

**City of Fayetteville Staff Review Form**

**2018-0616**

**Legistar File ID**

**11/20/2018**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Tim Nyander

10/25/2018

WATER SEWER (720)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends approval of a budget adjustment in the amount of \$1,120,000.00 in the Purchased Water account due to increased water usage, which is purchased from Beaver Water District. The increased usage reflects an increase in revenues, and is recognized in this budget adjustment.

**Budget Impact:**

5400.720.3800-5312.00	Water/Sewer
Account Number	Fund
N/A	N/A
Project Number	Project Title
<b>Budgeted Item?</b> <u>Yes</u>	Current Budget      \$      7,500,000.00
	Funds Obligated      \$      6,495,439.62
	<b>Current Balance      \$      1,004,560.38</b>
<b>Does item have a cost?</b> <u>No</u>	Item Cost
<b>Budget Adjustment Attached?</b> <u>Yes</u>	Budget Adjustment      \$      1,120,000.00
	<b>Remaining Budget      \$      2,124,560.38</b>

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF NOVEMBER 20, 2018**

**TO:** Mayor and City Council

**THRU:** Don Marr, Chief of Staff  
Paul Becker, Chief Financial Officer

**FROM:** Tim Nyander, Utilities Director

**DATE:** October 24, 2018

**SUBJECT: Approval of a Budget Adjustment to Increase Water Purchased Account**

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**RECOMMENDATION:**

Staff recommends increasing the General Ledger Account for Water Purchased by \$1,120,000 to cover the anticipated costs of purchasing water from Beaver Water District through the end of 2018.

**BACKGROUND:**

At the beginning of each budget cycle, the Utilities Department calculates the amount of money needed to purchase water from Beaver Water District for the entire year. This is accomplished by looking into the water usage history of the City in the previous year or years, and make some changes based on growth, climate and non-revenue water loss.

**DISCUSSION:**

The previous three (3) months have indicated an approximately 20% increase in water usage compared to last year, due to several factors. The unseasonably warm weather has extended the irrigation season, as well as the increase in water leak repairs and water loss due to leaks.

The number of leaks repaired in July through September of 2018 increased 20% from the same time period in 2017. Additionally, the Water & Sewer Division discovered a major leak in September that was losing approximately 2.5 million gallons per day (based on modeling). The reason that the leak did not surface was because it was running into the sewer main nearby.

**BUDGET/STAFF IMPACT:**

Because most of the growth in the purchase of water directly corresponds with a growth in revenue, there are additional revenues received in water/sewer sales. The \$1,120,000 requested for Water Purchases will come from the recognition of \$781,000 in water sales and \$339,000 in sewer sales.