

Board of Public Utilities

Sewer Enterprise Fund

of the City of Cheyenne, Wyoming



Citizens Sewer Resources Report

For Fiscal Year ending June 30, 2010

Introduction

Cheyenne’s sewer system supports our community by removing and treating the waste laden water, or wastewater. This prevents diseases and illnesses.

The sewer system consists of the mains that collect wastewater from homes and businesses and the water reclamation facilities that treat the wastewater. These facilities do more than just make the water safe, they restore usefulness and value to water. The water that flows down the drain can later be used for commercial activities, such as dust control or cooling towers. It can be used to irrigate athletic fields, parks or green spaces. Or, the water will be released into Crow Creek to benefit aquatic life, livestock and wild animals.

The sewer system is a vital resource to the community and revenue from sewer bills fund its operation, maintenance and development. This report describes how the City of Cheyenne Board of Public Utilities (BOPU) invested your sewer bills in the sewer system.

This report is also a summary of the information contained in the Comprehensive Annual Financial Report for Fiscal Year 2010 or CAFR. The CAFR is available online at www.cheyennebopu.org. To find the report, click on the *Financial Reports* link.

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What Is the Sewer System Worth?

It may be unpleasant to think about, but once water flows down the drain it carries waste. Most people don't want to think about where it goes, much less care about what it takes to get it there. But without the sewer system, Cheyenne's residents would be exposed to disease and illnesses from polluted and contaminated water. The sewer system protects the health and safety of our community, how can one put a price on that?

One can, however, assess the net worth of the community's long-term investments in the sewer system. That is, the value of the infrastructure (the land, reclamation facilities, equipment, mains, etc.) less what the community owes on that infrastructure. This is the net assets of the Sewer Enterprise Fund.

The net assets of the Sewer Enterprise Fund decreased \$0.8 million during FY 2010 due to an increase in debt.

Assets and Liabilities

	Amount (millions)	
	FY 2010	FY 2009
Assets		
Current Assets	\$ 10.57	\$ 10.33
Noncurrent Assets	78.45	75.26
Total Assets	89.02	85.59
Liabilities		
Current Liabilities	4.38	2.78
Noncurrent Liabilities	39.73	37.36
Total Liabilities	44.11	40.14
Net Assets	\$ 44.91	\$ 45.45

Definitions for Assets and Liabilities

Current Assets - Resources that can reasonably be converted to cash, sold or consumed within the next year.

Noncurrent Assets - Long-term resources such as the value of land, reclamation facilities, machines, equipment, sewer mains, etc.

Current Liabilities - Debt that can be paid off within the next year. This includes vouchers, debt interest and funds due to City of Cheyenne Sanitation.

Noncurrent Liabilities - Debt used to finance large construction projects.



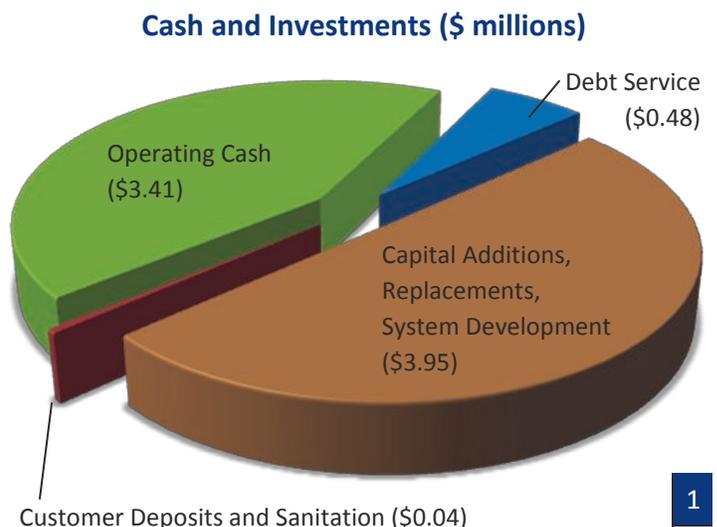
Above: Collection crews maintain 313 miles of sewer mains.

The Most Valuable Asset

The most valuable asset in the sewer system isn't a facility or main. It's the 129 men and women who operate and maintain the water and sewer systems. The infrastructure is just the tools they use. Sewer department crews collect and treat wastewater 24 hours a day, every day. They are passionate about water quality, protecting the environment, and dedicated to our community.

Cash and Investments

Of the \$10.57 million in current assets, \$7.88 million is in cash, cash equivalents and investments. These resources are allocated toward operations, debt service, system development, capital additions and replacements and funds due to customers and the City of Cheyenne Sanitation. See the chart below.



Revenues and Capital Contributions

Revenues

Fiscal Year 2010 sewer revenues decreased \$0.29 million from FY 2009. Although sales for services increased, these increases were offset by decreases in revenue from special purpose taxes and interest income, and decreases in capital contributions from grants. For more information, see pages 44 - 45 of the CAFR.

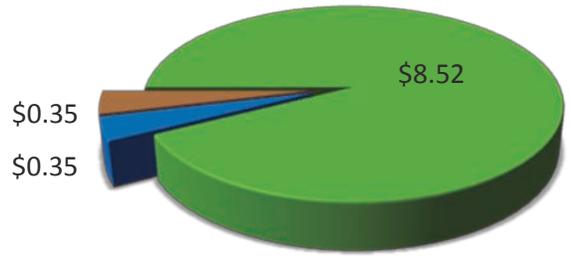
Definitions

Operating Revenues - includes sales for sewer service and fees.

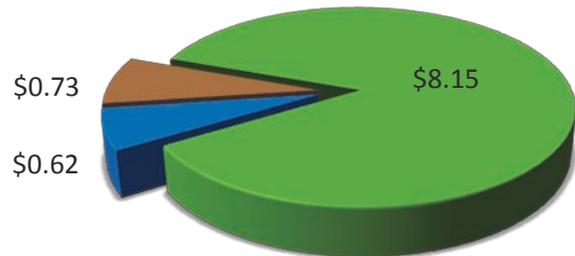
Nonoperating Revenues - includes interest income, intergovernment revenues, system development fees and gains from disposal of capital assets.

Capital Contributions - includes construction grants and donated utilities.

FY 2010 = \$9.22 million



FY 2009 = \$9.51 million



Expenditures

Expenditures

Fiscal Year 2010 sewer expenditures increased \$4.85 million from FY 2009. This is primarily due to an increase in construction work. Of the \$4.85 million, \$4.18 million is for the Anoxic Basin Project. For more information, see pages 44 - 45 of the CAFR and page 3 of this report.

Definitions

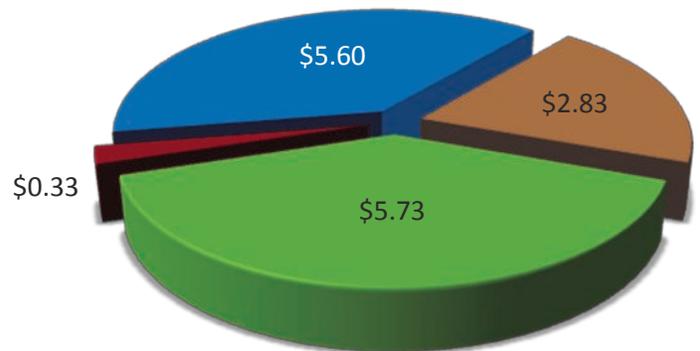
Operating Expenses - includes the costs of operating and maintaining the sewer system. Expenses shown do not include depreciation.

Capital Purchases - Equipment, structures, motorized vehicles, land or other property.

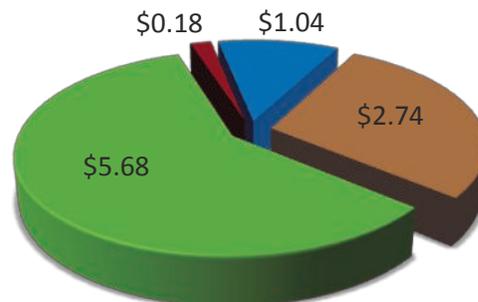
Construction work - See the brief descriptions of Sewer Main Rehabilitation Projects and Crow Creek Water Reclamation Facility Anoxic Basin on page 3.

Debt Service - Principal payments and accrued interest on debt. For more information see page 4.

FY 2010 = \$14.49 million



FY 2009 = \$9.64 million



Completed Projects

Sewer Main Rehabilitation Projects

Right: Picture of Carey Avenue Project

Approximately \$1.0 million in sewer main rehabilitations and replacements were added to capital assets during FY 2010. Projects included replacing and lining sewer mains. Sewer main projects were conducted near Norris Viaduct, Deming Drive and Waltersheid Boulevard, West Pershing, Carey and Pioneer Avenues and other locations.



Crow Creek Water Reclamation Facility Anoxic Basin

Left: Construction crews build an anoxic basin.

The BOPU added a new wastewater treatment process at Crow Creek Water Reclamation Facility. The new process, called an anoxic basin, removes nitrates from wastewater.

Nitrate is a nutrient and too much nitrate in streams can over-fertilize. This disrupts the ecosystem of the stream. The anoxic basin removes nitrates from wastewater using beneficial bacteria. These bacteria break nitrates into nitrogen and oxygen. They also consume waste in the water, cleaning the water.

The anoxic basin cost \$4.4 million. Funding came from a \$4.3 million principal forgiveness loan from the American Recovery and Reinvestment Act. Approximately \$4.18 million was spent during FY 2010. Project completed in November 2010.

Upcoming Projects

Sewer Main Rehabilitation Projects

The BOPU budgeted \$0.9 million for sewer main rehabilitations in FY 2011. The projects will replace approximately 4,010 feet (0.76 miles) of sewer mains. Project areas include East Pershing Boulevard, Russell Avenue, Cleveland Avenue, Country Club Avenue and East 19th Street.

Right: Construction crews install a new sewer manhole.



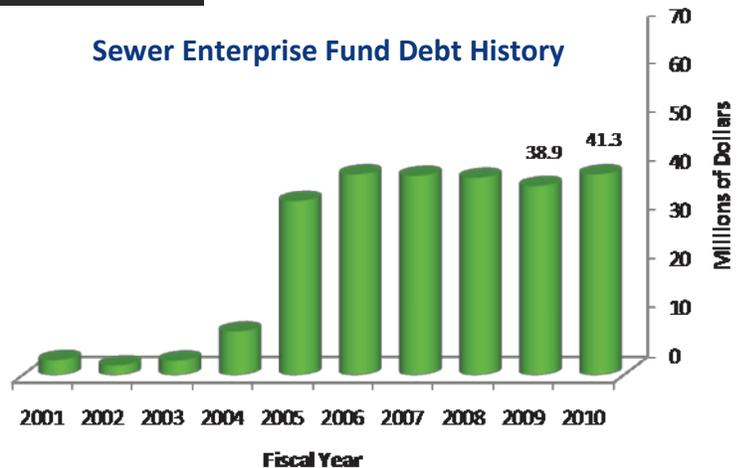
Debt Summary

At the end of FY 2010, the Sewer Enterprise Fund had a total outstanding debt of \$41.3 million. This amount increased \$2.4 million from FY 2009.

During FY 2010, the BOPU retired \$1.9 million in debt and added \$4.2 million in debt.

For more information, view the FY 2010 Comprehensive Financial Report at www.cheyennebopu.org, pages 15-17, 20-22 and 31-39.

Sewer Enterprise Fund Debt History



FY 2010 Proceeds from Issuance of Debt

Project	Advance	Funding Source
Administration Building	\$ 52,602	Loans from the State of Wyoming
Crow Creek Anoxic Basin	4,184,614	American Recovery and Reinvestment Act
Total: \$ 4,237,216		

Debt Changes Anticipated for FY 2011

The BOPU anticipates retiring \$6.3 million in debt during FY 2011 and adding approximately \$1.8 million in debt for the new Administration Building. Of the \$6.3 million, \$4.3 million is an American Recovery and Reinvestment Act Principal Forgiveness Loan for the Crow Creek Anoxic Basin Project. Read about the project on page 3.

Do Your Part to Maintain Sewers

- Never pour fats, oils or grease down the drain. They cool and congeal in pipes, restricting and blocking flow.

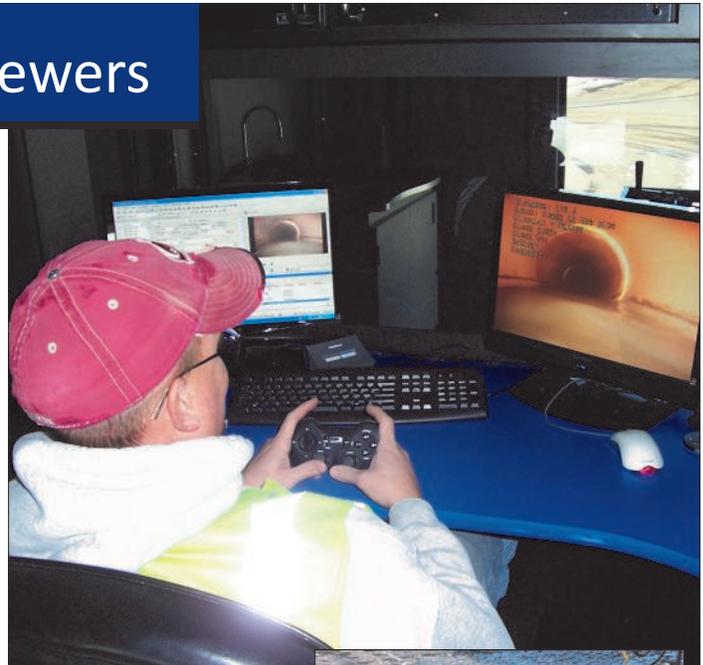
Instead, pour fats, oils and grease into a disposable container. Freeze it and throw it in the trash.

- Remove roots from your sewer service line. Tree roots need nutrients, water and oxygen, all of which are found in sewers. Consequently, tree roots will seek out sewer mains and service lines.

That is why it is important to periodically treat your sewer service line with a root killer or inhibitor. Ask your hardware store or plumber for more information.

- Do not dump paint, fuels, oil or other hazardous material down drains. These substances can be harmful to wastewater treatment processes.

Instead, take it to the Household Hazardous Waste disposal site, for more information call 637-6440.



*Above: Crews operate a robotic camera to assess the condition of sewer mains.
Right: a robotic camera.*

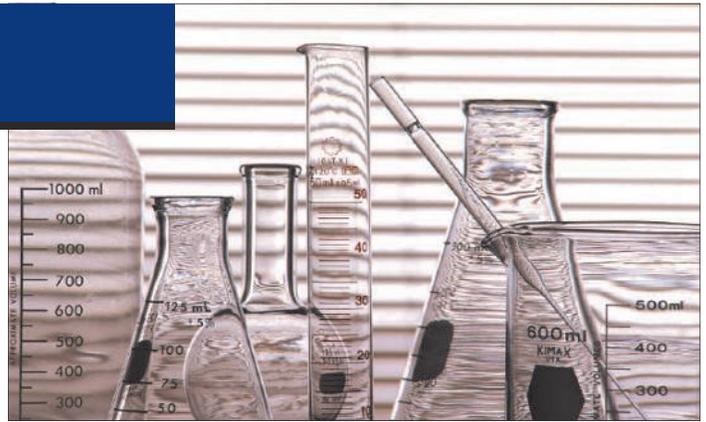


Reclaimed Water Quality

During Fiscal Year 2010, the BOPU continued its dedication to the environment by protecting water quality in Crow Creek. The BOPU accomplishes this by removing what the community puts in the water. Water reclamation facilities reclaim and restore usefulness to the wastewater that flows down the drains. The table to the right shows the treatment efficiency of these facilities.

In many ways, the water leaving Cheyenne is cleaner and safer than the water it mixes with in Crow Creek. It has fewer bacteria, pathogens, nutrients and ammonia than the water in Crow Creek.

The reclamation facilities also reduced Cheyenne's need for water by recycling water for irrigation. During FY 2010, Cheyenne saved 82.1 million gallons of drinking water by using recycled water to irrigate athletic fields, parks and green spaces. That is enough water to supply 680 homes for a year.



Treatment Effectiveness		
Percent of Contaminants Removed		
	Dry Creek WRF	Crow Creek WRF
Total Suspended Solids (a general measure of water pollution)	99.5%	95.7%
Biochemical oxygen demand (a measure of water pollution due to organic material)	99.6%	97.8%
Fecal Coliform Bacteria (a measure of water pollution due to bacteria)	99.9%	99.9%



Why can't I drain water from my sump pump into the sewer?

Water in the sanitary sewer system must be treated. It carries wastewater from toilets, laundry, tubs, showers, sinks, drains, etc. The cost to treat this wastewater was \$14.49 million during FY 2010. See page 2. These costs are paid for through sewer rates and fees.

Ground water from basements and water from roofs, drives and foundations does not need to be treated. Piping this water to the sanitary sewer system unnecessarily fills sewer pipes and increases the amount of wastewater that needs to be treated. This increases costs and sewer rates.

Instead, pipe water from basements, roofs, drives and foundations to the street like in the [picture to the left](#). Here, the water can enter the City's storm water system. This system takes water directly to Crow Creek. Better yet, put the water to beneficial use. Use the water to irrigate gardens and landscaping.

Learn more, the City of Cheyenne has a brochure on what to do if you experience wet basements. Pick one up at 2101 O'Neil Ave.

