

**City of Fayetteville Staff Review Form**

**2020-0830**

**Legistar File ID**

**10/20/2020**

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

Kevin Springer

10/1/2020

BUDGET & INFORMATION MGMT (133)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends approval of a budget adjustment in the amount of \$400,000.00 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																														
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Budgeted Item?</b></td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 30%; border-bottom: 1px solid black;">Current Budget</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">8,628,000.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Funds Obligated</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">6,766,527.78</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>1,861,472.22</b></td> </tr> </table>	<b>Budgeted Item?</b>	Yes	Current Budget	\$	8,628,000.00			Funds Obligated	\$	6,766,527.78			Current Balance	<b>\$</b>	<b>1,861,472.22</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%; border-bottom: 1px solid black;">Item Cost</td> <td style="width: 10%; text-align: center;">No</td> <td style="width: 30%; border-bottom: 1px solid black;">Budget Adjustment</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">-</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: center;">Yes</td> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">400,000.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>2,261,472.22</b></td> </tr> </table>	Item Cost	No	Budget Adjustment	\$	-	Remaining Budget	Yes	Remaining Budget	\$	400,000.00				<b>\$</b>	<b>2,261,472.22</b>
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V20180321

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

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

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

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

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

**Comments:**



**MEETING OF OCTOBER 20<sup>TH</sup> 2020**

**TO:** Mayor and City Council  
**THRU:** Paul A. Becker, Chief Financial Officer  
**FROM:** Kevin Springer, Budget Director  
**DATE:** October 1, 2020  
**SUBJECT:** Approval of a Budget Adjustment to Increase Water Purchases Account

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**RECOMMENDATION:**

Staff recommends increasing Water Purchases by \$400,000 to cover the anticipated costs of purchasing water from Beaver Water District through the end of 2020.

**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 10% increase in water usage compared to last year, due to several factors. The unseasonably wet weather in 2019 had reduced water consumption and in 2020, increased water usage due to COVID-19.

**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 sales. The \$400,000 requested for Water Purchases will come from the recognition of \$400,000 in water sales.