

April 24, 2012

FINANCE/ADMINISTRATION MEMORANDUM

2012 – 9

TO: Michael Walker, City Manager
Kirk Bednar, Assistant City Manager
Chris Milton, Water Services Director
Todd Spangler, Assistant Water Services Director
Karen Harper, City Treasurer
Richard Rigsby, Water Services Department
David Lincicome, Water Services Department
Tracy Todd, Water Services Department

FROM: Carson K. Swinford, Director of Finance

SUBJECT: Water and Sewer Fund Management Reports – March 2012

Attached please find reports showing detail analyses of Water Services Department revenues and expenditures for the month of March 2012. A net operating loss of \$(4,825) was posted for the month of March 2012 as compared to prior year net income of \$29,771.

For the first nine months of the 2011-2012 fiscal year, the percentage of “unaccounted for” water stands at 16.63%, as compared to 15.12 % for the prior year. During this same period, the percentage of sewerage treated to billed stands at 175.63%, with a prior year comparison of 163.90%.

Please contact me with any questions or comments.

**CITY OF BRENTWOOD
WATER/SEWER FUND
FISCAL 2011 - 2012**

	MONTH TO DATE			YEAR TO DATE		
	Mar-12	Mar-11	% Change	Mar-12	Mar-11	% Change
WATER SALES:						
Residential	\$ 197,489	\$ 190,916	3.44%	\$ 3,603,832	\$ 3,712,243	-2.92%
Commercial	\$ 81,214	\$ 79,019	2.78%	\$ 1,291,825	\$ 1,328,647	-2.77%
Institutional	\$ 20,125	\$ 18,917	6.39%	\$ 344,448	\$ 707,570	-51.32%
Water Purchase Surcharge	\$ 16,712	\$ 16,128	3.62%	\$ 315,621	\$ 155,833	102.54%
Total Water Sales	\$ 315,540	\$ 304,980	3.46%	\$ 5,555,726	\$ 5,904,293	-5.90%
Purchased Water Cost	\$ 228,416	\$ 245,051	-6.79%	\$ 3,024,996	\$ 3,184,946	-5.02%
Net Water Sales	\$ 87,124	\$ 59,929	45.38%	\$ 2,530,730	\$ 2,719,347	-6.94%
Total Gallons Billed (1,000s)	77,001	55,937	37.66%	1,111,550	1,200,329	-7.40%
Total Gallons Purchased (1,000s)	111,578	120,893	-7.70%	1,468,955	1,595,680	-7.94%
Total gallons thru meters (1000s)	81,009	73,428	10.32%	1,377,492	1,465,602	-6.01%
Water Adjustments	2,333	2,333	0.00%	21,600	24,000	-10.00%
Gallons Unaccounted For	1,675	15,158	-88.95%	244,342	241,274	1.27%
% Unaccounted For	1.50%	12.54%	-88.03%	16.63%	15.12%	10.01%
Revenue per 1000 Gallons Billed	\$ 4.10	\$ 5.45	-24.84%	\$ 5.00	\$ 4.92	1.61%
Cost per 1000 Gallons Billed	\$ 2.97	\$ 4.38	-32.29%	\$ 2.72	\$ 2.65	2.56%
Net Profit/1000 Gallons Billed	\$ 1.13	\$ 1.07	5.61%	\$ 2.28	\$ 2.27	0.50%
SEWER CHARGES:						
Residential	\$ 317,546	\$ 312,487	1.62%	\$ 2,864,119	\$ 2,830,404	1.19%
Commercial	\$ 114,658	\$ 113,113	1.37%	\$ 1,042,622	\$ 1,020,366	2.18%
Institutional	\$ 24,819	\$ 26,475	-6.25%	\$ 223,488	\$ 238,275	-6.21%
Metro Sewer Surcharge	\$ 65,793	\$ 60,001	9.65%	\$ 575,165	\$ 504,844	13.93%
Total Sewer Charges	\$ 522,816	\$ 512,076	2.10%	\$ 4,705,394	\$ 4,593,889	2.43%
Treatment Cost	\$ 231,310	\$ 236,639	-2.25%	\$ 1,909,187	\$ 1,675,465	13.95%
Net Sewer Charges	\$ 291,506	\$ 275,437	5.83%	\$ 2,796,207	\$ 2,918,424	-4.19%
Total Gallons Billed (1,000s)*	70,773	69,778	1.43%	637,239	632,124	0.81%
Total Gallons Treated (1,000s)	131,085	139,352	-5.93%	1,119,178	1,036,022	8.03%
% of Gallons Treated to Gallons Billed*	185.22%	199.71%	-7.25%	175.63%	163.90%	7.16%
Revenue per 1000 Gallons Billed	\$ 7.39	\$ 7.34	0.66%	\$ 7.38	\$ 7.27	1.60%
Cost per 1000 Gallons Billed	\$ 3.27	\$ 3.39	-3.63%	\$ 3.00	\$ 2.65	13.03%
Net Profit/1000 Gallons Billed	\$ 4.12	\$ 3.95	4.35%	\$ 4.39	\$ 4.62	-4.96%
Total Water and Sewer Charges	\$ 838,356	\$ 817,056	2.61%	\$ 10,261,120	\$ 10,498,182	-2.26%
Total Direct Costs	\$ 459,726	\$ 481,690	-4.56%	\$ 4,934,183	\$ 4,860,411	1.52%
Net Profit	\$ 378,630	\$ 335,366	12.90%	\$ 5,326,937	\$ 5,637,771	-5.51%
Water Tap Fees	\$ 27,000	\$ 57,000	-52.63%	\$ 528,000	\$ 390,000	35.38%
Sewer Tap Fees	\$ 65,000	\$ 85,000	-23.53%	\$ 2,288,015	\$ 478,932	377.73%
Other Operating Revenues	\$ 28,100	\$ 61,200	-54.09%	\$ 677,296	\$ 619,487	9.33%
Less Other Operating Expenses	\$ 293,519	\$ 306,541	-4.25%	\$ 2,960,054	\$ 3,082,796	-3.98%
Less Estimated Depr/Amort	\$ 210,035	\$ 202,254	3.85%	\$ 1,890,315	\$ 1,820,286	3.85%
NET OPERATING INCOME - UNADJUSTED	\$ (4,825)	\$ 29,771	-116.21%	\$ 3,969,879	\$ 2,223,108	78.57%

* Gallons billed for most customers are based on four-month winter average water consumption

**WATER/SEWER FUND
FISCAL 2010 - 2012**

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>
Residential	\$ 613,573	\$ 564,849	\$ 678,428	\$ 449,490	\$ 453,821	\$ 222,310	\$ 219,754	\$ 204,119	\$ 197,489
Commercial	\$ 194,223	\$ 187,163	\$ 229,441	\$ 175,963	\$ 162,744	\$ 101,261	\$ 79,670	\$ 80,146	\$ 81,214
Institutional	\$ 67,130	\$ 47,187	\$ 74,581	\$ 40,734	\$ 35,774	\$ 21,112	\$ 17,372	\$ 20,433	\$ 20,125
Water Purchase Surcharge	\$ 53,478	\$ 48,835	\$ 60,153	\$ 40,251	\$ 41,202	\$ 19,894	\$ 17,961	\$ 17,135	\$ 16,712
Total Water Sales	\$ 928,404	\$ 848,034	\$ 1,042,603	\$ 706,438	\$ 693,541	\$ 364,577	\$ 334,757	\$ 321,833	\$ 315,540
Purchased Water Cost	\$ 435,712	\$ 470,861	\$ 487,287	\$ 351,959	\$ 370,594	\$ 223,628	\$ 228,485	\$ 228,054	\$ 228,416
Net Water Sales	\$ 492,692	\$ 377,173	\$ 555,316	\$ 354,479	\$ 322,947	\$ 140,949	\$ 106,272	\$ 93,779	\$ 87,124
Total Gallons Billed	186,227,700	172,891,800	210,205,400	141,070,500	136,265,700	68,140,600	61,260,000	58,486,900	77,001,400
Total Gallons Purchased	210,655,055	227,737,543	235,396,878	170,378,512	180,579,959	109,592,830	111,597,692	111,437,668	111,578,368
Total gallons actually thru meters	210,655,055	227,737,543	235,396,878	170,378,512	180,579,959	98,191,030	82,593,192	90,950,168	81,009,268
Water Adjustments	2,933,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333
Revenue per 1000 Gallons Billed	\$ 4.99	\$ 4.90	\$ 4.96	\$ 5.01	\$ 5.09	\$ 5.35	\$ 5.46	\$ 5.50	\$ 4.10
Cost per 1000 Gallons Billed	\$ 2.34	\$ 2.72	\$ 2.32	\$ 2.49	\$ 2.72	\$ 3.28	\$ 3.73	\$ 3.90	\$ 2.97
Net Profit/1000 Gallons Billed	\$ 2.65	\$ 2.18	\$ 2.64	\$ 2.51	\$ 2.37	\$ 2.07	\$ 1.73	\$ 1.60	\$ 1.13
SEWER CHARGES:									
Residential - Inside	\$ 316,863	\$ 317,368	\$ 318,750	\$ 318,436	\$ 319,112	\$ 317,193	\$ 316,479	\$ 317,750	\$ 316,974
Residential - Outside	\$ 538	\$ 538	\$ 587	\$ 587	\$ 587	\$ 605	\$ 593	\$ 587	\$ 572
Commercial - Inside	\$ 115,756	\$ 115,594	\$ 114,626	\$ 114,529	\$ 113,991	\$ 114,362	\$ 114,253	\$ 115,093	\$ 113,438
Commercial - Outside	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220
Institutional - Inside	\$ 23,383	\$ 23,133	\$ 23,133	\$ 23,133	\$ 22,881	\$ 23,126	\$ 23,112	\$ 23,112	\$ 23,112
Institutional - Outside	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707
Metro Surcharge	\$ 61,164	\$ 61,144	\$ 61,389	\$ 61,320	\$ 66,302	\$ 66,078	\$ 65,942	\$ 66,033	\$ 65,793
Total Sewer Charges	\$ 520,631	\$ 520,704	\$ 521,412	\$ 520,932	\$ 525,800	\$ 524,291	\$ 523,306	\$ 525,502	\$ 522,816
Treatment Cost	\$ 174,469	\$ 185,162	\$ 167,268	\$ 210,733	\$ 164,631	\$ 228,378	\$ 271,138	\$ 276,098	\$ 231,310
Net Sewer Charges	\$ 346,162	\$ 335,542	\$ 354,144	\$ 310,199	\$ 361,169	\$ 295,913	\$ 252,168	\$ 249,404	\$ 291,506
Total Gallons Billed	70,471,500	71,360,700	71,502,800	71,415,300	71,628,500	68,140,600	70,921,800	71,025,700	70,772,500
Total Gallons Treated	102,765,270	109,063,730	98,523,980	124,125,790	96,970,870	134,518,530	165,658,350	156,466,290	131,084,880
Revenue per 1000 Gallons Billed	\$ 7.39	\$ 7.30	\$ 7.29	\$ 7.29	\$ 7.34	\$ 7.69	\$ 7.38	\$ 7.40	\$ 7.39
Cost per 1000 Gallons Billed	\$ 2.48	\$ 2.59	\$ 2.34	\$ 2.95	\$ 2.30	\$ 3.35	\$ 3.82	\$ 3.89	\$ 3.27
Net Profit/1000 Gallons Billed	\$ 4.91	\$ 4.70	\$ 4.95	\$ 4.34	\$ 5.04	\$ 4.34	\$ 3.56	\$ 3.51	\$ 4.12
Total Water and Sewer Charges	\$ 1,449,035	\$ 1,368,738	\$ 1,564,015	\$ 1,227,370	\$ 1,219,341	\$ 888,868	\$ 858,063	\$ 847,335	\$ 838,356
Total Direct Costs	\$ 610,181	\$ 656,023	\$ 654,555	\$ 562,692	\$ 535,225	\$ 452,006	\$ 499,623	\$ 504,152	\$ 459,726
Net Profit	\$ 838,854	\$ 712,715	\$ 909,460	\$ 664,678	\$ 684,116	\$ 436,862	\$ 358,440	\$ 343,183	\$ 378,630
Water Tap Fees	\$ 71,000	\$ 34,000	\$ 49,000	\$ 34,000	\$ 58,000	\$ 76,000	\$ 22,000	\$ 157,000	\$ 27,000
Sewer Tap Fees	\$ 88,500	\$ 55,000	\$ 60,015	\$ 70,000	\$ 75,000	\$ 90,000	\$ 40,000	\$ 1,744,500	\$ 65,000
Other Operating Revenues	\$ 224,440	\$ 38,096	\$ 28,530	\$ 34,003	\$ 28,216	\$ 23,645	\$ 137,521	\$ 134,746	\$ 28,100
Less Other Operating Expenses	\$ (50,915)	\$ 731,561	\$ 312,936	\$ 239,815	\$ 260,378	\$ 254,584	\$ 217,273	\$ 700,903	\$ 293,519
Less Estimated Depr/Amort	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035
Net Operating Income For Month	\$ 1,063,674	\$ (101,785)	\$ 524,034	\$ 352,831	\$ 374,919	\$ 161,888	\$ 130,653	\$ 1,468,490	\$ (4,825)
Cumulative Net Operating Income	\$ 1,063,674	\$ 961,889	\$ 1,485,923	\$ 1,838,754	\$ 2,213,673	\$ 2,375,561	\$ 2,506,214	\$ 3,974,704	\$ 3,969,879