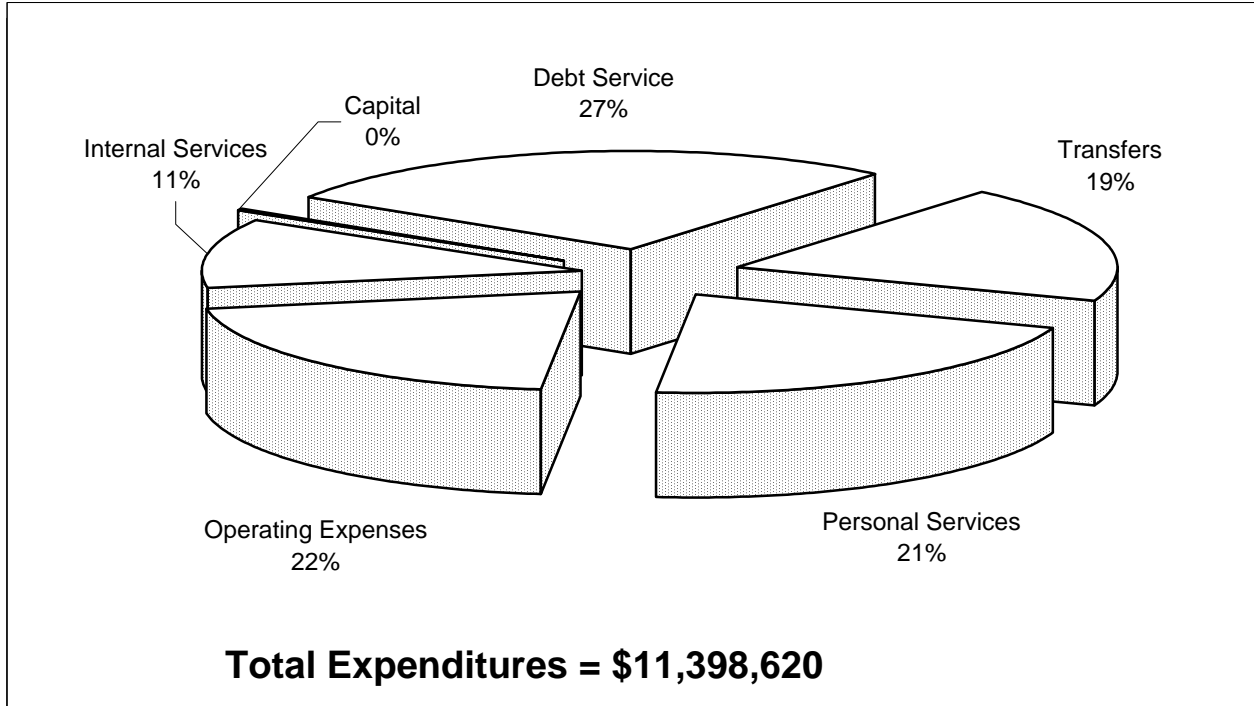


Stormwater Fund Expenditures by Type



Stormwater revenues are provided by the stormwater utility fee collected from each City of Clearwater utility customer, and billed through the monthly utility billing system. These revenues are used to remove pollutants and treat stormwater before it is discharged into lakes, bays, rivers, etc., and to operate and maintain the stormwater drainage facilities. The rate is \$9.35 per residential unit or ERU effective October 1, 2005. One ERU is equal to 1,830 sq. ft. of impervious area - hard surface that will not allow water to be absorbed into the ground such as roofs, driveways and parking lots.

Additional 3% rate increases have been approved to take effect 10/01/06, 10/01/07 and 10/01/08. These increases will provide funding to support capital projects while providing for necessary maintenance of the existing stormwater infrastructure. Some of the planned projects include Kapok Flood Resolution, Myrtle Avenue Drainage Improvements, Stevenson Creek Estuary Restoration, coastal improvements, Coopers Point and Allen's Creek Drainage improvements.

The Stormwater Fund operations reside in the Public Works Administration Departments. Personnel Service costs are estimated at 21% of all fund expenditures, and represent forty-six full time equivalent employees funded by Stormwater revenues, the same number as in fiscal year 2004/05. Operating expenses include an additional \$286,000 over the previous year in contractual services to maintain ponds, lakes and retention ponds. Debt Service costs, which amount to 27% of expenditures, include \$2,869,080 of interest and principal payments on outstanding stormwater construction bonds and \$235,670 of payments on lease purchased equipment. Transfers, which comprise 19% of total expenditures, include \$1,698,870 for capital improvements to the stormwater system and \$521,910 as payment in lieu of taxes to the General Fund. At 5.5% of the prior year's gross revenues, the percentage rate is 1% higher than the rate charged in previous years.

Anticipated revenues for Fiscal Year 2005/06 are approximately \$11,531,030, exceeding the estimated expenditures by \$132,410. These consist entirely of operating revenues and interest earnings anticipated under the adopted rate study. Fiscal year end 9/30/2004 financial statements reflect net income of approximately \$2,405,020 for the Stormwater Fund.