






Water Management Recommended FY 2012-13 Biennial Operating Budget Amendment

August 16, 2012
Finance Committee





Water and Sanitary Sewer Funds

- The water and sanitary sewer enterprise funds are established to account for the operations and capital investments of the Water Management Department. The expenditures associated with providing services to customers on a continuing basis is recovered solely through user charges and development fees.




Financial Planning Path

- Cost of Service Analyses – 2007, 2009, 2010 & 2012
 - Rate Funded Capital
 - Operations Reserve
 - User Charges
 - Reclaimed Water
- Development Fee Evaluation 2012
- Biennial Budgeting and Financial Plans
- Integrated Water Resources Planning



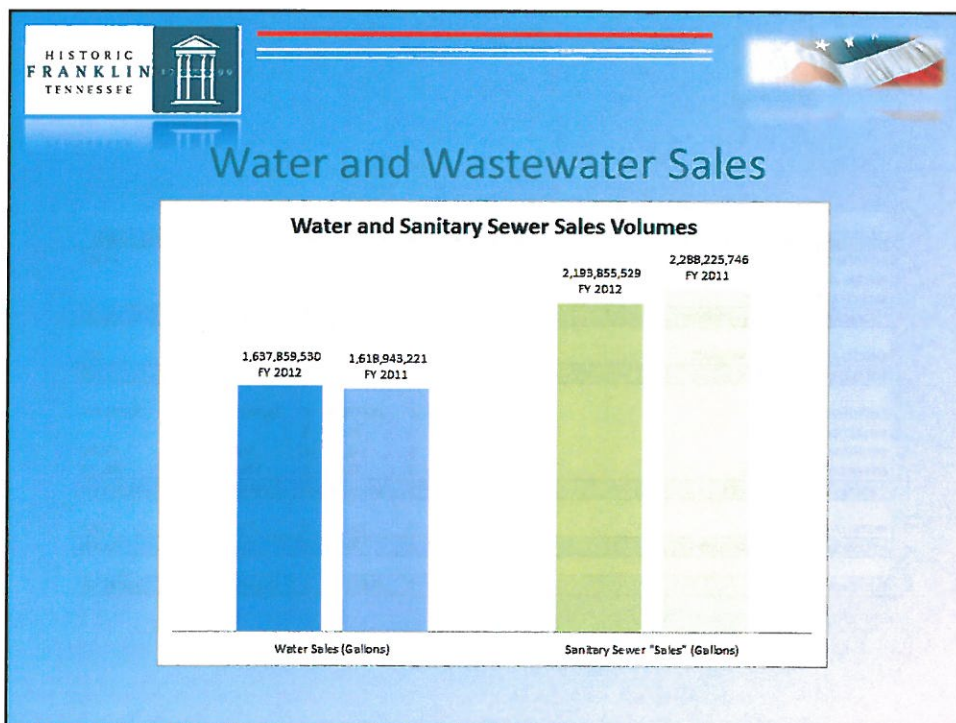
Budget Amendment Overview

- Operations Revenues
- Operations Expenditures
 - Personnel
 - Organization
 - Operations & Maintenance
 - Operations Capital




Water and Sanitary Sewer Sales and Revenues

- Water consumption declined from 2005 through 2010; 2011 to 2012 experienced a 0.6% increase in domestic water sales volume and 8.8% increase in irrigation water sales volume.
 - 1.2% increase in sales volume
 - 2.0% increase in revenue
- Sanitary Sewer service declined from 2008 through 2010; 2011 to 2012 experienced a 1.2% increase in the COF water utility area, 4.6% increase in MUD water utility and 11.1% decrease in MVUD and HB&TS utilities.
 - 4.1% decrease in sales volume
 - 10.8% increase in revenue




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Water Revenues					
WATER OPERATIONS REVENUE	Budget 2012	Est 2012	Budget 2013	Budget 2013 Amend	
INTEREST INCOME	\$ 15,300	\$ 18,726	\$ 15,600	\$	15,600
RENTAL INCOME	\$ 11,600	\$ 23,273	\$ 11,600	\$	11,600
SALE OF SURPLUS ASSETS	\$ -	\$ 10,044	\$ -	\$	-
TOTAL USE OF MONEY & PROPERTY	\$ 26,900	\$ 52,043	\$ 27,200	\$	27,200
MISCELLANEOUS OTHER REVENUE	\$ -	\$ 1,252	\$ -	\$	-
TOTAL OTHER REVENUE	\$ -	\$ 1,252	\$ -	\$	-
CUSTOMER SERVICE	\$ 8,745,000	\$ 8,958,799	\$ 9,007,500	\$	9,007,500
PENALTIES	\$ 240,000	\$ 132,267	\$ 247,650	\$	247,650
SERVICE CHARGES	\$ 100,000	\$ 159,020	\$ 103,000	\$	103,000
INSPECTION FEES	\$ 65,000	\$ 60,877	\$ 66,950	\$	66,950
OTHER SERVICE REVENUE	\$ 100,000	\$ 68,766	\$ 103,000	\$	103,000
TOTAL CUSTOMER SERVICE	\$ 9,250,000	\$ 9,379,729	\$ 9,528,100	\$	9,528,100
INSTALLATION FEE	\$ 25,000	\$ 55,323	\$ 25,750	\$	25,750
TOTAL CAPITAL CONTRIBUTIONS	\$ 25,000	\$ 55,323	\$ 25,750	\$	25,750
TOTAL REVENUES	\$ 9,301,900	\$ 9,488,347	\$ 9,581,050	\$	9,581,050

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Wastewater Revenues					
WASTEWATER OPERATIONS REVENUE	Budget 2012	Est 2012	Budget 2013	Budget 2013 Amend	
INTEREST INCOME	\$ 15,300	\$ 46,064	\$ 15,600	\$	15,600
RENTAL INCOME	\$ 2,800	\$ -	\$ -	\$	-
SALE OF SURPLUS ASSETS	\$ -	\$ 12,051	\$ -	\$	-
TOTAL USE OF MONEY & PROPERTY	\$ 18,100	\$ 58,115	\$ 15,600	\$	15,600
MISCELLANEOUS OTHER REVENUE	\$ -	\$ -	\$ 180	\$	180
TOTAL OTHER REVENUE	\$ -	\$ -	\$ 180	\$	180
CUSTOMER SERVICE	\$ 10,460,000	\$ 11,488,988	\$ 10,960,000	\$	10,960,000
PENALTIES	\$ -	\$ 84,943	\$ -	\$	-
INSPECTION FEES	\$ 30,000	\$ 32,290	\$ 31,000	\$	31,000
OTHER SERVICE REVENUE	\$ 100,000	\$ 31,745	\$ 103,000	\$	103,000
TOTAL CUSTOMER SERVICE	\$ 10,590,000	\$ 11,637,966	\$ 11,094,000	\$	11,094,000
INSTALLATION FEE	\$ 75,000	\$ 140,723	\$ 77,250	\$	77,250
TOTAL CAPITAL CONTRIBUTIONS	\$ 75,000	\$ 140,723	\$ 77,250	\$	77,250
TOTAL REVENUES	\$ 10,683,100	\$ 11,836,804	\$ 11,187,030	\$	11,187,030



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Expenditures Personnel Changes




WATER DISTRIBUTION				
POSITION	PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME
Equipment Operator Senior	11	2	3	2
Utility Service Worker Senior	10	4	5	4
DIVISION TOTALS		15	17	15

UTILITY ADMINISTRATION				
POSITION	PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME
Assistant Director of Administration and Policy	23	0	0	1
Regulatory Coordinator	19	0	1	0
DIVISION TOTALS		9	10	10

WASTEWATER COLLECTION				
POSITION	PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME
Lift Station Technician RECLASSIFY TO MAINT TECH	14	4	4	0
DIVISION TOTALS		23	23	19


WATER RECLAMATION				
POSITION	PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME
Wastewater Maint Technician RECLASSIFY TO MAINT TECH	14	1	1	0
DIVISION TOTALS		20	20	19

MAINTENANCE				
POSITION	PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME
Maintenance Supervisor	19	0	0	1
Maintenance Technician	14	0	0	4
DIVISION TOTALS		0	0	5




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Water Section Expenditures Operations and Maintenance*




WATER SUMMARY				
OPERATIONS	BUDGET 2013	AMENDMENT 2013	DIFFERENCE	REQUEST JUSTIFICATION
TRANSPORTATION CHARGES	\$ 3,987	\$ 3,687	\$ (300)	
OPERATING SERVICES	\$ 10,850	\$ 12,400	\$ 1,550	
NOTICES, SUBSCRIPTIONS, PUBLICATIONS	\$ 8,000	\$ 11,250	\$ 3,250	The request for additional monies is related to utility services (electrical, solid waste, water, etc) stormwater facilities that are owned by the Water Management Department, yet are not related to operations. These facilities include the 4-H barn, Five Points Post Office, jail(s).
UTILITIES	\$ 283,310	\$ 273,625	\$ 10,275	Water Management Department is requesting additional funds to continue this leak detection program.
CONTRACTUAL SERVICES	\$ 21,000	\$ 31,700	\$ 14,000	The additional funding requested is to address items identified in the Five Year Tank Inspections. Items include internal cleaning and mixing mechanism. Additional items will be identified in future years.
REPAIR & MAINTENANCE SERVICES	\$ 321,800	\$ 189,500	\$ 67,700	
EMPLOYEE PROGRAMS	\$ 3,100	\$ 1,600	\$ (3,500)	
PROFESSIONAL DEVELOPMENT/TRAVEL	\$ 8,340	\$ 8,490	\$ (150)	
OFFICE SUPPLIES	\$ 4,800	\$ 4,350	\$ (450)	
OPERATING SUPPLIES	\$ 193,200	\$ 208,400	\$ 14,200	Additional funding is requested due to increased unit cost of chemicals in treatment of water.
FUEL & MILEAGE	\$ 36,200	\$ 26,200	\$ (9,200)	
SUPPLIES FOR RESALE	\$ 3,400,000	\$ 3,400,000	\$ -	Budgeting for operations capital has been modified and is explained in the next section.
MACHINERY & EQUIPMENT (<\$25,000)	\$ 49,000	\$ 54,600	\$ 5,200	
REPAIR & MAINTENANCE SUPPLIES	\$ 245,650	\$ 250,250	\$ 4,400	
OPERATIONAL UNITS	\$ 993,170	\$ 1,033,583	\$ 39,813	Operational units have been reevaluated.
PROPERTY & LIABILITY COSTS	\$ 44,400	\$ 60,950	\$ 16,310	This expenditure was based on the year to date figure at the time of budget development and did not accurately reflect expenditure requirements.
RENTALS	\$ 1,500	\$ 2,700	\$ 550	
INTERESTS	\$ 41,310	\$ 38,300	\$ (3,000)	
FINANCIAL FEES	\$ 100	\$ 40,850	\$ 39,810	This expenditure was based on the year to date figure at the time of budget development and did not accurately reflect expenditure requirements.
OTHER BUSINESS EXPENSES	\$ 500	\$ -	\$ (500)	
DEBT SERVICE	\$ 193,321	\$ 249,246	\$ 57,925	Debt service has changed due to refinancing of loans
TRANSFERS	\$ -	\$ -	\$ -	
TOTAL OPERATIONS	\$ 5,045,888	\$ 5,984,671	\$ 708,163	

*Does not include personnel or capital




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Wastewater Section Expenditures Operations and Maintenance*

OPERATIONS	BUDGET			REQUEST JUSTIFICATION
	BUDGET 2013	2013	DIFFERENCE	
TRANSPORTATION CHARGES	\$ 3,340	\$ 3,320	\$ (20)	
OPERATING SERVICES	\$ 697,578	\$ 448,200	\$ (249,378)	
NOTICES, SUBSCRIPTIONS, PUBLICITY	\$ 8,000	\$ 12,700	\$ 4,700	
UTILITIES	\$ 1,510,078	\$ 1,411,078	\$ (99,000)	Reduction is attributed to the energy management efforts at the Water Reclamation Facility
CONTRACTUAL SERVICES	\$ 159,200	\$ 164,000	\$ (5,200)	Water Management Department is requesting additional funds to continue the leak detection services.
REPAIR & MAINTENANCE SERVICES	\$ 232,150	\$ 251,700	\$ 19,550	Additional monies are requested to perform roof repairs at the water reclamation facility
EMPLOYEE PROGRAMS	\$ 1,300	\$ 1,550	\$ (250)	
PROFESSIONAL DEVELOPMENT/TRAVEL	\$ 14,400	\$ 16,400	\$ 2,000	
OFFICE SUPPLIES	\$ 7,800	\$ 7,450	\$ (350)	
OPERATING SUPPLIES	\$ 226,258	\$ 239,828	\$ 13,569	Request is based on trending of operating supplies
FUEL & OIL FEE	\$ 235,750	\$ 243,000	\$ 7,250	
SUPPLIES FOR RESALE	\$ -	\$ -	\$ -	
MACHINERY & EQUIPMENT (-\$525,000)	\$ 30,700	\$ 96,000	\$ 65,300	Budgeting for operations capital has been modified and is explained in the next section
REPAIR & MAINTENANCE SUPPLIES	\$ 295,500	\$ 292,500	\$ (3,000)	Request is based on trending of operating supplies
OPERATIONAL UNITS	\$ 683,380	\$ 919,096	\$ 235,716	Operational units have been reevaluated. This expenditure was based on the year to date figure at the time of budget development and it is not accurately reflect expenditure requirement
PROPERTY & LIABILITY COSTS	\$ 301,000	\$ 321,500	\$ 20,500	
RENTALS	\$ 7,600	\$ 6,800	\$ (800)	
PERMITS	\$ 14,500	\$ 10,500	\$ (4,000)	
FINANCIAL FEES	\$ -	\$ 30,000	\$ 30,000	This expenditure was based on the year to date figure at the time of budget development and did not accurately reflect expenditure requirement
OTHER BUSINESS EXPENSES	\$ 600	\$ 300	\$ (300)	
DEBT SERVICE	\$ 1,191,800	\$ 1,110,076	\$ 81,724	
TRANSFERS	\$ -	\$ -	\$ -	
TOTAL OPERATIONS	\$ 5,286,688	\$ 5,396,346	\$ (109,658)	

*Does not include personnel or capital



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Water Section Expenditures – Capital

Capital <\$25,000	Estimate Based on Needs		Initial Budget		FY 2013 Budget		FY 2013 Budget		FY 2014 Projection
	Value		Value		Value	Amendment	Value		
EQUIPMENT	\$ 28,200	\$ 28,200	\$ 28,200	\$ -	\$ 28,200	\$ -	\$ 28,200	\$ 29,715	
INFORMATION TECHNOLOGY	\$ 5,167	\$ 5,200	\$ 5,200	\$ -	\$ 5,200	\$ -	\$ 5,200	\$ 5,460	
VEHICLES	\$ 21,050	\$ 21,100	\$ 21,100	\$ -	\$ 21,100	\$ -	\$ 21,100	\$ 22,155	
Water	\$ 54,417	\$ 54,600	\$ 54,600	\$ -	\$ 54,600	\$ -	\$ 54,600	\$ 57,330	

Capital >\$25,000	Estimate Based on Needs		Initial Budget		FY 2013 Budget		FY 2013 Budget		FY 2014 Projection
	Value		Value		Value	Amendment	Value		
BUILDING IMPROVEMENTS	\$ 1,833	\$ 1,800	\$ 1,800	\$ -	\$ 1,800	\$ -	\$ 1,800	\$ 1,995	
EQUIPMENT	\$ 44,242	\$ 45,000	\$ 45,000	\$ 461,000	\$ 886,000	\$ -	\$ 886,000	\$ 47,250	
VEHICLES	\$ 59,000	\$ 59,000	\$ 59,000	\$ -	\$ 59,000	\$ -	\$ 59,000	\$ 40,950	
Water	\$ 85,075	\$ 85,900	\$ 85,900	\$ 461,000	\$ 946,800	\$ -	\$ 946,800	\$ 90,195	

Wastewater Section Expenditures – Capital

Capital <\$25,000	Estimate Based on Needs		Initial Budget		FY 2013 Budget		FY 2013 Budget		FY 2014 Projection
	Value		Value		Value	Amendment	Value		
EQUIPMENT	\$ 66,535	\$ 66,600	\$ 66,600	\$ -	\$ 66,600	\$ -	\$ 66,600	\$ 69,930	
INFORMATION TECHNOLOGY	\$ 8,027	\$ 8,050	\$ 8,050	\$ -	\$ 8,050	\$ -	\$ 8,050	\$ 8,453	
VEHICLES	\$ 21,700	\$ 21,700	\$ 21,700	\$ -	\$ 21,700	\$ -	\$ 21,700	\$ 22,785	
Wastewater	\$ 96,262	\$ 96,350	\$ 96,350	\$ -	\$ 96,350	\$ -	\$ 96,350	\$ 101,168	

Capital >\$25,000	Estimate Based on Needs		Initial Budget		FY 2013 Budget		FY 2013 Budget		FY 2014 Projection
	Value		Value		Value	Amendment	Value		
BUILDING IMPROVEMENTS	\$ 2,335	\$ 2,500	\$ 2,500	\$ -	\$ 1,400	\$ -	\$ 1,400	\$ 2,625	
EQUIPMENT	\$ 556,595	\$ 557,000	\$ 557,000	\$ 1,065,000	\$ 1,007,500	\$ -	\$ 1,007,500	\$ 504,850	
VEHICLES	\$ 233,429	\$ 234,000	\$ 234,000	\$ -	\$ -	\$ -	\$ -	\$ 245,700	
Wastewater	\$ 792,359	\$ 793,500	\$ 793,500	\$ 1,065,000	\$ 1,008,900	\$ -	\$ 1,008,900	\$ 833,175	

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Discussion

