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**FINANCE/ADMINISTRATION MEMORANDUM**

2012 – 4

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

**FROM:** Carson K. Swinford, Director of Finance

**SUBJECT: Water and Sewer Fund Management Reports –January 2012**

Attached please find reports showing detail analyses of Water/Sewer Department revenues and expenditures for the month of January 2012. Net operating income of \$130,653 was posted for the month of January 2012 as compared to prior year net income of \$144,687.

For the first seven months of the 2011-2012 fiscal year, the percentage of “unaccounted for” water stands at 16.35%, as compared to 14.35 % for the prior year. During this same period, the percentage of sewerage treated to billed stands at 167.86%, with a prior year comparison of 154.89%.

Please contact me with any questions or comments.

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

WATER SALES:	MONTH TO DATE			YEAR TO DATE		
	Jan-12	Jan-11	% Change	Jan-12	Jan-11	% Change
Residential	\$ 219,754	\$ 224,400	-2.07%	\$ 3,202,603	\$3,334,178	-3.95%
Commercial	\$ 79,670	\$ 79,530	0.18%	\$ 1,130,465	\$1,173,244	-3.65%
Institutional	\$ 17,372	\$ 17,461	-0.51%	\$ 303,890	\$ 671,895	-54.77%
Total Water Sales	\$ 316,796	\$ 321,391	-1.43%	\$ 4,636,958	\$ 5,179,317	-10.47%
Purchased Water Cost	\$ 228,485	\$ 238,049	-4.02%	\$ 2,568,526	\$2,693,359	-4.63%
Net Water Sales	\$ 88,311	\$ 83,342	5.96%	\$ 2,068,432	\$ 2,485,958	-16.80%
Total Gallons Billed (1,000s)	61,260	62,680	-2.26%	976,062	1,090,703	-10.51%
Total Gallons Purchased (1,000s)	111,598	116,657	-4.34%	1,245,938	1,354,373	-8.01%
Total gallons thru meters (1000s)	71,726	79,067	-9.28%	1,196,669	1,301,409	-8.05%
Water Adjustments	2,333	2,333	0.00%	16,933	16,333	3.67%
Gallons Unaccounted For	8,132	14,054	-42.14%	203,674	194,372	4.79%
% Unaccounted For	7.29%	12.05%	-39.51%	16.35%	14.35%	13.91%
Revenue per 1000 Gallons Billed	\$ 5.17	\$ 5.13	0.85%	\$ 4.75	\$ 4.75	0.04%
Cost per 1000 Gallons Billed	\$ 3.73	\$ 3.80	-1.79%	\$ 2.63	\$ 2.47	6.57%
Net Profit/1000 Gallons Billed	\$ 1.44	\$ 1.33	8.42%	\$ 2.12	\$ 2.28	-7.02%
<b>SEWER CHARGES:</b>						
Residential	\$ 317,072	\$ 314,091	0.95%	\$ 2,228,269	\$ 2,205,901	1.01%
Commercial	\$ 115,473	\$ 113,500	1.74%	\$ 811,651	\$ 793,802	2.25%
Institutional	\$ 24,819	\$ 26,475	-6.25%	\$ 173,850	\$ 185,325	-6.19%
Metro Sewer Surcharge	\$ 65,942	\$ 60,229	9.49%	\$ 443,344	\$ 384,835	15.20%
Total Sewer Charges	\$ 523,306	\$ 514,295	1.75%	\$ 3,657,114	\$ 3,569,863	2.44%
Treatment Cost	\$ 271,138	\$ 231,954	16.89%	\$ 1,401,779	\$ 1,211,756	15.68%
Net Sewer Charges	\$ 252,168	\$ 282,341	-10.69%	\$ 2,255,335	\$ 2,358,107	-4.36%
Total Gallons Billed (1,000s)*	70,922	70,063	1.23%	495,441	492,550	0.59%
Total Gallons Treated (1,000s)	165,658	136,494	21.37%	831,627	762,922	9.01%
% of Gallons Treated to Gallons Billed*	233.58%	194.82%	19.90%	167.86%	154.89%	8.37%
Revenue per 1000 Gallons Billed	\$ 7.38	\$ 7.34	0.52%	\$ 7.38	\$ 7.25	1.85%
Cost per 1000 Gallons Billed	\$ 3.82	\$ 3.31	15.48%	\$ 2.83	\$ 2.46	15.01%
Net Profit/1000 Gallons Billed	\$ 3.56	\$ 4.03	-11.77%	\$ 4.55	\$ 4.79	-4.92%
Total Water and Sewer Charges	\$ 840,102	\$ 835,686	0.53%	\$ 8,294,072	\$ 8,749,180	-5.20%
Total Direct Costs	\$ 499,623	\$ 470,003	6.30%	\$ 3,970,305	\$ 3,905,115	1.67%
Net Profit	\$ 340,479	\$ 365,683	-6.89%	\$ 4,323,767	\$ 4,844,065	-10.74%
Water Tap Fees	\$ 22,000	\$ 40,500	-45.68%	\$ 344,000	\$ 309,500	11.15%
Sewer Tap Fees	\$ 40,000	\$ 33,832	18.23%	\$ 478,515	\$ 348,932	37.14%
Other Operating Revenues	\$ 155,482	\$ 155,412	0.05%	\$ 804,226	\$ 531,266	51.38%
Less Other Operating Expenses	\$ 217,273	\$ 248,486	-12.56%	\$ 1,965,667	\$ 2,131,393	-7.78%
Less Estimated Depr/Amort	\$ 210,035	\$ 202,254	3.85%	\$ 1,470,245	\$ 1,415,778	3.85%
<b>NET OPERATING INCOME - UNADJUSTED</b>	<b>\$ 130,653</b>	<b>\$ 144,687</b>	<b>-9.70%</b>	<b>\$ 2,514,596</b>	<b>\$ 2,486,592</b>	<b>1.13%</b>

\* 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>
Residential	\$ 613,584	\$ 565,216	\$ 678,428	\$ 449,490	\$ 453,821	\$ 222,310	\$ 219,754
Commercial	\$ 194,223	\$ 187,163	\$ 229,441	\$ 175,963	\$ 162,744	\$ 101,261	\$ 79,670
Institutional	\$ 67,130	\$ 47,187	\$ 74,581	\$ 40,734	\$ 35,774	\$ 21,112	\$ 17,372
Total Water Sales	\$ 874,937	\$ 799,566	\$ 982,450	\$ 666,187	\$ 652,339	\$ 344,683	\$ 316,796
Purchased Water Cost	\$ 435,712	\$ 470,861	\$ 487,287	\$ 351,959	\$ 370,594	\$ 223,628	\$ 228,485
Net Water Sales	\$ 439,225	\$ 328,705	\$ 495,163	\$ 314,228	\$ 281,745	\$ 121,055	\$ 88,311
Total Gallons Billed	186,227,700	172,891,800	210,205,400	141,070,500	136,265,700	68,140,600	61,260,000
Total Gallons Purchased	210,655,055	227,737,543	235,396,878	170,378,512	180,579,959	109,592,830	111,597,692
Total gallons actually thru meters	210,655,055	227,737,543	235,396,878	170,378,512	180,579,959	100,195,892	71,725,500
Water Adjustments	2,933,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333	2,333,333
Revenue per 1000 Gallons Billed	\$ 4.70	\$ 4.62	\$ 4.67	\$ 4.72	\$ 4.79	\$ 5.06	\$ 5.17
Cost per 1000 Gallons Billed	\$ 2.34	\$ 2.72	\$ 2.32	\$ 2.49	\$ 2.72	\$ 3.28	\$ 3.73
Net Profit/1000 Gallons Billed	\$ 2.36	\$ 1.90	\$ 2.36	\$ 2.23	\$ 2.07	\$ 1.78	\$ 1.44
<b>SEWER CHARGES:</b>							
Residential - Inside	\$ 316,896	\$ 317,368	\$ 318,750	\$ 318,436	\$ 319,112	\$ 317,193	\$ 316,479
Residential - Outside	\$ 538	\$ 538	\$ 587	\$ 587	\$ 587	\$ 605	\$ 593
Commercial - Inside	\$ 115,756	\$ 115,594	\$ 114,626	\$ 114,529	\$ 113,991	\$ 114,362	\$ 114,253
Commercial - Outside	\$ 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
Institutional - Outside	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,707
Metro Surcharge	\$ 61,169	\$ 61,144	\$ 61,389	\$ 61,320	\$ 66,302	\$ 66,078	\$ 65,942
Total Sewer Charges	\$ 520,669	\$ 520,704	\$ 521,412	\$ 520,932	\$ 525,800	\$ 524,291	\$ 523,306
Treatment Cost	\$ 174,469	\$ 185,162	\$ 167,268	\$ 210,733	\$ 164,631	\$ 228,378	\$ 271,138
Net Sewer Charges	\$ 346,200	\$ 335,542	\$ 354,144	\$ 310,199	\$ 361,169	\$ 295,913	\$ 252,168
Total Gallons Billed	70,471,500	71,360,700	71,502,800	71,415,300	71,628,500	68,140,600	70,921,800
Total Gallons Treated	102,765,270	109,063,730	98,523,980	124,125,790	96,970,870	134,518,530	165,658,350
Revenue per 1000 Gallons Billed	\$ 7.39	\$ 7.30	\$ 7.29	\$ 7.29	\$ 7.34	\$ 7.69	\$ 7.38
Cost per 1000 Gallons Billed	\$ 2.48	\$ 2.59	\$ 2.34	\$ 2.95	\$ 2.30	\$ 3.35	\$ 3.82
Net Profit/1000 Gallons Billed	\$ 4.91	\$ 4.70	\$ 4.95	\$ 4.34	\$ 5.04	\$ 4.34	\$ 3.56
Total Water and Sewer Charges	\$ 1,395,606	\$ 1,320,270	\$ 1,503,862	\$ 1,187,119	\$ 1,178,139	\$ 868,974	\$ 840,102
Total Direct Costs	\$ 610,181	\$ 656,023	\$ 654,555	\$ 562,692	\$ 535,225	\$ 452,006	\$ 499,623
Net Profit	\$ 785,425	\$ 664,247	\$ 849,307	\$ 624,427	\$ 642,914	\$ 416,968	\$ 340,479
Water Tap Fees	\$ 71,000	\$ 34,000	\$ 49,000	\$ 34,000	\$ 58,000	\$ 76,000	\$ 22,000
Sewer Tap Fees	\$ 88,500	\$ 55,000	\$ 60,015	\$ 70,000	\$ 75,000	\$ 90,000	\$ 40,000
Other Operating Revenues	\$ 277,922	\$ 86,931	\$ 90,481	\$ 74,175	\$ 69,418	\$ 49,817	\$ 155,482
Less Other Operating Expenses	\$ (50,915)	\$ 731,561	\$ 312,971	\$ 239,815	\$ 260,378	\$ 254,584	\$ 217,273
Less Estimated Depr/Amort	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035	\$ 210,035
Net Operating Income For Month	\$ 1,063,727	\$ (101,418)	\$ 525,797	\$ 352,752	\$ 374,919	\$ 168,166	\$ 130,653
Cumulative Net Operating Income	\$ 1,063,727	\$ 962,309	\$ 1,488,106	\$ 1,840,858	\$ 2,215,777	\$ 2,383,943	\$ 2,514,596