

City of Fayetteville Staff Review Form

2021-0787

Legistar File ID

11/2/2021

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

Tim Nyander

10/13/2021

WATER SEWER (720)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of a budget adjustment in the amount of \$1,000,000.00 in the Purchased Water account due to increased water usage and increased number of water leaks. The purchased water expense account is the purchased water from Beaver Water District.

Budget Impact:

5400.720.3800-5312.00	Water and Sewer																								
Account Number	Fund																								
N/A	N/A																								
Project Number	Project Title																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Budgeted Item?</td> <td style="width: 20%;"><u>Yes</u></td> <td style="width: 30%;">Current Budget</td> <td style="width: 20%; text-align: right;">\$ 9,060,000.00</td> </tr> <tr> <td></td> <td></td> <td>Funds Obligated</td> <td style="text-align: right;">\$ 7,431,602.22</td> </tr> <tr> <td></td> <td></td> <td>Current Balance</td> <td style="text-align: right; border: 1px solid black;">\$ 1,628,397.78</td> </tr> <tr> <td>Does item have a cost?</td> <td><u>No</u></td> <td>Item Cost</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Budget Adjustment Attached?</td> <td><u>Yes</u></td> <td>Budget Adjustment</td> <td style="text-align: right;">\$ 1,000,000.00</td> </tr> <tr> <td></td> <td></td> <td>Remaining Budget</td> <td style="text-align: right; border: 1px solid black;">\$ 2,628,397.78</td> </tr> </table>	Budgeted Item?	<u>Yes</u>	Current Budget	\$ 9,060,000.00			Funds Obligated	\$ 7,431,602.22			Current Balance	\$ 1,628,397.78	Does item have a cost?	<u>No</u>	Item Cost	\$ -	Budget Adjustment Attached?	<u>Yes</u>	Budget Adjustment	\$ 1,000,000.00			Remaining Budget	\$ 2,628,397.78	
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V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF NOVEMBER 2, 2021

TO: Mayor and City Council
THRU: Susan Norton, Chief of Staff
FROM: Tim Nyander, Utilities Director
DATE: October 13, 2021
SUBJECT: Budget Adjustment for Purchased Water Account

RECOMMENDATION:

Staff recommends approval of a budget adjustment in the amount of \$1,000,000.00 in the Purchased Water account due to increased water usage, which is purchased from Beaver Water District.

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:

Water purchased at the end of September 2021 is up by 9.83% compared to water purchased at the end of September 2020. This increase in water usage is due to several factors but most notably is due to increases seen in customer water usage and water loss due to leaks. More specifically, customer water usage is currently at record levels and is up by 3%. Additionally, the number of leaks in the City's water distribution system have increased by 135% at the end of September 2021 compared to what was seen at the end of September 2020.

BUDGET/STAFF IMPACT:

Because most of the growth in water purchased from Beaver Water District directly corresponds to growth in revenue, there are additional revenues received in water and sewer sales. The \$1,000,000 requested for Water Purchases will come from the recognition of \$700,000 in water sales and \$300,000 in sewer sales.

Attachments:

Budget Adjustment