

La Verkin City
Standard Financial Report
51 51 Water - 07/01/2019 to 09/30/2019
25.00% of the fiscal year has expired

	Prior Year Actual	Current Period Actual	Current Year Actual	Original Budget	Revised Budget
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Revenue	840,883.50	83,790.57	263,811.62	920,000.00	920,000.00
5310 Connection Fees	1,650.00	50.00	200.00	2,000.00	2,000.00
5410 Penalties & Fines	33,900.06	3,224.70	10,035.96	20,000.00	20,000.00
5490 Miscellaneous	1,208.15	0.00	(105.70)	0.00	0.00
Total Operating income	877,641.71	87,065.27	273,941.88	942,000.00	942,000.00
Operating expense					
Administration					
6660.110 Admin SALARIES & WAGES	91,476.33	9,720.76	32,514.55	124,000.00	124,000.00
6660.130 Admin EMPLOYEE BENEFITS	49,146.88	5,145.06	15,824.99	83,000.00	83,000.00
6660.210 Admin BOOKS, SUBSCRIPTIONS & MEMBERS	1,909.73	0.00	556.69	1,500.00	1,500.00
6660.230 Admin TRAVEL & TRAINING	2,433.51	0.00	0.00	3,000.00	3,000.00
6660.240 Admin OFFICE EXPENSE, SUPPLIES & POS	7,908.29	174.36	723.35	5,500.00	5,500.00
6660.280 Admin UTILITIES	2,340.02	1,010.02	2,330.80	2,000.00	2,000.00
6660.290 Admin TELEPHONE & COMMUNICATION	4,953.07	380.57	1,125.45	4,500.00	4,500.00
6660.315 Admin SOFTWARE OR INFORMATION	9,366.31	1,000.00	2,288.98	5,500.00	5,500.00
6660.410 Admin PRODUCT OR SERVICES PURCHASE	44,021.56	327.40	6,939.16	35,500.00	35,500.00
6660.440 Admin CONNECTION COSTS	87,956.92	6,743.70	13,487.40	81,000.00	81,000.00
6660.460 Admin CONTRACTED SERVICES	2,347.97	0.00	597.22	2,000.00	2,000.00
6660.510 Admin INSURANCE	8,618.70	0.00	16.35	12,000.00	12,000.00
Total Administration	312,479.29	24,501.87	76,404.94	359,500.00	359,500.00
Maintenance					
6340.110 O&M SALARIES & WAGES	89,858.94	6,928.75	24,367.71	104,000.00	104,000.00
6340.130 O&M EMPLOYEE BENEFITS	60,237.10	5,493.21	16,877.75	80,800.00	80,800.00
6340.250 O&M EQUIPMENT OPERATING SUPPLIES &	18,200.00	1,542.54	11,220.95	26,500.00	26,500.00
6340.280 O&M UTILITIES	3,651.59	0.00	0.00	0.00	0.00
6340.420 O&M PURIFICATION AND TREATMENT COS	1,300.00	100.00	502.00	2,000.00	2,000.00
6340.440 O&M NEW SERVICES	24,938.84	570.85	40,462.82	150,000.00	150,000.00
6340.450 O&M SYSTEMS MAINTENANCE	119,838.48	6,260.72	10,258.57	34,600.00	34,600.00
6340.610 O&M MISCELLANEOUS CHARGES	67.00	0.00	0.00	0.00	0.00
6340.690 O&M DEPRECIATION	113,672.82	0.00	0.00	135,000.00	135,000.00
6340.740 O&M EQUIP EXP / CAPITAL IMPR	10,362.82	0.00	0.00	12,000.00	12,000.00
Total Maintenance	442,127.59	20,896.07	103,689.80	544,900.00	544,900.00
Total Operating expense	754,606.88	45,397.94	180,094.74	904,400.00	904,400.00
Total Income From Operations:	123,034.83	41,667.33	93,847.14	37,600.00	37,600.00
Non-Operating Items:					
Non-operating income					
5520 Impact Fees	36,595.00	1,478.00	5,912.00	30,000.00	30,000.00
5810 Transfer from General Fund	161,000.00	0.00	0.00	8,000.00	8,000.00
Total Non-operating income	197,595.00	1,478.00	5,912.00	38,000.00	38,000.00
Non-operating expense					
6340.820 O&M INTEREST EXPENSE	3,390.00	0.00	0.00	4,000.00	4,000.00
6660.820 Admin INTEREST EXPENSE 1999 WATER BO	2,327.66	0.00	0.00	2,200.00	2,200.00
6660.821 Admin INTEREST EXPENSE 2010 Water Reve	13,876.11	0.00	0.00	15,000.00	15,000.00
9130.2 Transfer to DS CONT 2015 REFUNDING BOND	48,000.00	0.00	0.00	54,400.00	54,400.00
Total Non-operating expense	67,593.77	0.00	0.00	75,600.00	75,600.00
Total Non-Operating Items:	130,001.23	1,478.00	5,912.00	(37,600.00)	(37,600.00)
Total Income or Expense	253,036.06	43,145.33	99,759.14	0.00	0.00

La Verkin City
Operational Budget Report
51 51 Water - 07/01/2019 to 09/30/2019
25.00% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Revenue	205,191.74	83,790.57	263,811.62	920,000.00	28.68%
5310 Connection Fees	300.00	50.00	200.00	2,000.00	10.00%
5410 Penalties & Fines	7,529.15	3,224.70	10,035.96	20,000.00	50.18%
5490 Miscellaneous	830.24	0.00	(105.70)	0.00	0.00%
Total Operating income	213,851.13	87,065.27	273,941.88	942,000.00	29.08%
Operating expense					
Administration					
6660.110 Admin SALARIES & WAGES	24,273.34	9,720.76	32,514.55	124,000.00	26.22%
6660.130 Admin EMPLOYEE BENEFITS	13,733.13	5,145.06	15,824.99	83,000.00	19.07%
6660.210 Admin BOOKS, SUBSCRIPTIONS & MEMBERS	513.73	0.00	556.69	1,500.00	37.11%
6660.230 Admin TRAVEL & TRAINING	0.00	0.00	0.00	3,000.00	0.00%
6660.240 Admin OFFICE EXPENSE, SUPPLIES & POS	1,977.66	174.36	723.35	5,500.00	13.15%
6660.280 Admin UTILITIES	759.58	1,010.02	2,330.80	2,000.00	116.54%
6660.290 Admin TELEPHONE & COMMUNICATION	1,193.48	380.57	1,125.45	4,500.00	25.01%
6660.315 Admin SOFTWARE OR INFORMATION	2,456.17	1,000.00	2,288.98	5,500.00	41.62%
6660.410 Admin PRODUCT OR SERVICES PURCHASE	15,314.44	327.40	6,939.16	35,500.00	19.55%
6660.440 Admin CONNECTION COSTS	26,974.80	6,743.70	13,487.40	81,000.00	16.65%
6660.460 Admin CONTRACTED SERVICES	838.70	0.00	597.22	2,000.00	29.86%
6660.510 Admin INSURANCE	359.02	0.00	16.35	12,000.00	0.14%
Total Administration	88,394.05	24,501.87	76,404.94	359,500.00	21.25%
Maintenance					
6340.110 O&M SALARIES & WAGES	23,549.59	6,928.75	24,367.71	104,000.00	23.43%
6340.130 O&M EMPLOYEE BENEFITS	16,204.62	5,493.21	16,877.75	80,800.00	20.89%
6340.250 O&M EQUIPMENT OPERATING SUPPLIES &	5,329.12	1,542.54	11,220.95	26,500.00	42.34%
6340.280 O&M UTILITIES	679.35	0.00	0.00	0.00	0.00%
6340.420 O&M PURIFICATION AND TREATMENT COS	220.00	100.00	502.00	2,000.00	25.10%
6340.440 O&M NEW SERVICES	14,950.32	570.85	40,462.82	150,000.00	26.98%
6340.450 O&M SYSTEMS MAINTENANCE	22,189.63	6,260.72	10,258.57	34,600.00	29.65%
6340.610 O&M MISCELLANEOUS CHARGES	67.00	0.00	0.00	0.00	0.00%
6340.690 O&M DEPRECIATION	28,322.48	0.00	0.00	135,000.00	0.00%
6340.740 O&M EQUIP EXP / CAPITAL IMPR	0.00	0.00	0.00	12,000.00	0.00%
Total Maintenance	111,512.11	20,896.07	103,689.80	544,900.00	19.03%
Total Operating expense	199,906.16	45,397.94	180,094.74	904,400.00	19.91%
Total Income From Operations:	13,944.97	41,667.33	93,847.14	37,600.00	249.59%
Non-Operating Items:					
Non-operating income					
5520 Impact Fees	8,868.00	1,478.00	5,912.00	30,000.00	19.71%
5810 Transfer from General Fund	0.00	0.00	0.00	8,000.00	0.00%
Total Non-operating income	8,868.00	1,478.00	5,912.00	38,000.00	15.56%
Non-operating expense					
6340.820 O&M INTEREST EXPENSE	0.00	0.00	0.00	4,000.00	0.00%
6660.820 Admin INTEREST EXPENSE 1999 WATER BO	0.00	0.00	0.00	2,200.00	0.00%
6660.821 Admin INTEREST EXPENSE 2010 Water Reve	0.00	0.00	0.00	15,000.00	0.00%
9130.2 Transfer to DS CONT 2015 REFUNDING BOND	0.00	0.00	0.00	54,400.00	0.00%
Total Non-operating expense	0.00	0.00	0.00	75,600.00	0.00%
Total Non-Operating Items:	8,868.00	1,478.00	5,912.00	(37,600.00)	-15.72%
Total Income or Expense	22,812.97	43,145.33	99,759.14	0.00	0.00%

La Verkin City
Standard Financial Report
53 53 Irrigation - 07/01/2019 to 09/30/2019
25.00% of the fiscal year has expired

	Prior Year Actual	Current Period Actual	Current Year Actual	Original Budget	Revised Budget
Income or Expense					
Income From Operations:					
Operating income					
5110 Irrigation Revenue	92,994.42	10,255.16	30,843.26	92,000.00	92,000.00
5310 Irrigation CONNECTION FEES	3,468.00	0.00	450.00	3,000.00	3,000.00
5410 Irrigation PENALTIES	973.71	0.00	0.00	1,000.00	1,000.00
5530 Irrigation ASSESSMENT	31,005.14	50.89	5,024.50	31,000.00	31,000.00
Total Operating income	128,441.27	10,306.05	36,317.76	127,000.00	127,000.00
Operating expense					
6310.110 Irrigation SALARIES & WAGES	55,172.53	4,510.70	15,654.93	56,250.00	56,250.00
6310.130 Irrigation EMPLOYEE BENEFITS	32,940.91	2,665.03	8,596.92	40,750.00	40,750.00
6310.240 Irrigation OFFICE EXPENSE, SUPPLIES & PO	1,988.71	37.21	132.17	1,000.00	1,000.00
6310.250 Irrigation EQUIPMENT OPERATING SUPPLIES	6,811.26	409.27	2,287.86	6,000.00	6,000.00
6310.290 Irrigation TELEPHONE & COMMUNICATIONS	480.06	66.12	129.00	500.00	500.00
6310.315 Irrigation COMPUTER EQUIPMENT	224.34	0.00	145.04	500.00	500.00
6310.430 Irrigation SOLID WASTE EXPENSE	160.62	0.00	0.00	0.00	0.00
6310.450 Irrigation WATER MAIN REPAIR	13,908.87	1,567.57	2,888.68	10,000.00	10,000.00
6310.460 Irrigation CONTRACTED SERVICES	239.17	0.00	0.00	0.00	0.00
6310.510 Irrigation INSURANCE	7,151.43	0.00	0.00	3,000.00	3,000.00
6310.690 Irrigation DEPRECIATION	22,071.12	0.00	0.00	22,500.00	22,500.00
6310.740 Irrigation EQUIP EXP / CAPITAL IMPR	0.00	0.00	0.00	1,500.00	1,500.00
Total Operating expense	141,149.02	9,255.90	29,834.60	142,000.00	142,000.00
Total Income From Operations:	(12,707.75)	1,050.15	6,483.16	(15,000.00)	(15,000.00)
Non-Operating Items:					
Non-operating income					
5490 Irrigation MISCELLANEOUS	557.70	0.00	0.00	0.00	0.00
5520 Irrigation IMPACT FEES	21,244.00	0.00	3,708.00	15,000.00	15,000.00
Total Non-operating income	21,801.70	0.00	3,708.00	15,000.00	15,000.00
Total Non-Operating Items:	21,801.70	0.00	3,708.00	15,000.00	15,000.00
Total Income or Expense	9,093.95	1,050.15	10,191.16	0.00	0.00

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53 53 Irrigation - 07/01/2019 to 09/30/2019
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	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5110 Irrigation Revenue	30,854.93	10,255.16	30,843.26	92,000.00	33.53%
5310 Irrigation CONNECTION FEES	1,518.00	0.00	450.00	3,000.00	15.00%
5410 Irrigation PENALTIES	39.17	0.00	0.00	1,000.00	0.00%
5530 Irrigation ASSESSMENT	4,993.82	50.89	5,024.50	31,000.00	16.21%
Total Operating income	37,405.92	10,306.05	36,317.76	127,000.00	28.60%
Operating expense					
6310.110 Irrigation SALARIES & WAGES	14,770.80	4,510.70	15,654.93	56,250.00	27.83%
6310.130 Irrigation EMPLOYEE BENEFITS	9,004.84	2,665.03	8,596.92	40,750.00	21.10%
6310.240 Irrigation OFFICE EXPENSE, SUPPLIES & PO	462.53	37.21	132.17	1,000.00	13.22%
6310.250 Irrigation EQUIPMENT OPERATING SUPPLIES	2,135.89	409.27	2,287.86	6,000.00	38.13%
6310.290 Irrigation TELEPHONE & COMMUNICATIONS	119.57	66.12	129.00	500.00	25.80%
6310.315 Irrigation COMPUTER EQUIPMENT	0.00	0.00	145.04	500.00	29.01%
6310.430 Irrigation SOLID WASTE EXPENSE	43.20	0.00	0.00	0.00	0.00%
6310.450 Irrigation WATER MAIN REPAIR	5,014.34	1,567.57	2,888.68	10,000.00	28.89%
6310.460 Irrigation CONTRACTED SERVICES	52.52	0.00	0.00	0.00	0.00%
6310.510 Irrigation INSURANCE	178.00	0.00	0.00	3,000.00	0.00%
6310.690 Irrigation DEPRECIATION	5,517.78	0.00	0.00	22,500.00	0.00%
6310.740 Irrigation EQUIP EXP / CAPITAL IMPR	0.00	0.00	0.00	1,500.00	0.00%
Total Operating expense	37,299.47	9,255.90	29,834.60	142,000.00	21.01%
Total Income From Operations:	106.45	1,050.15	6,483.16	(15,000.00)	-43.22%
Non-Operating Items:					
Non-operating income					
5520 Irrigation IMPACT FEES	5,871.00	0.00	3,708.00	15,000.00	24.72%
Total Non-operating income	5,871.00	0.00	3,708.00	15,000.00	24.72%
Total Non-Operating Items:	5,871.00	0.00	3,708.00	15,000.00	24.72%
Total Income or Expense	5,977.45	1,050.15	10,191.16	0.00	0.00%

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Utah Water Task Force

Secondary Water Metering

Subcommittee



Background

The concept of secondary water systems in municipal settings was introduced in Utah in the 1950s by the US Bureau of Reclamation. In certain areas where specific federal projects were constructed, communities continued expanding the original concept. The merits of secondary systems include curtailing demands on higher water quality potable water systems which results in the construction of smaller water treatment plants, reduced energy costs, reduced chemical costs, and reduced potable water infrastructure. While these benefits are substantial and should not be discounted the use of dual water systems has also shown a tendency for users of secondary water to have a higher per capita use, largely due to not being metered, a flat fee for the water and the lack of information to the user. Through the installation of secondary water meters, and the subsequent educational opportunities made available, water providers throughout Utah have consistently demonstrated the ability to reduce secondary water usage, ranging from 15-30%. This reduction in water use has allowed for the extending of existing water supplies and the delaying of costly new water development projects. The Kem C. Gardner Policy Institute at the University of Utah predicts that Utah's

population will increase from 3 million in 2015 to almost 6 million by 2065. With this amount of growth, it is essential that water is used efficiently and responsibly. Metering secondary water is an effective tool in the effort to educate the population and change water wasting practices.

Utah legislators have discussed the most effective method of implementing secondary water metering throughout the state's secondary water systems. Most recently this discussion resulted in the passage of the 2019 Senate Bill 52 (Utah Code 73-10-34). This bill applies to irrigation companies and community water systems who provide pressurized secondary water to their customers/shareholders for lawn and garden (non-agriculture). A summary of the requirements of SB 52 are as follows:

1. Entities must install meters on all **NEW** connections designed after April 1, 2020.
2. Entities must, before December 31, 2019, submit to the Utah Division of Water Resources a plan for how metering of individual connections will be implemented for their system.
3. Entities must report annually their water use data to the Utah Division of Water Rights.
4. Funding is available to assist in the costs of installing meters.

Recognizing the complexities and differing situations of secondary water systems' operations, water rights and financial capabilities throughout the state, a thorough vetting of the issues is required. The Secondary Water Metering Subcommittee of the Utah Water Task Force has attempted to identify the issues identified Utah Code 73-10-34. Below is a list of some of the issues identified by the Subcommittee to date.

Costs

- The costs of meter installations extend beyond simply the initial installation costs. Ongoing staffing, replacement, and reporting requirements will result in costs to the water suppliers.
- Mandatory metering may result in systems delaying other water efficiency improvements (i.e. piping or lining canals, leak repairs, etc.) due to the financial burden of installing meters.
- Unless the mandate is funded by State grants, the cost of meter installation will be immediately passed to the end users. There is an anticipated negative public reaction from rate increases, and potential cost of secondary water to be equal to or more than culinary water. The result would be the end user using culinary water as opposed to secondary water for outside irrigation use, which is contrary to our culinary conservation plan.
- In some areas where additional water supplies are needed, all metering costs mentioned above may still be less than large water development projects.

- Unit costs for meters and installation vary widely depending on the physical conditions of the area. For example, some services are located at the road in a PUE while other connections are in backyards.

Timing (Prioritization)

- The implementation period needs to be long enough to allow for continued statewide competitive bidding, material availability, etc. (15-20 years).
- There may be an opportunity for prioritization of secondary meter implementation in areas where there is a greater conservation need.
- Due to aging infrastructure, some areas may need extended time to align with their replacement plans, or their replacement schedules may be accelerated (doesn't make sense to install on a system that needs to be completely reconstructed within 15 years).
- Some agencies have expressed interest in metering institutional users, parks, golf courses, etc. before turning to the residential connections.

Exemptions

- There are some areas of the state where current meter manufactures will not warranty their products due to water quality issues.
- Some retail agencies have contracts with each customer for fixed annual volumes which will need to be honored regardless of what volume is metered.
- Cities & Towns, Rural counties of a certain class may need to be exempted from retrofitting of metered connections, new installation of meters, or both.
- ~~Counties of the first and second class may need to implement both retrofitting and new installation of meters sooner than other county classes. Third class counties may be able to implement new installations but may need more time for retrofitting. Counties of the fourth, fifth, and sixth class may need more time for retrofitting and new installations. This should only apply to city and town classifications because it is not a county issue.~~

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Financing

- Those meter projects that are mandated by State law lack the accompanying state funds (loans or grants) required for implementation.

- Loan monies offered by the State do not cover the full cost nor do they provide the needed financial help for most entities. There are no grant monies available in the current law.

- Longer loan payback periods and low interest rates are needed by most entities.

- Because there is not a warrantied meter available for some entities, grant or loan monies are not available from the state.

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Other

- It is widely accepted that an informed water customer is more responsible with their water use. Secondary water users will respond with less water use with meters and smarting billing information.
- Some communities have a sufficient water supply for their long term needs without having to conserve more. The effect of metering might include a community saving water at their expense for the future benefit of another community.
- The installation of meters on secondary water will not reduce water consumption unless an entity has the capability of sending usage statements and corresponding rates to the customers.
- Some entities will delay the conversion of ditch irrigation systems to pressurized secondary systems in order to avoid having to bear the cost of meter installations.
- Each individual entity should be able to determine their own needs as far as secondary water metering, instead of the State making it mandatory.

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Secondary Water Metering Subcommittee (SB52) - List of Volunteers

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